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 October 10, 2018)
(Re: Bid Procedures, Claims Procedure and Stay Extension)

October 1, 2018

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TO: The Service List

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 October 10, 2018)
(Re Approval of Sales Process, Claims Process and Stay Extension)

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 October 10, 2018 at 3:00 p.m. 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, as described:

   (a) An order, substantially in the form of the draft order attached at Tab "3" of the Motion Record:

      (i) authorizing and directing the Applicants and the Monitor of the Applicants (the "**Monitor**") to commence a bidding process (the "**Sales Process**") pursuant to the bidding procedures in the form attached as Schedule "A" to the Bidding Procedures Order (the "**Bidding Procedures**");

(ii) authorizing the Applicants, *nunc pro tunc*, to execute the Canadian Stalking Horse Agreement (as defined below);

(iii) approving the bid protections contemplated in the Canadian Stalking Horse Agreement; and

(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

(b) an order (to be served) approving the amendment to the Genus APA (as that term is defined below) and related relief;

(c) an order substantially in the form of the draft order attached at Tab "4" of the Motion Record approving the proposed claims procedure (the "**Claims Procedure Order**");

(d) 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 up to and including December 7, 2018; and

(e) 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 (the "**Chapter 11 Proceedings**");

6. The Aralez Entities, with the assistance of their advisors and stakeholders, have worked diligently to develop a sales process of substantially all of the assets of the Aralez Entities. The Aralez Entities has now entered into three stalking horse agreements (the "**Stalking Horse Agreements**") to facilitate the sales process. The Stalking Horse Agreements include the Canadian Stalking Horse Agreement, which represents the culmination of the Aralez Entities' pre-filing marketing efforts for the Aralez Entities' Canadian business;

7. The Stalking Horse Agreements, along with the associated Bidding Procedures, are designed to encourage as many bidders as possible to put forth their best offers in the Sales Process, thus increasing the possibility of selling the Aralez Entities' assets for the highest or best purchase price possible;

8. The successful restructuring of the Aralez Entities requires the involvement of the bidder identified in the Canadian Stalking Horse Agreement. The Bid Protections Charge on the Property of the Applicants recognizes the importance of this bidder by providing them with security for payment of fees and expenses;

9. To facilitate the Sales Process, the Applicants are seeking an amendment to a purchase agreement dated July 10, 2018 (the "**Genus APA**"), that API entered into with Genus Lifesciences, Inc. ("**Genus**") pursuant to which API and certain of the Chapter 11 Entities transferred or licensed certain assets relating to a pharmaceutical product to Genus;

10. The process contemplated in the Claims Procedure Order is required under the Canadian Stalking Horse Agreement. The solicitation of claims enables the Applicants and their stakeholders to understand the scope and nature of any potential claims against the Applicants;

11. The Stay Period, as defined and set forth in the Initial Order, currently imposes a stay of proceedings until and including November 14, 2018; and

12. The Monitor supports the extension of the Stay Period to and including December 7, 2018. The Applicants have acted and continue to act in good faith and with due diligence and no creditor will suffer any material prejudice if the Stay Period is extended;

GENERAL

13. The provisions of the CCAA and the inherent and equitable jurisdiction of this Court;

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

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

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

16. The Affidavit of Adrian Adams, sworn October 1, 2018, and the exhibits attached thereto;

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

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

October 1, 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

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

NOTICE OF MOTION
(RETURNABLE OCTOBER 10, 2018)

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Lawyers for the Applicants

TAB 2

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(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"**.

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[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

EXHIBIT "A"

referred to in the Affidavit of

ADRIAN ADAMS

Sworn October 15th, 2018

Adrian Adams

Commissioner for Taking Affidavits

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

Court File No. _____

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 ANDREW I. KOVEN
(Sworn August 9, 2018)

I, Andrew I. Koven, of the City of New York, in the State of New York, MAKE OATH AND SAY:

1. I am the President and Chief Business Officer of the applicant, Aralez Pharmaceuticals Inc. ("**API**") and a director and the President of the applicant, Aralez Pharmaceuticals Canada Inc. ("**Aralez Canada**" and, together with API, the "**CCAA Entities**" or the "**Applicants**"). As a result of my roles with the Applicants, 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 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.

I. INTRODUCTION

3. This affidavit is sworn in support of an application by the CCAA Entities for an order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**" and such proceedings, the "**CCAA Proceedings**").

4. Concurrently with this Application, Aralez Pharmaceuticals Management Inc. ("**Aralez Management**"), Aralez Pharmaceuticals R&D Inc. ("**Aralez R&D**"), Aralez Pharmaceuticals U.S. Inc. ("**Aralez U.S.**"), POZEN Inc. ("**Pozen**"), Halton Laboratories LLC ("**Halton**"), Aralez Pharmaceuticals Holdings Limited ("**APHL**"), Aralez Pharmaceuticals Trading DAC ("**Aralez DAC**" and collectively, the "**Chapter 11 Entities**" and, with the CCAA Entities, the "**Aralez Entities**") will file for bankruptcy protection in the United States Bankruptcy Court for the Southern District of New York (the "**U.S. Court**") 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**"). I understand that the first hearing in respect of the Chapter 11 Proceedings is likely to occur on August 13, 2018. Two subsidiaries within the Aralez group of companies are not subject to the Restructuring Proceedings, being Aralez Luxembourg Finance ("**Luxco**") and Tribute Pharmaceuticals International Inc. ("**Tribute Barbados**").

5. The Aralez Entities are in the business of acquiring, developing, marketing and selling speciality pharmaceutical products. The current corporate structure of the Aralez Entities is the result of a business combination between Pozen and what is now Aralez Canada.[1] In connection with that transaction, certain product acquisitions and the anticipated launch or relaunch of drug products, the Aralez Entities took on significantly increased operational costs and debt. The launches were not able to generate sufficient cash flow to cover these costs and service the interest payments. Concurrently, the Aralez Entities have recently experienced increased generic competition with respect to a significant drug product, which is expected to further negatively affect its business. Despite multiple cost cutting initiatives and the exploration of strategic alternatives in response to these events, the Applicants are facing a liquidity crisis necessitating the Restructuring Proceedings.

6. In response to these events, the Aralez Entities have engaged in a plan to maximize the value of their business for their stakeholders through a comprehensive sales process described below and each of the CCAA Entities and the Chapter 11 Entities anticipate returning to their respective Courts for approval of a sales process. The CCAA Entities

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

require the protection offered by the Initial Order and the CCAA to stabilize their business and execute this plan.

7. Each of the boards of directors of the Applicants has authorized this CCAA application.

II. ARALEZ INTERNATIONAL GROUP

A. Corporate Structure

8. As noted above, the Aralez Entities' current corporate structure is the product of a business combination involving Pozen and Aralez Canada[2] completed in February 2016. The transaction was undertaken to take advantage of the benefits of a more diverse array of product offerings owned by the pre-transaction entities and to leverage debt and equity financings associated with the transaction to increase the combined companies' drug product portfolio and scale up sales and marketing efforts.

9. The Aralez Entities' business is divided geographically primarily between Canada (which includes non-significant sales in European countries) and the U.S., with some supply chain management, quality control, and IP-holding functions located in Ireland. A corporate structure chart of the Aralez Entities is attached hereto as **Exhibit "A"**.

10. The Aralez Entities are intertwined in some respects, including sharing certain executive management personnel, cash management/financing operations, pharmacovigilance[3] efforts, and legal, human resources and IT services.

API

11. API is a public company incorporated under the British Columbia *Business Corporations Act*, S.B.C. 2002, c. 57, as amended, with its registered office at 666 Burrard Street, Vancouver, British Columbia and its head office at 7100 West Credit Avenue, Suite 101, Mississauga, Ontario. API is the ultimate parent of the other Aralez Entities. API's head office serves as the global headquarters for the Aralez Entities.

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[2] Originally, Tribute Pharmaceutical Canada Inc. but pursuant to an internal reorganization, Aralez Canada.
[3] Pharmacovigilance is the practice of monitoring the effects of medical drugs after they have been licensed for use, especially in order to identify and evaluate previously unreported adverse reactions.

12. API's common shares are publicly traded on the Toronto Stock Exchange ("**TSX**") under the symbol "ARZ" and The NASDAQ Stock Market ("**NASDAQ**") under the symbol "ARLZ". Over the past 52 weeks, shares have traded between C$0.29 and C$3.72 on the TSX and $0.21 and $2.98 on NASDAQ.

13. API's authorized share capital consists of an unlimited number of common shares and preferred shares. As at August 6, 2018, API had 68,247,616 common shares issued and outstanding, and no preferred shares issued and outstanding.

Aralez Canada

14. Aralez Canada is the wholly-owned, direct subsidiary of API. Aralez Canada is amalgamated under the *Business Corporations Act*, R.S.O. 1990, B-16, as amended, with its registered office at 7100 West Credit Avenue, Suite 101, Mississauga, Ontario.

15. Aralez Canada has one subsidiary, Tribute Barbados, a Barbados-incorporated corporation. Tribute Barbados has no operations and its assets consist of *de minimis* cash in a bank account and intercompany receivables. The Aralez Entities are considering next steps in dealing with this entity.

Chapter 11 Entities

16. The Chapter 11 Entities, all of which are direct or indirect wholly-owned subsidiaries of API, are identified in the corporate structure chart set out in **Exhibit "A"**, are described below:

(a) **Aralez Management** is a company incorporated under the laws of Delaware with an office in Princeton, New Jersey. It has no significant operations or assets other than serving as the employer of its one employee, the CEO of API.

(b) **APHL** is a company incorporated under the laws of Ireland with an office in Dublin, Ireland. It conducts no operations, has no employees and holds no significant assets other than the shares of Aralez DAC and an intercompany receivable.

(c) **Aralez DAC** is a company incorporated under the laws of Ireland with an office in Dublin, Ireland. Aralez DAC is the licensee or owner of a number of drug products, as well as certain intellectual property. Aralez DAC employs approximately six people who are responsible for supply chain management, and quality control, among other things.

(d) **Pozen** is a company incorporated under the laws of Delaware with an office in Princeton, New Jersey. Pozen owns certain intellectual property rights and is party to certain contracts related thereto. Pozen has no employees.

(e) **Aralez U.S.** is a company incorporated under the laws of Delaware with offices in New York, New York, Radnor, Pennsylvania and Princeton, New Jersey. Aralez U.S. is the main operating entity for U.S. commercial operations, which have been in the process of being wound down starting in May 2018. Prior to commencing the wind down, Aralez U.S. functioned as the sales and marketing entity for certain drug products in the U.S. Aralez U.S. currently employs approximately 20 people.

(f) **Halton** is a company incorporated under the laws of Delaware with an office in Princeton, New Jersey. Halton distributes generic versions of drug products pursuant to an agreement with Aralez DAC.

(g) **Aralez R&D** is a company incorporated under the laws of Delaware with an office in Princeton, New Jersey. Aralez R&D's business is research and development and employs one person.

<u>Luxco and Tribute Barbados</u>

17. Luxco and Tribute Barbados are not applicants in either of the Restructuring Proceedings. A brief description of these entities is included below:

(a) **Tribute Barbados**: Tribute Barbados, a company incorporated under the laws of Barbados, is a wholly-owned direct subsidiary of Aralez Canada. It is a dormant entity with no operations and no significant assets other than de

minimis cash on hand. The Aralez Entities are considering next steps in dealing with this entity during the Restructuring Proceedings.

(b) **Luxco**: Luxco, a company incorporated under the laws of Luxembourg, is a wholly-owned direct subsidiary of APHL. Luxco is a financing entity whose role has effectively ceased, and other than holding funds in a bank account for the payment of taxes and other required payments, and unsecured accounts receivable from other members of the Aralez Entities, has no assets. The Aralez Entities are considering next steps in dealing with this entity during the Restructuring Proceedings.

B. Business Operations

18. The Aralez Entities' Canadian operations focus on products for cardiovascular, pain management, dermatology, allergy and certain other indications in Canada.

19. Aralez Canada is the Canadian operating company of the Aralez Entities, employing approximately 43 people as of August 2, 2018. The vast majority of the CCAA Entities' revenue is derived from domestic sales, which account for approximately 95% of gross revenue for the year to date, with international sales, largely in Europe, making up the balance.

20. The most significant products in Aralez Canada's drug portfolio, which comprise approximately 75% of its gross revenue, are listed below:

(a) **Cambia®** is a non-steroidal anti-inflammatory product and the fastest-acting product in Canada to treat migraines. Pursuant to a 2010 agreement (the "**Cambia Licensing Agreement**") with Nautilus Neuroscience, Inc., subsequently assigned to Depomed, Inc. ("**Depomed**") in 2013, Aralez Canada licenses the exclusive rights to develop, register, promote, manufacture, use, market, distribute and sell Cambia in Canada in exchange for royalty payments to Depomed based on a percentage of net sales and potential milestone payments. The Cambia Licensing Agreement expires in September 2025. Cambia is manufactured in Italy.

(b) **Blexten®** is an antihistamine used for the treatment of allergic rhinitis and hives in Canada. Pursuant to a 2014 agreement (the "**Licence and Supply Agreement**") with Faes Farma, S.A. ("**Faes**"), Aralez Canada has the exclusive rights to sell Blexten in Canada, which it began commercializing in December 2016. Blexten is manufactured in Spain by Faes. The Licence and Supply Agreement expires in May 2036, subject to renewal for further five year terms. Milestone and royalty payments are paid to Faes provided that the conditions to the License and Supply Agreement are met.

(c) **Fiorinal®** and **Fiorinal C®** are used for the treatment of tension headaches and **Visken®** and **Viskazide®** are used for the treatment of hypertension (together, these four products are the "**Novartis Products**"). In October 2014, Aralez Canada entered into an asset purchase agreement with Novartis AG and Novartis Pharma AG for the Canadian rights to manufacture, market, promote, distribute and sell the Novartis Products. The Novartis Products are manufactured in Canada.

(d) **Soriatane®** is indicated for the treatment of severe psoriasis. Pursuant to a January 2018 exclusive distribution agreement (the "**Allergan Distribution Agreement**") with Allergan Inc., which supersedes an earlier agreement with the same party, Aralez Canada has exclusive rights to promote, market, purchase, warehouse, distribute and sell Soriatane in Canada. The Allergan Distribution Agreement expires in January 2023. Aralez Canada pays an incremental revenue-based royalty payment, subject to an annual minimum amount. Soriatane is manufactured in France.

(e) **Proferrin®** is an iron supplement used to prevent or treat iron deficiencies. Pursuant to a distribution agreement with Colorado Biolabs, Inc., Aralez Canada holds exclusive distribution rights in Canada for a term ending in 2031. Proferrin is manufactured in the U.S.

(f) **Bezalip®** is used to treat high cholesterol. Pursuant to the Allergan Distribution Agreement, Aralez Canada has the exclusive licence to market

Bezalip in Canada. Pursuant to another agreement with Allergan, Aralez Canada has the development and marketing rights for Bezalip in the U.S. and is currently exploring a sale or sublicense of those rights. Bezalip is manufactured in France.

21. Aralez Canada also markets numerous other drug products, both non-prescription and prescription, which comprise approximately 25% of its gross revenues.

22. As of August 3, 2018, Aralez Canada owed approximately $5 million in royalty and milestone payments to certain third party licensors. Certain of these licensors are international corporations.

23. Across the business, the Chapter 11 Entities market or outlicense[4] a number of drug products in the U.S. and other jurisdictions:

(a) **Toprol-XL®**: 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 AB ("**AstraZeneca**") pursuant to an asset purchase agreement (the "**Toprol-XL Agreement**"). Aralez U.S. distributes the Toprol-XL brand-drug product in the U.S. pursuant to a distribution agreement with Aralez DAC. Lannet Company Inc. distributes the authorized generic version of Toprol-XL (together with Toprol-XL, the "**Toprol-XL Franchise**") pursuant to a November 2017 supply agreement. The purchase price of Toprol-XL included a $175 million cash payment, future royalty payments and milestone payments if certain targets were met.

(b) **Zontivity®**: Zontivity is indicated for the reduction in thrombic cardiovascular events for certain patient preparations. Aralez DAC acquired the rights to Zontivity in the U.S. and Canada pursuant to an asset purchase agreement with an affiliate of Merck & Co., Inc. in September 2016, which

[4] "Outlicensing" refers to arrangements in which the Aralez Entities license these rights to third parties, who then manufacture and sell the drug.

included a purchase price of $25 million and certain other future royalty and milestone payments. Zontivity was relaunched in the U.S. in June 2017, and then shut down in June 2018 in conjunction with the discontinuation of U.S. commercial operations. It is not currently marketed in Canada. Merck has agreed to supply Zontivity to the Aralez Entities for a period of up to three years from the closing of the acquisition.

(c) **Vimovo®**: Developed by Pozen in collaboration with AstraZeneca pursuant to a collaboration and license agreement originally signed in 2006 and subsequently amended and restated into U.S. and rest of the world agreements in November 2013, Vimovo is a pain-management drug product. AstraZeneca has the rights to commercialize Vimovo outside of the U.S. which 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 United States 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.

(d) **Yosprala®**: Yosprala is a cardiovascular drug developed by Pozen. Launched in the U.S. in October 2016, Yosprala was not able to achieve the anticipated levels of commercial success; as such, Yosprala sales were discontinued in March 2018, and the U.S. rights to the product were sold by Pozen in July 2018.

C. **Intellectual Property**

24. The CCAA Entities obtain protection for their products, proprietary technology and licenses by means of patents, trademarks and contractual arrangements. As of the date of this affidavit, Aralez Canada owns approximately one dozen patents (in various jurisdictions) related to two products and other members of the corporate group hold patents (in various jurisdictions) related to other drug products. The balance of the Aralez Entities' portfolio, which constitutes the majority of the Aralez Entities' portfolio, is

comprised of products covered by patents that are licensed from third parties or that are not covered by patents.

D. Regulatory Environment

25. The CCAA Entities' drug product portfolio is subject to extensive regulation from Health Canada, the federal authority that regulates, evaluates and monitors the safety, effectiveness, and quality of drugs, medical devices, and other therapeutic products available to Canadians.

26. Regulatory obligations and oversight are extensive in getting a product approved for sale in Canada, and continue past initial market approval of a pharmaceutical product. For example, the CCAA Entities must report any new information received concerning adverse drug reactions, including timely reporting of serious adverse drug reactions that occur in Canada and any serious unexpected adverse drug reactions that occur outside of Canada. The CCAA Entities must also notify Health Canada of any new safety and efficacy issues that it becomes aware of after the launch of a product.

27. Aralez Canada incurs regulatory fees in relation to its drug products, including annual maintenance fees for the drug products to be sold in Canada, fees relating to Aralez Canada's ability to sell the drug products, audit fees, and fees relating to the submission of drug products for approval. As of August 8, 2018, Aralez Canada owes approximately $120,000 in regulatory fees, with another $50,000 of regulatory-related fees accrued but not yet due.

E. Supply Chain

28. The Aralez Entities outsource the entirety of their drug product manufacturing to third-party contractors. The manufacturers are approved fabricators of pharmaceutical products according to U.S. and Canadian government agencies. Manufacturers are heavily regulated and required to hold licenses to manufacture drugs and, in certain cases, are selected from a shortlist of permitted manufacturers provided by the licensor of the particular drug product. The Aralez Entities estimate that, as of August 9, 2018, Aralez Canada will owe an estimated $1,324,916 to manufacturers. Certain of these manufacturers

are single-source manufacturers, certain are licensor-owned manufacturers, certain are located outside of Canada, and certain are some combination of these.

29. The CCAA Entities regularly incur obligations to vendors, pharmaceutical suppliers, and service providers, including the Chapter 11 Entities as described starting at paragraph 48. Key relationships in the supply chain are described below.

30. Once manufactured, Aralez Canada's drug products are shipped by a third-party logistics ("**3PL**") provider to wholesalers and chain accounts. Wholesalers who wish to purchase Aralez Canada's drug products place orders with the 3PL, who sell the products on behalf of Aralez Canada and remit the funds to Aralez Canada, less a service fee. Individual pharmacies purchase product from the wholesaler, and then dispense to the consumer. Chain accounts who wish to purchase Aralez Canada's drug products place orders with the 3PL, who sell the products on behalf of Aralez Canada and remit the funds to Aralez Canada, less a service fee. Chain accounts then distribute products within their business.

Health Care Providers

31. Aralez Canada routinely works with pharmacists, nurses and doctors who provide consulting and speaker services to Aralez Canada. The Aralez Entities estimate that, as of August 8, 2018, Aralez Canada will owe less than $120,000 to these health care providers.

F. Employees

32. The CCAA Entities have approximately 43 employees, all of whom are located in Canada. The Chapter 11 Entities have approximately 28 employees located in the U.S. and Ireland.

33. Approximately 22 Aralez Canada employees are salespeople who are paid commission on sales on a quarterly basis in arrears and three Aralez Canada employees are sales managers. None of the employees of the CCAA Entities are subject to a collective bargaining agreement.

34. In addition to its employees, Aralez Canada has 11 contract workers, eight of whom perform sales work and three of whom perform back office functions.

G. Pensions and Benefits

35. Aralez Canada employees are members of a defined contribution Registered Retirement Savings Plan pursuant to which Aralez Canada matches, dollar for dollar, contributions up to 4% of earnings which is funded semi-monthly. The CCAA Entities do not have any defined benefit pension plans.

H. Customers

36. The CCAA Entities' customers are comprised of wholesale pharmaceutical distributors and chain accounts, as described above at paragraph 28.

37. As of December 31, 2017, the CCAA Entities had four significant customers which accounted for approximately 90% of net product revenue. These customer concentrations are customary in the pharmaceutical business and each of the significant customers is a well-known and respected entity (e.g. Shoppers Drug Mart).

I. Customer Programs

38. The CCAA Entities maintain various customer programs to generate sales and maintain customer loyalty (the "**Customer Programs**"). Customer Programs consist of various initiatives including a returns program, a rebate program, a co-pay program and a fee-for-service program. The returns program allows customers to return pharmaceutical products within a specified period of time both prior and subsequent to the product's expiration date. The rebate program relates to arrangements that Aralez Canada enters into with payors that provide for government-mandated and/or privately-negotiated rebates, chargebacks and discounts with respect to the purchase of the products. The co-pay program relates to programs with the government for shared funding of drugs. The fee-for-service program relates to agreements with various wholesalers and distributors to manage sales of the drugs to end-consumers. The Customer Programs often result in the CCAA Entities' accruing liabilities for the benefit of their customers, some of which will not have been paid upon commencement of the CCAA Proceedings. As of August 8, 2018 Aralez Canada had accrued approximately $1.2 million on account of the Customer Programs.

J. Properties and Facilities

39. Pursuant to a sublease dated March 1, 2016, Aralez Canada subleases a facility located at 7100 West Credit Avenue in Mississauga, Ontario, which serves as the headquarters for the CCAA Entities.

K. Cash Management System and Intercompany Transactions

Cash Management

40. In the ordinary course of their business, the CCAA Entities use a centralized cash management system (the "**Cash Management System**") to, among other things, collect funds and pay expenses associated with their operations. The Cash Management System gives the CCAA Entities the ability to efficiently and accurately track and control corporate funds and ensure cash availability.

41. API maintains three bank accounts:

(a) A U.S. dollar operating bank account with Bank of America ("**BOA**") located in New Jersey. This account is the main account for servicing the Secured Credit Facility and also pays general corporate expenses such as reporting-related and professional fees. Prior to the commencement of the Restructuring, funds flowed into this account either (i) by a debt repayment by Luxco (ii) by way of a loan directly from Luxco to API; or (iii) through a loan from Aralez Canada to API;

(b) A Canadian dollar operating bank account with BOA located in Toronto. This account is funded on an as-needed basis to facilitate payments in Canadian dollars, and generally does not carry a balance unless a payment is approaching; and

(c) A U.S. dollar investment account with Capital One located in New Jersey, which has a *de minimis* amount of cash on hand.

42. Aralez Canada maintains four bank accounts:

(a) A Canadian dollar operating bank account with Bank of Montreal ("**BMO**") located in Toronto, which is used to receive payments and make disbursements in Canadian dollars;

(b) A Euro operating bank account with HSBC Bank of Canada located in Toronto, which is used to receive payments and make disbursements in Euro currency;

(c) A U.S. dollar operating bank account with BMO located in Toronto which is used to receive payments and make disbursements in U.S. dollars; and

(d) A dormant Canadian dollar account with no funds.

43. Each of the Aralez Canada accounts is largely self-sustaining. To the extent the Euro or U.S. dollar account does not have sufficient receipts to cover its disbursements, Aralez Canada will transfer money to the applicable account from the Canadian dollar operating account.

44. Aralez Canada's payroll is managed by Automatic Data Processing, Inc., which issues direct deposits to Aralez Canada employees on the date payroll is paid.

45. The Chapter 11 Entities maintain 13 bank accounts consisting of lockboxes which process sales of branded and generic pharmaceutical products, a master account, operating and disbursement accounts, an investment account, a tax account and a government rebate account.

46. Income from the lockboxes is deposited daily into a master account, which, among others things, is used to facilitate certain intercompany transactions with the Chapter 11 Entities incorporated in Ireland.

47. Certain of the bank accounts held by the Aralez Entities are subject to deposit account control agreements pursuant to the Loan Agreement defined and described below.

Intercompany Transactions

48. In light of the global nature of their business, in the ordinary course of business, the Aralez Entities maintain relationships with each other that result in claims arising from various transactions, both operational and financial. The Aralez Entities track all intercompany transactions in their accounting system and can ascertain, trace and account for them as needed.

49. During the CCAA Proceedings and Chapter 11 Proceedings, the Aralez Entities expect that they will not incur any intercompany loans due to the proposed DIP financing, detailed below; however, they do anticipate continuing ordinary course business transactions which shall be recorded on the Aralez Entities' books and records.

50. Luxco and Tribute Barbados, which are not parties to the CCAA Proceedings or Chapter 11 Proceedings, maintain separate bank accounts with no significant balances.

III. ASSETS AND LIABILITIES OF ARALEZ ENTITIES

51. Copies of API's fiscal 2017 consolidated audited financial statements, which include unaudited consolidated financial statements for the quarter ending December 31, 2017, are attached hereto as **Exhibit "B"**. Copies of API's unaudited consolidated financial statements for the quarters ending March 31, 2018 and September 30, 2017 are attached hereto as **Exhibits "C" and "D"**, respectively.

A. Assets of the Aralez Entities

52. As at March 31, 2018, the Aralez Entities' assets on a consolidated basis had a book value of approximately $481 million.

53. As at March 31, 2018, the book value of Aralez Canada's assets was approximately $117 million.

B. Liabilities of the Aralez Entities

54. As at March 31, 2018, the Aralez Entities had liabilities totalling approximately $488 million.

55. Aralez Canada's liabilities (other than long term debt of approximately $280 million) were approximately $15 million as of March 31, 2018.

56. The Aralez Entities' long term debt obligations are detailed below. Deerfield (as that term is defined below) is the only party listed in personal property and intellectual property security registrations as of August 9, 2018.

Deerfield Facility Agreement

57. API, Aralez Canada[5] and Pozen have entered into a loan agreement dated as of June 8, 2015 (as amended or amended and restated from time to time, including on December 7, 2015, the "**Facility Agreement**") with Deerfield Private Design Fund III, L.P. and Deerfield Partners L.P.[6] (collectively "**Deerfield**") as lenders. A copy of the Facility Agreement is attached hereto as **Exhibit "E"**.

58. API is the borrower under the Facility Agreement in the principal amount of $275 million, consisting of:

(a) A $200 million credit facility which bears interest at a rate of 12.5% (the "**Secured Credit Facility**"); and

(b) $75 million of senior secured convertible notes which bear interest at a rate of 2.5% which are convertible into API common shares at an initial conversion premium of 32.5% (subject to adjustment upon certain events), (the "**Secured Notes**").

As of August 6, 2018, approximately $203.1 million in aggregate principal is outstanding under the Secured Credit Facility, plus approximately $2.7 million in accrued paid-in-kind interest. As of August 6, 2018, approximately $75.5 million in aggregate principal is outstanding under the Secured Notes, plus approximately $200,000 in accrued paid-in-kind interest.

59. Each of the Secured Credit Facility and the Secured Notes are guaranteed by the Aralez Entities other than API, including Aralez Canada, as well as being guaranteed by Luxco and Barbados (collectively, the "**Guarantors**").

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[5] Originally, Tribute Pharmaceutical Canada Inc. but pursuant to the amalgamation, Aralez Canada.

[6] Originally a party to the Facility Agreement, Deerfield International Master Fund, L.P. subsequently merged with Deerfield Partners L.P.

60. API and the Guarantors are parties to security agreements in respect of the Secured Credit Facility and the Secured Notes. With respect to the CCAA Entities, the following security agreements have been entered into:

(a) A Canadian Security Agreement between API and Deerfield dated February 6, 2016;

(b) A Canadian Security Agreement between Aralez Canada and Deerfield dated February 6, 2016;

(c) An Intellectual Property Security Agreement between API and Deerfield dated February 6, 2016;

(d) An Intellectual Property Security Agreement between Aralez Canada and Deerfield dated February 6, 2016; and

(e) A confirmation of Guaranty and Security between Aralez Canada and Deerfield dated February 6, 2016,

(together, the "**Security Agreements**").

Pursuant to the Security Agreements, Deerfield was granted a first priority security interest in substantially all present and after-acquired property of API and the Guarantors, including intangible property. Copies of the Security Agreements are attached hereto as Exhibit "F".

61. On June 29, 2018, the Aralez Entities announced that, in connection with the review of their strategic alternatives, they entered into an amendment to the Facility Agreement, pursuant to which Deerfield agreed to accept payment in kind of interest due and payable on July 1, 2018 with respect to the Secured Credit Facility and the Convertible Secured Notes through August 15, 2018.

IV. FINANCIAL DIFFICULTIES AND NEED FOR CCAA PROTECTION

A. Financial Difficulties

62. The pharmaceutical industry is highly competitive, dominated by a small number of highly-concentrated global competitors with significant resources. Since its inception in February 2016, the Aralez Entities have incurred significant net losses. Most recently, the Aralez Entities incurred a net loss of $125.2 million for the year ended December 31, 2017, and $19.7 million for the three months ended March 31, 2018. As losses continue, servicing a significant amount of debt becomes more difficult.

63. In 2016 and 2017, the Aralez Entities launched Yosprala and relaunched Zontivity. In anticipation of these products being sold in the U.S. market by the Aralez Entities and their anticipated commercial success, the Aralez Entities committed significant sales and marketing resources. Despite a robust sales and marketing effort, sales from Yosprala were disappointing and the product was discontinued in March 2018. Further, sales of Zontivity were not sufficient to justify the cost of the U.S. commercial infrastructure, which operations are in the process of being wound up starting in May 2018.

64. The debt incurred through the Facility Agreement to establish operations and make certain product acquisitions has significant carrying costs. The Aralez Entities do not have sufficient cash to sustain operations until these products can bring in sufficient revenues to support the business and service the existing debt.

65. The Toprol-XL Franchise is a significant source of revenue for Aralez U.S. and by extension, the Aralez Entities. The Aralez Entities have recently experienced increased generic competition with respect to this product, which is expected to further negatively affect its business.

B. Responses to Financial Difficulties

66. Taken together, these recent events have presented challenges to the business and operations of a group of companies that has taken an assertive acquisition and marketing approach in its business. In addition, the financial difficulties of the Aralez Entities have been exacerbated by working capital tightening and other business impacts that followed

API's public filing of its financial reports in May 2018, which raised substantial doubt regarding the company's ability to continue as a going concern.

67. The Aralez Entities have undertaken significant efforts to counteract the recent financial difficulties experienced, including, among other things:

(a) Reducing its U.S. sales force by 32% in April 2017;

(b) Redirecting marketing resources from Yosprala in 2017;

(c) Discontinuing sales of Yosprala in March 2018 and selling the rights to Yosprala in July 2018;

(d) Discontinuing sales of Zontivity and winding down U.S. commercial operations as announced in May 2018;

(e) Hiring a cash management and restructuring advisor, Alvarez & Marsal Healthcare Industry Group, LLC ("**A&M U.S.**") and Alvarez & Marsal Canada Inc. ("**A&M Canada**" and together with A&M U.S., "**A&M**"), to assist the Aralez Entities in its restructuring efforts, including assistance in cash management and implementing a restructuring plan;

(f) Engaging investment bank Moelis & Company LLC ("**Moelis**") in late 2017 to evaluate strategic alternatives and establish sales processes of various business lines, detailed below starting at paragraph 71; and

(g) Exploring and evaluating alternative financing opportunities that could provide a long-term going concern solution to the Aralez Entities' business.

C. The Applicants are Facing Insolvency

68. Steady losses since 2016, insufficient cash from operations and the inability to raise more capital have limited the Aralez Entities' ability to run their business.

69. The Applicants have not been able to enter into any further amendments or forbearances under the Facility Agreement on terms that would result in a long term going concern solution and anticipate that they will be unable to service their debt in the short-

term. Despite their efforts, the Applicants have been unable to obtain alternative funding on reasonable terms.

70. Without CCAA protection and access to DIP financing (detailed below), the Applicants will not have sufficient cash to meet their obligations as they come due, and their liabilities exceed the value of their assets. The Applicants are insolvent. Without the protection of the CCAA, a shut-down of operations is inevitable, which would be extremely detrimental to the CCAA Entities' stakeholders, including employees and customers. CCAA protection will allow the CCAA Entities to maintain operations while giving them the necessary time to consult with their stakeholders regarding the future of their business operations and execute the proposed sales process. CCAA protection will also allow the CCAA Entities to coordinate restructuring proceedings with the Chapter 11 Entities, should they be granted the relief sought in the U.S. Court.

V. RESTRUCTURING THE CCAA ENTITIES

71. The Aralez Entities (including the Applicants), in response to the issues leading to the current liquidity concerns, engaged in a thorough review of the Aralez Entities' strategic alternatives with the advice and guidance of their legal and financial advisors.

72. The Aralez Entities ultimately determined that the appropriate approach was to proceed with a sale of substantially all of their assets through one or more sales pursuant to (a) the CCAA with respect to the CCAA Entities and (b) section 363 of the Bankruptcy Code with respect to the Chapter 11 Entities.

73. As part of its review and prior to the commencement of the Restructuring Proceedings, the Aralez Entities engaged in active discussions with potentially interested parties to divest various assets, including the Company's U.S. and Canadian rights to distribute certain drug products. In connection with these discussions, the Aralez Entities engaged Moelis as their investment banker and began a prepetition marketing process, reaching out to 73 potential acquiring parties for the Zontivity assets, 68 potential acquiring parties for the Toprol-XL Franchise, 39 potential acquiring parties for a combination of Vimovo royalties and certain Canadian assets and 15 additional parties for just the Vimovo royalties. The Company ultimately distributed a confidential presentation to 41 potential acquirers with respect to Zontivity, 26 potential acquirers with respect to the Toprol-XL

Franchise, 22 potential acquirers with respect to a combination of Vimovo and certain Canadian assets and 5 additional potential acquirers with respect to just the Vimovo royalties.

74. As a result of this process, the Aralez Entities intend to enter into purchase agreements with two separate purchasers: (a) an agreement among Aralez DAC, Pozen, Aralez Canada and Deerfield to purchase the Toprol-XL Franchise through a credit bid of $140 million, and (b) an agreement among API, Pozen, Aralez Canada, Nuvo Pharmaceuticals Inc. and Nuvo Pharmaceuticals Ireland (Limited) (collectively, "**Nuvo**") to purchase the Aralez Entities' Canadian operations and its rights to royalties from Vimovo for $110 million, in each case, free and clear of all claims or encumbrances (other than assumed liabilities and permitted encumbrances), subject to higher or otherwise better offers. The applicable Aralez Entities have signed letters of intent with Deerfield and Nuvo that include the material terms of the proposed transactions, subject to definitive documentation.

75. The CCAA Entities intend to return to court to seek approval of a sales process pursuant to which Nuvo and Deerfield will act as stalking horse bidders for the assets currently subject to their respective letters of intent. The CCAA Entities expect that the Chapter 11 Entities will return to the U.S. Court to seek a similar order, and the Aralez Entities intend to coordinate the sales process.

VI. CASH FLOW FORECAST

76. As set out in the 13-week cash flow projection (the "**Cash Flow Statement**") that was prepared by the CCAA Entities in consultation with A&M, and reviewed by the proposed Monitor for the period from August 4, 2018 to the week ending November 2, 2018, the Applicants' estimated principal uses of cash will consist of the payment of ongoing day-to-day operational expenses and professional fees and disbursements in connection with these CCAA proceedings, including those certain pre-filing payments detailed below. I understand from counsel to the Applicants that a copy of the Cash Flow Statement will be attached to the pre-filing report of the proposed Monitor which is to be filed with the Court.

77. As of August 3, 2018, the Applicants have an estimated $5.8 million in cash on hand. The Cash Flow Statement projects that, subject to obtaining the relief outlined herein,

including approval of the DIP Financing (defined below), they will have sufficient cash to fund their projected operating costs until the end of the stay period.

VII. PROPOSED INITIAL ORDER

A. Authority to Pay Certain Pre-Filing Amounts

78. As of the date of this affidavit, the CCAA Entities owe approximately $6.3 million in royalty and other fees relating to their drug products to licensors.

79. As of the date of this affidavit, the CCAA Entities owe approximately $70,000 to other parties which are important for their continued operation, including drug product manufacturers.

80. While the initial order proposed in these CCAA Proceedings prevents counterparties from terminating their supply arrangements, uninterrupted supply of drug products is critical to ongoing operations and, by extension, the preservation of value of the business. Certain manufacturers are the only entities manufacturing the particular drug product. A party engaging in self-help, even for a short period of time, would disrupt the business during a crucial period.

81. It is the opinion of management of the CCAA Entities that, without payment of the pre-filing amounts owing to these parties, the regulatory agencies and licensors may interrupt the CCAA Entities' ability to procure and sell drug products in the market, leading to a significant disruption in the Applicants' business during the first critical weeks of the CCAA proceedings and cause value dissipation. As such, the CCAA Entities are seeking the authorization, but not the requirement, to make payments to these stakeholders, including those relating to the pre-filing period. Pursuant to the terms of the draft Initial Order, the CCAA Entities would require the consent of the Monitor to make any pre-filing payment amounts.

B. Continuation of Customer Rebate Program

82. As described above, consistent with industry practice, the CCAA Entities maintain various Customer Programs to generate sales and maintain customer loyalty. The Customer Programs often result in the CCAA Entities' accruing liabilities for the benefit of their

customers, some of which will not have been paid upon commencement of the CCAA Proceedings.

83. Maintaining the loyalty, support, and goodwill of customers and partners is critical to the business of the CCAA Entities and their efforts to maximize the value for the benefit of stakeholders. Accordingly, the proposed Initial Order provides that the CCAA Entities are authorized, but not required, to continue to honour and fulfill their obligations under the Customer Programs, including those relating to the pre-filing period.

84. Allowing the CCAA Entities to honour their Customer Programs will maintain goodwill and positive relationships with customers for the duration of the CCAA Proceedings. I understand that similar provisions are being sought within the Chapter 11 Proceedings. The Cash Flow Statement presents customer receipts on a net basis after the deduction of such applicable Customer Program amounts.

C. Engagement of A&M

85. As described above, A&M was previously retained by the Applicants and has played a central role in advising and assisting the Aralez Entities with liquidity management and operational restructuring initiatives. A&M has entered into an engagement letter effective as of July 9 2018, as subsequently amended (the "**A&M Engagement Letter**") pursuant to which A&M will assist the Aralez Entities during the CCAA Proceedings and the Chapter 11 Proceedings. A copy of the A&M Engagement Letter is attached hereto as **Exhibit "G"**.

86. In the proposed Initial Order, the CCAA Entities are seeking the Court's confirmation of the retention of A&M and the approval of the A&M Engagement Letter. The approval of the engagement of A&M is appropriate in the circumstances as A&M has worked extensively with the CCAA Entities since its initial engagement and has significant knowledge with respect to their business, operations and finances. A&M's continued involvement will be critical to the successful completion of the going-concern restructuring transaction as part of the CCAA proceedings that will maximize value for stakeholders. The Applicants believe that the retention of A&M is in the best interests of the CCAA Entities and their stakeholders.

D. Engagement of Moelis and the Transactional Fee Charge

87. As described above, Moelis was previously retained by the Applicants and has played a central role in assisting the Aralez Entities in reviewing their strategic options, developing a pre-filing sales process and otherwise advising and assisting the Aralez Entities. API, Aralez U.S. and Moelis have entered into an engagement letter dated as of July 18, 2018 (the "**Moelis Engagement Letter**") pursuant to which Moelis will assist the CCAA Entities during the CCAA Proceedings. A copy of the Moelis Engagement Letter is attached hereto as **Exhibit "H"**.

88. In the proposed Initial Order, the CCAA Entities are seeking the Court's confirmation of the retention of Moelis and the approval of the Moelis Engagement Letter. The approval of the engagement of Moelis is appropriate in the circumstances as Moelis has worked extensively with the CCAA Entities since its initial engagement and has significant knowledge with respect to their business, operations and finances. Moelis' continued involvement will be critical to the successful completion of the going-concern restructuring transaction as part of the CCAA proceedings that will maximize value for stakeholders. The Applicants believe that the retention of Moelis is in the best interests of the CCAA Entities and their stakeholders.

89. Moelis is the investment banker to the Aralez Entities, including the CCAA Entities. The services it has provided to date have benefitted the Applicants and are expected to continue benefitting the Applicants during the CCAA Proceedings, including by executing the sales process. In return for its services, Moelis charges a monthly fee for its work in the amount of $150,000 (the "**Monthly Fee**") and will further collect certain Transaction, Restructuring or Financing fees (as those terms are defined in the Moelis Engagement Letter, and collectively, the "**Transactional Fees**") if the conditions to its engagement are met as described in the Moelis Engagement Letter. During the Restructuring Proceedings, Moelis will split its monthly fee equally between the CCAA Entities and Chapter 11 Entities, and any Transactional Fees shall be allocated proportionately among the estates based on proceeds. To the extent necessary, Moelis will also reconcile its monthly fees between the two proceedings to reflect the allocation of proceeds of sale.

90. The Aralez Entities have determined that the proposed system for allocating work by Moelis is reasonable. The Initial Order provides that the Transactional Fee Charge shall rank fourth on the Property of the Applicants.

E. Administration Charge

91. The Applicants seek a Charge (defined below) on the assets, property and undertakings of the CCAA Entities (the "**Property**") in the maximum amount of $1 million to secure the fees and disbursements incurred in connection with services rendered to the Applicants both before and after the commencement of the CCAA proceedings by the proposed Monitor, the Monitor's counsel, the Financial Advisor, and the Applicants' counsel, and for 50% of the Monthly Fee (as that term is defined in the Moelis Engagement Letter) of the Investment Banker in relation to the fees and expenses incurred for services for the benefit of the CCAA Entities (subject to paragraph 94 below) (the "**Administration Charge**").

92. The CCAA Entities worked with A&M Canada and the proposed Monitor to estimate the proposed quantum of the Administration Charge. The proposed Monitor has reviewed the quantum of the Administration Charge and believes it is reasonable and appropriate in view of the complexities of the Applicants' CCAA proceedings and the services to be provided by the beneficiaries of the Administration Charge.

Beneficiaries of the Administration Charge

93. The Applicants are represented by Stikeman Elliott LP and Willkie Farr & Gallagher LLP ("**Willkie Farr**"). Within the Restructuring Proceedings, it is expected that the majority of Willkie Farr's work will be for the benefit of the Chapter 11 Entities, and Willkie Farr will bill its work accordingly. It is expected that Willkie Farr also will provide certain legal services for the benefit of the Applicants. In such event, Willkie Farr will maintain separate bills for this work and will remit those bills to the CCAA Entities for payment.

94. A&M is the Financial Advisor to the Aralez Entities. CCAA-related work will be performed by A&M Canada and billed to the CCAA Entities, while Chapter 11-related work will be performed by A&M U.S. and billed to the Chapter 11 Entities. Where financial advisory services are provided for the benefit of the Aralez Entities as a whole, the

applicable A&M entity shall bill the CCAA Entities and the Chapter 11 Entities equally. To the extent necessary, A&M will reconcile the fees billed to the Aralez Entities as a whole based on allocation of proceeds of sale.

95. During the CCAA Proceedings, Moelis will allocate 50% of its Monthly Fee to the CCAA Entities and 50% of its Monthly Fee to the Chapter 11 Entities. To the extent necessary, Moelis will reconcile the fees billed to the Aralez Entities as a whole to reflect the allocation of proceeds.

96. The Aralez Entities have determined that the proposed system for allocating work by Willkie Farr, A&M and Moelis is reasonable. Pursuant to the terms of the Initial Order, in the event a fee allocation reconciliation is required, the CCAA Entities will return to the Court to seek such allocation.

97. The Initial Order provides that the Administration Charge shall rank first on the Property of the Applicants.

F. DIP Financing

98. The CCAA Entities are generally profitable at the operational level; however, their costs and revenues fluctuate in such a manner that they are not cash positive consistently. Accounting for the variance of cash flows, the potential impact and increased costs of a CCAA proceeding and taking a conservative approach, the CCAA Entities, in consultation with their advisors, have determined that the CCAA Entities have insufficient liquidity to maintain an appropriate minimum level of cash throughout the proposed CCAA proceedings and require interim debtor-in-possession financing ("**DIP Financing**") to provide suppliers, customers and other stakeholders with confidence that the business of the CCAA Entities will continue to operate uninterrupted throughout these CCAA Proceedings. DIP Financing is critical to allow the CCAA Entities the appropriate time to run a post-filing sales process and implement a sale of their assets for the benefit of all of their stakeholders. The proposed Monitor has been provided with the cash flows relating to this determination.

99. The Chapter 11 Entities also require DIP Financing. The Aralez Entities determined that the most efficient financing process would be to obtain financing from one party for all

of the Aralez Entities. The Aralez Entities and their advisors worked together to obtain such financing on terms that were equally favourable to both the CCAA Entities and the Chapter 11 Entities.

Process for Selecting DIP Financing

100. The Chapter 11 Entities also require DIP Financing. The Aralez Entities and their advisors worked together to obtain such financing on terms that were equally favourable to both the CCAA Entities and the Chapter 11 Entities. The Aralez Entities solicited DIP financing proposals from nine sources, including from their existing secured lender, Deerfield. Only one party, an affiliate of Deerfield (the "**DIP Lender**"), submitted a proposal to provide DIP Financing. Further, Deerfield indicated that it would oppose any third party lender priming its first-ranking security position.

Summary of DIP Financing

101. The CCAA Entities, with assistance from their advisors, counsel and the prospective Monitor, are negotiating the Debtor-In-Possession credit agreement (as amended, supplemented or otherwise modified from time to time, the "**Canadian DIP Credit Agreement**") pursuant to which the DIP Lender will provide to the CCAA Entities a term loan facility (the "**Canadian DIP Facility**") in the maximum amount of US$10 million. A copy of the Canadian DIP Credit Agreement is anticipated to be filed separately before the hearing of this application.

102. The Chapter 11 Entities, through Moelis, A&M and their U.S. counsel, have negotiated the Debtor-In-Possession credit agreement (as amended, supplemented or otherwise modified from time to time, the "**U.S. DIP Credit Agreement**") pursuant to which the Chapter 11 Entities will obtain access to a facility in the maximum amount of US$5 million from Deerfield.

103. A summary of some of the material terms of the Canadian DIP Credit Agreement are set out below:

(a) **Borrowers:** API and Aralez Canada.

(b) **Facility Amount:** US$10 million.

(c) **Interest Rate:** 10% plus 2% upon an event of default under the Canadian DIP Facility.

(d) **Fees:** 1% of the Facility Amount (which shall be non-refundable and fully earned on the date of the Canadian DIP Agreement and shall be due and payable on the Maturity Date) and 1% of the Facility Amount upon any extension of the term of the DIP Facility.

(e) **Maturity:** the earliest of, among others, (a) February 2019; (b) the sale of all or substantially all of the CCAA Entities' assets; and (c) termination of the CCAA Proceedings.

(f) **Milestones:** the Canadian DIP Credit Agreement provides that the CCAA Entities must take certain steps and obtain certain orders by the deadlines set out in section 1.1 (Case Milestones) of the Canadian DIP Credit Agreement, including entering into a stalking horse agreement for the sale of all or substantially all of their assets within 21 days of the CCAA filing date and completing the sale(s) of their assets within a certain amount days of obtaining Court approval of any sale(s). These milestones can be extended by the Applicants with the consent of the DIP Lender.

(g) **Negative Covenants:** The Canadian DIP Credit Agreement contains a number of negative covenants, including:

(i) The grant of any liens other than specifically permitted liens (which for greater certainty does not include liens granted by Court Order other than the Initial Order);

(ii) Failure by the Applicants to be in compliance with the budget approved by the DIP Lender.

(h) **Charge:** amounts owing under the DIP Facility are proposed to have a second-ranking Court-ordered charge on the Property of the CCAA Entities (the "**DIP Lenders' Charge**") in priority to all other liens and interests.

104. The Canadian DIP Credit Agreement is also expected to contain a number of Events of Default, including:

(a) An occurrence of an "Event of Default" as defined in the U.S. DIP Credit Agreement;

(b) An attempt by any person to invalidate or reduce the pre-filing indebtedness to and security of Deerfield;

(c) Failure of the CCAA Court to permit Deerfield to credit bid their pre-filing debt and security in connection with the purchase of the CCAA Parties' assets; and

(d) Breach of any covenants under the Canadian DIP Credit Agreement.

105. The Canadian DIP Credit Agreement is expected to provide that upon an event of default, the DIP Lender is entitled to exercise all of its rights and remedies upon notice to the CCAA Entities and the Monitor.

106. The DIP Facility is expected to provide sufficient liquidity to allow the CCAA Entities to pursue a restructuring in these CCAA Proceedings. As the Canadian DIP Facility is provided by Deerfield and Deerfield has the only PPSA-registered security on the assets of the CCAA Entities, the CCAA Entities believe there will be no material prejudice to any of their existing creditors in approving the Canadian DIP Credit Agreement. Accordingly, the CCAA Entities seek an order authorizing and empowering the Applicants to obtain and borrow under the Canadian DIP Facility in order to finance the operations of the CCAA Entities during the CCAA Proceedings.

G. D&O Charge

107. To ensure the ongoing stability of the Applicants' business during the CCAA proceedings, the Applicants require the continued participation of their respective directors, officers, managers and employees.

108. The Applicants are seeking what I am advised are typical provisions staying all proceedings against the directors and officers and granting an indemnity with respect to all

post-filing claims that may arise against the directors and officers in their capacity as the Applicants' directors or officers.

109. I am advised by counsel to the Applicants that in certain circumstances directors can be held liable for certain obligations of a corporation owing to employees and government entities.

110. The Applicants maintain directors' and officers' liability insurance (the "**D&O Insurance**") that benefit the directors and officers of the CCAA Entities. In addition, there are also contractual indemnities which have been given to the directors and officers by the CCAA Entities. The Applicants may not have sufficient funds to satisfy those indemnities should their directors and officers be found responsible for the full amount of the potential directors' liabilities. Lastly, there is a deductible for certain claims and the presence of a number of exclusions creates a degree of uncertainty.

111. The directors and officers of the Applicants have indicated that, due to the potentially significant personal exposure arising going forward, they cannot continue their service with the Applicants unless the Initial Order grants a charge on the Property in the amount of $1 million (the "**D&O Charge**"). The D&O Charge is proposed to rank third in priority on the Property.

112. The D&O Charge will allow the Applicants to continue to benefit from the efforts and knowledge of their directors and officers. The Applicants and the proposed Monitor believe the D&O Charge is reasonable in the circumstances.

H. Ranking of the Court Ordered Charges

113. The proposed ranking of the court ordered charges is as follows:

(a) Administration Charge;

(b) DIP Lenders' Charge;

(c) D&O Charge; and

(d) Transaction Fee Charge.

VIII. COMEBACK MOTION

114. The Applicants intend to return to Court on notice to the service list for a motion (the "**Comeback Motion**") seeking, among other things:

(a) Approval of the cross-border protocol in order to coordinate proceedings between the CCAA Entities and the Chapter 11 Entities;

(b) Approval of key employee incentive and retention programs; and

(c) Extension of the stay of proceedings established by the proposed Initial Order.

115. The Applicants further intend to return to Court on notice to the service list for a motion (the "**Sales Process Motion**") seeking, among other things, approval of the stalking horse sale process described above.

IX. MONITOR

116. Richter Advisory Group Inc. ("**Richter**") has consented to act as the Court-appointed Monitor (the "**Monitor**") of the CCAA Entities, subject to Court approval.

117. Richter is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act* as amended, and is not subject to any of the restrictions on who may be appointed as Monitor set out in section 11.7(2) of the CCAA. I am advised by my legal counsel that Richter has extensive experience in matters of this nature, including in cross-border restructuring proceedings, and is therefore well-suited to this mandate

118. I am advised by Paul van Eyk of Richter that the proposed Monitor is supportive of the relief being sought in favour of the CCAA Entities. Mr. van Eyk has also advised me that the proposed Monitor will be filing a pre-filing Monitor's report in respect of that relief.

SWORN BEFORE ME at the City of New York, State of New York, on August 9, 2018.

Rebecca Cordy
Commissioner for Taking Affidavits

ANDREW I. KOVEN

REBECCA B. CORDY
Notary Public, State of New York
No. 01CO6315535
Qualified in New York County
Commission Expires Nov. 24, 2018

E COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C- Court File No. _____

)F A PLAN OF COMPROMISE OR ARRANGEMENT
EUTICALS INC. AND ARALEZ PHARMACEUTICALS CANADA

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

AFFIDAVIT OF ANDREW I. KOVEN SWORN ON AUGUST 9, 2018

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Lawyers for the Applicants

EXHIBIT "B"

referred to in the Affidavit of

ADRIAN ADAMS

Sworn October 1st, 2018

Adrian Adams

Amanda Snyter

Commissioner for Taking Affidavits

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	FRIDAY, THE 10TH
	)	
JUSTICE DUNPHY	)	DAY OF AUGUST, 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

SUPERIOR COURT OF JUSTICE COUR SUPÉRIEURE DE JUSTICE

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, 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**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Andrew I. Koven sworn August 9, 2018 and the Exhibits thereto (the "**Koven Affidavit**"), the affidavit of Andrew I. Koven sworn August 28, 2018 and the pre-filing report of Richter Advisory Group Inc. ("**Richter**"), in its capacity as proposed monitor (the "**Monitor**") to the Applicants, dated August 10, 2018, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel to the Applicants, counsel to the proposed Monitor and counsel to the DIP Lender (as that term is defined herein) and pre-filing secured lender ("**Deerfield**"), and on reading the consent of Richter to act as the Monitor,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. **THIS COURT ORDERS** that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Koven Affidavit or replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management

System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

(b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the Applicants following the date of this Order,

provided that, to the extent such expenses were incurred prior to the date of this Order, the Applicants shall only be entitled to pay such amounts if they are determined by the Applicants, in consultation with the Monitor and the DIP Lender, to be necessary to the continued operation

of the Business or preservation of the Property and such payments are approved in advance by the Monitor or by further Order of the Court.

8. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

(a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding $500,000 in any one transaction or $2,000,000 in the aggregate;

(b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and

(c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business.

12. **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants disclaim the lease governing such leased premises

in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including September 7, 2018, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (a) empower the Applicants to carry on any business which the Applicants is not lawfully entitled to carry on, (b) affect such investigations,

actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (c) prevent the filing of any registration to preserve or perfect a security interest, or (d) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

16. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. **THIS COURT ORDERS** that the Applicants shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**D&O Charge**") on the Property, which charge shall not exceed an aggregate amount of $1 million, as security for the indemnity provided in paragraph 20 of this Order. The D&O Charge shall have the priority set out in paragraphs 50 and 52 herein.

22. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the D&O Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

APPOINTMENT OF MONITOR

23. **THIS COURT ORDERS** that Richter is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Applicants' receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender and its counsel of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;

(d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a bi-weekly basis or as otherwise agreed to by the DIP Lender;

(e) advise the Applicants in its development of the Plan and any amendments to the Plan;

(f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;

(h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(i) perform such other duties as are required by this Order or by this Court from time to time.

25. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

26. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

27. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

28. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements incurred in respect of services rendered to the Applicants, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a weekly basis and, in addition, the Applicants are hereby authorized and directed to pay to the Monitor, counsel to the Monitor, and counsel to the Applicants, retainers in the amounts of $100,000, $100,000 and $250,000, respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

30. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

APPROVAL OF ENGAGEMENT OF A&M

31. **THIS COURT ORDERS** that the agreement dated as of July 9, 2018 (the "**A&M Engagement Letter**") pursuant to which the Applicants have engaged the services of Alvarez &

Marsal Canada Inc. and Alvarez & Marsal Healthcare Industry Group, LLC to act as the financial advisor (in such capacity, the "**Financial Advisor**") to the Applicants, is hereby approved *nunc pro tunc*, including, without limitation, the payment of fees and expenses contemplated thereby, and the Applicants are authorized to continue the engagement of the Financial Advisor on the terms set out in the A&M Engagement Letter.

32. **THIS COURT ORDERS** that the Financial Advisor shall be entitled to the benefit of the Administration Charge (as defined below) in respect of any obligations of the Applicants under the A&M Engagement Letter, whether for payment of compensation, fees, expenses, indemnities or otherwise.

33. **THIS COURT ORDERS** that all claims of the Financial Advisor pursuant to the Engagement Letter are not claims that may be compromised pursuant to any Plan, or proposal under the *Bankruptcy and Insolvency Act* (the "**BIA**") or any other restructuring, and no such Plan, proposal or restructuring shall be approved that does not provide for the payment of all amounts due to the Financial Advisor pursuant to the terms of the Engagement Letter.

34. **THIS COURT ORDERS** that the Financial Advisor, its affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of either its engagement by the Applicants as Financial Advisor or any matter referred to in the Engagement Letter except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Financial Advisor in performing its obligations under the Engagement Letter.

APPROVAL OF ENGAGEMENT OF MOELIS

35. **THIS COURT ORDERS** that the agreement dated as of July 18, 2018 (the "**Moelis Engagement Letter**") pursuant to which the Applicants have engaged the services of Moelis & Company LLC ("**Moelis**") to act as the investment banker (in such capacity, the "**Investment Banker**") to the Applicants, is hereby approved *nunc pro tunc*, including, without limitation, the payment of fees and expenses contemplated thereby, and the Applicants are authorized to continue the engagement of the Investment Banker on the terms set out in the Moelis Engagement Letter.

36. **THIS COURT ORDERS** that the Investment Banker shall be entitled to the benefit of a charge in respect of any obligation of the Applicants to pay a Transaction, Restructuring and/or Refinancing Fee (as those terms are defined in the Moelis Engagement Letter) (the "**Transactional Charge**") to a maximum of US$2.5 million. The Transactional Charge shall have the priority set out in paragraphs 50 and 52 hereof.

37. **THIS COURT ORDERS** that all claims of the Investment Banker pursuant to the Engagement Letter are not claims that may be compromised pursuant to any Plan, or proposal under the BIA or any other restructuring, and no such Plan, proposal or restructuring shall be approved that does not provide for the payment of all amounts due to the Financial Advisor pursuant to the terms of the Investment Banker Engagement Letter.

38. **THIS COURT ORDERS** that the Investment Banker, its affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of either its engagement by the Applicants as Financial Advisor or any matter referred to in the Engagement Letter except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Financial Advisor in performing its obligations under the Engagement Letter.

ADMINISTRATION CHARGE

39. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the Financial Advisor, the Investment Banker and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $1 million, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor, the Monitor's counsel, the Financial Advisor, and the Applicants' counsel, and for 50% of the Monthly Fee (as that term is defined in the Moelis Engagement Letter) of the Investment Banker, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 50 and 52 hereof.

40. **THIS COURT ORDERS** that the Applicants are authorized and directed to return to this Court to seek approval of an allocation of fees payable to the Financial Advisor and the

Investment Banker based on the proceeds of any sales completed within these proceedings and the Chapter 11 proceedings of the related Aralez Entities, if necessary.

DIP FINANCING

41. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from Deerfield Private Design Fund III, L.P. and Deerfield Partners, L.P. (the "**DIP Lenders**") in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed USD$10 million unless permitted by further Order of this Court.

42. **THIS COURT ORDERS THAT** such credit facility shall be on the terms and subject to the conditions set forth in the agreement between the Applicants and the DIP Lender dated as of August 10, 2018 (the "**DIP Agreement**"), filed.

43. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the DIP Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Agreement and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

44. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 50 and 52 hereof.

45. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

(a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon five days' written notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Agreement, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Agreement, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

(c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

46. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the *BIA*, with respect to any advances made under the Definitive Documents.

47. **THIS COURT ORDERS** that all claims of the DIP Lender pursuant to the Definitive Documents are not claims that may be compromised pursuant to any Plan, or proposal under the *BIA* or any other restructuring, and no such Plan, proposal or restructuring shall be approved that does not provide for the payment of all amounts due to the DIP Lender pursuant to the Definitive Documents.

48. **THIS COURT ORDERS** that during the period from August 10, 2018 to August 21, 2018, the Applicants shall not draw in excess of USD$1 million on the facility available under the DIP Agreement.

49. **THIS COURT ORDERS** that, notwithstanding any other provision herein (other than paragraph 48), the foregoing approval of the DIP Agreement and the DIP Lenders' Charge is subject to the right of any Person not served with notice of this Application to return to Court to object to the DIP Agreement and the DIP Lenders' Charge (such motion, a "**DIP Objection Motion**") by giving notice to the Applicants, the Monitor and the DIP Lender no later than August 21, 2018. In the event that notice of a DIP Objection Motion is not given by August 21, 2018, the DIP Agreement and the DIP Lenders' Charge shall no longer be subject to this paragraph. If notice of a DIP Objection Motion is given in accordance with this paragraph, the Court shall schedule the hearing of the DIP Objection Motion forthwith.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

50. **THIS COURT ORDERS** that the priorities of the Administration Charge, the DIP Lender's Charge, the D&O Charge and the Transactional Fee Charge and as among them, shall be as follows:

First – Administration Charge (to the maximum amount of $1 million);

Second – DIP Lender's Charge;

Third – D&O Charge (to the maximum amount of $1 million);

Fourth – Transactional Fee Charge (to the maximum amount of $2.5 million);

51. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge, the DIP Lender's Charge, the D&O Charge and the Transactional Fee Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

52. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

53. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Charges, or further Order of this Court.

54. **THIS COURT ORDERS** that the Charges, the DIP Agreement, and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

(a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Agreement or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the DIP Agreement, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

(c) the payments made by the Applicants pursuant to this Order, the DIP Agreement or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

55. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

SERVICE AND NOTICE

56. **THIS COURT ORDERS** that the Monitor shall (a) without delay, publish in the Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (b) within five days after the date of this Order, (i) make this Order publicly available in the manner prescribed under the CCAA, (ii) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than $1000, and (iii) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

57. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/ shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: http://insolvency.richter.ca/A/Aralez-Pharmaceuticals.

58. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other

correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

COMEBACK MOTION

59. **THIS COURT ORDERS** that the Applicants are authorized to serve their motion materials, with respect to one or more motions at which the Applicants intend to seek, *inter alia*, approval of a cross-border protocol, an extension of the Stay Period, a charge in respect of certain transaction fees of the Applicants' investment banker, and approval of a key employee retention plan (the "**Comeback Motion**") by forwarding a copy of this Order and any additional materials to be filed with respect to the Comeback Motion by electronic transmission, where available, or by courier to the parties likely to be affected by the relief to be sought at such parties' respective addresses as last shown on the records of the Applicants as soon as practicable.

GENERAL

60. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

61. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

62. **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.

63. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

64. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

65. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

S.F. DUNPHY J.

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

SEP 05 2018

PER / PAR: RW

)MPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C- Court File No. CV-18-603054-00CL

PLAN OF COMPROMISE OR ARRANGEMENT
'ICALS INC. AND ARALEZ PHARMACEUTICALS CANADA

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

INITIAL ORDER

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Lawyers for the Applicants

EXHIBIT "C"

referred to in the Affidavit of

ADRIAN ADAMS

Sworn October 1st, 2018

Commissioner for Taking Affidavits

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

FIRST AMENDMENT TO SENIOR SECURED SUPER-PRIORITY DEBTOR-IN-POSSESSION CREDIT AGREEMENT

FIRST AMENDMENT TO SENIOR SECURED SUPER-PRIORITY DEBTOR-IN-POSSESSION CREDIT AGREEMENT (this "Amendment"), dated as of August 31, 2018, by and among ARALEZ PHARMACEUTICALS INC., ARALEZ PHARMACEUTICALS CANADA INC. (each a "Borrower" and collectively, the "Borrowers"), DEERFIELD MANAGEMENT COMPANY, L.P., as Administrative Agent for the lenders and the lenders set forth on the signature page of this Amendment (the "Lenders" and, together with the Agent and the Borrowers, the "Parties").

RECITALS:

A. The Borrowers, Agent and the Lenders have entered into that certain Senior Secured Super-Priority Debtor-in-Possession Credit Agreement dated as of August 10, 2018 (as the same has been and may hereafter to amended, modified, restated or otherwise supplemented from time to time, the "Credit Agreement").

B. The Parties desire to amend the Credit Agreement on the terms set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, the Parties agree as follows:

1. Defined Terms. Capitalized terms used herein which are defined in the Credit Agreement, unless otherwise defined herein, shall have the meanings ascribed to them in the Credit Agreement. The Recitals to this Amendment are incorporated herein in their entirety by this reference thereto.

2. Amendments to Credit Agreement. Upon and subject to the satisfaction of the conditions set forth in Section 3 of this Amendment the Credit Agreement is hereby amended as follows:

a. The definition of the term "Case Milestones" set forth in Section 1.1 of the Credit Agreement is hereby amended in its entirety to read as follows:

> "**Case Milestones**" means each of the following deadlines, which deadlines may be extended by the Applicants with the consent of the Administrative Agent: (a) entry of the CCAA Initial Order, in form and substance satisfactory to the Administrative Agent, on the CCAA Filing Date; (b) execution of the Asset Purchase Agreement and filing of the Stalking Horse Motion, in form and substance reasonably satisfactory to the Administrative Agent, by no later than September 7, 2018; (c) entry of an order approving the Stalking Horse Motion and related bidding and sale procedures, in each case, in form and substance reasonably satisfactory to the Administrative Agent by no later than October 12, 2018; (d) entry of an order approving the sale(s) in form and substance satisfactory to the Administrative Agent by sixty (60) days after the entry of an order approving the Stalking Horse Motion and related bidding and sale procedures; (e) closing of such sales by twenty-eight (28) days following the entry of an order approving the sale(s); provided that if the milestone described in the preceding clause (b) is not satisfied, then the Borrowers shall file a motion to sell all or substantially all of their assets in form and

substance satisfactory to the Administrative Agent within thirty-five (35) days from the CCAA Filing Date and the remaining milestones in the preceding clauses (c) through (e) shall be automatically extended accordingly.

b. Clause (l) of Section 6.2 of the Credit Agreement is hereby amended by deleting the reference to "26 week Budget" therein and replacing it with "13 week Budget".

3. Conditions Precedent. The effectiveness of this Amendment is subject to the following conditions precedent:

a. Amendment. The Borrowers shall have executed and delivered this Amendment to Agent.

b. No Default. No Default or Event of Default shall exist.

4. Representations and Warranties. The Borrowers hereby represent and warrant to the Agent and the Lenders that:

a. As of the date hereof, the representations and warranties of the Borrowers contained in the Loan Documents are (i) in the case of representations and warranties qualified by "materiality," "Material Adverse Effect" or similar language, true and correct in all respects and (ii) in the case of all other representations and warranties, true and correct in all material respects, in each case on and as of the date hereof, except to the extent that any such representation or warranty relates to a specific date, in which case such representation and warranty is true and correct in all respects or all material respects, as applicable, as of such earlier date;

b. The execution, delivery and performance by the Borrowers of this Amendment and the other Loan Documents (as amended hereby) (i) are within the Borrowers' corporate powers, (ii) have been duly authorized by all necessary action pursuant to their Organization Documents, (iii) require no further action by or in respect of, or filing with, any Government Authority, and (iv) do not violate, conflict with or cause a breach or a default under any provision of applicable law or regulation or of the Borrowers' Organization Documents or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Borrowers, except to the extent such violation, conflict, breach or default would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect;

c. This Amendment and the other Loan Documents (as amended hereby) constitute the valid and binding obligations of the Borrowers and subject to the CCAA Initial Order, enforceable against the Borrowers in accordance with its terms;

d. No Default or Event of Default exists; and

e. No consent, approval, order, authorization, or registration, declaration, or filing with, any Governmental Authority or any other Person is required for the execution, delivery, and performance by the Borrowers of this Amendment, or for the consummation by the Borrowers of the transactions contemplated hereby.

5. No Further Amendments; Ratification of Liability. Except as amended hereby, the Credit Agreement and each of the other Loan Documents shall remain in full force and effect in accordance with their respective terms. Each Borrower, as debtor, grantor, pledgor, guarantor or assignor, or in any similar capacity in which it has granted Liens or acted as an accommodation party or guarantor, as the case may be, hereby ratifies, confirms and reaffirms its liabilities, its payment and performance obligations (contingent or otherwise) and its agreements under the Credit Agreement and the other Loan Documents, all as amended by this Amendment, and the liens and security interests granted, created and perfected thereby. Each Borrower irrevocably and unconditionally acknowledges, affirms and covenants to the Agent and Lenders that, (i) the Agent and Lenders are not in default under any of the Loan Documents and have not otherwise breached any obligations to the Borrowers, and (ii) there are no offsets, counterclaims or defenses to the Obligations of the Borrowers, or, subject to the initial order issued on August 10, 2018 by the CCAA Court, to the rights, remedies or powers of the Agent and Lenders in respect of any of the Obligations or any of the Loan Documents. The Agent's and Lenders' agreement to the terms of this Amendment or any other amendment of the Credit Agreement or any other Loan Document shall not be deemed to establish or create a custom or course of dealing among the Borrowers, the Agent and the Lenders, or any of them. Nothing contained in this Amendment shall constitute the approval or consent by the Agent, any Lender or any of their Affiliates (in any capacity), or obligate the Agent, any Lender or any of its Affiliates (in any capacity) to approve or consent to any other transaction proposed to be effected by the Borrowers. This Amendment constitutes a Loan Document and, together with the other Loan Documents, contains the entire agreement among the Borrowers, the Agent and the Lenders with respect to the matters contemplated by this Amendment.

6. Legal Fees and Expenses. The Borrowers agree to reimburse Agent on demand for all reasonable out-of-pocket costs, fees and expenses, including reasonable attorney's fees and expenses, incurred by the Agent in connection with the negotiation, documentation and closing of this Amendment and any related Loan Documents.

7. Incorporation by Reference. The provisions of Sections 11.14 and 11.15 of the Credit Agreement are incorporated herein by reference *mutatis mutandis*.

[Remainder of Page Intentionally Left Blank, signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date set forth above.

BORROWERS:

ARALEZ PHARMACEUTICALS INC.

By: Adrian Adams
Name: Adrian Adams
Title: Chief Executive Officer

ARALEZ PHARMACEUTICALS CANADA INC.

By:
Name: Laurent Kovey
Title: President + Chief Business Officer

AGENT:

DEERFIELD MANAGEMTNCOMPANY, L.P., as Administrative Agent

By: Flynn Management, LLC, its General Partner

By: _____
Name: David J. Clark
Title: Authorized Signatory

LENDERS:

DEERFIELD PRIVATE DESIGN FUND III, L.P.

By: Deerfield Mgmt III, L.P., its General Partner
By: J.E. Flynn Capital III, LLC, its General Partner

By: _____
Name: David J. Clark
Title: Authorized Signatory

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date set forth above.

BORROWERS:

ARALEZ PHARMACEUTICALS INC.

By: _____
Name: _____
Title: _____

ARALEZ PHARMACEUTICALS CANADA INC.

By: _____
Name: _____
Title: _____

AGENT:

DEERFIELD MANAGEMTNCOMPANY, L.P., as Administrative Agent

By: Flynn Management, LLC, its General Partner

By: _____
Name: David J. Clark
Title: Authorized Signatory

LENDERS:

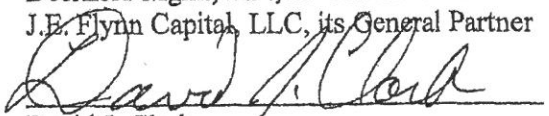
DEERFIELD PRIVATE DESIGN FUND III, L.P.

By: Deerfield Mgmt III, L.P., its General Partner
By: J.E. Flynn Capital III, LLC, its General Partner

By: _____
Name: David J. Clark
Title: Authorized Signatory

DEERFIELD PRIVATE PARTNERS, L.P.

By: Deerfield Mgmt, L.P., its General Partner
By: J.E. Flynn Capital, LLC, its General Partner

By: 
Name: David J. Clark
Title: Authorized Signatory

SECOND AMENDMENT TO SENIOR SECURED SUPER-PRIORITY DEBTOR-IN-POSSESSION CREDIT AGREEMENT

SECOND AMENDMENT TO SENIOR SECURED SUPER-PRIORITY DEBTOR-IN-POSSESSION CREDIT AGREEMENT (this "Amendment"), dated as of September 14, 2018, by and among ARALEZ PHARMACEUTICALS INC., ARALEZ PHARMACEUTICALS CANADA INC. (each a "Borrower" and collectively, the "Borrowers"), DEERFIELD MANAGEMENT COMPANY, L.P., as Administrative Agent for the lenders and the lenders set forth on the signature page of this Amendment (the "Lenders" and, together with the Agent and the Borrowers, the "Parties").

RECITALS:

A. The Borrowers, Agent and the Lenders have entered into that certain Senior Secured Super-Priority Debtor-in-Possession Credit Agreement dated as of August 10, 2018 (as the same has been and may hereafter to amended, modified, restated or otherwise supplemented from time to time, the "Credit Agreement").

B. The Parties desire to amend the Credit Agreement on the terms set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, the Parties agree as follows:

1. Defined Terms. Capitalized terms used herein which are defined in the Credit Agreement, unless otherwise defined herein, shall have the meanings ascribed to them in the Credit Agreement. The Recitals to this Amendment are incorporated herein in their entirety by this reference thereto.

2. Amendments to Credit Agreement. Upon and subject to the satisfaction of the conditions set forth in Section 3 of this Amendment the Credit Agreement is hereby amended as follows:

The definition of the term "Case Milestones" set forth in Section 1.1 of the Credit Agreement is hereby amended in its entirety to read as follows:

"**Case Milestones**" means each of the following deadlines, which deadlines may be extended by the Applicants with the consent of the Administrative Agent: (a) entry of the CCAA Initial Order, in form and substance satisfactory to the Administrative Agent, on the CCAA Filing Date; (b) execution of the Share Purchase Agreement in form and substance reasonably satisfactory to the Administrative Agent, by no later than September 20, 2018; (c) entry of an order approving the Stalking Horse Motion and related bidding and sale procedures, in each case, in form and substance reasonably satisfactory to the Administrative Agent by no later than October 12, 2018; (d) entry of an order approving the sale(s) in form and substance satisfactory to the Administrative Agent by sixty (60) days after the entry of an order approving the Stalking Horse Motion and related bidding and sale procedures; (e) closing of such sales by twenty-eight (28) days following the entry of an order approving the sale(s); provided that if the milestone described in the preceding clause (b) is not satisfied, then the Borrowers shall file a motion to sell all or substantially all of their assets in form and substance satisfactory to the Administrative

Agent within fifty (50) days from the CCAA Filing Date and the remaining milestones in the preceding clauses (c) through (e) shall be automatically extended accordingly, in each case as such dates set forth above may be extended by mutual agreement between the Borrowers and Agent.

3. Conditions Precedent. The effectiveness of this Amendment is subject to the following conditions precedent:

a. Amendment. The Borrowers shall have executed and delivered this Amendment to Agent.

b. No Default. No Default or Event of Default shall exist.

4. Representations and Warranties. The Borrowers hereby represent and warrant to the Agent and the Lenders that:

a. As of the date hereof, the representations and warranties of the Borrowers contained in the Loan Documents are (i) in the case of representations and warranties qualified by "materiality," "Material Adverse Effect" or similar language, true and correct in all respects and (ii) in the case of all other representations and warranties, true and correct in all material respects, in each case on and as of the date hereof, except to the extent that any such representation or warranty relates to a specific date, in which case such representation and warranty is true and correct in all respects or all material respects, as applicable, as of such earlier date;

b. The execution, delivery and performance by the Borrowers of this Amendment and the other Loan Documents (as amended hereby) (i) are within the Borrowers' corporate powers, (ii) have been duly authorized by all necessary action pursuant to their Organization Documents, (iii) require no further action by or in respect of, or filing with, any Government Authority, and (iv) do not violate, conflict with or cause a breach or a default under any provision of applicable law or regulation or of the Borrowers' Organization Documents or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Borrowers, except to the extent such violation, conflict, breach or default would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect;

c. This Amendment and the other Loan Documents (as amended hereby) constitute the valid and binding obligations of the Borrowers, enforceable against the Borrowers in accordance with its terms;

d. No Default or Event of Default exists; and

e. No consent, approval, order, authorization, or registration, declaration, or filing with, any Governmental Authority or any other Person is required for the execution, delivery, and performance by the Borrowers of this Amendment, or for the consummation by the Borrowers of the transactions contemplated hereby.

5. No Further Amendments; Ratification of Liability. Except as amended hereby, the Credit Agreement and each of the other Loan Documents shall remain in full force and effect

in accordance with their respective terms. Each Borrower, as debtor, grantor, pledgor, guarantor or assignor, or in any similar capacity in which it has granted Liens or acted as an accommodation party or guarantor, as the case may be, hereby ratifies, confirms and reaffirms its liabilities, its payment and performance obligations (contingent or otherwise) and its agreements under the Credit Agreement and the other Loan Documents, all as amended by this Amendment, and the liens and security interests granted, created and perfected thereby. Each Borrower irrevocably and unconditionally acknowledges, affirms and covenants to the Agent and Lenders that, (i) the Agent and Lenders are not in default under any of the Loan Documents and have not otherwise breached any obligations to the Borrowers, and (ii) there are no offsets, counterclaims or defenses to the Obligations of the Borrowers, or, subject to the initial order issued on August 10, 2018 by the CCAA Court, to the rights, remedies or powers of the Agent and Lenders in respect of any of the Obligations or any of the Loan Documents. The Agent's and Lenders' agreement to the terms of this Amendment or any other amendment of the Credit Agreement or any other Loan Document shall not be deemed to establish or create a custom or course of dealing among the Borrowers, the Agent and the Lenders, or any of them. Nothing contained in this Amendment shall constitute the approval or consent by the Agent, any Lender or any of their Affiliates (in any capacity), or obligate the Agent, any Lender or any of its Affiliates (in any capacity) to approve or consent to any other transaction proposed to be effected by the Borrowers. This Amendment constitutes a Loan Document and, together with the other Loan Documents, contains the entire agreement among the Borrowers, the Agent and the Lenders with respect to the matters contemplated by this Amendment.

6. Legal Fees and Expenses. The Borrowers agree to reimburse Agent on demand for all reasonable out-of-pocket costs, fees and expenses, including reasonable attorney's fees and expenses, incurred by the Agent in connection with the negotiation, documentation and closing of this Amendment and any related Loan Documents.

7. Incorporation by Reference. The provisions of Sections 11.14 and 11.15 of the Credit Agreement are incorporated herein by reference *mutatis mutandis*.

[Remainder of Page Intentionally Left Blank, signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date set forth above.

BORROWERS:

ARALEZ PHARMACEUTICALS INC.

By: Adrian Adams
Name: Adrian Adams
Title: CEO

ARALEZ PHARMACEUTICALS CANADA INC.

By: _____
Name: _____
Title: _____

AGENT:

DEERFIELD MANAGEMENT COMPANY, L.P.,
as Administrative Agent

By: Flynn Management, LLC, its General Partner

By: _____
Name: David J. Clark
Title: Authorized Signatory

LENDERS:

DEERFIELD PRIVATE DESIGN FUND III, L.P.

By: Deerfield Mgmt III, L.P., its General Partner
By: J.E. Flynn Capital III, LLC, its General Partner

By: _____
Name: David J. Clark
Title: Authorized Signatory

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date set forth above.

BORROWERS:

ARALEZ PHARMACEUTICALS INC.

By: _____
Name: _____
Title: _____

ARALEZ PHARMACEUTICALS CANADA INC.

By: _____
Name: _____
Title: _____

AGENT:

DEERFIELD MANAGEMENT COMPANY, L.P.,
as Administrative Agent

By: Flynn Management, LLC, its General Partner

By: _____
Name: David J. Clark
Title: Authorized Signatory

LENDERS:

DEERFIELD PRIVATE DESIGN FUND III, L.P.

By: Deerfield Mgmt III, L.P., its General Partner
By: J.E. Flynn Capital III, LLC, its General Partner

By: _____
Name: David J. Clark
Title: Authorized Signatory

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date set forth above.

BORROWERS:

ARALEZ PHARMACEUTICALS INC.

By: _____
Name: _____
Title: _____

ARALEZ PHARMACEUTICALS CANADA INC.

By: _____
Name: _____
Title: _____

AGENT:

DEERFIELD MANAGEMTNCOMPANY, L.P., as Administrative Agent

By: Flynn Management, LLC, its General Partner

By: _____
Name: David J. Clark
Title: Authorized Signatory

LENDERS:

DEERFIELD PRIVATE DESIGN FUND III, L.P.

By: Deerfield Mgmt III, L.P., its General Partner
By: J.E. Flynn Capital III, LLC, its General Partner

By: _____
Name: David J. Clark
Title: Authorized Signatory

DEERFIELD PRIVATE PARTNERS, L.P.

By: Deerfield Mgmt, L.P., its General Partner
By: J.E. Flynn Capital, LLC, its General Partner

By: _____
Name: David J. Clark
Title: Authorized Signatory

EXHIBIT "D"

referred to in the Affidavit of

ADRIAN ADAMS

Sworn October 1st, 2018

Commissioner for Taking Affidavits

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

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

TABLE OF CONTENTS

ARTICLE 1
INTERPRETATION

ARTICLE 2
PURCHASED SHARES

ARTICLE 3
PURCHASE PRICE

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE VENDOR AND THE CORPORATION

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

ARTICLE 6
COVENANTS OF THE PARTIES

ARTICLE 7
CONDITIONS OF CLOSING

ARTICLE 8
CLOSING

ARTICLE 9
TERMINATION

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

ARTICLE 11
MISCELLANEOUS

ADDENDA

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.

Allan Adam

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

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

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E-mail: kesaw@stikeman.com
Fax: (416) 947-0866

Lawyers for the Applicants

EXHIBIT "E"

referred to in the Affidavit of

ADRIAN ADAMS

Sworn October 1st, 2018

Adrian Adams

Amanda Snyter

Commissioner for Taking Affidavits

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

Exhibit 2.2

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

by and among

POZEN Inc.,

Aralez Pharmaceuticals Trading DAC

and

Nuvo Pharmaceuticals (Ireland) Limited

Dated as of September 18, 2018

TABLE OF CONTENTS

EXHIBITS

ASSET PURCHASE AGREEMENT (this "**Agreement**") is made and executed as of September 18, 2018 (the "**Execution Date**"), by and among POZEN Inc., a Delaware corporation ("**Pozen**"), Aralez Pharmaceuticals Trading DAC, an Irish designated activity company ("**Aralez Ireland**," and together with Pozen, "**Seller**") and Nuvo Pharmaceuticals (Ireland) Limited, an Irish corporation ("**Buyer**"). Seller and Buyer are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, Seller and certain of its Affiliates are engaged in the Product Business;

WHEREAS, on August 10, 2018 (the "**Petition Date**") Seller and certain of its. Affiliates (the "**U.S. Debtors**") sought relief under Chapter 11 of Title 11, §§ 101 *et seq.*, of the United States Code (as amended, the "**Bankruptcy Code**") by filing cases (the "**Chapter 11 Cases**" and the proceedings commenced by such filing, the "**Restructuring Proceedings**") in the United States Bankruptcy Court for the Southern District of New York (the "**U.S. Bankruptcy Court**");

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, certain assets and rights associated with the Product and the Product Business, upon the terms and conditions hereinafter set forth;

WHEREAS, the Purchased Assets and Assumed Liabilities are assets and liabilities of Seller which are to be sold and assumed pursuant to the Approval Order approving such sale pursuant to section 363 of the Bankruptcy Code, free and clear of all Encumbrances and Liabilities except Assumed Liabilities and Permitted Encumbrances, which order will include the authorization for the assumption and assignment of certain executory contracts and unexpired leases and liabilities thereunder under section 365 of the Bankruptcy Code, all in the manner and subject to the terms and conditions set forth herein and in accordance with other applicable provisions of the Bankruptcy Code;

WHEREAS, an Affiliate of Buyer, Nuvo Pharmaceuticals Inc. ("**Nuvo**"), will enter into the Canadian Purchase Agreement (as defined herein) simultaneously with the execution of this Agreement pursuant to which, among other things, Nuvo will agree to purchase all of the shares of Aralez Pharmaceuticals Canada Inc. ("**Aralez Canada**") from an Affiliate of Seller, Aralez Pharmaceuticals Inc. ("**Parent**"), and Parent will agree to sell all of the shares of Aralez Canada to Nuvo;

WHEREAS, in connection with the entry into this Agreement, Buyer shall use commercially reasonable efforts to cause, within five Business Days of the date hereof, an aggregate amount equal to $1,900,000 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 Buyer, Seller and the Escrow Agent; and

WHEREAS, at the Closing, Seller (or certain of its Affiliates) and Buyer (or certain of its Affiliates) intend to enter into the Ancillary Agreements.

NOW, THEREFORE, in consideration of the mutual benefits to be derived from this Agreement, the representations, warranties, conditions, agreements and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Certain Defined Terms. As used herein, the following terms shall have the following meanings:

"**Accounts Receivable**" means all amounts that, in accordance with GAAP as applied by Seller and its Affiliates on a consistent basis, constitute, as of the Closing, accounts receivable, notes receivable and other indebtedness due and owed by any Third Party to Seller or any of its Affiliates arising from sales of the Product by or on behalf of Seller or its Affiliates prior to the Closing Date.

"**Act**" means the United States Federal Food, Drug, and Cosmetic Act.

"**Affiliate**" means, with respect to a Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such first 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 purposes of this definition, "control" and, with correlative meanings, the terms "controlled by" and "under common control with" mean, when used with respect to any specified Person, (a) the possession, directly or indirectly, of the power to direct the management or policies of that Person, directly or indirectly, whether through the ownership of securities, by trust, by contract, or otherwise or (b) the ownership, directly or indirectly, of more than 50% of the voting securities or other ownership interest of a business entity (or, with respect to a limited partnership or other similar entity, its general partner or controlling entity).

"**Agreement**" has the meaning set forth in the preamble hereto, and includes all schedules and exhibits hereto, and all instruments supplementing, amending, modifying, restating or otherwise confirming this agreement.

"**Allocation**" has the meaning set forth in Section 2.3.3.

"**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 reorganization approved by the Bankruptcy Court or a plan of compromise and arrangement or plan of arrangement approved by any other court of competent jurisdiction, or resulting from the

Auction, of any material portion of the Purchased Assets or the Product Business, in a single transaction or a series of transactions, with one or more Persons other than Buyer.

"**Ancillary Agreements**" means the Bill of Sale, the Patent Assignment Agreement, the Deposit Escrow Agreement, the Domain Name Transfer Agreement, the Trademark Assignment and any other agreements, certificates and other instruments delivered, given or contemplated pursuant to this Agreement.

"**Appointee**" has the meaning set forth in Section 8.1.5.

"**Apportioned Obligations**" has the meaning set forth in Section 5.5.2(b).

"**Approval Motion**" has the meaning set forth in Section 5.9.1.

"**Approval Order**" has the meaning set forth in Section 5.9.1(b).

"**Aralez Canada**" has the meaning set forth in the recitals.

"**Aralez Ireland**" has the meaning set forth in the preamble.

"**Assumed Liabilities**" has the meaning set forth in Section 2.2.1.

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

"**Avoidance Action**" means any Claim of Seller arising under Chapter 5 of the Bankruptcy Code and any analogous state Law Claims relating to the Purchased Assets.

"**Back-up Bidder**" has the meaning set forth in Section 5.9.2.

"**Bankruptcy Code**" has the meaning set forth in the recitals.

"**Bankruptcy Court**" means any or all of, as the context may require, the U.S. Bankruptcy Court and any other court before which the Restructuring Proceedings are held.

"**Bankruptcy Court Orders**" has the meaning set forth in Section 5.9.1(a).

"**Bankruptcy Rules**" means the Federal Rules of Bankruptcy Procedure.

"**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 with respect to the Product Business, in accordance with written instructions (consistent with the requirements of Canadian Securities Laws) to be provided by Buyer or its counsel.

"**Bid Procedures**" has the meaning set forth in Section 5.9.1(a).

"**Bidding Procedures Order**" has the meaning set forth in Section 5.9.1(a).

"**Bill of Sale**" means the Bill of Sale and Assignment and Assumption Agreement, in substantially the form attached as Exhibit A.

"**Business Day**" means any day other than Saturday, Sunday or a day on which banking institutions in New York, New York or Toronto, Ontario are permitted or obligated by Law to remain closed.

"**Buyer**" has the meaning set forth in the preamble hereto.

"**Canadian Purchase Agreement**" means that certain Share Purchase Agreement, dated as of the date hereof, by and among the Parent, Aralez Canada and Nuvo.

"**Canadian 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.

"**CCAA Proceedings**" means the proceedings commenced by the application, following the execution and delivery of the Canadian Purchase Agreement, by Parent and Aralez Canada with the Ontario Superior Court of Justice (Commercial List) for relief under the *Companies' Creditors Arrangement Act* (Canada).

"**Chapter 11 Cases**" has the meaning set forth in the recitals.

"**Claims**" mean, collectively, all rights, claims (as that term is defined in Section 101(5) of the Bankruptcy Code) and causes of action, whether class, individual or otherwise in nature, under contract or in law or in equity, known or unknown, contingent or matured, liquidated or unliquidated and all rights and remedies with respect thereto.

"**Closing**" has the meaning set forth in Section 2.4.

"**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 6 (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 Canadian Purchase Agreement.

"**Closing Payment**" has the meaning set forth in Section 2.3.1(b).

"**Code**" means the US Internal Revenue Code of 1986.

"**Commitment Letter**" means the commitment letter between Deerfield and Nuvo 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 Nuvo in order to enable Nuvo and Buyer to fund the Purchase Price, a copy of which has been delivered by Nuvo to Parent.

"**Confidentiality Agreement**" means the Confidentiality Agreement, dated March 29, 2018 by and between Nuvo and Aralez Canada.

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

"**Control**" means, with respect to any trademark, possession of the right, whether directly or indirectly, and whether by ownership, license or otherwise, to assign or grant a license, sublicense or other right to or under such trademark, as provided for herein or in any Ancillary Agreement without violating the terms of any Contract or other arrangement with any Third Party.

"**Cure Costs**" shall mean (a) the Liabilities and obligations that must be paid or otherwise satisfied to cure all of Seller's defaults under the Purchased Contracts necessary for the assumption thereof by and assignment to Buyer pursuant to Section 365 of the Bankruptcy Code, as provided herein and in the Approval Order and (b) to the extent not completed as of the Closing Date, all remaining outstanding costs to complete the Works.

"**Debt Financing**" has the meaning set forth in Section 3.2.6.

"**Deed of Assignment**" has the meaning given to it in Section 4.14.5.

"**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 Nuvo and Parent irrevocably releasing and discharging at Closing all Encumbrances charging or secured by any of the Purchased Assets and releasing all claims of Deerfield against the Purchased Assets, other than Encumbrances 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 Aralez Canada and Parent, as borrowers, Deerfield, as administrative agent and the lenders party thereto from time to time. 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 Financing Order**" has the meaning set forth in Section 5.10.1.

"**Domain Name Transfer Agreement**" means the Domain Name Transfer Agreement, in substantially the form attached as Exhibit B.

"**Encumbrance**" means any mortgage, lien (statutory or otherwise), Claim, license, sublicense, pledge, security interest, charge, hypothecation, restriction, claim of ownership, lease, sublease, option, right of use or possession, preference, encroachment, restrictive covenant, right of first offer or refusal, title defect or other encumbrance or similar restriction of any kind.

"**Enforceability Exceptions**" has the meaning set forth in Section 3.1.2.

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

"**Excluded Assets**" means all assets, property, rights and interests of Seller and its Affiliates to the extent not primarily related to and used in the Product Business, other than the Purchased Assets described in Section 2.1.1(a) through 2.1.1(j). Without limiting the generality of the foregoing, the Excluded Assets shall include the following assets of Seller and its Affiliates (to the extent not constituting Purchased Assets described in Section 2.1.1(a) through 2.1.1(j)): (a) all Intellectual Property of Seller and its Affiliates (other than the Purchased Intellectual Property); (b) all real property and tangible personal property of Seller or any of its Affiliates (but excluding the Purchased Product Records); (c) all Accounts Receivable; (d) all refunds, claims for refunds or rights to receive refunds from any Taxing Authority with respect to any and all Taxes paid or to be paid by Seller or any of its Affiliates (including any and all Taxes paid or to be paid by any of Seller's Affiliates on behalf of Seller); (e) all insurance policies and insurance Contracts insuring the Purchased Assets, together with any claim, action or other right Seller or any Affiliate of Seller may have for insurance coverage under any past or present policies and insurance Contracts insuring the Purchased Assets; (f) all rights, claims or causes of action (including warranty claims) of Seller or its Affiliates under the Purchased Contracts related to products supplied or services provided to Seller prior to the Closing; (g) all Excluded Items; and (h) any Excluded Contract.

"**Excluded Contract**" has the meaning set forth in Section 2.1.2.

"**Excluded Items**" means any and all (a) books, documents, records, files and other items prepared in connection with or relating to the negotiation and consummation of the transactions contemplated by this Agreement or the Ancillary Agreements or otherwise prepared in connection with the divestiture of the Purchased Assets, including all (i) bids received from Third Parties (and related analyses) relating to the Product or the Product Business, (ii) confidentiality, joint defense or similar agreements with prospective purchasers of the Product or the Product Business, (iii) strategic, financial or Tax analyses relating to the divestiture of the Purchased Assets, the Assumed Liabilities, the Product and the Product Business, (iv) analyses regarding the competitive landscape (e.g., consultant reports regarding the market and likely future developments) of the Product or the Product Business (v) presentations or minutes relating to any of the meetings of Seller's board of directors or committees thereof relating to strategic alternatives, including the transactions contemplated by this Agreement and (vi) presentations or other materials not primarily related to the Product Business relating to discussion with Seller's lenders or key constituents or counterparties; (b) trade secrets not primarily related to the Product Business; (c) attorney work product, attorney-client communications and other items protected

by established legal privilege and not primarily related to the Product Business, unless the books and records can be transferred without losing such privilege; (d) human resources and any other employee books and records; (e) financial, Tax and accounting records to the extent not related to the Product; and (f) electronic mail.

"**Excluded Liabilities**" means all Liabilities of Seller or any of its Affiliates of whatever nature, whether presently in existence or arising or asserted hereafter, other than the Assumed Liabilities. Without limiting the generality of the foregoing, the Excluded Liabilities shall include the following: (a) Taxes of Seller or any of its Affiliates, including Taxes relating to the Product Business attributable to periods ending on or prior to the Closing Date *provided* that Transfer Taxes, Indirect Taxes and Apportioned Obligations shall be allocated between Buyer and Seller as provided in Section 5.5.2, (b) all Liabilities arising out of, resulting from, or relating to any Excluded Assets; (c) all accrued receipts and accounts payable arising out of the operation or conduct of the Product Business prior to the Closing, including under Purchased Contracts; (d) all indebtedness of Seller and its Affiliates, including, for greater certainty, any indebtedness owing by Seller or any of its Affiliates to Deerfield under existing credit facilities, note issuances or other financing facilities or under any debtor-in-possession financing in connection with the Restructuring Proceedings; (e) all Liabilities arising out of, resulting from, or relating to any unit of Product sold prior to the Closing or the Purchased Assets to the extent arising prior to the Closing, including all Liabilities relating to or arising from (i) defects in any goods (including the Product), materials, service or workmanship, in each case arising from the operation of the Product Business prior to the Closing, whether due prior to, at or following the Closing, including all Liabilities relating to any recalled Product sold prior to the Closing, and (ii) the return or exchange of Product sold prior to the Closing; (f) all Liabilities related to any employee of Seller or its Affiliates (except as set forth in Section 6.16 of the Canadian Purchase Agreement and Section 4.10 hereof); and (g) any Liabilities set forth on Section 1.1.1 of the Seller Disclosure Schedules. For the avoidance of doubt, it is understood and agreed that Buyer is not assuming any Liabilities presently in existence or arising and payable prior to the Closing, or Liabilities payable after the Closing but arising or relating to Liabilities or matters that arose prior to the Closing, in each case, regardless of when such Liabilities are discovered. All such Liabilities shall be Excluded Liabilities and shall be retained by and remain Liabilities of Seller or its Affiliates.

"**Execution Date**" has the meaning set forth in the preamble hereto.

"**Expense Reimbursement**" shall mean the aggregate amount, which shall not exceed $425,000, of all reasonable out-of-pocket expenses (including all fees and expenses of counsel, accountants, investment banks, advisors, and consultants to Buyer or its Affiliates) incurred by Buyer or its Affiliates prior to any termination of this Agreement in accordance with Article 8 relating to or in connection with (a) the purchase of the Purchased Assets, 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 Assets, including this Agreement and any 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 Assets; (e) the Chapter 11 Cases 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 Seller and the Product Business.

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

"**FDA**" means the United States Food and Drug Administration and any successor agency thereto.

"**Final Order**" shall mean an Order or judgment of the U.S. Bankruptcy Court entered by the clerk of the Bankruptcy Court or such other court on the docket in the Chapter 11 Cases or the docket of such other court, which has not been modified, amended, reversed, vacated or stayed and as to which (a) the time to appeal, petition for certiorari, or move for a new trial, reargument or rehearing has expired and as to which no appeal, petition for certiorari or motion for new trial, reargument or rehearing shall then be pending or (b) if an appeal, writ of certiorari new trial, reargument or rehearing thereof has been sought, such order or judgment of the applicable Bankruptcy Court, or other court of competent jurisdiction shall have been affirmed by the highest court to which such Order was appealed, or certiorari shall have been denied, or a new trial, reargument or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for certiorari or move for a new trial, reargument or rehearing shall have expired, as a result of which such order shall have become final in accordance with Rule 8002 of the Federal Rules of Bankruptcy Procedure or a similar rule of such other court of competent jurisdiction; *provided* that with respect to the U.S. Bankruptcy Court, the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed relating to such order, shall not cause such order not to be a Final Order.

"**Fraud**" means actual and intentional fraud by any Person with respect to the subject matter of the representations and warranties contained in this Agreement, as interpreted by New York courts applying New York Law. For the avoidance of doubt, "Fraud" does not include constructive fraud or any torts based on negligence or recklessness.

"**GAAP**" means generally accepted accounting principles in the United States.

"**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.

"**Genus**" means Genus Life Sciences Inc.

"**Genus Amendment**" means the amendment to the Genus Purchase Agreement dated the date hereof in the form delivered to Buyer prior to the date hereof, as in effect on the date hereof.

"**Genus Purchase Agreement**" means the Purchase Agreement, dated July 10, 2018, by and between Parent and Genus, as amended by the Genus Amendment, as in effect on the date hereof.

"**Governmental Authority**" 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 the FDA, Health Canada, any corresponding foreign agency and any other federal, state, provincial, local or foreign Governmental Authority with jurisdiction over the authorization, approval, marketing, advertising, sale, pricing, storage, distribution, use, handling and control, safety, efficacy, reliability or manufacturing of phannaceutical products, including, but not limited to, human drugs, biologics and drug combination products.

"**Health Canada**" means the Canadian health authority known as Health Canada and any successor agency having similar jurisdiction.

"**Horizon**" means Horizon Pharma USA, Inc.

"**Horizon License Agreement**" means the Amended and Restated Collaboration and License Agreement for the United States, dated as of November 18, 2013, by and between Seller and Horizon (as successor by assignment to AstraZeneca AB) as amended by Amendment No. 1 on November 18, 2013 and Amendment No. 2 on February 22, 2018, as in effect on the date hereof.

"**Horizon Litigation Agreement**" means Amendment No. 2 to the Horizon License Agreement, effective as of February 22, 2018, by and between Seller and Horizon, as in effect on the date hereof.

"**Indirect Taxes**" means value added, sales, consumption, goods and services taxes or other similar Taxes required by applicable Law to be disclosed as a separate item on the relevant invoice.

"**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) designs, design registrations, design registration applications; (d) 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; (e) 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; (f) trade secrets and all other confidential information, know-how, inventions, proprietary processes,

formulae, models, and methodologies; (g) registrations and applications for any of the foregoing; and (h) any goodwill associated with any of the foregoing.

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

"**Ireland Employees**" has the meaning set forth in Section 4.13.2.

"**Ireland Lease**" means the lease dated March 7, 2018 between IPUT Public Limited Company, having its registered office at 2 Hume Street, Dublin 2, as landlord (the "**Landlord**"), and Aralez Ireland, as tenant, as amended by the side letter of March 7, 2018 between the Landlord and Aralez Ireland, and the Licence for Works of March 7, 2018 between the Landlord and Aralez Ireland.

"**IRS**" means the Internal Revenue Service or any successor Governmental Authority.

"**Landlord**" has the meaning set forth in the definition of "Ireland Lease".

"**Law**" means any (i) applicable national, supranational, domestic or foreign, federal, state, provincial or local statute, law (including the common law), treaty, statute, code, constitution, ordinance, Order, decree, rule, administrative interpretation, regulation, or by-law, and (ii) any other policy, guideline, notice, protocol or requirement having the force of law of any Governmental Authority, in each case as in effect from time to time.

"**Liability**" means any debt, loss, liability, obligation, commitment, claim, damage, demand, fine, judgment, penalty or complaint, whether absolute or contingent, accrued or unaccrued, asserted or unasserted, known or unknown, fixed or contingent, matured or unmatured, determined or determinable or otherwise (including all adverse reactions, recalls, product and packaging complaints or other liabilities), whether arising under any Law, Order, Contract or otherwise, and whether or not the same would be required to be reflected in financial statements or disclosed in the notes thereto.

"**License for Works**" has the meaning given to it in the Ireland Lease.

"**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**", "**Manufacturing**" and "**Manufactured**" 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, individually or in the aggregate, is material and adverse to the business, results of operations, assets, liabilities or condition

(financial or otherwise) of the Product Business, the Purchased Assets and the Assumed Liabilities, taken as a whole; *provided, however*, none of the following, and no event, fact, condition, occurrence, change, development, circumstance or effect to the extent resulting from the following, shall be deemed (individually or in combination) to constitute, or shall be taken into account in determining whether there has been, a "Material Adverse Effect": (i) general political or economic conditions or conditions affecting the capital or financial markets generally, including the worsening of any existing conditions; (ii) conditions generally affecting any industry or industry sector in which the Product Business operates or competes or in which the Product is Manufactured or Exploited; (iii) any change or prospective change in accounting requirements, applicable Laws or the enforcement, implementation or interpretation thereof, except for judgements, awards or decrees that relate specifically to the Product Business or Purchased Assets; (iv) any hostility, act of war, sabotage, terrorism or military actions, or any escalation of any of the foregoing; (v) any hurricane, flood, tornado, earthquake or other natural disaster or force majeure event; (vi) the entry into market of a product or products (including Generic Versions of a Product) competitive with a Product or any change in the sales, financial results of a Product, or other impact on the Product, as a result of competition from another product or Generic Version of a Product; (vii) any settlement, Order or other resolution relating to the Specified Litigation; (viii) the public announcement or pendency of this Agreement, the Canadian Purchase Agreement, the transactions contemplated hereby or by the Canadian Purchase Agreement or the Chapter 11 Cases or CCAA Proceedings, including the impact of such announcement or pendency on the relationship of Seller with any supplier, distributor, customer, partner or similar relationship or any loss of employees resulting therefrom; (ix) the failure of the Product Business to achieve any financial projections, predictions, forecasts or estimates of revenues for any period (*provided*, that the underlying causes of such failure shall not be excluded unless otherwise excluded pursuant to this definition); and (x) any act or omission of Seller or any of its Affiliates required or permitted by the terms of this Agreement with the prior consent of or at the request of Buyer; except, in the case of clauses (i) through (v), to the extent that any such event, result, effect, occurrence, fact, circumstance, development, condition or change has a disproportionate effect on the Product Business, the Purchased Assets and Assumed Liabilities, taken as a whole, relative to other Persons operating businesses similar to the Product Business.

"**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.

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

"**Notice**" has the meaning set forth in Section 9.2.1.

"**NSAID**" means non-steroidal anti-inflammatory drug, including COX-2 inhibitors.

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

"**Order**" means any judicial, arbitral, administrative, ministerial, departmental or regulatory writ, judgment, edict, decree, injunction, ruling, order, decision, award or other binding obligation, pronouncement, determination or similar action taken by, or applied by, any Governmental Authority (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 6 (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) Business Days prior to the Outside Date, the Outside Date shall automatically be extended by such number of Business Days necessary to provide Buyer with at least twenty (20) Business Days between the satisfaction or waiver of such conditions and Closing.

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

"**Parent Annual Financials**" means the balance sheet and statement of income of Parent for the fiscal year ending December 31, 2017 as set forth in Section 3.1.10(a) of the Seller Disclosure Schedules.

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

"**Parent Interim Financials**" means the balance sheet and statement of income of Parent for the three (3) month period ended March 31, 2018, as set forth in Section 3.1.10(a) of the Seller Disclosure Schedules.

"**Party(ies)**" has the meaning set forth in the preamble hereto.

"**Patent Assignment Agreement**" means the Patent Assignment Agreement, in substantially the form attached as Exhibit D.

"**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.

"**Payee**" has the meaning set forth in Section 5.5.1(a).

"**Payer**" has the meaning set forth in Section 5.5.1(a).

"**Payments**" has the meaning set forth in Section 5.5.1(a).

"**Permit**" means with respect to any Person, any permit, license, grant, authorization, consent, registration, certificate, franchise, certification, variance, exemption, Order or approval or similar authorization of any Governmental Authority having jurisdiction over the Person.

"**Permitted Encumbrance**" means any (a) Encumbrance for Taxes not yet due or delinquent or for those Taxes being contested in good faith by appropriate proceedings; (b) Encumbrance imposed by Law that does not or would not be reasonably expected to materially detract from the current value of, or materially interfere with, the present use and enjoyment of any Purchased Asset subject thereto or affected thereby in the Ordinary Course of the Product Business; (c) Encumbrance incurred or deposit made to a Governmental Authority in connection with any Permit, (d) right, title or interest of a licensor or licensee under a license disclosed on Section 1.1.2(d) of the Seller Disclosure Schedules; and (e) Encumbrance disclosed on Section 1.1.2(e) of the Seller Disclosure Schedules.

"**Permitted Settlement**" means a settlement of Specified Litigation agreed to by Horizon in accordance with the terms and subject to the conditions of the Horizon Litigation Agreement that Seller is required, under the Horizon Litigation Agreement, to enter into, and that is approved by the Bankruptcy Court.

"**Person**" means any individual, partnership, limited partnership, limited liability partnership, limited liability company, unlimited liability company, joint stock company, joint venture, syndicate, sole proprietorship, corporation, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, or any other legal entity, including a Governmental Authority, and pronouns have a similarly extended meaning.

"**Petition Date**" has the meaning set forth in the recitals.

"**Post-Closing Tax Period**" has the meaning set forth in Section 5.5.2(b).

"**Pozen**" has the meaning set forth in the preamble.

"**Pre-Closing Tax Period**" has the meaning set forth in Section 5.5.2(b).

"**Privacy and Security Laws**" means all applicable Laws regarding (i) processing, collecting, accessing, using, disclosing, electronically transmitting, securing, sharing, retaining, destroying, transferring and storing personally identifiable information and (ii) data breach notification.

"**Product**" means, together, the Vimovo Product, the Treximet Product and the Yosprala Product.

"**Product Business**" means (a) the license of Seller's Intellectual Property to Manufacture, develop and Exploit the Vimovo Product, (i) in the United States, to Horizon Pharma USA, Inc., and (ii) in the rest of the world, to AstraZeneca AB; (b) the right to license or use Intellectual Property to Manufacture, develop and Exploit the Treximet Product throughout the world (other than the United States), subject to the rights granted under the Treximet License Agreement, and the right to collect royalties payable under the Treximet License Agreement

pursuant to the Treximet Sale Agreement, and (c) the right to license or use Intellectual Property to Manufacture, develop and Exploit the Yosprala Product throughout the world (it being understood Seller solely licenses Intellectual Property to Manufacture, develop and Exploit the product(s) described in clause (b) of the definition of the Yosprala Product, and Seller has no right to Manufacture, develop or Exploit such product(s)), subject to the rights granted under the Genus Agreement and the Takeda License, and the right to collect royalties payable under the Genus Agreement and the Takeda License.

"**Product Business Financial Information**" means the information set forth in Section 3.1.10(c) of the Seller Disclosure Schedules.

"**Product Information**" has the meaning set forth in Section 2.1.1(h).

"**Public Statement**" has the meaning set forth in Section 5.3.

"**Purchase Price**" has the meaning set forth in Section 2.3.1(b).

"**Purchased Assets**" has the meaning set forth in Section 2.1.1.

"**Purchased Contracts**" has the meaning set forth in Section 2.1.1(a).

"**Purchased Intellectual Property**" means the Purchased Patents, the Product Information, the Intellectual Property set forth in the Purchased Contracts covered by the Purchased Patents and all other Intellectual Property owned by Seller or its Affiliates that primarily relate to the Products and the Product Business.

"**Purchased Patents**" means the Patents listed on Section 1.1.3 of the Seller Disclosure Schedules.

"**Purchased Product Records**" means all books and records (including records of call center activity) primarily relating to the Product and Product Business to the extent owned, maintained and in the possession or Control of Seller or any of its Affiliates and reasonably necessary or used to monitor the collection of royalties with respect to the Product, maintain the Purchased Intellectual Property or prosecute and/or defend any Specified Litigation or Manufacture, develop and Exploit the Product throughout the world (to the extent Seller or any of its Affiliates has the right to do so), but excluding, in all cases, the Excluded Items and any copyrights or trademarks included therein.

"**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 Authority, to the extent that the foregoing do not have the force of Law.

"**Representatives**" means a Party's officers, directors, employees, agents, attorneys, accountants, consultants, advisors, financing sources and other representatives.

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

"**Sale Hearing**" means the hearing conducted by the Bankruptcy Court to approve the transactions contemplated by this Agreement.

"**Seller**" has the meaning set forth in the preamble hereto.

"**Seller Disclosure Schedules**" means the disclosure schedules of Seller delivered by Seller pursuant to this Agreement.

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

"**Seller's Knowledge**" means 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.

"**Selling Entities**" means (a) prior to the Closing Date, Seller, its Affiliates and each licensee, sublicensee or transferee to which Seller or any of its Affiliates has granted a (sub)license with respect to the Product and, (b) on and after the Closing Date, Buyer, its Affiliates and each licensee, sublicensee or transferee to which Buyer or any of its Affiliates has granted a (sub)license with respect to the Product.

"**Specified Litigation**" means any Litigation arising from or related to the Vimovo Product, including the Litigation set forth on Section 1.1.4 of the Seller Disclosure Schedules.

"**Successful Bidder**" has the meaning set forth in Section 5.9.2.

"**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.

"**Takeda License**" means the license agreement dated May 8, 2017 between Seller and Takeda Pharmaceutical Company Limited.

"**Tax Return**" means any return, declaration, report, election, notice, filing, claim for refund, information return or statement relating to Taxes, including any schedule or attachment thereto, filed or maintained, or required to be filed or maintained, in connection with the calculation, determination, assessment or collection of any Tax and includes any amended returns required as a result of examination adjustments made by the IRS or other Taxing Authority.

"**Taxes**" means (a) all taxes of any kind, and all charges, fees, customs, levies, duties, excises, premiums, imposts, required deposits or other assessments, including all federal, state, local or foreign net income, capital gains, gross income, gross receipt, property, franchise, sales, use, excise, withholding, payroll, employment, social security, worker's compensation, unemployment, occupation, capital stock, transfer, gains, windfall profits, net worth, asset, transaction and other taxes, and any interest, penalties, fines or additions to tax with respect thereto, imposed upon any Person by any Taxing Authority or other Governmental Authority

under applicable Law, 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.

"**Taxing Authority**" means any Governmental Authority or any quasi-governmental body exercising tax regulatory authority.

"**Termination Fee**" means an amount equal to $1,662,500.

"**Third Party**" means any Person other than Seller, Buyer and their respective Affiliates and permitted successors and assigns.

"**Trademark Assignment**" means the Trademark Assignment — Canada for the SUVEXX trademark, in substantially the form attached as Exhibit E.

"**Transfer Taxes**" has the meaning set forth in Section 5.5.2(a).

"**Transitional Services**" has the meaning set forth in Section 4.10.1.

"**Treximet License Agreement**" means that certain Product Development and Commercialization Agreement, dated as of June 11, 2003, by and between Seller and Glaxo Group Ltd., as assigned, amended or otherwise modified from time to time prior to the date hereof.

"**Treximet Sale Agreement**" means that certain Purchase and Sale Agreement, dated as of November 23, 2011, by and between Seller and CPPIB Credit Investments Inc., as amended from time to time prior to the date hereof.

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

"**U.S. Debtors**" has the meaning set forth in the recitals.

"**Works**" means the works to be carried out under the License for Works.

"**Vimovo License Agreements**" means that certain Amended and Restated Collaboration and License Agreement for the United States, dated as of November 18, 2013, by and between Seller 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 Seller and AstraZeneca AB, and that certain letter agreement, dated as of November 18, 2013, by and among AstraZeneca AB, Seller and Horizon Pharma USA, Inc., each as amended from time to time prior to the date hereof.

"**Vimovo Product**" means the "Product" as defined in the Vimovo License Agreements 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.

"**Yosprala Patents**" means the Patents listed on Section 2.3.1(c) of the Seller Disclosure Schedules.

"**Yosprala Product**" means any combination product containing acetyl salicylic acid (including salts and derivatives thereof) as an active ingredient, including without limitation (a) products consisting of a combination of aspirin and omeprazole as the only active pharmaceutical ingredients and (b) products consisting of a combination of aspirin and vonoprazan fumarate as the only active pharmaceutical ingredients.

1.2 Construction. Except where the context otherwise requires, wherever used, the singular includes the plural, the plural the singular, the use of any gender shall be applicable to all genders and the word "or" is used in the inclusive sense (and/or). The captions of this Agreement are for convenience of reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement. The terms "include," "includes" and "including" mean "include, without limitation," "includes, without limitation" and "including, without limitation," respectively, and do not limit the generality of any description preceding such term. The language of this Agreement shall be deemed to be the language mutually chosen by the Parties and no rule of strict construction shall be applied against either Party. Unless otherwise specified or where the context otherwise requires, (a) references in this Agreement to any Article, Section, Schedule or Exhibit are references to such Article, Section, Schedule or Exhibit of this Agreement; (b) references in any Section to any clause are references to such clause of such Section; (c) "hereof," "hereto," "hereby," "herein" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement; (d) references to a Person are also to its permitted successors and assigns; (e) references to a Law include any amendment or modification to such Law and any rules or regulations issued thereunder, in each case, as in effect at the relevant time of reference thereto; (f) references to any agreement, instrument or other document in this Agreement refer to such agreement, instrument or other document as originally executed or, if subsequently amended, replaced or supplemented from time to time, as so amended, replaced or supplemented and in effect at the relevant time of reference thereto; (g) "extent" in the phrase "to the extent" means the degree to which a subject or other thing extends, and such phrase does not mean simply "if", (h) 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 Buyer in the "virtual data room" prepared by Seller to which Buyer has been provided access prior to the date hereof, and (i) references to monetary amounts are denominated in United States Dollars. The Parties have participated jointly in the negotiation and drafting of this Agreement and in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party (or any Affiliate thereof) by virtue of the authorship of any of the provisions of this Agreement.

ARTICLE 2
SALE AND PURCHASE OF ASSETS; LIABILITIES

2.1 Sale of Purchased Assets.

2.1.1 Purchase and Sale of Purchased Assets. Upon the terms and subject to the conditions of this Agreement and the Ancillary Agreements, at and effective as of the Closing, Seller shall (or shall cause its applicable Affiliates to) sell, transfer, convey, assign and deliver to Buyer, and Buyer shall purchase and accept from Seller (or such Affiliates), all rights, title and interests of Seller or its Affiliates in and to the following (collectively, the "**Purchased Assets**"), in each case free and clear of any Encumbrances (other than Permitted Encumbrances):

(a) all rights and interests of Seller or its Affiliates under the Contracts set forth on Section 2.1.1(a) of the Seller Disclosure Schedules, which Section of the Seller Disclosure Schedules may be modified from the date hereof through one (1) Business Day prior to the Sale Hearing in accordance with Section 4.3.2 (the "**Purchased Contracts**");

(b) the Purchased Product Records;

(c) the Purchased Intellectual Property;

(d) all correspondence and other documentation between the parties to the Vimovo License Agreements, the Treximet License Agreement, the Treximet Sale Agreement, the Genus Agreement and the Takeda License;

(e) the right to receive all royalties arising under the Vimovo License Agreements, the Treximet Sale Agreement, the Genus License and the Takeda License on or after the Closing Date;

(f) the goodwill associated with the Product Information and the Purchased Intellectual Property;

(g) if Buyer acquires the Ireland Lease, all chattels, fittings, fixtures, equipment, computers, devices, furniture and other items, owned by Aralez Ireland located on the Premises or in the possession of the Ireland Employees, the title to which shall each transfer by delivery;

(h) all other technical information owned, controlled or developed by or on behalf of Seller or any of its Affiliates, or to which Seller or any of its Affiliates has access, relating to the Product, including a royalty free, perpetual, irrevocable license to any technical information developed as to particular markets (whether in respect of time periods before or after the Closing), and all data, information, materials, books and records to the extent used in or relating to the Purchased Assets or the Product Business, including all regulatory materials, biological, chemical, pharmacological, biochemical, technical, toxicological, pharmaceutical, physical and analytical, safety, quality control, manufacturing, pre-clinical and clinical data, instructions, processes, formulae, databases, expertise and information, relevant to the Exploitation, promotion, Manufacture, packaging, testing, use, marketing, distribution or sale of

the Product, including without limitation the pharmacovigilance database, customer lists, marketing data and promotional and training materials, if applicable (the "**Product Information**");

(i) all (i) Avoidance Actions, to the extent primarily arising out of, relating to or in respect of any Purchased Asset or Assumed Liability, along with any and all recoveries by settlement, Order or otherwise in connection with any such Avoidance Action, and (ii) all rights to and Claims for damages, injunctive and other legal and equitable relief (whether accruing prior to, on or after the Closing Date) for past, present and future infringement or other violation of the Purchased Intellectual Property; and

(j) any other assets, properties, rights and interests of Seller and its Affiliates related to the Product or the Product Business other than the Excluded Assets.

2.1.2 Excluded Assets. Notwithstanding anything to the contrary in this Agreement or in any Ancillary Agreement, (a) Buyer shall not acquire the Excluded Assets, including the Contracts set forth on Section 2.1.2 of the Seller Disclosure Schedules (the "**Excluded Contracts**"), which Section of the Seller Disclosure Schedules may be modified from the Execution Date through one (1) Business Day prior to the Sale Hearing in accordance with Section 4.3.2, (b) the Purchased Assets shall not include the Excluded Assets, and (c) Seller shall retain the Excluded Assets following the Closing Date.

2.1.3 Integration. For the avoidance of doubt, notwithstanding anything to the contrary in this Agreement or the Ancillary Agreements, whether an asset or Liability constitutes a Purchased Asset, Excluded Asset, Assumed Liability or Excluded Liability under this Agreement does not determine whether such asset or Liability is purchased, assumed, or excluded under the Canadian Purchase Agreement.

2.1.4 Retention of Rights. Notwithstanding anything to the contrary in this Agreement or any Ancillary Agreement, Seller retains, on behalf of itself and its Affiliates, licensees, sublicensees, licensors and distributors, a limited, non-exclusive right to use and the right of reference in, to and under the Purchased Assets (other than the Purchased Contracts and the Purchased Intellectual Property), in each case, as may be necessary or useful to exercise its or its Affiliates' respective rights or perform its or its Affiliates' respective obligations under this Agreement, the Canadian Purchase Agreement or any Ancillary Agreement.

2.2 Liabilities.

2.2.1 Assumed Liabilities. Upon the terms and subject to the conditions of this Agreement, at the Closing, Seller shall assign to Buyer and Buyer shall assume from Seller or its Affiliates and agree to pay and discharge when due, the following Liabilities (collectively, but excluding the Excluded Liabilities, the "**Assumed Liabilities**"):

(a) all Liabilities arising under the Contracts set forth on Section 2.1.1(a) of the Seller Disclosure Schedules, in each case only to the extent such Liabilities relate to the period on or after the Closing, it being understood that Liabilities arising under such

Contracts prior to the Closing shall not constitute Assumed Liabilities regardless of when the obligation to pay such Liabilities arises;

(b) subject to Section 4.14.3, all Liabilities arising under the Ireland Lease, only to the extent such Liabilities relate to the period on or after the Closing, it being understood that Liabilities arising under the Ireland Lease (including Liabilities pursuant to the License for Works) prior to the Closing shall not constitute Assumed Liabilities regardless of when the obligation to pay such Liabilities arises;

(c) all Liabilities arising from the ownership of the Purchased Assets or the operation of the Product Business (other than under any Contract that is not set forth on Section 2.1.1(a) of the Seller Disclosure Schedules), in each case only to the extent such Liabilities relate to the period on or after the Closing, it being understood that Liabilities arising from the ownership of the Purchased Assets or the operation of the Product Business prior to the Closing shall not constitute Assumed Liabilities regardless of when the obligation to pay such Liabilities arises; and

(d) all Liabilities arising out of or related to the Product that is Manufactured, Exploited or sold by or on behalf of a Selling Entity on or after the Closing.

2.2.2 Excluded Liabilities. Notwithstanding anything to the contrary in this Agreement or any Ancillary Agreement, neither Buyer nor any of its Affiliates shall assume, nor shall they be or become responsible for, any Liabilities of Seller or any of its Affiliates, other than the Assumed Liabilities. For greater certainty, the Excluded Liabilities shall remain the sole obligation and responsibility of Seller and its Affiliates.

2.3 Consideration.

2.3.1 Purchase Price. Upon the terms and subject to the conditions of this Agreement, in consideration of the conveyances contemplated under Section 2.1, Buyer shall:

(a) at the Closing, assume the Assumed Liabilities;

(b) at the Closing, pay to Seller an amount equal to $47,500,000 (the "**Purchase Price**"), *less* the Deposit, *less* the amount of the Cure Costs set forth in the certificate to be delivered pursuant to Section 2.3.2 by wire transfer of immediately available funds to the account designated by Seller by written Notice to Buyer, such written Notice to be provided at least five Business Days prior to the Closing Date (such amount, the "**Closing Payment**");

(c) pay to Seller 50% of any proceeds (including royalties, milestones or similar payments) received by Buyer or any of its Affiliates (including pursuant to the Genus Agreement and the Takeda License) through the Exploitation, sale, license, sublicense, grant of covenant or other disposition of the Yosprala Patents, but excluding any proceeds from any Exploitation, sale, license, sublicense, grant of covenant or other disposition of the Vimovo Product, net of (i) without duplication of any amounts for which Seller or its Affiliates are responsible in accordance with Section 5.13, all reasonable and documented out-of-pocket fees, costs and expenses (which does not include internal time of personnel of Seller) which are

reasonably incurred by Buyer and its Affiliates in order to realize such proceeds solely with respect to the Yosprala Product, including any costs related to regulatory, safety and pharmacovigilance activities, as well as all reasonable and documented fees, costs and expenses of any third party (including legal counsel, consultants and agents) engaged by Buyer or its Affiliates in connection therewith, but excluding (A) any fees, costs or expenses reimbursed by any licensee or third party, and (B) any fees, costs or expenses associated with any marketing or sales activities, and (ii) all reasonable and documented out-of-pocket fees, costs and expenses (which does not include internal time of personnel of Seller) incurred by Buyer and its Affiliates (to the extent not reimbursed by any licensee or third party) associated with maintaining the Yosprala Patents in the jurisdictions in which they are currently registered or applied for as well as all documented fees, costs and expenses of any third party (including legal counsel, consultants and agents) engaged by Buyer or its Affiliates in connection therewith. Subject to Section 5.13, all amounts payable under this Section 2.3.1(c) shall be paid in the same form as the consideration received by Buyer and shall be payable as promptly as practicable following actual receipt by Buyer thereof; and

(d) if Buyer acquires the Ireland Lease, pay to Seller an amount equal to $1 pursuant to the Deed of Assignment.

2.3.2 Cure Costs. Not less than two Business Days prior to the Closing Date, Seller shall deliver to Buyer a certificate setting forth the Cure Costs (together with reasonable supporting documentation).

2.3.3 Allocation of Consideration. Buyer shall allocate the Purchase Price (and the Assumed Liabilities, to the extent properly taken into account under applicable Tax Laws) among the Purchased Assets in accordance with applicable Tax Laws (the "**Allocation**") prior to or within 90 days following the Closing and shall deliver to Seller a copy of such Allocation promptly after such determination. Seller shall have the right to review and raise any reasonable objections in writing to the Allocation during the 10-day period after its receipt thereof. If Seller disagrees with respect to any item in the Allocation, the Parties shall negotiate in good faith to attempt to resolve the dispute. Each Party shall have the right to allocate the Purchase Price (and the Assumed Liabilities, to the extent properly taken into account under applicable Tax Laws) among the Purchased Assets in its discretion if the Parties are unable to agree on an Allocation despite their good faith negotiations.

2.4 Closing.

Pursuant to the terms and subject to the conditions of this Agreement, the closing of the transactions contemplated hereby (the "**Closing**") shall take place at the New York, New York offices of Willkie Farr & Gallagher LLP, at 10:00 a.m. local time, on a Business Day on a date not later than three Business Days following satisfaction of all conditions (other than those that by their terms are to be satisfied or taken at the Closing) set forth in Article 6 (or, to the extent permitted by applicable Law, waived by the Party entitled to the benefits thereof), or such other time and place as Buyer and Seller may agree to in writing.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Seller. Seller represents and warrants to Buyer as follows, with each such representation and warranty subject to such exceptions, if any, as are set forth in the corresponding section of the Seller Disclosure Schedules. Disclosures in any section or paragraph of the Seller Disclosure Schedules shall be deemed disclosure with respect to any other sections or paragraphs of this Agreement to the extent that it is reasonably apparent from the face of such disclosure that such disclosure is applicable to such other sections or paragraphs. Seller acknowledges and agrees that Buyer is relying upon the representations and warranties in connection with its purchase of the Purchased Assets.

3.1.1 Organization; Good Standing; Qualification. Pozen is a corporation duly formed, validly existing and in good standing under the Laws of the State of Delaware, 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 Product Business that it conducts as it is now being carried on. Pozen has not been discontinued or dissolved under the Laws of the State of Delaware and no steps or proceedings have been taken to authorize or require such discontinuance or dissolution. Aralez Ireland is a designated activity company duly formed, validly existing and in good standing under the Laws of Ireland (to the extent such concept is applicable in such jurisdiction), and has the requisite 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 Product Business that it conducts as it is now being carried on. Aralez Ireland has not been discontinued or dissolved under the Laws of Ireland and no steps or proceedings have been taken to authorize or require such discontinuance or dissolution. Seller is duly qualified to carry on business in each jurisdiction in which the nature or character of the properties and assets owned, leased or operated by it, including for greater certainty, the Purchased Assets, or the nature of its business or activities, including for greater certainty, the operation of the Product Business, makes such qualification necessary, except where the failure to be so qualified would not reasonably be expected to have a Material Adverse Effect. Seller has provided to Buyer true, complete and correct copies of the constituent documents of Seller, as amended.

3.1.2 Authority and Enforceability. Seller has the requisite 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 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 consummation of the transactions contemplated hereby or thereby have been, or will be at or prior to Closing, duly authorized by all necessary action on the part of Seller. This Agreement and each of the Ancillary Agreements to which Seller is or will be a party, have been, or will be at or prior to Closing, duly executed and delivered by Seller, and, subject to the U.S. Bankruptcy Court entry of the Approval Order, constitute or will constitute a legal, valid and binding obligation of Seller, enforceable against it in accordance with its terms, 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 (the "**Enforceability Exceptions**").

3.1.3 Authorizations and Consents. Except for (a) the entry of the Bidding Procedures Order and the Approval Order and, as applicable, the expiration or waiver of the Bankruptcy Court of the applicable 14-day period set forth in Rule 6004(h) of the Bankruptcy Rules and (b) items disclosed in Section 3.1.3 of the Seller Disclosure Schedules, no material Order, Permit, license, consent, approval, waiver, notification or filing is required on the part of Seller for the execution and delivery by Seller of this Agreement, the performance by Seller of its obligations hereunder or thereunder and the consummation of the transactions contemplated hereby and thereby, including, for greater certainty, the transfer of the Purchased Assets.

3.1.4 No Broker. Seller has not used any broker or finder in connection with the transactions contemplated hereby, except that Seller has engaged the Seller Financial Advisors as its financial advisors, and no other broker, finder or investment banker is entitled to any fee or commission from Seller in connection with the transactions contemplated hereby.

3.1.5 Litigation. Section 3.1.5 of the Seller Disclosure Schedules sets forth a list of all Litigation to which Seller is a Party relating to any of the Purchased Assets, the Assumed Liabilities or the Product Business as of the Execution Date, including the Specified Litigation. Except as set forth in Section 3.1.5 of the Seller Disclosure Schedules, there is no Litigation against or involving Seller relating to the Purchased Assets, the Assumed Liabilities or the Product Business (whether in progress, pending or, to Seller's Knowledge, threatened) as of the Execution Date that, individually or in the aggregate, if adversely determined, would reasonably be expected to prevent or significantly impede or materially delay the consummation of the transactions contemplated by the Agreement or the ability of Buyer to conduct the Product Business after the Closing in substantially the same manner as conducted by Seller before the Closing in any material respect.

3.1.6 No Violation. Subject to (a) the entry of the Bidding Procedures Order and the Approval Order and, as applicable, the expiration or waiver of the Bankruptcy Court of the applicable 14-day period set forth in Rule 6004(h) of the Bankruptcy Rules and (b) items disclosed in Section 3.1.6 of the Seller Disclosure Schedules, the execution and delivery by Seller of this Agreement and each Ancillary Agreement to which it is or will be a party, the performance by Seller of its obligations hereunder or thereunder and the consummation of the transactions contemplated hereby and thereby do not and will not: (i) result in a material violation of any Law (including Privacy and Security Laws); (ii) result in a breach of, or conflict with, the constituent documents of Seller; (iii) result in a material breach of, allow any Person to exercise any material rights under, or result in the loss of any material rights or the imposition of obligations under, any material Contract, including for greater certainty, the Purchased Contracts, or material Order, Permit, approval, consent, waiver, license or similar authorization of any Governmental Authority to which Seller is a party; or (iv) result in the suspension or alteration in the terms of any material Order, Permit, approval, consent, waiver, license or similar authorization of any Governmental Authority held by Seller or in the creation of any Encumbrance upon any of Seller's properties or assets other than Encumbrances created solely

as a result of the acquisition by Buyer of the Purchased Assets and assumption of the Assumed Liabilities or in connection with the Debt Financing.

3.1.7 Purchased Assets.

(a) Except as set forth in Section 3.1.7(a) of the Seller Disclosure Schedules, Seller owns or has rights to, and upon delivery to Buyer at the Closing will transfer to Buyer, good title to or a valid leasehold interest in all of the Purchased Assets, free and clear of all Encumbrances, except for Permitted Encumbrances.

(b) Except as set forth in Section 3.1.7(b) of the Seller Disclosure Schedules, no other Person owns any assets that are material to the Product Business in substantially the same manner as conducted by Seller and its Affiliates before Closing except for personal property leased by Seller, Intellectual Property and computer software and programs licensed to Seller, products sold pursuant to distribution or similar contracts with Seller, and the Excluded Assets.

(c) The Purchased Assets are sufficient for the continued conduct of the Product Business after the Closing in substantially the same manner as conducted by Seller and its Affiliates before the Closing and constitute all of the rights, property and assets necessary to conduct the Product Business as currently conducted by Seller in the Ordinary Course.

(d) The Purchased Assets represent all of the assets relating to MT400 owned by Pozen.

(e) The Purchased Assets constitute substantially all of the business of Pozen.

3.1.8 Intellectual Property.

(a) Section 3.1.8(a) of the Seller Disclosure Schedules sets forth a correct and complete list of all registered Purchased Intellectual Property indicating, for each such item of Purchased Intellectual Property, the owner, registration, patent or application number (as applicable) and the applicable filing jurisdiction. The Purchased Intellectual Property is all Intellectual Property necessary for and material to the operation of the Product Business as presently conducted by Seller other than off-the-shelf software license agreements. Except as set forth in Section 3.1.8(a) of the Seller Disclosure Schedules, Seller is the owner of record of all Purchased Intellectual Property. All Purchased Intellectual Property is, to Seller's Knowledge, subsisting, valid and enforceable.

(b) Except as set forth in Section 3.1.8(b) of the Seller Disclosure Schedules, at Closing Seller will own, directly and exclusively, all right, title and interest in and to, free and clear of all Encumbrances (other than Permitted Encumbrances), or will have a valid and exclusive right to use, the Purchased Intellectual Property.

(c) Except as set forth in Section 3.1.8(c) of the Seller Disclosure Schedules, no claims or actions are pending or, to Seller's Knowledge, threatened in writing, and

to Seller's Knowledge, there is no valid basis for a claim (i) of infringement, misappropriation or other violation of the material Intellectual Property of any Person against Seller in respect of the conduct of the Product Business by Seller as presently conducted, (ii) challenging the ownership, validity, enforceability or use of any Purchased Intellectual Property or (iii) of any other violation of material Intellectual Property rights against Seller, or to Seller's Knowledge, any other Person, in respect of the conduct of the Product Business by Seller as presently conducted.

(d) Except as set forth in Section 3.1.8(d) of the Seller Disclosure Schedules, to Seller's Knowledge, no Person is infringing, misappropriating or otherwise violating any Purchased Intellectual Property owned by Seller and no such claims have been asserted or threatened against any Person by Seller, or to Seller's Knowledge, any other Person, in the three years preceding the date of this Agreement.

(e) Seller has taken reasonable commercial measures in accordance with industry practice to maintain the secrecy of any of the Purchased Intellectual Property that it considers to be trade secrets or confidential information.

(f) To Seller's Knowledge, Seller is not a party to any Contract or subject to any Order that in any way limits or restricts any of the Purchased Intellectual Property that Seller owns and/or currently uses to conduct the Product Business, other than normal and routine off-the-shelf software license agreements. The consummation of the transactions contemplated by this Agreement will not materially impair any rights in or to any Purchased Intellectual Property, or grant to any Person any rights in or to any Purchased Intellectual Property. All of the Purchased Intellectual Property owned by Seller is fully transferable, alienable and licensable without any material payment to any Person and without any restriction, other than (i) potential Cure Costs set forth in the certificate to be delivered pursuant to Section 2.3.2, (ii) licenses granted by Seller in the Ordinary Course of the Product Business, including the Purchased Contracts, and (iii) licenses granted under the Genus Purchase Agreement and Takeda License.

3.1.9 No Material Disposals. Since December 31, 2017, Seller has not sold or otherwise disposed of any assets that are material to the Product Business.

3.1.10 Financials.

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

(b) Parent has designed, or caused to be designed, such internal controls over financial reporting under the supervision of the Chief Executive Officer and Chief Financial Officer of Parent to provide reasonable assurance (x) that material information relating to Parent is made known to its Chief Executive Officer and Chief Financial Officer by others within Parent, and (y) regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. To the knowledge of

Parent: (i) there have been no significant deficiencies in the design or operation of, or material weaknesses in, the internal controls over financial reporting of Parent that are reasonably likely to adversely affect Parent'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 Parent. To the knowledge of Parent, Parent has received no written complaints from any source regarding accounting, internal accounting controls or auditing matters or written reports from employees of Parent regarding questionable accounting or auditing matters.

(c) The Product Business Financial Information has been prepared in good faith and based on GAAP, applied on a consistent basis, has been compiled from the Purchased Product Records, does not contain any misrepresentations and presents fairly the financial condition of the Product Business as of the date thereof.

(d) Seller has no material Liability of any nature (whether accrued, absolute, contingent or otherwise) with respect to the Product Business other than (i) Liabilities disclosed in the Product Business Financial Information and (ii) Liabilities not reflected in the Product Business Financial Information that were incurred in the Ordinary Course.

3.1.11 Absence of Certain Changes. Except as set forth in Section 3.1.11 of the Seller Disclosure Schedules, since December 31, 2017, (a) no event, result, effect, occurrence, fact, circumstance, development, condition or change has occurred or arisen that has had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; (b) Seller has conducted the Product Business in all material respects in the Ordinary Course; and (c) Seller has not taken any action that would be prohibited by Section 4.2.1 if taken during the Interim Period.

3.1.12 Compliance with Laws. Except as set forth in Section 3.1.12 of the Seller Disclosure Schedules, the Product Business has been and is currently being conducted in compliance, in all material respects, with all applicable Laws and Regulatory Guidelines (including Privacy and Security Laws). Seller has not 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 Purchased Assets or the operation of the Product Business.

3.1.13 Purchased Contracts. Each Purchased Contract listed or described in Section 2.1.1(a) of the Seller Disclosure Schedules is in full force and effect and is a valid and binding obligation of Seller and, to Seller's Knowledge, the other parties thereto, in accordance with its terms and conditions, in each case except (a) as such enforceability may be limited by the Enforceability Exceptions and (b) as set forth on Section 3.1.13 of the Seller Disclosure Schedules. Seller has made available to Buyer correct and complete copies of all Purchased Contracts. Except as set forth on Section 3.1.13 of the Seller Disclosure Schedules and payment of the Cure Costs set forth in the certificate to be delivered pursuant to Section 2.3.2, (i) Seller is not in material breach or default of its obligations under any Purchased Contract and the Ireland Lease, (ii) no condition exists that with notice or lapse of time or both would constitute a material default by Seller under any such Purchased Contract, and (iii) to Sellers' Knowledge, no

other party to any such Purchased Contract is in material breach or default thereunder. Other than as disclosed in Section 2.1.1(a) of the Seller Disclosure Schedules and Section 2.1.2 of the Seller Disclosure Schedules, as of the Execution Date, Seller is not party to a Contract that is material to the Product Business.

3.1.14 Taxes

(a) Seller has filed (or caused to be filed) on a timely basis all Tax Returns relating to the Purchased Assets that it was required to file by applicable Law. All such Tax Returns were correct and complete in all material respects and were prepared in compliance with all applicable Laws.

(b) All Taxes due and owing (whether or not shown or required to be shown on any Tax Return) relating to the Purchased Assets have been paid.

(c) To Seller's Knowledge, there are no Encumbrances for Taxes upon any of the Purchased Assets, other than Permitted Encumbrances.

(d) No extensions or waivers of statutes of limitations have been given or requested with respect to any Taxes relating to the Purchased Assets.

(e) None of the Purchased Assets are used or held, or have been used or held, in a business carried on in Canada.

3.1.15 Books and Records. The Purchased Product Records have been maintained in accordance with all applicable Laws in all material respects, and such Purchased Product Records are complete and accurate in all material respects. True and correct copies of all material Purchased Product Records have been made available to Buyer.

3.2 Representations and Warranties of Buyer. Buyer represents and warrants to Seller as follows. Buyer acknowledges and agrees that Seller is relying upon the representations and warranties in connection with its sale of the Purchased Assets.

3.2.1 Entity Status. Buyer is duly formed and validly existing under the laws of its jurisdiction of formation and 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.

3.2.2 Authority. The execution and delivery of and performance by Buyer of this Agreement and the Ancillary Agreements to which it is or will be a party have been, or will be at or prior to Closing, authorized by all necessary corporate action on the part of Buyer.

3.2.3 No Conflict. The execution and delivery of and performance by Buyer of this Agreement and the Ancillary Agreements to which it is or will be a party (a) 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 Buyer's certificate of organization, bylaws or equivalent organizational documents, (b) 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

contract, license, lease or instrument to which it is a party; and (c) do not result in the violation of any Law applicable to Buyer.

3.2.4 Required Authorizations. No filing with, notice to or Order, Permit, approval, consent, waiver, license or similar authorization of, any Governmental Authority is required on the part of Buyer as a condition to the lawful consummation of the transactions contemplated by this Agreement or the Ancillary Agreements to which it is or will be a party.

3.2.5 Execution and Binding Obligation. This Agreement and the Ancillary Agreements to which Buyer is or will be a party have been, or will be, duly executed and delivered by Buyer and constitute, or will constitute, legal, valid and binding agreements of Buyer, enforceable against it in accordance with its terms, subject only to the Enforceability Exceptions.

3.2.6 Financial Capacity. Buyer has delivered to Seller 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 Nuvo and, to the knowledge of Nuvo, Deerfield, (b) the Commitment Letter has not been amended or modified and no such amendment or modification is contemplated by Nuvo, 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 Buyer 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 Nuvo and Deerfield other than the Commitment Letter. As of the date of this Agreement, to Buyers knowledge and excluding any conditions where the failure to be so satisfied is a result of Seller's breach of any of its obligations under this Agreement or a 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 Nuvo 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 Buyer is not aware of any fact or occurrence that makes any of the representations or warranties of Nuvo relating to Nuvo 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 6.1 and Section 6.2, (x) Buyer does not have any reason to believe that Nuvo 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 Buyer to consummate the transactions contemplated hereby upon the terms and conditions contemplated hereby and pay all related fees and expenses related thereto.

3.2.7 Litigation. There is no material Litigation in progress, pending, or to

Buyer's knowledge, threatened against Buyer, which prohibits, restricts or seeks to enjoin the transactions contemplated by this Agreement.

3.2.8 No Broker. 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 Buyer.

3.3 Exclusivity of Representations.

(a) Except for the representations and warranties made by Seller in Section 3.1 or in any Ancillary Agreement to be delivered by Seller pursuant to this Agreement, neither Seller nor any other Person makes any express or implied representation or warranty with respect to Seller or its businesses, assets, operations, liabilities, condition (financial or otherwise) or prospects, and Seller hereby disclaims any such other representations or warranties. In particular, without limiting the foregoing disclaimer, except for the representations and warranties made by Seller in Section 3.1 or in any Ancillary Agreement to be delivered by Seller pursuant to this Agreement, neither Seller nor any other Person makes or has made any representation or warranty to Buyer or any of its respective representatives, with respect to, nor has Buyer or any of its respective representatives relied on, (i) any financial projection, forecast, estimate, budget or prospective information relating to the Product Business or (ii) any oral or written information furnished or made available to Buyer or any of its representatives in the course of its due diligence investigation of Seller, the Product Business, the negotiation of this Agreement or the consummation of the transactions contemplated by this Agreement, including the accuracy, completeness or currency thereof, and neither Seller nor any other Person will have any liability to Buyer or any other Person in respect of such information, including any subsequent use of such information, except in the case of Fraud. Nothing in this Section 3.3 shall limit the liability of Seller or any Affiliate thereof for Fraud.

(b) Notwithstanding anything contained in this Agreement to the contrary, Seller acknowledges and agrees that neither Buyer nor any other Person has made or is making any representations or warranties whatsoever, express or implied with respect to Buyer or Buyer's businesses, assets, operations, liabilities, conditions (financial or otherwise) or prospects, beyond those expressly made by Buyer in Section 3.2 including any implied representation or warranty as to the accuracy or completeness of any information regarding Buyer furnished or made available to Seller, or any of its representatives.

ARTICLE 4
PRE-CLOSING COVENANTS

4.1 Access and Information.

4.1.1 From the date hereof until the Closing, Seller shall (a) afford Buyer and its Representatives full and free access to and the right to inspect all of the Product Business, the Purchased Assets, Purchased Product Records and other documents and data to the extent related to the Product Business; (b) furnish Buyer and its Representatives with such financial, operating and other data and information to the extent related to the Product Business as Buyer or its

Representatives may reasonably request; and (c) cause their agents, employees, officers and directors to cooperate with and aid Buyer and its Representatives in its investigation of the Product Business. Any request or investigation under this Section 4.1.1 shall be made or conducted on a reasonable basis by Buyer providing reasonable notice to Seller and shall be conducted during normal business hours in such a manner as not to interfere unreasonably with the conduct of the Product Business. No investigation by Buyer or any of its Representatives or other information received by Buyer or any of its Representatives shall operate as a waiver or otherwise affect any representation, warranty or agreement given or made by Seller (including Section 8.1) and shall not be deemed to amend or supplement the Disclosure Schedules.

4.1.2 Buyer acknowledges and agrees that (a) certain records may contain information relating to Seller or its Affiliates, but not relating to the Product Business (and, notwithstanding the inclusion of such information in such records, such information shall not constitute Purchased Assets), and that Seller and its Affiliates may retain copies thereof and (b) prior to making any records available to Buyer, Seller or its Affiliates may redact any portions thereof that do not relate to the Product Business.

4.1.3 During the Interim Period, Buyer hereby agrees it shall not contact, and it shall cause its Affiliates or Representatives to not contact, any licensor, licensee, competitor, supplier, distributor or customer of Seller with respect to the Product, the Purchased Assets, the Product Business, this Agreement, the Canadian Purchase Agreement, the Ancillary Agreements or the transactions contemplated hereby or thereby, without the prior written consent of Seller, which consent shall not be unreasonably withheld, conditioned or delayed; provided that the Parties acknowledge and agree that Buyer, its Affiliates and their respective Representatives shall be permitted, subject to prior coordination and consultation with Seller, to contact the counterparties to each of the Treximet License Agreement, Treximet Sale Agreement, Vimovo License Agreements, the Genus Agreement, and the Takeda License for purposes of establishing direct relationships with each such party in anticipation of Buyer's operation of the Product Business following the Closing; provided, further, that (a) Buyer shall provide Seller reasonable advance notice of such contact, (b) any written communications shall be reasonably satisfactory to Seller and (c) Seller will participate in any meetings and conferences (including teleconferences) if requested by Seller.

4.2 Ordinary Course of Business.

4.2.1 Except as otherwise expressly provided in this Agreement or the Canadian Purchase Agreement or for actions taken by Seller as required under the DIP Agreement or in connection with the Chapter 11 Cases, during the Interim Period, Seller will (i) conduct the Product Business in the Ordinary Course (other than in connection with a Permitted Settlement) and (ii) use its commercially reasonable efforts to maintain and preserve intact the current organization and Product 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 Product Business. Without limiting the foregoing, except for actions taken by Seller as required by this Agreement, the Canadian Purchase Agreement, the DIP Agreement or the Chapter 11 Cases, without the prior written consent of Buyer, during the Interim Period, Seller shall not, directly or indirectly:

(a) Grant, impose or suffer to be imposed any Encumbrance upon any of the Purchased Assets other than Permitted Encumbrances;

(b) enter into any Contract that would be a Purchased Contract, materially modify, materially amend, materially breach, repudiate, reject, disclaim, restate or terminate any Purchased Contract, or waive, release or assign any material rights or claims under any Purchased Contract (other than in connection with a Permitted Settlement);

(c) (i) encumber, transfer, abandon, allow to lapse, fail to prosecute or maintain, license (other than in the Ordinary Course of the Product Business), or otherwise dispose of any Purchased Intellectual Property or (ii) disclose any confidential Purchased Intellectual Property (in the case of each of clauses (i) and (ii), other than in connection with a Permitted Settlement);

(d) compromise or settle any material Litigation relating to the Product Business or cancel or compromise any material claim or waive or release any material right, in each case, that is related to the Product Business or a Purchased Asset (in each case, other than a Permitted Settlement);

(e) other than in the Ordinary Course of the Product Business, submit any material information to or enter into any material discussions with or respond to any enquiry from any Governmental Authority with respect to any Product (in each case, other than in connection with a Permitted Settlement); and

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

4.3 Notification of Certain Matters.

4.3.1 During the Interim Period, Seller shall promptly notify Buyer in writing of any:

(a) result, effects, occurrence, fact, circumstance, development, condition, change 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 6.1 or 6.2 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 Authority in connection with the Product, the Product Business or a Purchased Asset;

(d) any legal proceeding or investigation commenced or, to Seller's Knowledge, threatened against, relating to or involving or otherwise affecting Seller, the Product Business or a Purchased Asset that, if pending on the date of this Agreement, would have been

required to have been disclosed under Section 3.1.5 (*Litigation*) or that relates to the transactions contemplated by this Agreement; and

(e) any Contract primarily used in or related to the Product Business to which Seller or any of its Affiliates is a party as of the Execution Date that was not set forth on Section 2.1.1(a) of the Seller Disclosure Schedules and any Contracts that is primarily used in or related to the Product Business and arise in the Ordinary Course of business after the Execution Date.

4.3.2 From the Execution Date through one (1) Business Day prior to the Sale Hearing, Seller shall use commercially reasonable efforts to promptly provide Buyer written notice of any Contract to which Seller is a party as of the Execution Date that was not set forth ou Section 2.1.1(a) of the Seller Disclosure Schedules or Section 2.1.2 of the Seller Disclosure Schedules as of the Execution Date, and any Contracts that relate to the Product Business and arise in the Ordinary Course of business after the Execution Date. Buyer shall be entitled, in its sole discretion and upon written notice to Seller, to add any such Contract to Section 2.1.1(a) of the Seller Disclosure Schedules or Section 2.1.2 of the Seller Disclosure Schedules; *provided, however*, Seller may add, in all cases, any Permitted Settlement to Section 2.1.1(a) of the Seller Disclosure Schedules in its sole discretion. From the Execution Date through one (1) Business Day prior to the Sale Hearing, Buyer may amend Section 2.1.1(a) of the Seller Disclosure Schedules or Section 2.1.2 of the Seller Disclosure Schedules (including, in each case, as may have been updated by Seller pursuant to the preceding sentence) to move any Contract from Section 2.1.2 of the Seller Disclosure Schedules to Section 2.1.1(a) of the Seller Disclosure Schedules or vice versa, in either case by providing Seller with written notice thereof; *provided, however*, that Buyer shall have no right to add any Contract rejected, in accordance with Section 365 of the Bankruptcy Code, by Seller prior to Seller receiving written notice from Buyer to include such Contract on Section 2.1.1(a) of the Seller Disclosure Schedules; *provided, further*, that Buyer may not add any Permitted Settlement to Section 2.1.2 of the Seller Disclosure Schedules or remove any Permitted Settlement from Section 2.1.1(a) of the Seller Disclosure Schedules, in each case, without the prior written consent of Seller.

4.3.3 Buyer's receipt of information under this Section 4.3 shall not operate as a waiver or otherwise affect any representation, warranty or agreement given or made by Seller in this Agreement (including Section 8.1) and shall not be deemed to amend or supplement the Seller Disclosure Schedules.

4.4 Obligation to Consummate the Transaction. Each of the Parties agrees that, subject to this Section 4.4, it shall use commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to the extent permissible under applicable Law, to consummate and make effective the transactions contemplated by this Agreement and to ensure that the conditions set forth in Article 6 are satisfied, insofar as such matters are within the control of either of them.

4.5 Financial Statements.

4.5.1 Seller shall use commercially reasonable efforts to prepare and provide

Buyer with the BAR Financial Statements for the Product Business as promptly as practicable following the date hereof. Seller shall use commercially reasonable efforts to cause the BAR Financial Statements to be audited (as and to the extent required under Canadian Securities Laws) by Seller's auditor. Seller shall use its 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 Buyer under Canadian Securities Laws (to the extent such consent is required under Canadian Securities Laws). Buyer shall bear all reasonable documented out-of-pocket costs incurred by Seller in connection with the performance by Seller of its obligations under this Section 4.5.1.

4.6 Non-Solicitation of Bids.

4.6.1 From the date hereof until the date of the entry of the Bidding Procedures Order, Seller shall not, and shall cause its Affiliates and its and their respective Representatives not to, solicit bids for an Alternative Transaction or respond to any inquiries from any Person regarding a potential Alternative Transaction.

4.7 Key Employee Retention Plan.

4.7.1 If Seller seeks approval from the Bankruptcy Court of a key employee retention plan, Seller shall cause the employees of Seller and its Affiliates set forth in Section 4.9.1 of the Seller Disclosure Schedule to be included in such plan.

4.8 Financing.

4.8.1 Subject to the terms and conditions of this Agreement, Nuvo 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 Nuvo 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 Seller's breach of any of its other obligations under this Agreement or a 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. Buyer 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 Seller.

4.9 Co-operation with Financing.

4.9.1 Upon the reasonable request of Buyer, Seller shall, and shall cause its

Affiliates and its and their respective Representatives to, provide commercially reasonable cooperation and assistance to Buyer in connection with the arrangement of the Debt Financing including, but not limited to, as so requested:

(a) promptly furnishing Buyer with financial information, statistical information, diligence materials and any other pertinent information regarding Seller and the Product Business as may be reasonably required by Buyer or Deerfield;

(b) cooperating with Buyer 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 Buyer 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 Seller, any of its Affiliates or any of their respective 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 Seller 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 Buyer with Buyer'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.

4.10 Transitional Services.

4.10.1 Seller 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 Restructuring Proceedings, use its commercially reasonable efforts to provide such services and assistance to Buyer as Buyer may reasonably request to facilitate the transition of the Product Business to Buyer, including, as requested, IT support, accounting services, clinical and regulatory file transfer, consulting services, intellectual property administration, and litigation support (the "**Transitional Services**"). The Parties acknowledge the transitional nature of the Transitional Services. Accordingly, as promptly as practicable following the execution of this Agreement, Buyer agrees to use commercially reasonable efforts to transition of each Transitional Service to its own internal organization or to obtain alternate third-party sources to provide the Transitional Services, and Seller agrees to use commercially reasonable efforts to assist Buyer in connection therewith.

4.10.2 Without limiting the generality of the foregoing, following Closing, Seller will use commercially reasonable efforts to make the individuals set forth in Section 4.10.2 of the Seller Disclosure Schedules available to provide Transitional Services to the extent requested by Buyer. Notwithstanding the foregoing, during the Transitional Services period set forth in Section 4.10.1, the Parties agree that neither Seller 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 4.7 enter into retention agreements with employees or otherwise provide any incentive beyond payment of regular salary and benefits.

4.10.3 Buyer shall reimburse Seller, on a "cost-pass-through" basis, for the cost of the Transitional Services provided by Seller following Closing as requested by Buyer.

4.10.4 Buyer may terminate any Transitional Service, in whole and not in part, upon thirty (30) days' notice to Seller in writing of any such determination. Upon the termination of any Transitional Services, Seller shall have no further obligation to provide the applicable terminated Transitional Services and Buyer will have no obligation to pay any future compensation relating to such Transitional Services (other than costs required to be paid by Buyer pursuant to Section 4.10 in respect of Transitional Services already provided and received by Buyer prior to such termination).

4.10.5 Seller 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 Seller. Seller 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 4.10.

4.11 Deposit.

4.11.1 Buyer 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 Business Days of the date hereof.

4.12 TSX Conditional Approval.

4.12.1 Promptly following the date hereof, Buyer shall use commercially reasonable efforts to have the Toronto Stock Exchange conditionally approve, as soon as commercially practicable, the potential issuance of equity of Nuvo 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 Nuvo prior to Closing). Buyer shall promptly notify Seller of the occurrence of any event or circumstance that it is aware of that would reasonably be expected to materially impede or delay Nuvo's ability to obtain such conditional approval, provided that any such notification shall not otherwise relieve Buyer of its obligations under this Section 4.12.

4.13 Ireland Employees.

4.13.1 Seller and Buyer hereby acknowledge and agree that the transfer of the Purchased Assets and the Product Business does not constitute a relevant transfer for the purposes of the European Communities (Protection of Employees on Transfer of Undertakings) Regulations 2003 (as amended).

4.13.2 Following the date hereof and prior to the Closing Date, Buyer shall offer to employ all of the employees of Aralez Ireland listed on Schedule 4.13 (the "**Ireland Employees**") upon such terms and conditions and with such benefits as Buyer may determine. Seller consents to (a) Buyer communicating with and negotiating the terms of an employment contract with one or more of the Ireland Employees, and (b) entering into a contract of employment with one or more of the Ireland Employees before the Closing, provided that any such contract of employment is conditional upon the Closing.

4.13.3 Provided Buyer has complied with its obligations under Section 4.13.2, Seller shall terminate the employment of each of the Ireland Employees as of the Closing. Seller shall be responsible for fulfilling all obligations to the Ireland Employees for the period prior to Closing, including pursuant to any key employee retention plan referred to in Section 4.7.1 or otherwise. Seller shall agree to release all Ireland Employees who accept offers of employment with Buyer from their contracts of employment with Seller with effect from Closing, on condition that a written request for such a release is received from the Ireland Employees' concerned.

4.14 Ireland Lease

4.14.1 Buyer shall arrange to inspect the Premises within five (5) Business Days of the date of this Agreement (or as soon thereafter as reasonably practicable) and Aralez Ireland shall facilitate such inspection and shall provide such information and documentation as is reasonably requested by Buyer to assess the compliance by Aralez Ireland with its obligations pursuant to the Ireland Lease, including the License for Works, including satisfactory evidence of material compliance with the provisions of the License for Works. To the extent not completed as of the Execution Date, Aralez Ireland shall use commercially reasonable efforts to arrange to complete the Works required prior to Closing, and shall keep Buyer promptly informed in relation to the progress of and the completion of the required Works, including the

provision of the required documentation to the Landlord. On completion of the Works, Buyer shall arrange to inspect the Premises and Aralez Ireland shall facilitate such inspection and shall provide such information and documentation as is reasonably requested by Buyer to assess the compliance by Aralez Ireland with its obligations to complete the Works. Buyer shall arrange to further inspect the Premises not more than five (5) Business Days prior to the Closing Date, and Aralez Ireland shall facilitate such inspection and shall provide such information and documentation as is reasonably requested by Buyer to determine (i) whether or not the Premises is otherwise in materially the same condition as on the date of the first inspection, and (ii) that the Works have been completed in accordance with the provisions of the License for Works .

4.14.2 Aralez Ireland shall promptly notify Buyer of any material adverse change in the condition of the premises demised by the Ireland Lease, or if Aralez Ireland receives a notice from an Irish Governmental Authority which would result in a material expenditure on the premises demised by the Ireland Lease.

4.14.3 Without limiting Seller's obligations under Section 5.2.3, within five (5) Business Days of the date of this Agreement, Aralez Ireland shall apply to the Landlord for its consent to a full assignment of the Ireland Lease and shall consult with Buyer in relation to the information to be provided to the Landlord pursuant to Clause 3.16.1(1) of the Ireland Lease. Buyer shall promptly provide such further information and documentation as required by the Landlord, to include any requirements of the Landlord pursuant to Clause 3.16.1(3) of the Ireland Lease.

4.14.4 Without limiting Section 4.3.2, (x) if Buyer discovers material damage to the Premises during its inspections under 4.14.1, Buyer may provide notice to Seller prior to Closing that it is electing to not acquire the Ireland Lease (and the assets described in Section 2.1.1(g)), or (y) if the Landlord fails to consent to a full assignment of the Ireland Lease prior to the Closing, in each case of clauses (x) and (y), the Ireland Lease shall be deemed to be moved from Section 2.1.1(a) to Section 2.1.2 of the Seller Disclosure Schedules and Sections 2.1.1(g), 2.2.1(b) and 2.3.1(d) shall not apply. If there is no material damage to the Premises prior to Closing and provided that Aralez Ireland has not received a notice from an Irish Governmental Authority which would result in a material expenditure required to the premises demised by the Ireland Lease, and the Landlord consents to a full assignment of the Lease, Buyer must acquire, subject to clause 4.14.5, the Ireland Lease. For greater certainty, Buyer shall be under no obligation to acquire the Ireland Lease if the Closing does not occur. In the event that the parties cannot agree as to whether material damage has been caused to the Premises, either party may at any time by notice in writing to the other require this question to be determined by an independent surveyor being a member of the Society of Chartered Surveyors in the Republic of Ireland. In default of agreement between the parties on the appointment of the said independent surveyor, the independent surveyor shall be appointed by the President of the Society of Chartered Surveyors in the Republic of Ireland on the written application of either party. The said independent surveyor shall act as an expert.

4.14.5 Without limiting Buyer's and Seller's obligations under Section 5.2.1, subject to the Landlord consent to the assignment:

(a) on the Closing Date, Aralez Ireland shall (i) hand over the premises demised under the Ireland Lease in substantially the same condition as it was in on the date of the inspection carried out by the Purchaser pursuant to Section 4.14.1 (save for any remaining Works completed), and (ii) execute a deed of assignment of the Ireland Lease in favor of Buyer ("**Deed of Assignment**"), the Landlord's consent to the assignment to Buyer (if delivered by the Landlord), and such other documents (including evidence of a valid Irish tax number, Irish Family Law Declaration, and Notice of Assignment to the rating authority) as may be reasonably required by the Landlord and Buyer with regard to the assignment of the Ireland Lease;

(b) Buyer shall be liable in full for any stamp duty payable on the Deed of Assignment and shall present the Deed of Assignment for stamping with the Revenue Commissioners and shall furnish the counterpart stamp to Aralez Ireland within seven (7) Business Days of the Assignment; and

(c) it is agreed that the chattels, fittings, fixtures, equipment, computers, devices, furniture and other items described in Section 2.1.1(g), the title to which shall each transfer by delivery, shall have a nil value.

ARTICLE 5
ADDITIONAL COVENANTS

5.1 Cooperation in Litigation and Investigations. Except as set forth in the Canadian Purchase Agreement or any Ancillary Agreement, from and after the Closing Date, Buyer and Seller shall reasonably cooperate with each other in the defense or prosecution of any Litigation, examination or audit instituted prior to the Closing or that may be instituted thereafter against or by either Party relating to or arising out of the conduct of the Product Business (other than (i) in connection with a Product's Abbreviated New Drug Application (as defined in the Act) or (ii) Litigation between Buyer and Seller or their respective Affiliates arising out of the transactions contemplated hereby or by the Ancillary Agreements, with respect to which applicable rules of discovery shall apply). In connection therewith, and except as set forth in any Ancillary Agreement, from and after the Closing Date, each of Seller and Buyer shall make available to the other during normal business hours and upon reasonable prior written notice, but without unreasonably disrupting its business, all records to the extent relating to the Purchased Assets, the Excluded Assets, the Assumed Liabilities or the Excluded Liabilities held by it and reasonably necessary to permit the defense or investigation of any such Litigation, examination or audit (other than Litigation between Buyer and Seller or their respective Affiliates arising out of the transactions contemplated hereby or by the Ancillary Agreements, with respect to which applicable rules of discovery shall apply), and shall, and shall cause its Affiliates to, preserve and retain all such records for the length of time contemplated by its standard record retention policies and schedules; *provided*, that neither Party shall be required to make available such documents if such Party reasonably determines that such disclosure could (a) violate applicable Law or any binding agreement entered into prior to the Closing Date (including any confidentiality agreement to which Seller or any of its Affiliates is a party), (b) jeopardize any attorney/client privilege or other established legal privilege or (c) disclose any trade secrets (*provided*, that, with respect to clauses (a)—(c), such Party shall use commercially reasonable

efforts to obtain any required consents or waivers and take such other reasonable action (such as the entry into a joint defense agreement or other arrangement to avoid loss of attorney-client privilege) to permit such access). The Party requesting cooperation shall pay the reasonable out-of-pocket costs and expenses (including legal fees and disbursements) incurred by the Party providing such cooperation and by its Representatives.

5.2 Further Assurances.

5.2.1 Each of Seller and Buyer shall, at any time or from time to time after the Closing, at the request and expense of the other, execute and deliver to the other all such instruments and documents or further assurances as the other may reasonably request, in each case that are consistent with the terms of this Agreement, in order to (a) vest in Buyer all of Seller's right, title and interest in and to the Purchased Assets (including the Purchased Intellectual Property) as contemplated hereby, (b) effectuate Buyer's assumption of the Assumed Liabilities and (c) grant to each Party all rights contemplated to be granted to such Party under this Agreement and the Ancillary Agreements; *provided, however*, that after the Closing, apart from such foregoing customary further assurances, neither Seller nor Buyer shall have any other obligations except as specifically set forth and described herein, in the Canadian Purchase Agreement, or in the Ancillary Agreements.

5.2.2 If any approval, consent or waiver required for Seller to assign to Buyer, and for Buyer to assume, the Purchased Contracts and other Purchased Assets shall not have been obtained prior to the Closing, Seller shall use commercially reasonable efforts to assume and assign the Purchased Contracts and other Purchased Assets to Buyer, including using commercially reasonable efforts to facilitate any negotiations with the counterparties to such Purchased Contracts and to obtain an order (which shall be the Approval Order) containing a finding that the proposed assignment to and assumption of the Purchased Contracts by Buyer satisfy all applicable requirements of section 365 of the Bankruptcy Code. At the Closing (i) Seller shall, pursuant to the Approval Order, assign to Buyer each of the Purchased Contracts that is capable of being assigned and (ii) Buyer shall pay all Cure Costs (if any) set forth in the certificate to be delivered pursuant to Section 2.3.2 and Seller shall pay any other Cure Costs, in each case in connection with such assignment and assume and discharge when due the Assumed Liabilities (if any) under the Purchased Contracts. Except as to Purchased Contracts assigned pursuant to section 365 of the Bankruptcy Code or the Approval Order, anything in this Agreement to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any Purchased Asset or any right thereunder if an attempted assignment, without the consent of a Third Party, would constitute a breach or in any way adversely affect the rights of Buyer or Seller thereunder, and Seller, at Buyer's expense, shall use its commercially reasonable efforts to obtain any such required consent(s) as promptly as possible. If such consent is not obtained or such assignment is not attainable pursuant to section 365 of the Bankruptcy Code or the Approval Order, or if any attempted assignment would be ineffective or would impair Buyer's rights under the Purchased Asset in question so that Buyer would not in effect acquire the benefit of all such rights, then Seller, to the maximum extent permitted by applicable Law, shall act after the Closing, at Buyer's request, as Buyer's agent in order to obtain for it the benefits thereunder and shall cooperate, to the maximum extent permitted by applicable Law, with Buyer in any other reasonable arrangement designed to provide such benefits to Buyer.

Seller may not agree to pay any amount to obtain any consent of a third party without Buyer's prior approval. Notwithstanding any provision in this Section 5.2.2 to the contrary, Buyer shall not be deemed to have waived any rights it may have in the event of a breach of Seller of Section 3.1.3 unless and until Buyer either provides written notice thereof or elects to proceed to consummate the transactions contemplated by this Agreement at Closing. All obligations of Seller under this Section 5.2.2 shall expire on the date that is three months after the Closing Date.

5.2.3 Seller will use its commercially reasonable efforts to obtain, or cause to be obtained, prior to Closing, any approval, consent or waiver required for Seller to assign to Buyer, and for Buyer to assume, the Purchased Contracts and other Purchased Assets required as a result of the consummation of the transaction contemplated by this Agreement and the Ancillary Agreements or necessary to vest in Buyer all of Sellers rights, title and interest in and to the Purchased Assets, except to the extent such consents are not necessary as a result of the entry of the Approval Order. Despite the previous sentence, Seller is not under any obligation to pay any money to a Third Party (unless Buyer agrees in writing to reimburse Seller for such payment), incur any material obligations, commence any Litigation or offer or grant any material accommodation (financial or otherwise) to any Third Party in order to obtain such approval, consent or waiver or take any action whatsoever that is not permitted by the Chapter 11 Cases. Buyer will co-operate in obtaining such consents, approvals and waivers, including by providing information of Buyer as is reasonably requested by a Third Party.

5.3 Publicity. 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 Buyer and Seller, not to be unreasonably withheld, or (b) if required by applicable Law, the Chapter 11 Cases, a Governmental Authority, or stock exchange requirements (based upon the reasonable advice of counsel). Where the Public Statement is required by applicable Law, the Chapter 11 Cases, a Governmental Authority, or stock exchange requirement, the Party required to make the Public Statement will use its commercially reasonable efforts to consult with the other Party, and consider in good faith any revisions proposed by the other Party, prior to making such disclosure, and shall limit such disclosure to only that information that is legally required to be disclosed.

5.4 Product Liability Claims. As soon as it becomes aware, each Party shall give the other Party prompt written notice of any defect or alleged defect in a Product, any injury alleged to have occurred as a result of the use or application of a Product, and any circumstances that may give rise to Litigation or Liability relating to a Product, recall or market withdrawal of a Product or regulatory action that reasonably would be expected to adversely affect the Exploitation or Manufacture of a Product or result in any Liability for either Party, specifying, to the extent the Party has such information, the time, place and circumstances thereof and the names and addresses of the Persons involved. Each Party also shall furnish promptly to the other Party copies of all documents received in respect of any Litigation arising out of such alleged defect, injury or regulatory action; *provided*, that neither Party shall be required to furnish such documents if such disclosure could, in such Party's reasonable discretion, (a) violate applicable Law or any binding agreement entered into prior to the Closing Date (including any confidentiality agreement to which such Party is a party), *provided*, that such Party uses

commercially reasonable efforts to obtain waivers thereof; (b) jeopardize any attorney/client privilege or other established legal privilege; or (c) disclose any trade secrets.

5.5 Certain Tax Matters.

5.5.1 Withholding Taxes.

(a) The amounts payable by one Party (the "**Payer**") to another Party (the "**Payee**") pursuant to this Agreement ("**Payments**") shall not be reduced on account of any Taxes unless required by applicable Law. The Payee alone shall be responsible for paying any and all Taxes (other than withholding Taxes required to be paid by the Payer) levied on account of, or measured in whole or in part by reference to, any Payments it receives. The Payer shall deduct or withhold from the Payments any Taxes that it is required by applicable Law to deduct or withhold, and all such amounts deducted and withheld shall be treated for all purposes of this Agreement as having been paid to Payee. Notwithstanding the foregoing, if the Payee is entitled under any applicable Tax treaty to a reduction of rate of, or the elimination of, or recovery of, applicable withholding Tax, it shall timely deliver to the Payer or the appropriate Governmental Authority (with the assistance of the Payer to the extent that this is reasonably required and is expressly requested in writing) the prescribed forms necessary to reduce the applicable rate of withholding or to relieve the Payer of its obligation to withhold Tax, and the Payer shall apply the reduced rate of withholding, or dispense with the withholding, as the case may be, to the extent it complies with the applicable Tax treaty. If, in accordance with the foregoing, the Payer withholds any amount, it shall make timely payment to the proper Taxing Authority of the withheld amount, and send to the Payee proof of such payment as soon as reasonably practicable.

(b) Seller shall deliver to Buyer a non-foreign affidavit dated as of the Closing Date, sworn under penalty of perjury and in form and substance required under Treasury Regulations issued pursuant to section 1445 of the Code stating that Seller is not a "foreign person" as defined in section 1445 of the Code

5.5.2 Transfer Taxes and Apportioned Obligations.

(a) All amounts payable hereunder or under any Ancillary Agreement are exclusive of all recordation, transfer, documentary, stamp, conveyance or other similar Taxes (excluding any Indirect Taxes) imposed or levied by reason of, in connection with or attributable to this Agreement and the Ancillary Agreements or the transactions contemplated hereby and thereby (collectively, "**Transfer Taxes**"). Buyer shall be responsible for the payment of all Transfer Taxes, and shall pay all amounts due and owing in respect of any Transfer Taxes, these amounts in addition to the sums otherwise payable, at the rate in force at the due time for payment or such other time as is stipulated under applicable Law.

(b) All personal property and similar ad valorem obligations levied with respect to the Purchased Assets for a taxable period which includes (but does not end on) the Closing Date (collectively, the "**Apportioned Obligations**") shall be apportioned between Seller and Buyer based on the number of days of such taxable period ending on the Closing Date (such portion of such taxable period, the "**Pre-Closing Tax Period**") and the number of days of such taxable period beginning on the day after the Closing Date (such portion of such taxable

period, the "**Post-Closing Tax Period**"). Seller shall be liable for the proportionate amount of such Apportioned Obligations that is attributable to the Pre-Closing Tax Period, and Buyer shall be liable for the proportionate amount of such Apportioned Obligations that is attributable to the Post-Closing Tax Period.

(c) Apportioned Obligations and Transfer Taxes shall be timely paid, and all applicable filings, reports and returns shall be filed, as provided by applicable Law. The paying Party shall be entitled to reimbursement from the non-paying Party in accordance with Section 5.5.2(a) or Section 5.5.2(b), as the case may be. Upon payment of any such Apportioned Obligation or Transfer Tax, the paying Party shall present a statement to the non-paying Party setting forth the amount of reimbursement to which the paying Party is entitled under Section 5.5.2(a) or Section 5.5.2(b), as the case may be, together with such supporting evidence as is reasonably necessary to calculate the amount to be reimbursed. The non-paying Party shall make such reimbursement promptly but in no event later than 10 days after the presentation of such statement.

5.5.3 Indirect Taxes. The Parties intend and shall use their reasonable best efforts to ensure the transfer of the Purchased Assets shall occur without any obligation of Seller to account for Transfer Taxes or Indirect Taxes. However, if notwithstanding that intention, it is determined that the transfer of the Purchased Assets does give rise to an obligation on Seller to account for Transfer Taxes or Indirect Taxes, notwithstanding anything to the contrary contained in this Section 5.5 or elsewhere in this Agreement, the following provision shall apply. All Payments are stated exclusive of Indirect Taxes. If any Indirect Taxes are chargeable in respect of any Payments, for which Seller is accountable, Buyer shall pay such Indirect Taxes at the applicable rate in respect of any such Payments following the receipt, where applicable, of an Indirect Taxes invoice issued in the appropriate form by Seller in respect of those Payments, such Indirect Taxes to be payable no later than five Business Days prior to the date on which Indirect Taxes are required to be accounted for by Seller. The Parties shall issue invoices for all goods and services supplied under this Agreement consistent with Indirect Tax requirements, and to the extent any invoice is not initially issued in an appropriate form, Buyer shall promptly inform Seller and shall cooperate with Seller to provide such information or assistance as may be necessary to enable the issuance of such invoice consistent with Indirect Tax requirements. For the avoidance of doubt, all Indirect Taxes shall be borne by Buyer.

5.5.4 Cooperation and Exchange of Information. Each of Seller and Buyer shall (a) provide the other with such assistance as may reasonably be requested by the other (subject to reimbursement of reasonable out-of-pocket expenses) in connection with the preparation of any Tax Return, audit or other examination by any Taxing Authority or judicial or administrative proceeding relating to Liability for Taxes in connection with the Product Business or the Purchased Assets, (b) retain and provide the other with any records or other information that may be relevant to such Tax Return, audit or examination, proceeding or determination and (c) inform the other of any final determination of any such audit or examination, proceeding or determination that affects any amount required to be shown on any Tax Return of the other for any period.

5.5.5 Survival of Covenants. The covenants contained in this Section 5.5 shall survive until 30 days after the expiration of the applicable statute of limitations (including extensions thereof).

5.6 Accounts Receivable and Payable.

5.6.1 Accounts Receivable. The Parties acknowledge and agree that all Accounts Receivable shall remain the property of Seller or its Affiliates and shall be collected by Seller or its Affiliates subsequent to the Closing. In the event that, subsequent to the Closing, Buyer or an Affiliate of Buyer receives any payments from any obligor with respect to an Account Receivable outstanding on the Closing Date, then Buyer shall, or shall cause such Affiliate to, within 30 days after receipt of such payment, remit the full amount of such payment to Seller. In the case of the receipt by Buyer of any payment from any obligor of both Seller and Buyer then, unless otherwise specified by such obligor, such payment shall be applied first to amounts owed to Buyer with the excess, if any, remitted to Seller. In the event that, subsequent to the Closing, Seller or any of its Affiliates receives any payments from any obligor with respect to an account receivable of Buyer for any period after the Closing Date, then Seller shall, or shall cause such Affiliate to, within 30 days after receipt of such payment, remit the full amount of such payment to Buyer. In the case of the receipt by Seller of any payment from any obligor of both Seller and Buyer then, unless otherwise specified by such obligor, such payment shall be applied first to amounts owed to Seller with the excess, if any, remitted to Buyer.

5.6.2 Accounts Payable. In the event that, subsequent to the Closing, Buyer or an Affiliate of Buyer receives any invoices from any Third Party with respect to any account payable of the Product Business outstanding prior to the Closing, then Buyer shall, or shall cause such Affiliate to, within 30 days after receipt of such invoice, provide such invoice to Seller. In the event that, subsequent to the Closing, Seller or any of its Affiliates receives any invoices from any Third Party with respect to any account payable of Buyer or any of its Affiliates for any period after the Closing, then Seller shall, or shall cause such Affiliate to, within 30 days after receipt of such invoice, provide such invoice to Buyer.

5.7 Wrong Pockets.

5.7.1 Assets. Without limiting Section 5.2, if either Buyer or Seller becomes aware that any of the Purchased Assets has not been transferred to Buyer or that any of the Excluded Assets has been transferred to Buyer, it shall promptly notify the other and the Parties shall, as soon as reasonably practicable, ensure that such property is transferred, at the expense of Seller and with any necessary prior Third Party consent or approval, to (a) Buyer, in the case of any Purchased Asset that was not transferred to Buyer at the Closing; or (b) Seller, in the case of any Excluded Asset that was transferred to Buyer at the Closing.

5.7.2 Payments. If, on or after the Closing Date, either Party shall receive any payments or other funds due to the other pursuant to the terms of this Agreement or any Ancillary Agreement, then the Party receiving such funds shall, within 30 days after receipt of such funds, forward such funds to the proper Party. The Parties acknowledge and agree there is no right of offset regarding such payments and a Party may not withhold funds received from

Third Parties for the account of the other Party in the event there is a dispute regarding any other issue under this Agreement or any of the Ancillary Agreements.

5.8 Purchased Intellectual Property. Promptly following the Closing, Seller shall take such further actions and execute such further documents as may be necessary or reasonably requested by Buyer to effectuate, evidence and perfect the assignment and transfer of the Purchased Intellectual Property to Buyer, including making such filings with any Governmental Authorities as may be required to transfer the Purchased Intellectual Property to Buyer or to further the prosecution, issuance or maintenance of the Purchased Intellectual Property, and executing and delivering to Buyer such documents as may be necessary or reasonably requested by Buyer to bring or defend any Litigation in relation to the Purchased Intellectual Property.

5.9 Bankruptcy Court Filings and Approval.

5.9.1 The U.S. Debtors shall use their commercially reasonable efforts to obtain the Bidding Procedures Order and the Approval Order and such other relief from the Bankruptcy Court as may be necessary or appropriate in connection with this Agreement and the consummation of the transactions contemplated by this Agreement. On or prior to September 19, 2018, the U.S. Debtors shall file with the Bankruptcy Court a motion in form and substance reasonably satisfactory to Buyer (the "**Approval Motion**") for:

(a) entry of an order substantially in the form of Exhibit F and in all cases in form and substance acceptable to Buyer (as amended, modified, or supplemented (to the extent that such amendments, modifications or supplements would reasonably be expected to delay, interfere or otherwise impede the consummation of the Closing, with the consent of Buyer, not to be unreasonably withheld), the "**Bidding Procedures Order**," and together with the Approval Order, the "**Bankruptcy Court Orders**"), among other things, (A) establishing bidding procedures substantially in the form of Exhibit G and in all cases in form and substance acceptable to Buyer governing the sale of the Purchased Assets (the "**Bid Procedures**"), (B) approving 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 (C) providing that the Termination Fee and the Expense Reimbursement shall constitute superpriority administrative expenses of the U.S. Debtors, with priority over any and all administrative expenses of the kind specified in Sections 503(b)(1) and 507(a) of the Bankruptcy Code and if triggered, shall be payable from the proceeds of any Alternative Transaction for the Purchased Assets, at the closing of such Alternative Transaction, free and clear of all liens (including those arising under the DIP Financing Order). The U.S. Debtors shall use commercially reasonable efforts to seek entry of the Bidding Procedures Order by 30 days after the date of this Agreement; provided, that the failure to have the Bidding Procedures Order entered by 30 days after the Petition Date shall not be a termination event under this Agreement; and

(b) entry of an order substantially in the form of Exhibit H, and in all cases in form and substance satisfactory to Buyer, authorizing and approving, inter alia, the sale of the Purchased Assets of the U.S. Debtors to Buyer on the terms and conditions set forth herein, free and clear of all Encumbrances (to the extent set forth therein), and the assumption and assignment of the Purchased Contracts to Buyer (as amended, modified, or supplemented (to

the extent that such amendments, modifications or supplements would reasonably be expected to delay, interfere or otherwise impede the consummation of the Closing, with the consent of Buyer, not to be unreasonably withheld), the "**Approval Order**").

5.9.2 If an Auction is conducted, and Buyer is not the prevailing party at the conclusion of such Auction (such prevailing party, the "**Successful Bidder**") but is the next highest bidder, as determined by Seller, at the Auction, Buyer shall be required to serve as a back-up bidder (the "**Back-up Bidder**") and keep Buyer'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 Buyer) open and irrevocable in accordance with the Bidding Procedures Order until the Outside Date.

5.9.3 Seller 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 onerous (in any material respect) to Seller 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 favorable to Seller.

5.9.4 Seller shall give appropriate notice, and provide appropriate opportunity for hearing, to all Persons entitled thereto, of all motions (including the Approval Motion), orders, hearings, and other proceedings relating to this Agreement or any Ancillary Agreement and the transactions contemplated hereby and thereby and such additional notice as ordered by the Bankruptcy Court or as Buyer may reasonably request.

5.9.5 Seller shall use its commercially reasonable efforts, and shall cooperate, assist and consult with Buyer, to secure the entry of the Bidding Procedures Order and the Approval Order.

5.9.6 If the Bidding Procedures Order, Approval Order or any other orders of the Bankruptcy Court relating to this Agreement or the transactions contemplated hereby shall be appealed by any Person (or if any petition for certiorari or motion for reconsideration, amendment, clarification, modification, vacation, stay, rehearing or reargument shall be filed with respect to the Approval Order, Bidding Procedures Order or other such order), and this Agreement has not otherwise been terminated pursuant to Section 8.1, Seller shall immediately notify Buyer of such appeal, petition, or motion and shall use commercially reasonable efforts to defend such appeal, petition, or motion and shall use their reasonable best efforts to obtain an expedited resolution of any such appeal, petition, or motion.

5.10 DIP Financing Orders.

5.10.1 On or prior to August 10, 2018, the U.S. Debtors will file a motion seeking entry of an interim and final order, which, in the case of the interim order, shall be in the form of Exhibit I and in the case of the final order shall be substantially in the form of Exhibit I, subject to customary modifications for a final order (such orders, collectively, the "**DIP**

Financing Order"), authorizing the U.S. Debtors to enter into and perform their obligations under the DIP Agreement and to use cash collateral.

5.11 Service of Approval Motion. Seller will serve a copy of the Approval Motion and the accompanying attachments in accordance with the Bankruptcy Code, the Bankruptcy Rules, and upon all persons otherwise entitled to notice of the Approval Motion under applicable law..

5.12 Copies of Pleadings.

5.12.2 No less than two (2) Business Days prior to service thereof, Seller shall, to the extent reasonably practicable, provide Buyer with drafts of all documents, motions, orders, filings or pleadings that Seller proposes to file with the Bankruptcy Courts that relate to the approval of this Agreement and the consummation of the transactions contemplated hereby. Seller shall also promptly (and, in any event, within two Business Days) provide Buyer with copies of all pleadings received by or served by or upon Seller in connection with the Chapter 11 Cases that relate to or, in Seller's judgment, are reasonably expected to affect the transactions provided for in this Agreement and which have not, to the actual knowledge of Seller, otherwise been served on Buyer.

5.13 Patent Enforcement Costs

5.13.1 From and after Closing, Pozen shall pay to Buyer 50% of all reasonable out-of-pocket costs incurred by Buyer or its Affiliates following Closing in enforcing (including through litigation) the validity of the Yosprala Patents throughout the world (but excluding (a) to the extent any enforcement actions or litigations relate to claims of the Yosprala Patents that are only infringed by the Vimovo Product, and (b) any such costs for which Buyer receives reimbursement from a third party, including Genus), including all fees, costs and expenses of any third party (including legal counsel, consultants and agents) engaged by Buyer or its Affiliates in connection therewith, promptly following written notice from Buyer (accompanied by reasonable supporting documentation) setting forth such costs.

5.13.2 Buyer shall be entitled to recover amounts owing by Pozen pursuant to Section 5.13.1 by setting off such amounts owing against any amounts owing by Buyer or its Affiliates to Pozen or its Affiliates, including any amounts owing by Buyer to Pozen pursuant to Section 2.3.1(c). Section 5.13.2 shall be the exclusive recourse of Buyer with regards to Section 5.13.1.

ARTICLE 6
CONDITIONS PRECEDENT

6.1 Conditions to Obligations of Buyer and Seller. The obligations of Buyer and Seller to complete the transactions contemplated by this Agreement are subject to the satisfaction at or prior to the Closing of the following conditions:

6.1.1 No Illegality or Action. There shall not be in effect any applicable Law

that enjoins or prohibits any of the transactions contemplated by this Agreement. No action shall have been commenced or threatened in writing against Buyer or Seller which seeks to restrain or prohibit any transaction contemplated hereby or the ability of Buyer to conduct the Product Business after the Closing in substantially the same manner as conducted by Seller before the Closing.

6.1.2 U.S. Bankruptcy Orders. The U.S. Bankruptcy Court shall have entered each of the Bankruptcy Court Orders, and each of the Bankruptcy Court Orders shall be in full force and effect and shall be Final Orders.

6.2 Conditions to Obligations of Buyer. The obligation of Buyer to complete the transactions contemplated by this Agreement is subject to the satisfaction, or waiver by Buyer, at or prior to the Closing of the following additional conditions:

6.2.1 Truth of Representations and Warranties. The representations and warranties of Seller contained Section 3.1.1 [*Organization; Good Standing; Qualification*], Section 3.1.2 [*Authority and Enforceability*], Section 3.1.4 [*No Broker*], and Section 3.1.7(a) [*Purchased Assets*] 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 needs to be true and correct as of that date) and all other representations and warranties of Seller 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. Seller shall also have executed and delivered a certificate confirming the foregoing signed by a senior officer.

6.2.2 Performance of Covenants. Seller 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. Seller shall also have executed and delivered a certificate confirming the foregoing signed by a senior officer.

6.2.3 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.

6.2.4 Closing Deliveries. Buyer must have received the following:

(a) a true and complete copy of the Approval Order;

(b) the certificates referred to in Section 6.2.1 and Section 6.2.2;

(c) a receipt acknowledging receipt of the Closing Payment, in satisfaction of Buyer's obligations pursuant to Section 2.3, validly executed by a duly authorized representative of Seller;

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

(e) the tangible Purchased Assets; *provided* that (i) delivery shall, unless the Parties otherwise mutually agree, be to the locations and on the timeframes set forth in Section 6.2.4(e) of the Seller Disclosure Schedules, and (ii) Seller may retain copies of the Purchased Product Records included within the Purchased Assets and the Purchased Contracts (and, for the avoidance of doubt, prior to delivering or making available any files, documents, instruments, papers, books and records containing Purchased Product Records to Buyer, Seller shall be entitled to redact from such files, documents, instruments, papers, books and records any information to the extent that it does not relate to the Product Business);

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

(g) evidence that the Amended and Restated Intangible Property License Agreement, dated as of May 31, 2015, by and between Pozen and Aralez Ireland, as amended on July 10, 2018, has been terminated;

(h) evidence that the Purchased Assets are free and clear of all Encumbrances other than Permitted Encumbrances as set out in the Approval Order; and

(i) any instruments Buyer reasonably requests, in a form reasonably acceptable to Buyer, to effect the transfer of any of the Purchased Assets from any Affiliate of Seller to Buyer in accordance with the terms of this Agreement.

6.2.5 Canadian Purchase Agreement. The conditions set forth in Section 7.1 of the Canadian Purchase Agreement (other than those conditions that by their terms are to be satisfied at the Closing) shall have been satisfied or waived by Buyer (as defined in the Canadian Purchase Agreement) at or prior to the Closing.

6.2.6 Toronto Stock Exchange 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 Buyer prior to Closing).

6.2.7 Genus Amendment. The Bankruptcy Court shall have approved the Genus Amendment in the Bidding Procedures Order, and each of the parties thereto shall have performed their obligations thereunder.

6.2.8 Abbreviated New Drug Application. Abbreviated New Drug Application No. 204206 shall not have received approval or tentative approval by FDA prior to the condition

set forth in Section 6.2.7 being satisfied.

6.3 Conditions to Obligations of Seller. The obligation of Seller to complete the transactions contemplated by this Agreement is subject to the satisfaction, or waiver by Seller, at or prior to the Closing of the following additional conditions:

6.3.1 Truth of Representations and Warranties. The representations and warranties of Buyer contained in this Agreement must be true and correct in all respects (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, or be reasonably expected, to, materially adversely affect the ability of Buyer to consummate the transactions contemplated hereby. Buyer shall also have executed and delivered a certificate confirming the foregoing, signed by a senior officer.

6.3.2 Performance of Covenants. Buyer 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. Buyer shall also have executed and delivered a certificate confirming the foregoing, signed by a senior officer.

6.3.3 Closing Deliveries. Seller must have received the following:

(a) a true and complete copy of the Approval Order;

(b) the certificates referred to in Section 6.3.1 and Section 6.3.2;

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

(d) the Closing Payment, *plus* the payment of any Cure Costs set forth in the certificate to be delivered pursuant to Section 2.3.2, in accordance with Section 2.3.1 (along with a U.S. Federal Reserve reference or similar number evidencing execution of such payment).

6.3.4 Canadian Purchase Agreement. The conditions set forth in Section 7.2 of the Canadian Purchase Agreement (other than those conditions that by their terms are to be satisfied at the Closing) shall have been satisfied or waived by Vendor (as defined in the Canadian Purchase Agreement) at or prior to the Closing.

ARTICLE 7
NO SURVIVAL OF REPRESENTATIONS, WARRANTIES AND PRE-CLOSING COVENANTS

7.1 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, 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, equityholders, managers, agents or Affiliates; *provided, however*, that this Section 7.1 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, or (b) any recovery by any Person in the case of Fraud or willful breach.

7.2 No Recourse.

7.2.1 Except to the extent otherwise expressly provided in Section 9.9, Buyer's sole and exclusive remedy (a) for a breach of any representation or warranty made by Seller herein or in any document delivered pursuant hereto or (b) for a breach of any covenant made by Seller herein or in any document delivered pursuant hereto and required to be performed by Seller on or prior to the Closing, shall, in either case, be limited to Buyer's right to terminate this Agreement to the extent permitted pursuant to Section 8.1, in which case Seller shall have not any liability except to the extent expressly provided in Section 8.3 (whether in equity or at Law, in Contract, in tort or otherwise).

7.2.2 Except to the extent otherwise expressly provided in Section 9.9, Seller's sole and exclusive remedy (a) for a breach of any representation or warranty made by Buyer herein or in any document delivered pursuant hereto or (b) for a breach of any covenant made by Buyer herein or in any document delivered pursuant hereto and required to be performed by Buyer on or prior to the Closing, shall, in either case, be limited to Seller's right to terminate this Agreement to the extent permitted pursuant to Section 8.1.2 and to receive the Deposit pursuant to Section 8.3.2, in which case Buyer shall have not any further liability of any kind (whether in equity or at Law, in Contract, in tort or otherwise).

ARTICLE 8
TERMINATION

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

8.1.1 by mutual written agreement of Buyer and Seller;

8.1.2 by Buyer or Seller 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 Buyer to provide, or cause to be provided, Seller 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 8.1.2 and shall only be subject to Section 8.1.9, provided that such failure is not the result of a material breach of this Agreement by Buyer.

8.1.3 by Buyer or Seller (a) if an Alternative Transaction is entered into other than in connection with an Auction, (b) if there is an Auction, Buyer is not declared the

Successful Bidder at the Auction and Buyer is not required to serve as the Back-up Bidder pursuant to Section 5.9.2 or (c) if there is an Auction, Buyer is not declared the Successful Bidder at the Auction and Buyer is required to serve as the Back-up Bidder pursuant to Section 5.9.2; *provided*, that any termination pursuant to this clause (c) shall not be effective until the earlier of the occurrence of the Outside Date or the consummation of an Alternative Transaction;

8.1.4 by Buyer, if (a) the Bankruptcy 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, (b) the Bankruptcy Court has not approved and entered the Approval Order prior to 11:59 p.m. (prevailing Eastern Time) on the day that is 45 days following the entry of the Bidding Procedures Order, or (c) following entry of the Approval Order or the Bidding Procedures Order, such Order is stayed, reversed, modified, vacated or amended in any respect without the prior written consent of Buyer, which consent may not be unreasonably withheld, and such stay, reversal, modification, vacation or amendment is not eliminated within 14 days;

8.1.5 by Buyer, if (a) Seller seeks to have the Bankruptcy Court enter an order (or consent to or does not oppose entry of an order) (i) dismissing, or converting the Chapter 11 Cases into cases under chapter 7 of the Bankruptcy Code, or (ii) appointing a trustee, receiver or other Person responsible for operation or administration of Seller or its business or assets, or a responsible officer for any of Seller, or an examiner with enlarged power relating to the operation or administration of Seller or its business or assets (each, an "**Appointee**"); (b) an order of dismissal of the Chapter 11 Cases, conversion of the Chapter 11 Cases into cases under chapter 7 of the Bankruptcy Code, or appointment of an Appointee is entered for any reason, (c) Seller does not comply with the material terms of the Bid Procedures; (d) if Seller files any stand-alone plan of reorganization or liquidation (or announces support of any such plan filed by any other party) or consummates an Alternative Transaction;

8.1.6 by Buyer or Seller 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) Buyer shall not have the right to terminate this Agreement pursuant to this 8.1.6 during the pendency of any Litigation brought prior to the Outside Date by Seller for specific performance of this Agreement (to the extent available pursuant to Section 9.9) and (b) Seller shall not have the right to terminate this Agreement pursuant to this Section 8.1.6 during the pendency of any Litigation brought before the Outside Date by Buyer for specific performance of this Agreement;

8.1.7 by Buyer if the Canadian Purchase Agreement is terminated;

8.1.8 by Seller if the Deposit is not received by the Escrow Agent, within five (5) Business Days from the date of this Agreement as a result of Buyer's failure to comply with its obligations under Section 4.10.

8.1.9 by Seller if, (i) all of the conditions set forth in Sections 6.1 and 6.2 are satisfied or waived by Buyer 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) Seller has irrevocably notified Buyer 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 6.3 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 6.3; (iii) Seller has given Buyer written notice at least two (2) Business Days prior to such termination stating Seller's intention to terminate this Agreement pursuant to this Section 8.1.9; and (iv) Buyer does not provide, or cause to be provided, Seller 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.

8.2 Procedure and Effect of Termination.

8.2.1 Termination of this Agreement by either Buyer or Seller shall be by delivery of a Notice to the other Party. 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 8.1 shall be effective upon and as of the date of delivery of such Notice as determined pursuant to Section 9.2.

8.2.2 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.

8.2.3 If this Agreement is terminated, the Parties are released from all of their obligations under this Agreement, except that each Party's obligations under Sections 5.3, 7.2, 8.2.3, 8.3, 9.1, 9.2, 9.3, 9.5, 9.9, 9.10 and 9.11 will survive.

8.2.4 As soon as practicable following a termination of this Agreement for any reason, but in no event more than 30 days after such termination, Buyer and Seller 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 Authority or other Person.

8.2.5 Notwithstanding anything to the contrary in this Agreement, Buyer shall only be entitled to exercise its applicable termination rights pursuant to Section 8.1.4 as a result of the failure of the Bankruptcy Court to grant a priority charge with respect to the Termination Fee and Expense Reimbursement as required by Section 5.9.1(a), if Buyer 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.

8.3 Termination Fee; Expense Reimbursement.

8.3.1 In the event that:

(a) this Agreement is terminated by Buyer or Seller, as applicable, in accordance with (i) Section 8.1.3; (ii) Section 8.1.6 if (A) any of Seller'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, or (B) any of the conditions in Section 6.2.7 has not been satisfied as of the time of such termination, if on the date of termination all of the other conditions set forth in Article 6 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); (iii) Section 8.1.2 (due to a breach by Seller), Section 8.1.4(b), Section 8.1.4(c), or Section 8.1.5; (iv) Section 8.1.7 if a termination fee and expense reimbursement are payable by Seller or its Affiliates under the Canadian Purchase Agreement as a result of the termination thereof, or (v) 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 8.3.1(a), then in any of such cases, Seller shall pay Buyer by wire transfer of immediately available funds, to the account specified by Buyer to Seller in writing, the Termination Fee and Expense Reimbursement, and Seller and Buyer 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 Buyer for the time and effort associated with initial due diligence and negotiation of this Agreement and the opportunities forgone 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 21 days after such termination and the date the 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 Business Days of the date of such termination; or

(b) this Agreement is otherwise terminated by Buyer in accordance with Section 8.1.4(a) or Section 8.1.6, (other than as a result of the failure of Buyer to satisfy or waive the condition set out in Section 6.2.6) or Section 8.1.7 (if expense reimbursement is payable under the Canadian Purchase Agreement as a result of the termination thereof) then Seller shall promptly (and in any event within three (3) Business Days of such event) pay Buyer by wire transfer of immediately available funds to an account specified by Buyer to Seller in writing, and Buyer 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 obligations of Seller to pay the Termination Fee and Expense Reimbursement as provided herein shall be (i) entitled to superpriority administrative expense status with priority over any and all administrative expenses of the kind specified in Sections 503(b)(1) and 507(a) of the Bankruptcy Code in Seller's Chapter 11 Case and (ii) if triggered, shall be payable from the proceeds of any Alternative Transaction for the Purchased Assets, at

the closing of such Alternative Transaction, free and clear of all liens (including those arising under the DIP Financing Order).

(d) Seller agrees and acknowledges that Buyer'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 Buyer and its Affiliates and that such due diligence, efforts, negotiation, and execution have provided value to Seller.

8.3.2 If this Agreement is terminated by Seller pursuant to Section 8.1.2, Buyer shall direct the Escrow Agent to disburse the Deposit to Seller in accordance with the terms of the Deposit Escrow Agreement. Upon any termination of this Agreement (other than termination by Seller pursuant to Section 8.1.2), Seller shall direct the Escrow Agent to disburse the Deposit to Buyer in accordance with the terms of the Escrow Agreement.

8.3.3 The Parties acknowledge and agree that the terms and conditions set forth in this Section 8.3 with respect to the payment of the Termination Fee and Expense Reimbursement are subject to the Bankruptcy Court entering the Bidding Procedures Order, it being understood that Buyer may terminate this Agreement if the Bankruptcy Court does not approve the Termination Fee and Expense Reimbursement contemplated hereby (including the contemplated priority change in respect thereof), in which case the Deposit (plus all accrued interest or earnings thereon) shall be forthwith returned to Buyer. The Parties acknowledge that the agreements contained in this Section 8.3 are commercially reasonable and an integral part of the transactions, and that without these agreements, the Parties would not enter into this Agreement or consummate the transactions contemplated hereby. For the avoidance of doubt, but subject to Section 7.2, the covenants set forth in this Section 8.3 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.

ARTICLE 9
MISCELLANEOUS

9.1 Governing Law, Jurisdiction, Venue and Service.

9.1.1 Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of New York, including all matters of construction, validity and performance, in each case without reference to any conflicts or choice of Law rule or principle (whether of the State of New York or any other jurisdiction) that might otherwise refer construction or interpretation of this Agreement to the substantive Law of another jurisdiction.

9.1.2 Consent to Jurisdiction and Venue.

(a) Subject to Section 9.9, the Parties hereby irrevocably and unconditionally consent to the jurisdiction of the Bankruptcy Court for any action, suit or proceeding (other than appeals therefrom) arising out of or relating to this Agreement or any

Ancillary Agreement, and agree not to commence any action, suit or proceeding (other than appeals therefrom) related thereto except in such court. The Parties further hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding (other than appeals therefrom) arising out of or relating to this Agreement in the Bankruptcy Court, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in the Bankruptcy Court has been brought in an inconvenient forum. If Seller's Chapter 11 Case is closed, any Litigation arising out of or relating to this Agreement or any Ancillary Agreement shall be heard and determined in the federal and state courts in the Borough of Manhattan, City of New York, and the Parties hereby irrevocably submit to the exclusive jurisdiction and venue of such courts in any such Litigation and irrevocably waive the defense of any inconvenient forum to the maintenance of any such Litigation.

(b) THE PARTIES HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE ALL THEIR RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY LITIGATION (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

9.1.3 Service. Each Party further agrees that service of any process, summons, notice or document by registered mail to its address set forth in Section 9.2.2 shall be effective service of process for any action, suit or proceeding brought against it under this Agreement in any such court.

9.2 Notices.

9.2.1 Notice Requirements. Any notice, request, demand, waiver, consent, approval or other communication permitted or required under this Agreement (each, a "**Notice**") shall be in writing, shall refer specifically to this Agreement and shall be deemed given only if delivered by hand or sent by facsimile transmission or by email of a PDF attachment (with transmission confirmed) or by internationally recognized overnight delivery service that maintains records of delivery, addressed to the Parties at their respective addresses specified in Section 9.2.2 or to such other address as the Party to whom notice is to be given may have provided to the other Party at least five days' prior to such address taking effect in accordance with this Section 9.2. Such Notice shall be deemed to have been given as of the date delivered by hand or internationally recognized overnight delivery service or confirmed that it was received by facsimile or email (with receipt confirmed by telephone, or, solely in the case of facsimile, by email). If a notice deemed given upon receipt is given after 5:00 p.m. in the place of receipt (the Parties understand and agree that the foregoing applies only to notice and not to copies), such notice will be deemed given on the next succeeding Business Day.

9.2.2 Address for Notice.

If to Seller, to:

c/o Aralez Pharmaceuticals Inc.
7100 West Credit Avenue

Suite 101
Mississauga, Ontario L5N 0E4
Attention: Christopher Freeland
Email: cfreeland@aralez.com

with a copy (which shall not constitute effective notice) to:

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, NY 10019
Attention: Adam M. Turteltaub
Email: aturteltaub@willkie.com

and

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto ON M5L 1B9
Attention: Jonah Mann
Email: jmann@stikeman.com

If to Buyer, to:

Nuvo Pharmaceuticals (Ireland) Limited
c/o Mespil Business Centre
Sussex Road
Dublin 4 Ireland
Attention: Jesse Ledger
Email: jledger@nuvopharm.com

with a copy (which shall not constitute effective notice) to:

Allen & Overy LLP
1221 Avenue of the Americas
New York, New York 10020
Attention: Daniel J. Guyder
Email: daniel.guyder@allenovery.com

and

Goodmans LLP
333 Bay Street, Suite 3400
Toronto ON M5H 2S7
Attention: Robert Vaux and Chris Sunstrum
Email: rvaux@goodmans.ca; csunstrum@goodmans.ca

9.3 No Benefit to Third Parties. Seller and Buyer intend that this Agreement will not benefit or create any right or cause of action in favor 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.

9.4 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.

9.5 Expenses. Except as otherwise expressly provided in this Agreement, each Party will pay for their own costs and expenses incurred in connection with this Agreement and the Ancillary Agreements, and the transactions contemplated hereby and thereby. The costs and expenses referred to in this Section are those that 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.

9.6 Assignment.

9.6.1 This Agreement becomes effective only when executed by Seller and Buyer. After that time, it will be binding upon and inure to the benefit of Seller, Buyer and their respective heirs, administrators, executors, legal representatives successors and permitted assigns.

9.6.2 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 Party; provided, however, that Buyer shall be permitted, upon prior written notice to Seller, to assign all or part of its rights or obligations hereunder to an Affiliate; provided Buyer remains jointly and severally liable for the performance of its obligations under this Agreement. Notwithstanding the foregoing, Buyer may collaterally assign any of its rights under this Agreement or the Ancillary Agreements to lenders of Buyer and its Affiliates, including Deerfield, as security for borrowings without the consent of any Party hereto.

9.7 Amendment. This Agreement may only be amended, supplemented or otherwise modified by written agreement signed by Buyer and Seller.

9.8 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.

9.9 Equitable Relief.

9.9.1 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 9.9, 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 Buyer's covenants to obtain the Debt Financing as contemplated by Section 4.8). 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.

9.9.2 Notwithstanding anything to the contrary contained herein, it is explicitly agreed that Seller's right to enforce Buyer's compliance with its obligations under the Commitment Letter, or to otherwise take any action to consummate the transactions contemplated by this Agreement, shall only be available if (a) all conditions in Section 6.1 and Section 6.2 have been satisfied or waived by Buyer 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 Buyer fails to consummate the transactions contemplated by this Agreement on the Closing Date; and (b) Seller has irrevocably confirmed in writing to Buyer 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 6.1 and Section 6.3 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 6.1 and Section 6.3. In no event will Seller be entitled to enforce or seek to enforce specifically Buyer'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).

9.9.3 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 9.9 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 9.9 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 9.9 or anything set forth in this Section 9.9 restrict or limit any Party's right to terminate this Agreement in accordance with the terms hereof.

9.10 Financing Sources. 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 9.10 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) Seller and its 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 Seller and its 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 9.10 and (y) this Section 9.10 shall not be amended without the prior written consent of Deerfield.

9.11 No Liability. No director, officer or employee of Buyer or its Affiliates shall have any personal liability whatsoever to Seller under this Agreement or any other document delivered in connection with the transactions contemplated hereby on behalf of Buyer. No director, officer or employee of Seller or its Affiliates shall have any personal liability whatsoever to Seller under this Agreement or any other document delivered in connection with the transactions contemplated hereby on behalf of Seller.

9.12 English Language. This Agreement shall be written and executed in, and all other communications under or in connection with this Agreement shall be in, the English language. Any translation into any other language shall not be an official version thereof, and in the event of any conflict in interpretation between the English version and such translation, the English version shall control.

9.13 Bulk Sales Statutes. Buyer hereby waives compliance by Seller with the requirements and provisions of any applicable bulk sales or bulk transfer Laws in any jurisdiction that may otherwise be applicable in connection with the transactions under this Agreement.

9.14 Representation by Counsel. Each Party represents and agrees with the other that (a) it has been represented by, or had the opportunity to be represented by, independent counsel of its own choosing, and that it has had the full right and opportunity to consult with its respective attorney(s) to the extent, that it desired, (b) it availed itself of this right and opportunity, (c) that it or its authorized officers (as the case may be) have carefully read and fully understand this Agreement and the Ancillary Agreements in their entirety and have had them fully explained to them by such Party's respective counsel, (d) that each is fully aware of the contents hereof and thereof and their meaning, intent and legal effect, and (e) that it or its authorized officer (as the case may be) is competent to execute this Agreement and has executed this Agreement free from coercion, duress or undue influence.

9.15 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.

9.16 Entire Agreement. This Agreement, together with the Schedules and Exhibits expressly contemplated hereby and attached hereto, the Seller Disclosure Schedules, the Ancillary Agreements, the Canadian Purchase Agreement, the Confidentiality Agreement and the other agreements, certificates and documents delivered in connection herewith or therewith or otherwise in connection with the transactions contemplated hereby and thereby, contain the entire agreement between the Parties with respect to the transactions contemplated hereby or thereby and supersede all prior agreements, understandings, promises and representations, whether written or oral, between the Parties with respect to the subject matter hereof and thereof, including the Confidentiality Agreement. In the event of any inconsistency between any such Schedules and Exhibits and this Agreement, the terms of this Agreement shall govern.

[*Signature page follows*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Execution Date.

POZEN INC.

By: /s/ Andrew Koven
Name: Andrew Koven
Title: President

ARALEZ PHARMACEUTICALS TRADING DAC

By: /s/ Andrew Koven
Name: Andrew Koven
Title: Director

[SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT]

NUVO PHARMACEUTICALS (IRELAND) LIMITED

By: /s/ Gerard Collis
Name: Gerard Collis
Title: Director

[SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT]

EXHIBIT "F"

referred to in the Affidavit of

ADRIAN ADAMS

Sworn October , 2018

Amanda Snyter, Notary Public, Montgomery County.
My Commission Expires May 11, 2022.
Commission Number 1330927

[Commissioner's Stamp & Signature in Original Version]

Commissioner for Taking Affidavits

EXECUTION VERSION

AMENDMENT TO PURCHASE AGREEMENT

This **AMENDMENT TO PURCHASE AGREEMENT** (this "**Amendment**") is entered into as of September 17, 2018, by and among Aralez Pharmaceuticals Inc., a Canadian corporation ("**Seller**"), POZEN, Inc., a Delaware corporation ("**POZEN**"), and Genus Lifesciences, Inc., a Pennsylvania corporation ("**Buyer**"), each a "**Party**" and collectively, the "**Parties**". All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement (as defined below).

WHEREAS, Buyer and Seller are parties to that certain Purchase Agreement, dated as of July 10, 2018 (the "**Agreement**");

WHEREAS, in connection with the Agreement, Buyer and POZEN are parties to that certain Assignment of Patent Rights, dated as of July 10, 2018;

WHEREAS, due to (a) a needed correction by the Parties, (i) U.S. Patent No. 8,206,741, titled "Pharmaceutical compositions for the coordinated delivery of NSAIDs" and (ii) U.S. Patent No. 9,364,439, titled "Pharmaceutical compositions for the coordinated delivery of NSAIDs" (collectively the "**Specified Patents**") were scheduled as Purchased Patents to be assigned to Buyer pursuant to the Agreement when such patents should be licensed to Buyer in accordance with the terms set forth in this Amendment and (b) a scrivener's error, U.S. Patent No. 6,926,907, titled "Pharmaceutical compositions for the coordinated delivery of NSAIDs" (the "**907 Patent**") was erroneously identified as a patent to be licensed by Seller to Buyer when such patent should have been identified as a patent to be licensed by POZEN to Buyer; and

WHEREAS, the Parties agree that the assignment of the Specified Patents is ineffective and void *ab initio* and intend to accurately reflect the Parties intentions by, among other things, amending the terms of the Agreement pursuant to Section 6.7 thereof.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

1. Amendment. Effective as of July 10, 2018:

   (a) The references to "the Licensed Product Patents" under the (i) definition of "Licensed Yosprala Intellectual Property" in Section 1 of the Agreement, and (ii) Sections 3.1.3, 3.1.4, 3.1.6, 3.1.7, 3.1.9(b), 3.1.13(e), 3.1.13(f), 3.1.13(h), 4.17, and 6.6 of the Agreement, are hereby replaced with "the Licensed Product Patents or the Specified Patents" or "the Licensed Product Patents and the Specified Patents", as applicable. For the avoidance of doubt, this Section 1(a) shall not affect references to "the Licensed Product Patents" under Sections 4.14 and 4.15 of the Agreement.

   (b) Section 1 is hereby amended by adding the following immediately prior to "**Tax Return**":

""**Specified Patents**" means (i) U.S. Patent No. 8,206,741, titled 'Pharmaceutical compositions for the coordinated delivery of NSAIDs' and (ii) U.S. Patent No. 9,364,439, titled 'Pharmaceutical compositions for the coordinated delivery of NSAIDs'."

(c) Schedule 1.1.7 of the Agreement is hereby deleted in its entirety and replaced with Annex A attached hereto.

(d) Exhibit C of the Agreement is hereby deleted in its entirety and replaced with Annex B attached hereto.

(e) The references to "Seller" in Sections 4.13, 4.14, and 4.15 of the Agreement are hereby replaced with "Seller (or POZEN, as applicable)".

(f) The following is hereby added as a new Section 4.21:

"**4.21 Exclusive License**. Upon the Closing, Seller (or POZEN, as applicable) hereby grants to Buyer and its Affiliates an exclusive (including with regard to Seller (or POZEN, as applicable) and its Affiliates), perpetual, irrevocable, transferable, royalty-free, fully paid-up, fully-sublicensable right and license under the Specified Patents to make, use, have made, sell, offer for sale, import and export Licensed Products in the Territory. The "**Licensed Product**" means any product containing acetyl salicylic acid (including without limitation salts and derivatives thereof), including without limitation products consisting of a combination of aspirin and omeprazole as the only active pharmaceutical ingredients.

4.21.1 Maintenance of Specified Patents. Each Party agrees to reasonably cooperate in the maintenance of the Specified Patents, and any patent extensions, supplementary protection certificates and the like with respect to the Specified Patents. All Parties shall use reasonable efforts to maintain the validity and enforceability of the Specified Patents. Except as set forth in this Agreement, Buyer shall reimburse POZEN or Seller, as applicable, for any costs and expenses in connection with the United States Patent and Trademark Office maintenance fees for the Specified Patents, which does not include costs and fees associated with any defense of the Specified Patents from challenge by third parties which is governed by Section 4.21.4.

4.21.2 Hatch-Waxman Act for Specified Patents. Each party shall each, within five (5) Business Days give written notice to the other Party or Parties of any notice it receives of a certification filed under the Hatch-Waxman Act related to a Specified Patent, including without limitation, a Notice of Paragraph IV Certification directed to a Specified Patent or any notice stating that a Specified Patent is invalid, unenforceable, and/or will not be infringed by the manufacture, use, or sale of the product for which an Abbreviated New Drug Application ("ANDA") is submitted under § 505(j) of the FDCA.

4.21.3 Infringement by Third Parties. Notwithstanding Section 4.21.2, Buyer and Seller (or POZEN, as applicable) shall each, within five (5) Business Days of

learning of any alleged or threatened infringement of a Specified Patent, notify the other Parties in writing.

(a) Buyer shall have the first right, but not the obligation, to prosecute any infringement under Section 4.21.2 or 4.21.3 at its own cost and expense. If Buyer does not commence an action against such alleged or threatened infringement (i) within twenty (20) Business Days following notice of such alleged infringement, or (ii) fifteen (15) Business Days before the time limit, if any, set forth in applicable Law for filing such actions, whichever comes first, then Buyer shall notify Seller (or POZEN, as applicable) thereof, and Seller (or POZEN, as applicable) may commence an action with respect to such alleged or threatened infringement at such Party's own cost and expense. Nothing in this Agreement prevents Buyer from prosecuting any infringement with respect to the Licensed Product at any time, or joining or intervening as an additional party, through its own counsel and at its own expense, in a litigation commenced by Seller (or POZEN, as applicable) with respect to the Licensed Product.

(b) Cooperation in Infringement by Third Parties. If Buyer brings an infringement action with respect to a Specified Patent as set forth in this Section 4.21.3, the Seller and POZEN, as applicable, shall (i) permit Buyer to control the action and (ii) reasonably cooperate with Buyer in the action, including, if required to bring such action, joining such action as a necessary party, executing all papers and instruments, or requiring its employees and contractors to execute such papers and instruments, reasonably required to successfully prosecute or settle any such actions. Seller and POZEN agree that failing to reasonably cooperate with Buyer may cause irreparable harm for which monetary damages may be difficult to ascertain or provide an inadequate remedy. No Party will have the right to settle any infringement action under this Section 4.21.3 in a manner that could reasonably be expected to diminish the rights or interest of another Party, require another Party to pay any money or make an admission of fault, or adversely affect the validity or enforceability of such other Party's patents, without the express written consent of that Party. The Party commencing litigation shall provide the other Parties with copies of all pleadings and other documents filed with the court at that Party's request. Seller's and POZEN's cooperation in such action shall be at its own cost and expense, although Buyer will reimburse Seller and POZEN collectively up to $10,000 annually for documented out of pocket expenses (which does not include internal time of personnel of Seller (or POZEN, as applicable) or independent legal representation nor the activities explicitly set out in the first sentence of this paragraph) directly attributable to cooperation in an action brought under this section and approved in advance by Buyer.

(c) Recovery. Except as otherwise agreed by the Parties in connection with a cost sharing arrangement, any recovery realized as a result of litigation described in Section 4.21.3 (whether by way of settlement or otherwise) shall be allocated (i) first, to reimbursement of unreimbursed legal fees and litigation expenses incurred by the Party initiating the proceeding, (ii) second, to reimbursement of any unreimbursed legal fees and litigation expenses of the other Parties, if applicable, and (iii) third, the remainder shall be divided between the Parties as follows: (A) settlements, damages or other monetary awards recovered pursuant to a suit, action or proceeding brought by Buyer shall be retained by Buyer, and (B) settlements, damages or other monetary awards

recovered pursuant to a suit, action or proceeding brought by Seller (or POZEN, as applicable) shall be retained by Seller (or POZEN, as applicable).

4.21.4 Challenge by Third Parties. Buyer and Seller (or POZEN, as applicable) shall each notify the other Party in writing within five (5) Business Days of learning of any alleged or threatened opposition, reexamination request, action for declaratory judgment, nullity action, interference or other attack upon the validity, title or enforceability of the Specified Patents by a Third Party.

(a) In the event a Third Party challenges a Specified Patent, the Parties shall reasonably cooperate, including, if required to bring such action, joining such action as a necessary party, executing all papers and instruments, or requiring its employees and contractors to execute such papers and instruments, reasonably required to successfully defend any such actions. Buyer shall have the first right, but not the obligation, to defend the Specified Patents against the alleged challenge. If Buyer does not commence an action to defend against the alleged or threatened challenge (i) within twenty (20) Business Days following notice of the alleged challenge, or (ii) fifteen (15) Business Days before the time limit, if any, set forth in applicable Law for filing a defense of such challenge, whichever comes first, then Seller (or POZEN, as applicable) may take action with respect to the alleged or threatened challenge at its own expense. Nothing in this Agreement prevents Buyer from joining and/or intervening as an additional party, through its own counsel and at its own expense, in an action or proceeding challenging the Specified Patents as a real party in interest.

(b) Cooperation in Challenge by Third Parties. If Buyer commences an action to defend against the challenge by a Third Party as set forth in this Section 4.21.4, the other Parties shall (i) permit Buyer to control the action and (ii) reasonably cooperate with Buyer in the action, including, if required to defend such action, joining such action as a necessary party, executing all papers and instruments, or requiring its employees and contractors to execute such papers and instruments, reasonably required to successfully defend any such actions. Seller and POZEN agree that failing to reasonably cooperate with Buyer may cause irreparable harm for which monetary damages may be difficult to ascertain or an inadequate remedy. No Party will have the right to settle any challenge under this Section 4.21.4 in a manner that could reasonably be expected to diminish the rights or interest of another Party, require another Party to pay any money or make an admission of fault, or adversely affect the validity or enforceability of such other Party's patents, without the express written consent of that Party. The Party commencing the action shall provide the other Parties with copies of all pleadings and other documents filed with the court at that Party's request. Seller's and POZEN's cooperation in such action shall be at its own cost and expense, although Buyer will reimburse Seller and POZEN collectively up to $10,000 annually for documented out of pocket expenses (which does not include internal time of personnel of Seller (or POZEN, as applicable) or independent legal representation nor the activities explicitly set out in the first sentence of this paragraph) directly attributable to cooperation in an action brought under this section and approved in advance by Buyer.

(g) Section 6.2.2 is hereby amended by adding in the following notice address for POZEN:

"If to POZEN:

POZEN, Inc.
8310 Bandford Way
Raleigh, North Carolina 27615-2752
United States
Attention: Secretary"

2. Effectiveness and Ratification.

(a) This Amendment is subject to the approval of the applicable bankruptcy courts of Seller and POZEN (individually the **"Court"** and collectively, the "**Courts**"). Promptly following execution hereof, each of the Seller and POZEN shall seek approval of this Amendment, the assumption of the Agreement as amended, the assumption of the licenses granted under the Agreement, and approval of such obligations required to give effect to the Agreement from the Court overseeing its bankruptcy case ("**Bankruptcy Approval**"). The orders granting such authority shall be in a form reasonably acceptable to the Parties to the extent related thereto. The parties agree that if Bankruptcy Approval is not obtained, then this Amendment in its entirety is void *ab initio* and the Parties' rights and obligations under the Agreement shall be restored *status quo ante*.

(b) Both Seller and POZEN covenant that they will not propose or effectuate any sale of the Licensed Product Patents or substantially all of the assets of their respective estates on terms that do not assign (i) this Amendment, and all rights and obligations of Seller and POZEN addressed or reflected in this Amendment (including the license and related rights set forth in Sections 4.21 of the Agreement, as amended by Section 1 of this Amendment), and (ii) Sections 4.13-4.16 of the Agreement (and in the case of Section 4.15, as amended by this Amendment) (collectively, the "**Assumed Obligations**"), to any purchaser. Any bid or sales procedures for sales from the bankruptcy estates shall require that any purchaser of such assets affirmatively assume the Assumed Obligations.

3. Correction.

(a) If and only if Bankruptcy Approval is obtained, the Parties agree that (i) the designation of the Specified Patents as Purchased Patents, the designation of the 907 Patent as Seller's patent, and the purported assignment of the Specified Patents to Buyer (the "**Void Assignment**") is ineffective and void *ab initio*, (ii) 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 the Void Assignment should not be deemed to have altered the chain of title of the Specified Patents, and (iii) POZEN agrees that Seller was authorized on its behalf to, and

does hereby affirm that POZEN did, license the 907 Patent to Buyer as of the Closing Date pursuant to the Agreement.

(b) Notwithstanding the foregoing, if and only if Bankruptcy Approval is obtained, if a court or other governmental body of competent jurisdiction finds that the Void Assignment was not void *ab initio*, and that the Specified Patents were validly assigned to Buyer, Buyer hereby irrevocably assigns to POZEN, and POZEN hereby accepts and assumes, all of Buyer's right, benefit, title, and interest in, to and under the Specified Patents effective as of the date of this Amendment; provided, that, for the avoidance of doubt, the license rights granted to Buyer in the Specified Patents under this Amendment shall be unaltered, and Seller and POZEN hereby affirm the continued effectiveness of, the licenses granted to Buyer in the Specified Patents under the Agreement as amended by this Amendment.

4. Further Actions. No correction of the ownership of the Specified Patents shall be recorded at the United States Patent and Trademark Office unless and until there has been Bankruptcy Approval. If and only if there has been Bankruptcy Approval, Seller may file with United States Patent and Trademark Office and corresponding patent and trademark offices, and authorize the Commissioner for Patents of the United States Patent and Trademark Office and corresponding patent and trademark offices in all other countries and jurisdictions of the world to record and register, the Declaration attached as Annex C hereto. Each Party shall execute any and all applications, assignments, declarations, affidavits, powers of attorney, and any other papers in connection therewith, reasonably necessary to give effect to the provisions of this Amendment.

5. Miscellaneous. Except as specifically provided for in this Amendment, the terms of the Agreement remain in full force and effect unaffected by this Amendment. If Bankruptcy Approval is obtained, whenever the Agreement is referred to in the Agreement or in any other agreements, documents and instruments, such reference shall be deemed to be to the Agreement as amended by this Amendment. Article 6 of the Agreement shall apply *mutatis mutandis* to this Amendment.

* * * * *

IN WITNESS WHEREOF, the undersigned have executed this Amendment to be effective as of July 10, 2018.

ARALEZ PHARMACEUTICALS INC.

By: _____
Name: Andrew Koven
Title: President

POZEN, INC.

By: _____
Name: Andrew Koven
Title: President

GENUS LIFESCIENCES, INC.

By: Jeffrey M. Moshal
Name: Jeffrey Moshal
Title: CEO

ANNEX A

Schedule 1.1.7 - Purchased Patents

- U.S. Patent No. 9,539,214, titled "Compositions and methods for delivery of omeprazole plus acetylsalicylic acid".
- U.S. Patent No. 9,987,231, titled "Compositions and Methods for Delivery of Omeprazole and Acetylsalicylic Acid".
- U.S. Patent Application No. 15/996,701, entitled "Compositions and Methods for Delivery of Omeprazole and Acetylsalicylic Acid".
- U.S. Patent Application No. 14/344,688, entitled "Controlled dosing of clopidogrel with gastric acid inhibition therapies".[1]

[1] This application is in the process of being abandoned.

ANNEX B

ASSIGNMENT OF PATENT RIGHTS

THIS ASSIGNMENT OF PATENT RIGHTS (this "Assignment") is made as of July 10, 2018, by and between **POZEN, INC.**, a Delaware corporation ("Assignor") and **GENUS LIFESCIENCES, INC.**, a Pennsylvania corporation ("Assignee").

RECITALS

WHEREAS, Assignor is the sole owner of the patents and patent applications set forth on Schedule A ("Patents"); and

WHEREAS, pursuant to the Purchase Agreement, dated July 10, 2018 between Aralez Pharmaceuticals Inc. and Assignee, as amended (the "Purchase Agreement"), Assignor desires to assign to Assignee, and Assignee desires to accept from Assignor, Assignor's entire right, title and interest in and to the Patents, and the rights set forth below.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing premises, the covenants and agreements contained in this Assignment, the covenants and agreements contained in the Purchase Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged:

1. **Assignment of Rights by Assignor.** Assignor does hereby transfer, assign, set over, convey and deliver to Assignee, and Assignee hereby accepts from Assignor, all of Assignor's right, benefit, title, and interest in, to and under the Patents, including, without limitation, (a) the Patents and all continuations, continuations-in-part, divisionals, extensions, substitutions, reissues, re-examinations and renewals, of any of the foregoing, and any patents that claim priority from any of them; (b) all rights, privileges, and protections of any kind whatsoever of Assignor accruing under any of the Patents provided under the applicable law including, but not limited to, rights derived from agreements relating to the Patents granted by Assignor to any third party; (c) any and all royalties, fees, income, payments, and other proceeds now or hereafter due or payable with respect to any and all of the foregoing; and (d) any and all claims and causes of action, with respect to any of the Patents, whether accruing before, on or after the date of this Assignment, including, without limiting the generality of the foregoing, all rights to and claims for damages, restitution and injunctive and other legal and equitable relief for past, present and future infringement, misappropriation, violation, misuse, breach or default.

2. **Recordation and Further Assurances.** Assignor hereby authorizes the Commissioner for Patents of the United States Patent and Trademark Office to record and register this Assignment upon request by Assignee. Assignor shall execute any and all applications, assignments, declarations, affidavits, powers of attorney, and any other papers in

connection therewith reasonably necessary to perfect such right, benefit, title, and interest in Assignee.

3. **Power of Attorney**. Assignor does hereby appoint Assignee (and any officer or agent of the Assignee as the Assignee may select in its exclusive discretion) as the Assignor's true and lawful attorney-in-fact, with the power to endorse Assignor's name on all applications, documents, pleadings, papers and instruments, and take any other actions necessary or desirable in the discretion of the Assignee for the Assignee to carry out the activities described in Section 2. This power of attorney is coupled with an interest and shall be irrevocable. Assignor hereby ratifies all actions taken by such attorney-in-fact.

4. **Enforceability**. This Assignment is being executed by Assignor and shall be binding upon it and its respective successors and assigns, for the uses and purposes set forth above, and shall be effective as of the date hereof.

5. **Choice of Law**. This Assignment shall be governed by and construed in accordance with the substantive laws of the State of New York, without regard to its conflicts or choice of law provisions. Each party hereby consents and agrees that the courts of State of New York and the United States District Court for the Southern District of New York have exclusive jurisdiction to hear, determine and enforce any claims or disputes arising out of or related to the provisions of this Assignment.

6. **Counterparts**. This Assignment may be executed by facsimile or other electronic means to accurately send images, or by electronic signature service and in two or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

7. **No Conflict**. Nothing contained in this Assignment will supersede any of the obligations, agreements, covenants, or representations and warranties of the Assignor or the Assignee contained in the Purchase Agreement, and this Assignment is made and accepted subject to all the terms, conditions, representations and warranties set forth in the Purchase Agreement, all of which survive execution and delivery of this Assignment as set forth in the Purchase Agreement. In the event of any conflict between the terms of this Assignment and the terms of the Purchase Agreement, the terms of the Purchase Agreement will control.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Assignor and Assignee have each caused this Assignment to be executed by its duly authorized corporate officer effective as of the date first written above.

ASSIGNOR:

POZEN, INC.

By: _____
Name: Andrew Koven
Title: President

ASSIGNEE:

GENUS LIFESCIENCES, INC.

By: _____
Name:
Title:

IN WITNESS WHEREOF, Assignor and Assignee have each caused this Assignment to be executed by its duly authorized corporate officer effective as of the date first written above.

ASSIGNOR:

POZEN, INC.

By: _____
Name:
Title:

ASSIGNEE:

GENUS LIFESCIENCES, INC.

By: Jeffrey M. Moshal
Name: Jeffrey Moshal
Title: CEO

Schedule A to Assignment of Patent Rights
Patents

Patent No.	Title	Issue Date
U.S. Patent No. 9,539,214	Compositions and methods for delivery of omeprazole plus acetylsalicylic acid	January 10, 2017
U.S. Patent No. 9,987,231	Compositions and methods for delivery of omeprazole plus acetylsalicylic acid	June 5, 2018
U.S. Patent Application No. 15/996,701	Compositions and methods for delivery of omeprazole plus acetylsalicylic acid	-
U.S. Patent Application No. 14/344,688	Controlled dosing of clopidogrel with gastric acid inhibition therapies	-

ANNEX C

IN THE UNITED STATES
PATENT AND TRADEMARK OFFICE
Assignment Services Division

Declaration

I, Andrew Koven, hereby declare:

1. POZEN, Inc. ("POZEN") is, and at all relevant times before, after, and at the time of, the Void Assignment (as defined below) has been, the true and correct owner of the patents listed on the attached schedule (the "Patents") and that are identified in the assignment recorded at reel/frame: 046445/0466.
2. On July 10, 2018, POZEN and its affiliate Aralez Pharmaceuticals Inc. sold certain assets to Genus Lifesciences, Inc. ("Genus").
3. In furtherance of this agreement, on July 24, 2018 a purported (but in fact void *ab initio*) assignment of the Patents from POZEN to Genus was submitted, which was recorded at reel/frame: 046445/0466 (the "Void Assignment").
4. The Void Assignment is contrary to the intention of POZEN and Genus.
5. POZEN has been, was at all relevant times before, after, and at the time of, the Void Assignment, and continues to be, the true and correct owner of the entire right, title and interest in and to the Patents, and the Void Assignment should not be deemed to have altered the chain of title of the Patents.

I declare under penalty of perjury of the laws of the United States of America that the foregoing is true and correct and that this Declaration is executed this 17th day of September, 2018, at New York, NY.

POZEN, INC.

By: _____
Name: Andrew Koven
Title: President

Schedule A to Declaration

Patents

Patent No.	Title	Issue Date
U.S. Patent No. 8,206,741	Pharmaceutical compositions for the coordinated delivery of NSAIDs	June 26, 2012
U.S. Patent No. 9,364,439	Pharmaceutical compositions for the coordinated delivery of NSAIDs	June 14, 2016

EXHIBIT "G"

referred to in the Affidavit of

ADRIAN ADAMS

Sworn October 1st, 2018

Adrian Adams

Amanda Snyter

Commissioner for Taking Affidavits

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

Exhibit 2.3

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

by and between

Aralez Pharmaceuticals Trading DAC,

and

Toprol Acquisition LLC

Dated as of September 18, 2018

TABLE OF CONTENTS

SCHEDULES

DISCLOSURE SCHEDULES

EXHIBITS

ASSET PURCHASE AGREEMENT (this "**Agreement**") is made and executed as of September 18, 2018 (the "**Execution Date**"), by and between Aralez Pharmaceuticals Trading DAC, an Irish designated activity company ("**Seller**"), and Toprol Acquisition LLC, a Delaware limited liability company ("**Buyer**"). Seller and Buyer are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, Seller and certain of its Affiliates are engaged in the Product Business;

WHEREAS, on August 10, 2018 (the "**Petition Date**"), Seller and certain of its U.S. Affiliates (the "**U.S. Debtors**") sought relief under Chapter 11 of Title 11, §§ 101-1330 of the United States Code (as amended, the "**Bankruptcy Code**") by filing cases (the "**Chapter 11 Cases**") in the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**");

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, certain assets and rights associated with the Product and the Product Business, upon the terms and conditions hereinafter set forth;

WHEREAS, the Purchased Assets and Assumed Liabilities are assets and liabilities of Seller which are to be sold and assumed pursuant to the Approval Orders approving such sale pursuant to section 363 of the Bankruptcy Code, free and clear of all Encumbrances and Liabilities except Assumed Liabilities and Permitted Encumbrances, which order will include the authorization for the assumption and assignment of certain executory contracts and unexpired leases and liabilities thereunder under section 365 of the Bankruptcy Code, all in the manner and subject to the terms and conditions set forth herein and in accordance with other applicable provisions of the Bankruptcy Code; and

WHEREAS, at the Closing, Seller (or certain of its Affiliates) and Buyer (or certain of its Affiliates) intend to enter into the Ancillary Agreements.

NOW, THEREFORE, in consideration of the mutual benefits to be derived from this Agreement, the representations, warranties, conditions, agreements and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 **Certain Defined Terms**. As used herein, the following terms shall have the following meanings:

"**Accountants**" means an accounting firm of national reputation in the United States (excluding each of Seller's and its Affiliates' and Buyer's and its Affiliates' respective regular outside accounting firms) that is mutually acceptable to Seller and Buyer; *provided*, *however*, if Seller and Buyer are unable to agree on such accounting firm within 10 days after a need to

engage the Accountants arises under this Agreement or any such mutually selected accounting firm is unwilling or unable to serve, then Seller shall deliver to Buyer a list of three other accounting firms of national reputation in the United States that have not performed services for Seller or its Affiliates or Buyer or its Affiliates in the preceding three-year period, and Buyer shall select one of such three accounting firms, which shall thereafter be deemed to be the Accountants for purposes of this Agreement.

"**Accounts Payable**" means all amounts that, in accordance with GAAP as applied by Seller and its Affiliates on a consistent basis, constitute, as of the Closing Date, accounts payable and other indebtedness due and owed by Seller or any of its Affiliates to any Third Party arising from sales of the Product or the Authorized Generic Product by or on behalf of Seller or its Affiliates prior to the Closing Date.

"**Accounts Receivable**" means all amounts that, in accordance with GAAP as applied by Seller and its Affiliates on a consistent basis, constitute, as of the Closing Date, accounts receivable, notes receivable and other indebtedness due and owed by any Third Party to Seller or any of its Affiliates arising from sales of the Product or the Authorized Generic Product by or on behalf of Seller or its Affiliates prior to the Closing Date.

"**Act**" means the United States Federal Food, Drug, and Cosmetic Act.

"**Adverse Event**" means, with respect to a product, any undesirable, untoward or noxious event or experience associated with the use, or occurring during or following administration, of such product in humans, occurring at any dose, whether or not expected and whether or not considered related to or caused by such product, including such an event or experience as occurs in the course of the use of such product in professional practice, in a clinical trial, from overdose, whether accidental or intentional, from abuse, from withdrawal or from a failure of expected pharmacological or biological therapeutic action of such product, and including those events or experiences that are required to be reported to the FDA under 21 C.F.R. sections 312.32 or 314.80, as applicable, or to foreign Governmental Authorities under corresponding applicable Law outside the United States.

"**Affiliate**" means, with respect to a Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such first Person. For purposes of this definition, "control" and, with correlative meanings, the terms "controlled by" and "under common control with" mean (a) the possession, directly or indirectly, of the power to direct the management or policies of a business entity, whether through the ownership of voting securities, by contract relating to voting rights or corporate governance, or otherwise or (b) the ownership, directly or indirectly, of more than 50% of the voting securities or other ownership interest of a business entity (or, with respect to a limited partnership or other similar entity, its general partner or controlling entity).

"**AG Agreement**" means the Distribution and Supply Agreement, dated as of November 27, 2017, by and between Seller and Lannett Company, Inc.

"**AG Selling Entities**" means, (a) prior to the Closing Date, Seller, its Affiliates and each licensee, sublicensee or transferee to which Seller or any of its Affiliates has granted a

(sub)license with respect to the Authorized Generic Product (or any Other Authorized or Owned Generic Product (including any Other Third Party Authorized Generic Product)) and, (b) on and after the Closing Date, Buyer, its Affiliates and each licensee, sublicensee or transferee to which Buyer or any of its Affiliates has granted a (sub)license with respect to the Authorized Generic Product (or any Other Authorized or Owned Generic Product (including any Other Third Party Authorized Generic Product)).

"**Agreement**" has the meaning set forth in the preamble hereto.

"**Allocation**" has the meaning set forth in Section 2.3.2.

"**Ancillary Agreements**" means the Bill of Sale, the Domain Name Assignment Agreement, the Transition Services Agreement and the Novation Agreement.

"**Applicable FAR Regulations**" has the meaning set forth in Section 5.12.

"**Apportioned Obligations**" has the meaning set forth in Section 5.9.2(b).

"**Approval Motion**" has the meaning set forth in Section 5.14.1.

"**Approval Order**" has the meaning set forth in Section 5.14.1(a).

"**Assignment**" has the meaning set forth in Section 9.6.

"**Assumed Liabilities**" has the meaning set forth in Section 2.2.1.

"**AstraZeneca**" means AstraZeneca AB and its Affiliates.

"**AstraZeneca Purchase Agreement**" means that certain Asset Purchase Agreement, dated as of October 3, 2016, by and between AstraZeneca, Seller and Parent (solely for the purposes of Section 9.16 thereof), as amended from time to time prior to the date hereof.

"**Authorized Generic Product**" means the pharmaceutical product that is AB rated by the FDA to the Product and marketed, distributed and sold pursuant to the AG Agreement.

"**Bankruptcy Code**" has the meaning set forth in the recitals.

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

"**Bankruptcy Rules**" means the Federal Rules of Bankruptcy Procedure.

"**Bid Procedures**" has the meaning set forth in Section 5.14.1(b).

"**Bidding Procedures Order**" has the meaning set forth in Section 5.14.1(b).

"**Bill of Sale**" means the Bill of Sale and Assignment and Assumption Agreement, in substantially the form attached as Exhibit A.

"**Business Day**" means any day other than Saturday, Sunday or a day on which banking institutions in New York, New York are permitted or obligated by Law to remain closed.

"**Buyer**" has the meaning set forth in the preamble hereto.

"**Buyer Confidential Information**" has the meaning set forth in Section 5.4.2.

"**Buyer Disclosure Schedules**" means the disclosure schedules of Buyer delivered by Buyer pursuant to this Agreement.

"**Buyer FDA Transfer Letter**" means the letter to FDA in substantially the form attached as Exhibit B, accepting the transfer of rights to the Purchased Regulatory Approvals issued by FDA from Seller.

"**Buyer Material Adverse Effect**" means any event, fact, condition, occurrence, change or effect that prevents or materially impedes or delays the consummation by Bnyer of the transactions contemplated by this Agreement or the Ancillary Agreements prior to the End Date.

"**Buyer Permitted Purpose**" has the meaning set forth in Section 5.4.3.

"**CCAA Proceedings**" means the proceedings commenced by the application for relief under the Companies' Creditors Arrangement Act (Canada) filed by Parent and Aralez Pharmaceuticals Canada Inc. with the Ontario Superior Court of Justice (Commercial List).

"**Chapter 11 Cases**" has the meaning set forth in the recitals.

"**Closing**" has the meaning set forth in Section 2.4.1.

"**Closing Date**" means the date on which the Closing occurs.

"**Confidential Information**" has the meaning set forth in Section 5.4.1.

"**Confidentiality Agreement**" means the Confidentiality Agreement, dated July 13, 2018, by and among Deerfield Private Design Fund III, L.P., Deerfield Partners, L.P. and Parent.

"**Confidentiality Period**" has the meaning set forth in Section 5.4.2.

"**Contract**" means any contract, agreement, lease, sublease, license, sublicense or other legally binding commitment or arrangement, whether written or oral.

"**Control**" means, with respect to any trademark, Regulatory Approval or Purchased Regulatory Documentation, possession of the right, whether directly or indirectly, and whether by ownership, license or otherwise, to assign or grant a license, sublicense or other right to or under such trademark, Regulatory Approval or Purchased Regulatory Documentation, as provided for herein or in any Ancillary Agreement without violating the terms of any Contract or other arrangement with any Third Party.

"**Cure Costs**" shall mean the Liabilities and obligations that must be paid or otherwise satisfied to cure all of the U.S. Debtors' defaults under the Purchased Contracts necessary for the

assumption thereof and assignment to Buyer pursuant to section 365 of the Bankruptcy Code, as provided herein and in the Approval Order.

"**Cure Costs Cap**" has the meaning set forth in Section 5.2.2.

"**DIP Agreement**" means that certain Senior Secured Super-Priority Debt-in-Possession Credit Agreement, dated as of August 10, 2018, by and among Aralez Pharmaceuticals US Inc., Pozen Inc., Halton Laboratories LLC, Aralez Pharmaceuticals Management Inc., Aralez Pharmaceuticals Holdings Limited, Aralez Pharmaceuticals Trading DAC, Aralez Pharmaceuticals R&D Inc., Deerfield Management Company, L.P., and the DIP Lenders, as the same has been or may be amended from time to time.

"**DIP Credit**" has the meaning set forth in Section 2.3.1(d).

"**DIP Lenders**" means Deerfield Private Design Fund III, L.P. and Deerfield Partners, L.P.

"**DIP Obligations**" means any borrowings under the DIP Agreement.

"**Disclosing Party**" has the meaning set forth in Section 5.4.1.

"**DMF**" means the drug master file (within the meaning of 21 C.F.R. § 314.420) with respect to the Product that has been filed with the FDA.

"**DMF Letter**" has the meaning set forth in Section 6.2.4.

"**Domain Name Assignment Agreement**" means the Domain Name Assignment Agreement, in substantially the form attached as Exhibit D.

"**Domain Names**" means internet or global computing network addresses or locations, including all generic top level domains and country code top level domains.

"**Encumbrance**" means any mortgage, lien (statutory or otherwise), license, pledge, security interest, charge, hypothecation, restriction, claim of ownership, conditional sales or other security arrangement, collateral assignment, preference, encroachment, right of first refusal, title defect or other encumbrance.

"**End Date**" has the meaning set forth in Section 8.1.2.

"**Enforceability Exceptions**" has the meaning set forth in Section 3.1.2(a).

"**Environmental Law**" means any applicable Law, including common laws, and any Order or binding agreement with any Governmental Authority: (a) relating to pollution (or the cleanup safety, or the environment (including ambient air, soil, surface water or groundwater, or subsurface strata)); (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials, or (c) the management of asbestos or lead in buildings or other structures.

"**Excluded Assets**" means all assets, property, rights and interests of Seller and its Affiliates that are not primarily related to and used in the Product Business, other than the Purchased Assets described in Section 2.2.1(a) through (i) that are related to and used in the Product Business, including: (a) all intellectual property of Seller and its Affiliates (other than the Purchased Domain Names and, to the extent transferred, intellectual property rights of Seller and its Affiliates as set forth in the Purchased Contracts); (b) all employees, real property and tangible personal property of Seller or any of its Affiliates (but excluding the Finished Inventory, Purchased Product Records, the Purchased Regulatory Documentation and the Purchased Product Promotional Materials); (c) all Accounts Receivable; (d) all refunds, claims for refunds or rights to receive refunds from any Taxing Authority with respect to any and all Taxes paid or to be paid by Seller or any of its Affiliates (including any and all Taxes paid or to be paid by any of Seller's Affiliates on behalf of Seller other than refunds of Taxes allocated to Buyer pursuant to Section 5.9.2 which refunds shall be paid to or refunded to Buyer); (e) all insurance policies and insurance Contracts insuring the Purchased Assets, together with any claim, action or other right Seller or any Affiliate of Seller may have for insurance coverage under any past or present policies and insurance Contracts insuring the Purchased Assets; (f) all rights, claims or causes of action (including warranty claims) of Seller or its Affiliates under the Purchased Contracts related to Product supplied or services provided to Seller or its Affiliates prior to the Closing, provided that neither Seller nor any Affiliate of Seller may prosecute any such rights, claims or causes of action with providing Buyer at least two days prior written notice; (g) the Excluded Contracts (including the AstraZeneca Purchase Agreement); and (h) all Excluded Items.

"**Excluded Contracts**" means any Contract of Seller or its Affiliates that relates to the Purchased Assets and is not a Purchased Contract, including those listed on Schedule 1.1.2(a).

"**Excluded Items**" means any and all (a) books, documents, records, files and other items prepared in connection with or relating to the negotiation and consummation of the transactions contemplated by this Agreement or the Ancillary Agreements or otherwise prepared in connection with the divestiture of the Purchased Assets and the evaluation of strategic alternatives, including all (i) bids received from Third Parties and analyses relating to the Product, the Authorized Generic Product or the Product Business, (ii) confidentiality, joint defense or similar agreements with prospective purchasers of the Product, the Authorized Generic Product or the Product Business, (iii) strategic, financial or Tax analyses relating to the divestiture of the Purchased Assets, the Assumed Liabilities, the Product, the Authorized Generic Product and the Product Business, (iv) presentations or minutes relating to any of the meetings of Seller's board of directors or committees thereof relating to strategic alternatives, including the transactions contemplated by this Agreement and (v) presentations or other materials relating to discussion with Seller's lenders or key constituents or counterparties; (b) trade secrets not primarily related to the Product Business; (c) attorney work product, attorney-client communications and other items protected by established legal privilege, unless the books and records can be transferred without losing such privilege or such books and records relate primarily to the Product or the Authorized Generic Product; (d) human resources and any other employee books and records; (e) financial, Tax and accounting records to the extent not primarily related to the Product or the Authorized Generic Product; (f) subject to compliance with Section 5.2, items to the extent applicable Law prohibits their transfer; (g) electronic mail; and (h) the global safety database for the Product and source documents associated with individual case safety reports.

"**Excluded Liabilities**" means all Liabilities of Seller or any of its Affiliates other than the Assumed Liabilities, including (a) (i) Taxes of the Seller or any of its Affiliates for any Tax period, including Taxes relating to the Purchased Assets or the Product Business attributable to periods ending on or prior to the Closing Date *provided* that Transfer Taxes, Indirect Taxes and Apportioned Obligations shall be allocated between Buyer and Seller as provided in Section 5.9.2 hereof, and (ii) Taxes for which Seller or any of its Affiliates is liable by reason of being or having been part of a consolidated, combined, unitary or similar Tax group, or as a transferee or successor, or under any Contract or otherwise, (b) all Liabilities arising out of claims, including product liability or similar claims, of Third Parties in respect of the marketing, promotion or sale of the Product or the Authorized Generic Product (whether or not defective) prior to the Closing, or the use after the Closing of any Product or Authorized Generic Product sold prior to the Closing, all Liabilities relating to any returns, rebates or chargebacks of any unit of Product or Authorized Generic Product sold prior to Closing, and all Liabilities arising out of claims of Third Parties due to or relating to any recall of any unit of Product or Authorized Generic Product sold prior to Closing, including all Liabilities for any credits, rebates, refunds or other amounts payable in respect of any such recalled unit of Product or Authorized Generic Product; (c) all Liabilities arising out of, resulting from, or relating to any Excluded Assets; (d) all accrued receipts and Accounts Payable arising out of the operation or conduct of the Product Business prior to the Closing, provided that nothing in this clause (d) affects any obligation hereunder to pay any Cure Costs; (e) all indebtedness of Seller and its Affiliates; (f) all Liabilities arising out of, resulting from, or relating to any unit of Product or Authorized Generic Product sold prior to the Closing or the Purchased Assets to the extent arising prior to the Closing; (g) all Liabilities related to any employee or other service provider of Seller and its Affiliates; (h) any Liabilities set forth on Schedule 1.1.2; (i) any Liabilities in respect of Cure Costs in excess of the Cure Costs Cap.

"**Execution Date**" has the meaning set forth in the preamble hereto.

"**Expense Reimbursement**" shall mean the aggregate amount, which shall not exceed $500,000, of all reasonable out-of-pocket expenses (including all fees and expenses of counsel, accountants, investment banks, advisors, and consultants to Buyer or any of its Affiliates) incurred by Buyer or its Affiliates relating to or in connection with (a) the purchase of the Purchased Assets, including the transactions contemplated by this Agreement and any documents or agreements related hereto, (b) the negotiation, preparation, execution or performance of agreements relating to the purchase of the Purchased Assets, including the Letter of Intent, this Agreement, the Ancillary Agreements and any other documents, instruments or agreements related thereto, (c) business, financial, legal, accounting, tax, and other due diligence relating to the Purchased Assets, (d) the Chapter 11 Cases and (e) the diligence, analysis, negotiation, preparation, or execution of any contracts or arrangements with any current or prospective lessors, vendors, agents, or payees of Seller and the Product Business.

"**Exploit**" means (and, with correlative meanings, the term "**Exploitation**" and "**Exploiting**") to make, have made, import, export, use, have used, sell, offer for sale, have sold, commercialize, register, hold or keep (whether for disposal or otherwise), transport, distribute, promote, market, or otherwise dispose of.

"**FDA**" means the United States Food and Drug Administration and any successor agency thereto.

"**Final Order**" shall mean an order or judgment of the Bankruptcy Court entered by the clerk of the Bankruptcy Court or such other court on the docket in the Chapter 11 Cases or the docket of such other court, which has not been modified, amended, reversed, vacated or stayed and as to which (a) the time to appeal, petition for certiorari, or move for a new trial, reargument or rehearing has expired and as to which no appeal, petition for certiorari or motion for new trial, reargument or rehearing shall then be pending or (b) if an appeal, writ of certiorari new trial, reargument or rehearing thereof has been sought, such order or judgment of the applicable Bankruptcy Court, or other court of competent jurisdiction shall have been affirmed by the highest court to which such order was appealed, or certiorari shall have been denied, or a new trial, reargument or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for certiorari or move for a new trial, reargument or rehearing shall have expired, as a result of which such order shall have become final in accordance with Rule 8002 of the Federal Rules of Bankruptcy Procedure or a similar rule of such other court of competent jurisdiction; *provided* that with respect to the U.S. Bankruptcy Court, the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed relating to such order, shall not cause such order not to be a Final Order.

"**Finished Inventory**" means all inventory of the Product and the Authorized Generic Product in finished packaged form (together with any Product packaging materials thereon), work in process and active pharmaceutical ingredients that are owned by Seller or any of its Affiliates.

"**Foreign Competition Law**" means any applicable competition antitrust, competition or trade regulation Law of any jurisdiction other than the United States.

"**Fraud**" means actual and intentional fraud by any Person with respect to the subject matter of the representations and warranties contained in this Agreement, as interpreted by New York courts applying New York Law. For the avoidance of doubt, "Fraud" does not include constructive fraud or any torts based on negligence or recklessness.

"**Fundamental Reps**" means the representations and warranties set forth in Section 3.1.1 (*Entity Status*), Section 3.1.2 (*Authority*), Section 3.1.4 (*No Broker*), Section 3.1.6(a) (*Purchased Assets*), Section 3.2.1 (*Corporate Status*), Section 3.2.2 (*Authority*) and Section 3.2.4 (*No Broker*).

"**GAAP**" means generally accepted accounting principles in the United States.

"**Generic Product**" means, with respect to the Product, any other medicinal product that is approved under 21 U.S.C. 355(b) or 355(j), or any respective successor Law, that identifies in its marketing application the Product as the basis of submission relied on for approval in its application to the FDA.

"**Governmental Authority**" means any supranational, international, federal, state or local court, administrative agency or commission or other governmental authority or instrumentality, domestic or foreign, including the FDA and any corresponding foreign agency.

"**Hazardous Materials**" means any toxic or hazardous substance, material, or waste, and any other contaminant or pollutant, whether liquid, solid, semi solid, sludge and/or gaseous, in each case, whether naturally occurring or manmade, including chemicals, compounds, mixtures, by products, pesticides, asbestos containing materials, petroleum or petroleum products, and polychlorinated biphenyls, and any other material or substance, whether waste materials, raw materials or finished products, in all instances, regulated or governed by any Environmental Law.

"**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

"**IND**" means an Investigational New Drug Application submitted in accordance with 21 C.F.R. Part 312.

"**Indirect Taxes**" means value added, sales, consumption, goods and services Taxes or other similar Taxes required by applicable Law to be disclosed as a separate item on the relevant invoice.

"**IRS**" means the Internal Revenue Service or any successor Governmental Authority.

"**Law**" means any national, supranational, domestic or foreign, federal, state or local statute, law (including the common law), treaty, constitution, ordinance, rule, administrative interpretation, regulation, Order or other requirement having the force of law of any Governmental Authority.

"**Letter of Intent**" means that certain Letter of Intent, dated as of August 9, 2018, by and among Seller and Deerfield Private Design Fund III, L.P. and Deerfield Partners, L.P.

"**Liabilities**" means any debts, liabilities, obligations, commitments, claims or complaints, whether absolute or contingent, accrued or unaccrued, asserted or unasserted, known or unknown, fixed or contingent, matured or unmatured, determined or determinable or otherwise (including all adverse reactions, recalls, product and packaging complaints or other liabilities), whether arising under any Law, Order, Contract or otherwise, and whether or not the same would be required to be reflected in financial statements or disclosed in the notes thereto.

"**License Agreement**" means that certain License Agreement, dated as of October 31, 2016, by and between AstraZeneca and Seller, as amended from time to time prior to the date hereof.

"**Licensed Trademarks**" means the trademarks set forth on Schedule 1.1.3.

"**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.

"**Loss**" or "**Losses**" means any losses, fees, charges, costs, damages, deficiencies, assessments, judgments, fines, penalties, amounts paid in settlement and costs and expenses incurred in connection therewith, including costs and expenses of suits and proceedings, and reasonable fees and disbursements of counsel and reasonable fees and expenses of experts.

"**Manufacture**" and "**Manufacturing**" means all activities related to the production, manufacture, processing, filling, finishing, packaging, labeling, shipping and holding of the Product or an Authorized Generic Product or any intermediate thereof prior to the delivery of the Product or an Authorized Generic Product, including process development, process qualification and validation, scale-up, pre-clinical, clinical and commercial manufacture and analytic development, product characterization, stability testing, quality assurance and quality control.

"**Material Adverse Effect**" means an event, fact, condition, occurrence, change, development, circumstance or effect that, individually or in the aggregate with all other such events, facts, conditions, occurrences, changes, developments, circumstances or effects, (a) has had, or would reasonably be expected to have, a material adverse effect on the business, operations, results of operations or condition (financial or otherwise) of the Product Business, the Purchased Assets or the Assumed Liabilities or (b) that prevents or materially impedes or delays the ability of Seller to consummate the transactions contemplated by the Agreement and the Ancillary Agreements prior to the End Date; *provided, however*, that for the purposes of clause (a) above, none of the following, and no event, fact, condition, occurrence, change, development, circumstance or effect to the extent resulting from the following, shall be deemed (individually or in combination) to constitute, or shall be taken into account in determining whether there has been, a "Material Adverse Effect": (i) political or economic conditions or conditions affecting the capital or financial markets generally, including the worsening of any existing conditions; (ii) conditions generally affecting any industry or industry sector in which the Product Business operates or competes or in which the Product is Manufactured or Exploited, including increases in operating costs; (iii) any change in GAAP or applicable Law; (iv) any hostility, act of war, sabotage, terrorism or military actions, or any escalation of any of the foregoing; (v) any hurricane, flood, tornado, earthquake or other natural disaster or force majeure event; (vi) the entry into the market of a product or products (including generic versions of the Product) competitive with the Product or any change in the sales, financial results of the Product, or other impact on the Product, as a result of competition from another product or generic version of the Product; (vii) the public announcement or pendency of this Agreement, the transactions contemplated hereby, the Chapter 11 Cases or the CCAA Proceedings, including the impact of such announcement or pendency on the relationship of Seller with any supplier, distributor, customer, partner or similar relationship or any loss of employees resulting therefrom; (viii) the failure of the Product Business to achieve any financial projections, predictions, forecasts or estimates of revenues for any period (*provided*, that the underlying causes of such failure shall not be excluded unless otherwise excluded pursuant to this definition); (ix) any act required to be taken under this Agreement or the DIP Agreement or the failure to take any act prohibited by this Agreement or the DIP Agreement; and (x) any act or omission by Buyer or any of its Affiliates; except, in each of clauses (i) through (v), for those conditions that have a disproportionate effect on the Product Business, the Purchased Assets or the Assumed Liabilities, relative to other Persons operating businesses similar to the Product Business in the Territory.

"**NDA**" means a New Drug Application as defined in the Act.

"**NDC**" means "National Drug Code," which is the ten or eleven digit identification code registered by a company with FDA with respect to a pharmaceutical product.

"**Notice**" has the meaning set forth in Section 9.2.1.

"**Novation Agreement**" means the Novation Agreement, which sets forth the terms and conditions of the novation of the VA Agreement to Buyer and which materially conforms to the form novation agreement set forth in 48 CFR Subpart 42.12.

"**Order**" means any writ, judgment, edict, decree, injunction, ruling, order or other binding obligation, pronouncement or determination of any Governmental Authority having the force of Law.

"**Ordinary Course of Business**" means the operation of the Product Business by Seller and its Affiliates in the usual and customary way and consistent with their past practices from January 1, 2018 through the Petition Date.

"**Other Authorized or Owned Generic Product**" means a Generic Product other than the Authorized Generic Product that is marketed, distributed or sold by or on behalf of, or under a license or sublicense from, Buyer or any of its Affiliates.

"**Other Third Party Authorized Generic Product**" means a Generic Product other than the Authorized Generic Product that is marketed, distributed or sold by a Person that is not Buyer or an Affiliate of Buyer pursuant to a license or sublicense from Buyer or any of its Affiliates in a commercial relationship substantially similar (except as to the terms thereof) as the relationship existing as of the date hereof in respect of the Authorized Generic Product.

"**Parent**" means Aralez Pharmaceuticals Inc.

"**Party(ies)** " has the meaning set forth in the preamble hereto.

"**Payee**" has the meaning set forth in Section 5.9.1.

"**Payer**" has the meaning set forth in Section 5.9.1.

"**Payments**" has the meaning set forth in Section 5.9.1.

"**Permit**" any permit, license, registration, certificate, franchise, authorization, permit, certification, variance, exemption, order or approval.

"**Permitted Encumbrance**" means any (a) Encumbrance for Taxes not yet due or delinquent; (b) Encumbrance imposed by Law that does not or would not be reasonably expected to materially detract from the current value of, or materially interfere with, the present use and enjoyment of any Purchased Asset subject thereto or affected thereby in the ordinary course of business of the Product Business; (c) Encumbrance incurred or deposit made to a Governmental Authority in connection with any Permit, (d) right, title or interest of a licensor or licensee under a license disclosed on Schedule 1.1.4(d); and (e) Encumbrance disclosed on Schedule 1.1.4(e).

"**Person**" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, corporation, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, or any other legal entity, including a Governmental Authority.

"**Petition Date**" has the meaning set forth in the recitals.

"**Pharmacovigilance Agreement**" means that certain Pharmacovigilance Agreement, effective as of February 15, 2017 by and between AstraZeneca and Seller, as amended from time to time prior to the date hereof.

"**Post-Closing Tax Period**" has the meaning set forth in Section 5.9.2(b).

"**Pre-Closing Period**" has the meaning set forth in Section 4.1.1.

"**Pre-Closing Tax Period**" has the meaning set forth in Section 5.9.2(b).

"**Pre-Petition First Lien Obligations**" means all amounts outstanding under that certain Second Amended and Restated Facility Agreement, dated as of December 7, 2015, by and among Deerfield Private Design Fund III, L.P., Deerfield Partners, L.P., the U.S. Debtors, Parent and Aralez Pharmaceuticals Canada Inc. (as the same has been and may be amended, modified, restated or otherwise supplemented from time to time) immediately prior to the commencement of the Chapter 11 Cases, to the extent allowed and secured as provided by a Final Order of the Bankruptcy Court.

"**Product**" means the pharmaceutical product containing metoprolol succinate as the active pharmaceutical ingredient described in NDA #N019962 that is distributed and sold in 25, 50, 100 and 200 milligram dosage strengths under the brand name TOPROL-XL® in the Territory as of the Closing Date by or on behalf of Seller or any of its Affiliates, and any future derivatives, dosages, formulations or forms.

"**Product Business**" means the Exploitation of the Product and, subject to the terms of the AG Agreement, the Authorized Generic Product, in the Territory, including the research, development, registration, storage, use, transport, import and export of the Product and Authorized Generic Product, whether in the Territory or outside the Territory, in support of the Exploitation of the Product and the Authorized Generic Product in the Territory, but excluding the research, development, registration, storage, use, transport, import and export of the Product in the Territory in support of the Exploitation of the Product outside of the Territory.

"**Product Contracts**" means the Contracts listed on Schedule 1.1.5.

"**Product Financial Statement**" has the meaning set forth in Section 3.1.7.

"**Purchase Price**" has the meaning set forth in Section 2.3.1(b).

"**Purchased Assets**" has the meaning set forth in Section 2.1.1.

"**Purchased Contracts**" has the meaning set forth in Section 2.1.1(a).

"**Purchased Domain Names**" means the Domain Names listed on Schedule 1.1.6.

"**Purchased Product Promotional Materials**" means "advertisements," described by FDA in 21 C.F.R. § 202.1(l)(1) or other applicable Governmental Authority, and "labeling," as set forth in 21 U.S.C. § 321(m), and as described by FDA in 21 C.F.R. § 202.1(l)(2), or other applicable Governmental Authority, promotional and media materials (including website content found through the Purchased Domain Names), sales training materials (including medical response information aud standard response letters, if any), existing customer lists, co-pay cards, other marketing data and materials, trade show materials (including displays), sample kits and detail kits, and videos, including materials containing clinical data, if any, in each case, (a) to the extent used primarily for the marketing, promotion, distribution and sale of the Product in the Territory as of the Closing Date and (b) excluding the Excluded Items, to the extent in the possession or Control of Seller or any of its Affiliates.

"**Purchased Product Records**" means all books and records (including records of call center activity) relating primarily to the Product Business or related to the AG Agreement (including all forecasts, data and other information provided or exchanged pursuant to the terms thereof) (other than the Purchased Regulatory Documentation and Purchased Product Promotional Materials) to the extent (a) actually used by Seller or any of its Affiliates in the Exploitation of the Product or the Authorized Generic Product in the Territory or (b) owned, maintained and in the possession or Control of Seller or any of its Affiliates and reasonably necessary or used to Exploit the Product or the Authorized Generic Product in the Territory as Exploited by or on behalf of Seller or any of its Affiliates as of the Closing Date, but excluding, in all cases, the Excluded Items and any copyrights or trademarks included therein.

"**Purchased Regulatory Approvals**" means the Regulatory Approvals listed in Schedule 1.1.7.

"**Purchased Regulatory Documentation**" means, with respect to the Product and the Authorized Generic Product, all (a) documentation comprising the Purchased Regulatory Approvals and associated Regulatory Submissions, (b) correspondence and reports primarily related to the Product or the Authorized Generic Product in the Territory and necessary to, or otherwise limiting the ability to, commercially distribute, sell or market the Product in the Territory as of the Closing Date submitted to or received from Governmental Authorities (including minutes and official contact reports relating to any communications with any Governmental Authority) and, to the extent related primarily to the Territory, relevant supporting documents with respect thereto, including all regulatory drug lists, materials submitted to FDA under FDA Form 2253, final versions of advertising and promotion materials, and adverse drug experience reports (periodic and expedited) and Adverse Event files and (c) data (including clinical and pre-clinical data) referenced in any of the foregoing that relates primarily to the Territory, in each case ((a), (b) and (c)), (x) to the extent in the possession or Control of Seller or any of its Affiliates and (y) excluding the Excluded Items.

"**Quality Agreement**" means that certain Quality Agreement, effective as of December 8, 2016 by and between AstraZeneca and Seller, as amended from time to time prior to the date hereof.

"**Receiving Party**" has the meaning set forth in Section 5.4.1.

"**Regulatory Approval**" means, with respect to the Product or the Authorized Generic Product, any and all approvals (including NDAs and supplements and amendments thereto and INDs), licenses, registrations (except manufacturing establishment registrations) or authorizations of any Governmental Authority necessary to commercially distribute, sell or market the Product or the Authorized Generic Product in the Territory, including pre- and post-approval marketing authorizations and labeling approvals.

"**Regulatory Submissions**" means NDAs, including all amendments and supplements, and any other submissions made to the FDA to support the issuance of a Regulatory Approval.

"**Remaining Purchase Price**" has the meaning set forth in Section 2.3.1(d).

"**Representatives**" means a Party's officers, directors, employees, agents, attorneys, consultants, advisors, financing sources and other representatives.

"**Responsible Contracting Officer**" has the meaning set forth in Section 5.12.1.

"**Retained Financial Records**" has the meaning set forth in Section 5.23.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Seller**" has the meaning set forth in the preamble hereto.

"**Seller Confidential Information**" has the meaning set forth in Section 5.4.3.

"**Seller Disclosure Schedules**" means the disclosure schedules of Seller delivered by Seller pursuant to this Agreement.

"**Seller FDA Transfer Letter**" means the letter to FDA in the form attached as Exhibit E, transferring the rights to the Purchased Regulatory Approvals issued by FDA to Buyer.

"**Seller Permitted Purpose**" has the meaning set forth in Section 5.4.2.

"**Seller's Knowledge**" means the actual knowledge of the individuals listed on Schedule 1.1.8, after reasonable investigation within the scope of each such individual's respective functional areas.

"**Selling Entities**" means, (a) prior to the Closing Date, Seller, its Affiliates and each licensee, sublicensee or transferee to which Seller or any of its Affiliates has granted a (sub)license with respect to the Product and, (b) on and after the Closing Date, Buyer, its Affiliates and each licensee, sublicensee or transferee to which Buyer or any of its Affiliates has granted a (sub)license with respect to the Product.

"**Superior Proposal**" means a bona fide written Takeover Proposal which the Seller determines in good faith, after consultation with its outside legal counsel and financial advisors, is on terms and conditions more favorable to the bankruptcy estate of Seller than those

contemplated by this Agreement, taking into account all material financial, regulatory, legal and other aspects of such Takeover Proposal, including any cash component thereof, any financing thereof, any conditions thereto and the likelihood and timing of consummation and any other aspects of such Takeover Proposal as the Seller and its Affiliates deem relevant. For the avoidance of doubt, a Superior Proposal may constitute one or more written Takeover Proposals that when taken together have the cumulative effect described in one of prongs (i) through (v) of the definition of Takeover Proposal.

"**Supply Agreement**" means that certain Supply Agreement, dated as of October 31, 2016, by and between AstraZeneca and Seller, as amended from time to time prior to the date hereof.

"**Takeover Proposal**" means, other than the transactions contemplated by this Agreement, one or more bona fide written proposal or offer (when taken together) relating to (i) a merger, amalgamation, consolidation, spin-off, share exchange (including a split-off) or business combination involving Parent or Seller or any of their respective Affiliates representing 50% or more of the assets of Parent and its subsidiaries (including the Purchased Assets), taken as a whole, or of Seller and its subsidiaries, taken as a whole, (ii) a sale, lease, exchange, mortgage, transfer or other disposition, in a single transaction or series of related transactions, of (A) the Purchased Assets, or (B) 50% or more of the assets of Parent and its subsidiaries (including the Purchased Assets), taken as a whole, or of Seller and its subsidiaries, taken as a whole, (iii) a purchase or sale of shares of capital stock or other securities, in a single transaction or series of related transactions, representing 50% or more of the voting power of the capital stock of Seller, including by way of a tender offer or exchange offer, (iv) a recapitalization, reorganization, liquidation, foreclosure, dissolution, plan of arrangement or compromise, in each case as approved by a Bankruptcy Court or any other court of competent jurisdiction, or resulting from an auction approved by a Bankruptcy Court or any court of competent jurisdiction, involving (X) the Purchased Assets or (Y) 50% or more of the assets of Parent and its subsidiaries (including the Purchased Assets), taken as a whole, or Seller and its subsidiaries, taken as a whole, or (v) any other transaction or series of transactions having a similar effect to those described in clauses (i) through (iv).

"**Tax Return**" means any return, declaration, report, claim for refund, information return or statement relating to Taxes, including any schedule or attachment thereto, filed or maintained, or required to be filed or maintained, in connection with the calculation, determination, assessment or collection of any Tax and includes any amended returns required as a result of examination adjustments made by the IRS or other Taxing Authority.

"**Taxes**" means all taxes of any kind, and all charges, fees, customs, levies, duties, imposts, required deposits or other assessments, including all federal, state, local or foreign net income, capital gains, gross income, gross receipt, property, franchise, sales, use, value added, excise, withholding, payroll, employment, social security, worker's compensation, unemployment, occupation, capital stock, transfer, gains, windfall profits, net worth, asset, transaction and other taxes, and any interest, penalties or additions to tax with respect thereto, imposed upon any Person by any Taxing Authority or other Governmental Authority under applicable Law, including any interest, penalties or additions to Tax.

"**Taxing Authority**" means any Governmental Authority or any quasi-governmental body exercising tax regulatory authority.

"**Territory**" means the United States of America and its territories and possessions.

"**Third Party**" means any Person other than Seller, Buyer and their respective Affiliates and permitted successors and assigns.

"**Transfer Taxes**" has the meaning set forth in Section 5.9.2(a).

"**Transition Services Agreement**" has the meaning set forth in Section 5.23.1.

"**U.S. Debtors**" has the meaning set forth in the recitals.

"**VA Agreement**" means the Agreement, signed February 11, 2016 and effective April 29, 2016, between AstraZeneca Pharmaceuticals, LP and the U.S. Department of Veterans Affairs, as modified by that certain Novation Agreement, dated as of October 31, 2016, by and among AstraZeneca Pharmaceuticals LP, Aralez Pharmaceuticals US Inc. and the United States of America and as amended from time to time prior to the date hereof.

"**Wind-Down Account**" has the meaning set forth in Section 2.3.1(c).

1.2 Construction. Except where the context otherwise requires, wherever used, the singular includes the plural, the plural the singular, the use of any gender shall be applicable to all genders and the word "or" is used in the inclusive sense (and/or). The captions of this Agreement are for convenience of reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement. The terms "include," "includes" and "including" mean "include, without limitation," "includes, without limitation" and "including, without limitation," respectively, and do not limit the generality of any description preceding such term. The language of this Agreement shall be deemed to be the language mutually chosen by the Parties and no rule of strict construction shall be applied against either Party. Unless otherwise specified or where the context otherwise requires, (a) references in this Agreement to any Article, Section, Schedule or Exhibit are references to such Article, Section, Schedule or Exhibit of this Agreement; (b) references in any Section to any clause are references to such clause of such Section; (c) "hereof," "hereto," "hereby," "herein" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement; (d) references to a Person are also to its permitted successors and assigns; (e) references to a Law include any amendment or modification to such Law and any rules or regulations issued thereunder, in each case, as in effect at the relevant time of reference thereto; (f) references to any agreement, instrument or other document in this Agreement refer to such agreement, instrument or other document as originally executed or, if subsequently amended, replaced or supplemented from time to time, as so amended, replaced or supplemented and in effect at the relevant time of reference thereto; (g) "extent" in the phrase "to the extent" means the degree to which a subject or other thing extends, and such phrase does not mean simply "if" and (h) references to monetary amounts are denominated in United States Dollars. The Parties have participated jointly in the negotiation and drafting of this Agreement and in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if

drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party (or any Affiliate thereof) by virtue of the authorship of any of the provisions of this Agreement.

ARTICLE 2
SALE AND PURCHASE OF ASSETS; LIABILITIES

2.1 Sale of Purchased Assets.

2.1.1 Purchase and Sale of Purchased Assets. Upon the terms and subject to the conditions of this Agreement and the Ancillary Agreements, at and effective as of the Closing, Seller shall (or shall cause its applicable Affiliates to) sell, transfer, convey, assign and deliver to Buyer, and Buyer (or its Affiliate) shall purchase and accept from Seller (or such Affiliates), all rights and interests of Seller or its Affiliates in and to the following (collectively, the "**Purchased Assets**"), in each case free and clear of any Encumbrances (other than the Assumed Liabilities and Permitted Encumbrances):

(a) (i) all rights and interests of Seller or its Affiliates under the Contracts set forth on Schedule 2.1.1(a)(i), as such Schedule may be updated by mutual agreement of Seller and Buyer not less than five Business Days prior to the entry of the Approval Order to include rights and interests under any written Contracts relating to the Product Business entered into by Seller or its Affiliates after the Execution Date in accordance with Section 4.2, and, in each case, excluding the Excluded Assets (the "**Purchased Contracts**");

(b) the Purchased Regulatory Approvals;

(c) the Purchased Regulatory Documentation;

(d) the Purchased Product Records;

(e) the Purchased Domain Names;

(f) the Purchased Product Promotional Materials;

(g) the Finished Inventory and all economic rights and interests of the Seller or its Affiliates to or in the Finished Inventory; and

(h) any other assets, properties, rights and interests of the Seller and its Affiliates that primarily relate to and are used in the Product Business (other than any Excluded Assets), including, for the avoidance of doubt, the right of reference to the DMF granted by the owner thereof to Seller.

2.1.2 Excluded Assets. Notwithstanding anything to the contrary in this Agreement or in any Ancillary Agreement, (a) Buyer shall not acquire the Excluded Assets pursuant to this Agreement or any Ancillary Agreement, (b) the Purchased Assets shall not include the Excluded Assets, and (c) Seller and its Affiliates shall retain the Excluded Assets following the Closing Date.

2.2 Liabilities.

2.2.1 Assumed Liabilities. Upon the terms and subject to the conditions of this Agreement, at the Closing, Seller shall assign to Buyer and Buyer shall assume from Seller or its Affiliates and agree to pay and discharge when due, the following Liabilities (collectively, but excluding the Excluded Liabilities, the "**Assumed Liabilities**"):

(a) all Liabilities under or relating to the Purchased Assets or the Product Business, in each case only to the extent such Liabilities arise from Buyer's operation of the Purchased Assets or the Product Business and relate to the period after the Closing; and

(b) subject to the terms of the Ancillary Agreements and the AG Agreement, all Liabilities arising out of or related to Product or Authorized Generic Product that is Manufactured or sold by or on behalf of a Selling Entity or an AG Selling Entity on or after the Closing.

2.2.2 Excluded Liabilities. Notwithstanding anything to the contrary in this Agreement or any Ancillary Agreement, neither Buyer nor any of its Affiliates shall assume, nor shall they be or become responsible for, any Liabilities of Seller or any of its Affiliates, other than the Assumed Liabilities, and the Excluded Liabilities shall remain the sole obligation and responsibility of Seller and its Affiliates.

2.3 Consideration.

2.3.1 Purchase Price. Upon the terms and subject to the conditions of this Agreement, in consideration of the conveyances contemplated under Section 2.1, at the Closing, Buyer shall:

(a) assume the Assumed Liabilities; and

(b) cause and/or provide a credit bid in an aggregate amount equal to $130,000,000 (the "**Purchase Price**") with such credit bid allocated as follows: (i) first, a credit in the amount of the DIP Obligations outstanding as of the Closing Date (the "**DIP Credit**") and (ii) second, for any Purchase Price amount remaining after crediting the DIP Credit against the Purchase Price (the "**Remaining Purchase Price**") a dollar-for-dollar credit on account of the Pre-Petition First Lien Obligations in the amount of the Remaining Purchase Price.

(c) fund a wind-down account (the "**Wind-Down Account**"), to the extent necessary and reasonably agreed by the Buyer and Seller, in an amount to be agreed by Seller and Buyer, to be determined at or prior to the Closing, to be used for the purposes of winding down Seller and the other U.S. Debtors.

2.3.2 Allocation of Consideration. Buyer shall allocate the Purchase Price (and the Assumed Liabilities, to the extent properly taken into account under applicable Tax Laws) among the Purchased Assets in accordance with applicable Tax Laws (the "**Allocation**") prior to or within 90 days following the Closing and shall deliver to Seller a copy of such Allocation promptly after such determination. Seller shall have the right to review and raise any reasonable objections in writing to the Allocation during the 10-day period after its receipt thereof. If Seller

disagrees with respect to any item in the Allocation, the Parties shall negotiate in good faith to attempt to resolve the dispute. Each Party shall have the right to allocate the Purchase Price (and the Assumed Liabilities, to the extent properly taken into account under applicable Tax Laws) among the Purchased Assets in its discretion if the Parties are unable to agree on an Allocation despite their good faith negotiations.

2.3.3 Excluding or Adding Purchased Contracts Prior to Closing. Buyer shall have the right, in its sole and absolute discretion, during the period commencing on the date of this Agreement and ending on the day that is two Business Days prior to the Closing Date, to notify Seller in writing of any Purchased Contract that it does not wish to assume or any Contract that it wants to add as a Purchased Contract, in each case without any adjustment to the Purchase Price. Subject to the immediately preceding sentence, (a) any such Purchased Contract removed from among the Purchased Assets pursuant to this Section 2.3.3 shall be deemed an Excluded Contract and (b) any such contract or agreement added shall be deemed a Purchased Contract.

2.4 Closing.

2.4.1 Closing. Pursuant to the terms and subject to the conditions of this Agreement, the closing of the transactions contemplated hereby (the "**Closing**") shall take place at the New York, New York offices of Willkie Farr & Gallagher LLP, at 10:00 a.m. local time, on a Business Day not later than three Business Days following satisfaction of all conditions (other than those that by their terms are to be satisfied or taken at the Closing) set forth in Article 6 (or, to the extent permitted by applicable Law, waived by the Party entitled to the benefits thereof), or such other time and place as Buyer and Seller may agree to in writing. The Closing shall be deemed to have occurred at 12:00 a.m., Eastern time, on the Closing Date, such that Buyer shall be deemed the owner of the Purchased Assets on and after the Closing Date.

2.4.2 Closing Deliveries.

(a) Except as otherwise indicated below, at the Closing, Seller shall deliver the following to Buyer:

(i) a true and complete copy of the Approval Order;

(ii) each of the Ancillary Agreements (other than the Novation Agreement) to which Seller or any of its Affiliates is a party, validly executed by a duly authorized representative of Seller or its applicable Affiliate;

(iii) a receipt acknowledging receipt of the Purchase Price in satisfaction of Buyer's obligations pursuant to Section 2.3, validly executed by a duly authorized representative of Seller;

(iv) the tangible Purchased Assets; *provided*, that (A) delivery shall, unless the Parties otherwise mutually agree, be to the locations and on the timeframes set forth in Schedule 2.4.2(a)(iv), and (B) Seller may retain copies of the Purchased Regulatory Documentation and the Purchased Product Records included within the Purchased Assets and the Purchased Contracts (and, for the avoidance of doubt, prior to delivering or making available any files, documents, instruments, papers, books and records containing Purchased Product Records

or constituting Purchased Regulatory Documentation to Buyer, Seller shall be entitled to redact from such files, documents, instruments, papers, books and records any information to the extent that it does not relate to the Product Business); and

(v) a schedule listing (A) each Purchased Contract and the Cure Cost associated with such Purchased Contract and (B) Finished Inventory as of the Closing Date;

(vi) evidence reasonably satisfactory to Buyer of Seller's payment of any Cure Costs (if any) in excess of the Cure Costs Cap; and

(vii) a certificate, dated as of the Closing Date, validly executed by a duly authorized officer of Seller, certifying that all of the conditions set forth in Section 6.2.1 and Section 6.2.2 have been satisfied.

(b) At the Closing, Buyer shall deliver the following to Seller:

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

(ii) the Purchase Price in accordance with Section 2.3.1(b);

(iii) a certificate, dated as of the Closing Date, validly executed by a duly authorized officer of Buyer, certifying that all of the conditions set forth in Section 6.3.1 and Section 6.3.2 have been satisfied;

(iv) evidence reasonably satisfactory to Seller of Buyer's payment of any Cure Costs up to the Cure Costs Cap; and

(v) if necessary, evidence reasonably satisfactory to Seller of the funding of the Wind-Down Account.

(c) Buyer shall conduct a quality and completeness review of the Purchased Regulatory Documentation transferred to it pursuant to Section 2.4.2(a)(iv) promptly following such transfer and, within 30 days after such transfer, shall notify Seller in writing of any problems or issues experienced by Buyer regarding the completeness, navigation or readability of such transferred Purchased Regulatory Documentation that Buyer reasonably and in good faith believes are related to the transfer of such Purchased Regulatory Documentation (and not, for example, related to Buyer system capabilities or compatibility). Seller shall use its commercially reasonable efforts to assist Buyer in remedying any such problems or issues (if any) as soon as reasonably practicable following Seller's receipt of Buyer's notice of the same.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Seller. Seller represents and warrants to Buyer as follows, with each such representation and warranty subject to such exceptions, if any,

as are set forth in the corresponding section of the Seller Disclosure Schedules. Disclosures in any section or paragraph of the Seller Disclosure Schedules shall be deemed disclosure with respect to any other sections or paragraphs of this Agreement to the extent that it is reasonably apparent from the face of such disclosure that such disclosure is applicable to such other sections or paragraphs.

3.1.1 Entity Status. Seller is a designated activities company duly formed and validly existing under the Laws of Ireland. Seller or its applicable Affiliates are duly qualified to do business and in good standing (to the extent such concept is recognized by the applicable jurisdiction) in each jurisdiction in which the ownership of the Purchased Assets or operation of the Product Business so requires, except to the extent the failure to be so qualified to do business or be in good standing would not reasonably be expected to constitute a Material Adverse Effect.

3.1.2 Authority.

(a) Seller has the requisite corporate power and authority to (i) own, use and operate the Purchased Assets and to carry on the Product Business as now being conducted and (ii) enter into this Agreement and the Ancillary Agreements to which it is a party, and, subject to the entry of the Bidding Procedures Order and Approval Order, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Ancillary Agreements to which Seller is a party and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate actions of Seller. This Agreement (assuming the due authorization, execution and delivery hereof by Buyer) constitutes, and each Ancillary Agreement to which it will be a party, when executed and delivered by Seller (assuming the due authorization, execution and delivery thereof by each other party thereto) and subject to the entry of the Approval Order, will constitute, the valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar Laws of general application affecting or relating to the enforcement of creditors' rights generally, and subject to equitable principles of general applicability, whether considered in a proceeding at law or in equity (the "**Enforceability Exceptions**").

(b) Each Affiliate of Seller that will enter into an Ancillary Agreement has the requisite entity power and authority to perform its obligations under each Ancillary Agreement to which it will be a party and to consummate the transactions contemplated thereby. The execution and delivery of the Ancillary Agreements to which any Affiliate of Seller will be a party and the consummation of the transactions contemplated thereby have been duly authorized by all necessary organizational actions of such Affiliate. Each Ancillary Agreement, when executed and delivered by an Affiliate of Seller that will be a party thereto (assuming the due authorization, execution and delivery thereof by each other party thereto), will constitute the valid and legally binding obligation of such Affiliate, enforceable against such Affiliate in accordance with its terms, subject to the Enforceability Exceptions.

3.1.3 Non-Contravention. The execution, delivery and performance by Seller of this Agreement and each Ancillary Agreement to which it is a party and the execution, delivery and performance by each Affiliate of Seller of each Ancillary Agreement to which such Affiliate

will be a party do not and will not (a) violate the constitution, certificate of incorporation or comparable organizational documents of Seller or such Affiliate, as applicable, (b) subject to compliance with the HSR Act or any applicable Foreign Competition Law, violate any Law applicable to Seller or such Affiliate, as applicable, the Product Business or the Purchased Assets, (c) subject to obtaining the consents, Permits and authorizations, giving the notices and making the filings referred to in Section 3.1.5(b), (i) violate, breach or constitute a default under, result in the termination or cancellation of, acceleration of any right or obligation of Seller or any Affiliate thereof under, or require any other notice, consent or waiver under, or result in loss of any material benefit under, any Contract or Permit to which Seller or such Affiliate is a party or to which any of the Purchased Assets is subject, and which, in each case, is necessary for the conduct of the Product Business, or (ii) (A) violate any Order to which Seller or any of its Affiliates is subject relating to the Product Business, or (B) require on the part of Seller or any of its Affiliates any filing with, or any authorization, consent or approval of, any Governmental Authority or (d) result in any Encumbrance (other than a Permitted Encumbrance) on any Purchased Assets, except, in the case of (b) or (c), for such violations, breaches, defaults or terminations that would not reasonably be expected to be material to the Product Business or the Purchased Assets.

3.1.4 No Broker. There is no broker, finder or financial advisor acting or who has acted on behalf of Seller or any of its Affiliates that is entitled to receive any brokerage or finder's or financial advisory fee from Buyer or any of its Affiliates in connection with the transactions contemplated by this Agreement.

3.1.5 No Litigation; Consents.

(a) (i) As of the Execution Date, there is no Litigation pending or, to Seller's Knowledge, threatened, against Seller or any of its Affiliates before any Governmental Authority in respect of the Product Business or the Purchased Assets or the transactions contemplated by this Agreement and the Ancillary Agreements, and (ii) there is no Order to which Seller or any of its Affiliates is subject in respect of the Product Business or the Purchased Assets or the transactions contemplated by this Agreement and the Ancillary Agreements, except, in each case ((i) and (ii) immediately above), for such Litigation and Orders that would not reasonably be expected to be material to the Product Business or the Purchased Assets.

(b) Except for (i) the entry of the Bidding Procedures Orders and the Approval Orders and, as applicable, the expiration or waiver of the Bankruptcy Court of the applicable 14-day period set forth in Rule 6004(h) of the Bankruptcy Code, (ii) if required, filings under the HSR Act and any comparable filing under applicable Foreign Competition Law, and the expiration of any applicable waiting periods thereunder, (iii) consents, Permits or authorizations that if not received, or declarations, filings or registrations that if not made, would not materially and adversely impact the Product Business or the Purchased Assets, (iv) consents, permits, authorizations, declarations, filings or registrations that have become applicable solely as a result of the specific regulatory status of Buyer or its Affiliates and (v) items disclosed in Section 3.1.5(b) of the Seller Disclosure Schedules, no notice to, filing with, permit of, authorization of, exemption by, or consent of, any Governmental Authority or other Person is required for Seller or any of its Affiliates to consummate the transactions contemplated hereby or by the Ancillary Agreements.

3.1.6 Purchased Assets.

(a) Seller has, or its Affiliates have, good title to, or valid contract rights in, as applicable, the Purchased Assets, free and clear of all Encumbrances other than Permitted Encumbrances.

(b) Subject to the Approval Order and other than (i) Accounts Receivable, cash and other working capital items, (ii) employees engaged in the Product Business (and assets related to such employees), (iii) Tax attributes and goodwill associated with the Product Business, (iv) information technology and other corporate assets and rights and (v) other assets that are immaterial to the conduct of the Product Business, the Purchased Assets constitute the entire right, title and interest owned by Seller or any of its Affiliates in assets relating primarily to the Product or the Product Business. Other than as set out in Section 3.1.6 of the Seller Disclosure Schedules, the Purchased Assets constitute all assets necessary and sufficient for the conduct of the Product Business in all material respects as has been conducted by Seller and its Affiliates since January 1, 2018 and as presently conducted by Seller and its Affiliates, other than (i) Accounts Receivable, cash and other working capital items, (ii) employees engaged in the Product Business (and assets related to such employees), (iii) Tax attributes and goodwill associated with the Product Business, (iv) information technology and other corporate assets and rights and (v) those assets listed in Section 3.1.6 of the Seller Disclosure Schedules.

3.1.7 Financial Information.

(a) Section 3.1.7 of the Seller Disclosure Schedules sets forth a statement of assets and liabilities and a statement of revenues and direct expenses, in each case attributable to the Product and Authorized Generic Product, for (x) the year ended December 31, 2017 and (y) for the seven months ended July 31, 2018 (collectively, the "**Product Financial Statements**"). The Product Financial Statements (i) present fairly, in all material respects, the financial condition of the Product Business as of their respective dates and the results of the consolidated operations of the Product Business for the period indicated and (ii) have been prepared from the books and records of Seller and reflect only actual transactions.

(b) Seller has implemented and maintains a system of internal controls that is designed to provide reasonable assurances regarding the reliability of financial reporting and the preparation of its consolidated financial statements for external purposes in accordance with GAAP, and such system of internal controls is effective.

(c) Seller has no Liabilities with respect to the Product Business, except (a) those which are adequately reflected or reserved against in the Product Financial Statements as of July 31, 2018, and (b) those which have been incurred in the Ordinary Course of Business since July 31, 2018 and which are not, individually or in the aggregate, material in amount.

3.1.8 Contracts.

(a) Schedule 3.1.8 of the Seller Disclosure Schedules sets forth each Contract to which Seller or an Affiliate thereof is a party that is material to the Product Business and contains:

(i) a covenant by Seller or any of its Affiliates not to compete or other covenant restricting the marketing or distribution of the Product in the Territory only;

(ii) a provision that grants a contractual counterparty "most favored nation" or similar status;

(iii) an agreement, contract or other arrangement between Seller, on the one hand, and any Affiliate of Seller, on the other hand; *provided, however*, that the foregoing shall be deemed not to include any agreement, contract or other arrangement that will expire or be terminated at or prior to Closing;

(iv) a covenant that requires or obligates Buyer or any of its Affiliates to purchase specified minimum amounts of any product or material or to perform or conduct research, clinical trials or development for the benefit of any Person other than Buyer or any of its Affiliates;

(v) (A) a continuing contract for the future purchase of materials, supplies or equipment (other than purchase contracts and orders for inventory in the Ordinary Course of Business); (B) a management, service, consulting or other similar type of contract (other than contracts for services in the Ordinary Course of Business) or (C) an advertising agreement or arrangement, in any such case which has an aggregate future liability to any person in excess of $100,000 and is not terminable by Seller or its Affiliate, as applicable, by notice of not more than 90 days for a cost of less than $25,000;

(vi) a license, option or other agreement relating to the Purchased Domain Names in any respect (including any license or other agreement under which Seller or any of its Affiliates is licensee or licensor of any such Purchased Domain Names or other material intellectual property used in connection with the Product as of the date hereof in any respect (other than any commercially available software licenses and non-exclusive licenses granted in the Ordinary Course of Business));

(vii) a "material contract" pursuant to Item 601(b)(10) of Regulation S-K under the Securities Act of 1933; or

(viii) any other agreement, contract, purchase order, lease, license, commitment or instrument to which Seller or any of its Affiliates is a party and to which the Product or the Purchased Assets is subject which has an aggregate future liability to any person in excess of $100,000 and is not terminable by Seller or any of its Affiliates, as applicable, by notice of not more than 90 days for a cost of less than $25,000.

(b) Each of the Purchased Contracts and the Product Contracts is in full force and effect and constitutes a legal, valid and binding agreement of Seller or an Affiliate

of Seller and, to Seller's Knowledge, each other party thereto, enforceable in accordance with its terms, subject to the Enforceability Exceptions. Other than any breach or default arising from the filing of tbe Chapter 11 Cases, Seller is not and, to Seller's Knowledge, no other party thereto is, in material breach or material default in the performance, observance or fulfillment of any obligation or covenant contained in any Purchased Contract or any Product Contract. As of the Execution Date, Seller has not provided to or received from any other party to a Purchased Contract or Product Contract written notice of any such alleged default. As of the Execution Date, Seller has not given any written notice to a Third Party that is a party to any Purchased Contract or Product Contract that it intends to terminate such Purchased Contract or Product Contract and has not received any written notice from any such Third Party stating that such Third Party intends to terminate or materially reduce its business with Seller under any Purchased Contract or Product Contract. True, correct and complete copies of all Purchased Contracts and Product Contracts have been made available to Buyer.

3.1.9 Compliance with Law. Seller and its Affiliates, with respect to the operation of the Product Business, are, and since January 1, 2017 have been, in compliance with all Laws applicable to the Product Business and the Purchased Assets, including (a) any applicable Laws governing the development, testing, approval, Manufacture, sale, marketing, promotion, import, export or distribution of drugs and the purchase or prescription of or reimbursement for drugs by any Governmental Authority, private health plan or other Person, and (b) the federal Anti-Kickback Statute (42 U.S.C. § 1320a-7(b)), the False Claims Act (42 U.S.C. § 3729 et seq.), the U.S. Foreign Corrupt Practices Act of 1977 (15 U.S.C. § 78 et seq.), the UK Bribery Act 2010, any other applicable anticorruption or anti-bribery Laws applicable to Seller or its Affiliates with respect to the operation of the Product Business, the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. §1320d et seq., 42 U.S.C. § 300jj et seq.; 42 U.S.C. § 17901 et seq.), to the extent applicable, and any comparable foreign, state or local Laws, in each case, except for such noncompliance that would not reasonably be expected to constitute a Material Adverse Effect. Since January 1, 2017, neither Seller nor any of its Affiliates has received any written notices including any warning letter, notice of adverse finding, or notice of deficiency, or similar communication of any alleged violation of any Law with respect to, the Product Business, the Manufacture of the Product or the Authorized Generic Product, the Purchased Assets or the Assumed Liabilities.

3.1.10 Environmental Matters. Seller and its Affiliates have conducted the Product Business in material compliance with all applicable Environmental Laws. The operations conducted by Seller and its Affiliates are currently being conducted under all environmental, health and safety Permits and other authorizations required under all applicable Environmental Laws to operate the Product Business as it is currently being operated, except for such Permits the failure of which to obtain has not had, and would not reasonably be expected to have, a Material Adverse Effect. All such Permits are in full force and effect. No material penalty has been assessed and no investigation or review is pending or, to Seller's Knowledge, threatened by any Governmental Authority with respect to any alleged failure by Seller or any of its Affiliates to comply with any applicable Environmental Law or to have any material environmental, health or safety Permit required under any applicable Environmental Law in connection with the operation of the Product Business. To Seller's Knowledge, there are no past or present facts, circumstances or conditions, including the release of any Hazardous Materials, that could reasonably be expected to result in a material claim under applicable Environmental

Laws against Seller or any of its Affiliates or the Product Business. Seller has made available to Buyer prior to the execution of this Agreement all material environmental audits, assessments and documentation regarding environmental matters pertaining to, or the environmental condition of, the Product Business or the Purchased Assets or the compliance (or non-compliance) by Seller and its Affiliates with any applicable Environmental Laws with respect to the Product Business and the Purchased Assets, to the extent such audits, assessments and documentation are in Seller's or any of its Affiliates' possession or are reasonably accessible to Seller or any of its Affiliates.

3.1.11 Absence of Certain Changes or Events.

(a) From December 31, 2017 through the Execution Date, there has not occurred any Material Adverse Effect.

(b) From December 31, 2017 through the Execution Date, other than with respect to the transactions contemplated by this Agreement and the Ancillary Agreements, (i) Seller and its Affiliates have conducted the Product Business in all material respects in the Ordinary Course of Business and (ii) Seller and its Affiliates, with respect to the Product Business, have not taken any action that would require the written consent of Buyer pursuant to Section 4.2.1 had such action been taken during the Pre-Closing Period.

3.1.12 Regulatory Matters.

(a) Seller, or an Affiliate of Seller, possesses all material licenses, franchises, permits, certificates, approvals or other similar authorizations issued by applicable Governmental Authorities and affecting or relating to the operation of the Product Business, including the Purchased Regulatory Approvals and associated Regulatory Submissions. The Purchased Regulatory Approvals are valid and are in full force and effect, and none of the Purchased Regulatory Approvals will be terminated as a result of the transactions contemplated by this Agreement. As of the Execution Date, no proceeding is pending or, to Seller's Knowledge, threatened regarding the validity, withdrawal, material modification or revocation of any Purchased Regulatory Approval. As of the Execution Date, neither Seller nor its Affiliates has received any written communication from any Governmental Authority threatening to withdraw, materially modify or suspend any Purchased Regulatory Approval. Neither Seller nor any of its Affiliates is in material violation of the terms of any Purchased Regulatory Approval. Seller, or an Affiliate of Seller, has completed and filed all material reports, documents, claims, Permits, fees and notices required by any Governmental Authority to maintain the Purchased Regulatory Approvals. Neither Seller nor, to the Knowledge of Seller, no director, officer, employee, or agent of Seller or an Affiliate of Seller has made an untrue statement of a material fact or fraudulent statement to the FDA, failed to disclose a material fact required to be disclosed to the FDA, or committed an act, made a statement, or failed to make a statement that, at the time such disclosure was made, would reasonably be expected to provide a basis for the FDA to invoke its policy respecting "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities," set forth in 56 Fed. Reg. 46191 (Sept. 10, 1991). With respect to the Product and the Authorized Generic Product, Seller is in compliance in all material respects with the U.S. Federal Food, Drug and Cosmetic Act, as amended, and the rules and regulations promulgated thereunder, and any state Laws in the United States that apply to the manufacture, development,

testing, safety, efficacy approval, marketing, sale, promotion, manufacture, distributions, import or export of pharmaceutical products ("**Pharmaceutical Laws**"). Neither Seller nor any of its Affiliates has received any written, or, to the Knowledge of Seller, other notice from the FDA or any other Governmental Authority alleging noncompliance with any Pharmaceutical Law.

(b) Since October 31, 2016, there has not been any product recall or market withdrawal or replacement conducted by or on behalf of Seller concerning the Product or the Authorized Generic Product or, to Seller's Knowledge, any product recall, market withdrawal or replacement conducted by or on behalf of any Third Party as a result of any alleged defect in the Product or the Authorized Generic Product. Seller has made available to Buyer copies of material complaints and notices of alleged defect or adverse reaction with respect to the Product or the Authorized Generic Product that have been received in writing by Seller and its Affiliates since October 31, 2016. Since October 31, 2016, all material documents, declarations, listings, registrations, notices, reports or submissions, including Adverse Event or other safety reports, required to be filed by Seller and any Affiliate of Seller with respect to the Product or Authorized Generic Product have been so filed on a timely basis, were in material compliance with applicable Laws when filed, and were complete and accurate in all material respects when filed.

(c) None of Seller, any Affiliate of Seller or, to Seller's Knowledge, any Third Party engaged by Seller in connection with the Manufacture of the Product or the Authorized Generic Product for distribution and sale in the Territory has received since October 31, 2016 or is subject to any warning letter, or notice of deficiency, with respect to any facility Manufacturing the Product or the Authorized Generic Product for distribution and sale in the Territory.

(d) To Seller's Knowledge, all preclinical and clinical investigations or trials sponsored by or conducted on behalf of Seller in connection with the Product have been conducted in material compliance with applicable Pharmaceutical Laws, including Good Clinical Practices requirements thereunder and Laws restricting the use and disclosure of individually identifiable health information. As of the Execution Date, there are no ongoing clinical trials or clinical trial commitments related to the Product and Seller has property completed and closed-out all clinical trials related to the Product.

3.1.13 Debarred Personnel. None of Seller or any of its Affiliates or employees or, to Seller's Knowledge, any consultant engaged by Seller or any of its Affiliates who has undertaken activities for or on behalf of the Product Business, has been debarred or deemed subject to debarment pursuant to Section 306 of the Act nor, to Seller's Knowledge, are any such Persons the subject of a conviction described in such section.

3.1.14 Intellectual Property.

(a) As of the Execution Date, to the Seller's Knowledge, no Litigation is currently pending and Seller has not since October 31, 2016, received any written notice by any Third Party alleging that (i) the Product or Authorized Generic Product, or the conduct of the Product Business, as currently conducted, infringes (or in the past infringed) any intellectual

property rights of such Third Party or (ii) any of the Licensed Trademarks is invalid or unenforceable, or challenging AstraZeneca's ownership of the Licensed Trademarks.

(b) To Seller's Knowledge, neither the operation of the Product Business as currently conducted, nor the Exploitation of the Product or the Authorized Generic Product, in each case, as currently Exploited in the Territory, infringes or misappropriates any intellectual property rights of any Person.

(c) Seller does not own any patents or trademarks related to the Product.

(d) To Sellers' Knowledge, no Person is infringing upon or otherwise violating any of the Licensed Trademarks.

(e) The Purchased Assets comprise all intellectual property necessary to conduct the Product Business as presently conducted or presently contemplated to be conducted. All intellectual property licenses used in the Product Business, and to which the Seller is a party, are in good standing, binding and enforceable in accordance with their respective terms and no material default exists on the part of the Seller.

3.1.15 Tax Matters.

(a) Seller and its Affiliates have timely paid all Taxes which will have been required to be paid by them, the non-payment of which would result in an Encumbrance on any Purchased Asset, would otherwise adversely affect the Product Business or would result in Buyer becoming liable or responsible therefor;

(b) Seller and its Affiliates have withheld or collected (or caused to be withheld or collected) all Taxes relating to the Purchased Assets required to be withheld or collected, the non-withholding of which would result in an Encumbrance on any Purchased Asset or would otherwise adversely affect the Product Business or would result in Buyer becoming liable or responsible therefor.

(c) As of the Execution Date, none of Seller or its Affiliates has received notice of any claimed or proposed assessment, deficiency or other adjustment for Taxes against Seller or any of its Affiliates which, if not satisfied or resolved, would result in an Encumbrance on the Purchased Assets that would survive the Closing Date or in Liability of Buyer or its Affiliates as a transferee of or successor to the Purchased Assets.

(d) Seller has established, in accordance with generally accepted accounting principles applied on a basis consistent with that of preceding periods, adequate reserves for the payment of, and will timely pay, all Taxes which arise from or with respect to the Purchased Assets or the operation of the Product Business and are incurred or attributable to the Pre-Closing Tax Period, the non-payment of which would result in an Encumbrance on any Purchased Asset, would otherwise adversely affect the Product Business or would result in Buyer becoming liable therefor;

(e) There are no Encumbrances for Taxes upon any of the Purchased Assets, except for Permitted Encumbrances; and

(f) There are no Tax indemnification, allocation or sharing agreements currently in effect which could result in any Liabilities for Taxes the non-payment of which could result in an Encumbrance on any Purchased Asset, could otherwise adversely affect the Product Business or could result in Buyer becoming liable therefor.

3.1.16 Finished Inventory. Section 3.1.16 of the Seller Disclosure Schedules sets forth a complete and accurate list of the Finished Inventory as of the date hereof, including (a) the quantity of each item, listed by SKU, of Finished Inventory as of such date, (b) the remaining shelf life thereof as of such date, and (c) the cost of such Finished Inventory. The Finished Inventory is usable or saleable in the Ordinary Course of Business. None of the Finished Inventory is obsolete or expired. No quantities of Finished Inventory are held on a consignment basis. All Finished Inventory is owned by Seller free and clear of all Encumbrances other than Permitted Encumbrances.

3.1.17 Product Liability. Since January 1, 2017, no product liability, warranty or similar claims by any Third Party against Seller or any of its Affiliates (whether based on contract or tort and whether relating to personal injury including death, property damage or economic loss) have been initiated and no such claims are pending or, to Seller's Knowledge, threatened, in cash case, with respect to the Product Business.

3.1.18 Insurance. There are no claims related to the Product Business, the Purchased Assets or the Assumed Liabilities pending under any insurance policies covering the Product Business as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights.

3.2 Representations and Warranties of Buyer. Buyer represents and warrants to Seller as follows, with each such representation and warranty subject to such exceptions, if any, as are set forth in the corresponding section of the Buyer Disclosure Schedules. Disclosures in any section or paragraph of the Buyer Disclosure Schedules shall be deemed disclosure with respect to any other sections or paragraphs of this Agreement to the extent that it is reasonably apparent from the face of such disclosure that such disclosure is applicable to such other sections or paragraphs:

3.2.1 Corporate Status. Each of Buyer and each Affiliate of Buyer that is specified to be a party to any Ancillary Agreement is a legal entity duly organized, validly existing and in good standing (to the extent such concept is recognized by the applicable jurisdiction) under the Laws of the jurisdiction of its organization or incorporation.

3.2.2 Authority.

(a) Buyer has the requisite organizational power and authority to enter into this Agreement and the Ancillary Agreements to which it is a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and Ancillary Agreements to which Buyer is a party and the consummation of the transactions contemplated hereby and thereby have

been duly authorized by the necessary organizational actions of Buyer. This Agreement (assuming the due authorization, execution and delivery hereof by Seller) constitutes and each Ancillary Agreement to which Buyer will be a party, when executed and delivered by Buyer (assuming the due authorization, execution and delivery thereof by each other person thereto), will constitute, the valid and legally binding obligation of Buyer, enforceable against Buyer in accordance with its terms, subject to the Enforceability Exceptions.

(b) Each Affiliate of Buyer that will enter into an Ancillary Agreement has the requisite organizational power and authority to perform its obligations under each Ancillary Agreement to which it will be a party and to consummate the transactions contemplated thereby. The execution and delivery of the Ancillary Agreements to which any Affiliate of Buyer will be a party and the consummation of the transactions contemplated thereby have been duly authorized by all necessary organizational actions of such Affiliate. Each Ancillary Agreement, when executed and delivered by an Affiliate of Buyer that is a party thereto (assuming the due authorization, execution and delivery thereof by each other person thereto), will constitute the valid and legally binding obligation of such Affiliate, enforceable against such Affiliate in accordance with its terms, subject to the Enforceability Exceptions.

3.2.3 Non-Contravention. The execution, delivery and performance by Buyer of this Agreement and of each Ancillary Agreement to which it will be a party and the execution, delivery and performance by each Affiliate of Buyer of each Ancillary Agreement to which such Affiliate is a party do not and will not (a) violate the certificate of incorporation or bylaws, or comparable organizational documents, of Buyer or such Affiliate, as applicable, (b) subject to compliance with the HSR Act or any applicable Foreign Competition Law, violate any Law applicable to Buyer or such Affiliate, as applicable, or (c) subject to obtaining the consents, Permits and authorizations, giving the notices and making the filings referred to in Section 3.2.5(b), (i) violate any Order to which Buyer or any of its Affiliates is subject or (ii) require on the part of Buyer any filing with, or any authorization, consent or approval of, any Governmental Authority, except, in the case of (b) or (c), for such violations, breaches, defaults or terminations that would not reasonably be expected to constitute a Buyer Material Adverse Effect.

3.2.4 No Broker. There is no broker, finder, financial advisor or other Person acting or who has acted on behalf of Buyer or its Affiliates that is entitled to receive any brokerage or finder's or financial advisory fee from Seller or any of its Affiliates in connection with the transactions contemplated by this Agreement.

3.2.5 No Litigation; Consents.

(a) (i) There is no Litigation pending or, to the knowledge of Buyer, threatened in writing, against Buyer or any of its Affiliates before any Governmental Authority in respect of the Product Business or the Purchased Assets or the transactions contemplated by this Agreement and the Ancillary Agreements, and (ii) there is no Order to which Buyer or any of its Affiliates is subject in respect of the Product Business or the Purchased Assets or the transactions contemplated by this Agreement and the Ancillary Agreements, except, in each case ((i) and (ii) immediate above) for such Litigation and Orders that would not reasonably be expected to have a Buyer Material Adverse Effect.

(b) Except for (i) if required, the filings under the HSR Act and any comparable filing under applicable Foreign Competition Law, and the expiration of the waiting periods thereunder, (ii) consents, Permits or authorizations that if not received, or declarations, filings or registrations that if not made, would not materially and adversely impact the Product Business or the Purchased Assets, (iii) consents, Permits, authorizations, declarations, filings or registrations that have become applicable solely as a result of the specific regulatory status of Seller or its Affiliate and (iv) items disclosed in Section 3.2.5(b) of the Buyer Disclosure Schedule, no notice to, filing with, permit of, authorization of, exemption by, or consent of, Governmental Authority or other Person is required for Buyer or any of its Affiliates to consummate the transactions contemplated hereby or by the Ancillary Agreements.

3.2.6 Debarred Personnel. During the three years prior to the Execution Date, neither Buyer nor, to the knowledge of Buyer, any of Buyer's or its Affiliates' employees or consultants, has been debarred or deemed subject to debarment pursuant to Section 306 of the Act nor, to the knowledge of Buyer, are any such Persons the subject of a conviction described in such section.

3.2.7 Solvency. After giving effect to the transactions contemplated hereby, Buyer will not (i) be insolvent (because (A) Buyer's financial condition is such that the sum of its debts is greater than the fair value of its assets, (B) the present fair saleable value of Buyer's assets will be less than the amount required to pay Buyer's probable liability on its debts as they become absolute and matured or (C) Buyer is unable to pay all of its debts as and when they become due and payable), (ii) have unreasonably small capital with which to engage in its business or (iii) have incurred or plan to incur debts beyond its ability to pay as they become absolute and matured.

3.2.8 Compliance with Applicable Law. Buyer is aware of applicable Laws relating to marketing, distribution and sale of the Product and Authorized Generic Product in the Territory, and can in all material respects legally import, export, store, market, distribute and sell the Product and the Authorized Generic Product in the Territory immediately following the transfer of the Purchased Regulatory Approval to Buyer.

3.3 Exclusivity of Representations.

3.3.1 Buyer acknowledges and agrees that, except for the express representations and warranties contained in Section 3.1 or in any Ancillary Agreement, (a) Seller has made no representation or warranty whatsoever herein or otherwise related to the transactions contemplated hereby or by the Ancillary Agreements and (b) Buyer has not relied on any representation or warranty, express or implied, in connection with the transactions contemplated hereby or by the Ancillary Agreements. Without limiting the generality of the foregoing, Buyer acknowledges and agrees that, except as expressly provided in this Agreement or in any Ancillary Agreement, Buyer is acquiring the Purchased Assets on an "as is, where is" basis without any express or implied warranties, either in fact or by operation of law, by statute or otherwise, including any warranty as to quality, the fitness for a particular purpose, merchantability, condition of the Purchased Assets or as to any other matter. Buyer acknowledges that it has been permitted access to the books and records of the Product Business that it has desired or requested to see and review, and that it has had an opportunity to meet with

employees of Seller and its Affiliates to discuss the Product Business, the Product, the Authorized Generic Product, the Purchased Assets and the Assumed Liabilities. Buyer acknowledges and agrees that it and its equityholders, directors, managers, officers, employees, agents and representatives shall have no claim or right to indemnification with respect to any information, documents, or materials furnished to or for Buyer by Seller or any of its Affiliates or any of their respective officers, directors, employees, agents or advisors, including any information, documents, or material made available to Buyer in any "data room", management presentation, or any other form in connection with the transactions contemplated by this Agreement. Buyer has received and may continue to receive from Seller and its Affiliates certain estimates, projections, plans, budgets and other forecasts for the Product Business or the Authorized Generic Product. Buyer acknowledges that these estimates, projections, forecasts, plans and budgets, and the assumptions on which they are based, were prepared for specific purposes and may vary significantly from each other. Further, Buyer acknowledges that there are uncertainties inherent in attempting to make such estimates, projections, forecasts, plans and budgets, that Buyer is taking full responsibility for making its own evaluation of the adequacy and accuracy of all estimates, projections, forecasts, plans and budgets so furnished to it (including the reasonableness of the underlying assumptions) and that, except as expressly set forth in any representation or warranty in Section 3.1, Buyer is not relying on any estimates, projections, forecasts, plans or budgets made available or otherwise furnished by Seller or its Affiliates, and Buyer shall not, and shall cause its Affiliates not to, hold any such Person liable with respect thereto (whether in warranty, contract, tort (including negligence or strict liability) or otherwise).

3.3.2 Seller acknowledges and agrees that, except for the express representations and warranties contained in Section 3.2 or in any Ancillary Agreement, Buyer has made no representation or warranty whatsoever herein or otherwise related to the transactions contemplated hereby or by the Ancillary Agreements and Seller has not relied on any representation or warranty, express or implied, in connection with the transactions contemplated hereby or by the Ancillary Agreements.

ARTICLE 4
PRE-CLOSING COVENANTS

4.1 Access and Information.

4.1.1 During the period commencing on the Execution Date and ending on the earlier to occur of (a) the Closing and (b) the termination of this Agreement in accordance with Article 8 (the "**Pre-Closing Period**"), Seller shall, and shall cause its Affiliates and Representatives to, afford Buyer and its Representatives, (i) continued reasonable access to Seller employees to discuss the Product Business, (ii) access, upon reasonable prior notice during normal business hours, to the properties, assets, books and records, agreements, documents, data and files, to the extent such properties, assets, book and records, agreements, documents, data and files constitute Purchased Assets, (iii) continued reasonable access to Seller officers, employees, advisors, agents or other representatives to discuss financial and operating data and other information reasonably requested by Buyer and (iv) and continued access through an electronic data room to the historical financial records and Contracts of Seller, in each case of clauses (i) through (iv) to the extent related to the Product Business or the AG Agreement (other

than the Excluded Assets); *provided, however*, that such access shall not unreasonably disrupt Seller's ordinary course operations in any material respect. Notwithstanding anything to the contrary contained in this Agreement, Seller shall not be required to disclose any information or provide any such access if such disclosure or access could, in Seller's reasonable judgment, (i) violate applicable Law, or any binding agreement entered into prior to the Closing Date (including any confidentiality agreement with a Third Party to which Seller is a party), (ii) jeopardize any attorney/client privilege or other established legal privilege or (iii) disclose any trade secrets; *provided* that in each case, Seller shall: (A) give reasonable notice to Buyer of the fact that it is restricting or otherwise prohibiting access to any documents or information pursuant to this Section 4.1.1, (B) inform Buyer with sufficient detail of the reason for such restriction or prohibition, and (C) use its commercially reasonable efforts to cause the documents or information that are subject to such restriction or prohibition to be provided in a manner that would not reasonably be expected to violate such restriction or prohibition. All requests for information made pursuant to this Section 4.1.1 shall be directed to such person or persons as is designated by Seller, and Buyer shall not directly or indirectly contact any officer, director, employee, agent or Representative of Seller or any of its Affiliates without the prior approval of such designated person(s).

4.1.2 Buyer acknowledges and agrees that (a) certain records may contain information relating to Seller or its Affiliates, but not relating to the Product Business (and, notwithstanding the inclusion of such information in such records, such information shall not constitute Purchased Assets), and that Seller and its Affiliates may retain copies thereof and (b) prior to making any records available to Buyer, Seller or its Affiliates may redact any portions thereof that do not relate to the Product Business.

4.1.3 During the Pre-Closing Period, Seller hereby agrees that Buyer and its Affiliates and Representatives may contact any licensor, licensee, competitor, supplier, distributor or customer of Seller with respect to the Product, the Authorized Generic Product, the Purchased Assets, the Product Business, this Agreement, the Ancillary Agreements or the transactions contemplated hereby or thereby for purposes of establishing a direct relationship with each such party in respect of the Product Business that would become effective at or after the Closing; *provided* that (a) Buyer shall provide Seller reasonable advance notice of such contact, (b) any written communications shall be reasonably satisfactory to Seller and (c) Seller will participate in any meetings and conferences (including teleconferences) if reasonably requested by Buyer or Seller. For the avoidance of doubt, the Parties acknowledge and agree that Buyer, its Affiliates or Representatives shall be permitted, subject to prior coordination and consultation with Seller, to contact the counterparty to the VA Agreement for purposes of establishing a direct relationship with each such party in respect of the Product Business that would become effective at or after the Closing.

4.1.4 During the Pre-Closing Period, each Party shall (a) subject to applicable Law, reasonably cooperate with one another to prepare to transition the Product Business to Buyer and (b) promptly notify the other Party of any event, condition, fact, circumstance, occurrence, transaction or other item of which such Party becomes aware during the Pre-Closing Period that would reasonably be expected to constitute a breach of any representation or warranty or a breach in any material respect of any covenant set forth herein, in each case, that

has caused or would reasonably be expected to cause any condition to the obligations of such Party to effect the transactions contemplated by this Agreement not to be satisfied at Closing.

4.2 Ordinary Course of Business.

4.2.1 During the Pre-Closing Period, except (u) as set forth in Schedule 4.2 or as otherwise contemplated by this Agreement or any Ancillary Agreement, (v) as required by applicable Law, (w) as required by the terms of any agreement binding upon Seller or its Affiliates as of the Execution Date, (x) for any actions taken by Seller that are reasonably required to consummate the transactions contemplated by this Agreement or any Ancillary Agreement, (y) for actions taken by Seller or its Affiliates as a result of or in connection with the Chapter 11 Cases or (z) as Buyer shall otherwise consent in writing, which consent shall not be unreasonably withheld, conditioned or delayed, (i) Seller shall, and shall cause its Affiliates to, conduct the Product Business in the Ordinary Course of Business and (ii) Seller shall not, and shall cause its Affiliates not to, take any of the following actions:

(a) other than sales or other dispositions of inventory of Product and Authorized Generic Product in the Ordinary Course of Business, pledge, sell, lease, transfer, license, assign or otherwise make subject to an Encumbrance (other than any Permitted Encumbrance) any Purchased Asset;

(b) sublicense the Licensed Trademarks;

(c) enter into, terminate (or fail to exercise any rights of renewal), amend, cancel or waive any material right or remedy under, any Product Contract or any Contract relating to the Product Business that would constitute a Purchased Contract (including any Contract providing for a royalty or deferred payment of any kind to be paid to a Third Party in respect of the Product or the Product Business (solely in the Territory)) at the Closing;

(d) discharge, settle, compromise, satisfy or consent to any entry of any judgment with respect to, any claim that (A) results in any restriction on the conduct of the Product Business, (B) results in a monetary Liability that constitutes an Assumed Liability of the Product Business or a Liability that will be borne by Buyer or (C) waive, release or assign any material claims or rights of Seller or its Affiliates against Third Parties with respect to the Product Business;

(e) other than the DIP Agreement, enter into any financing or guarantee arrangement, agreement or undertaking with any customer of the Product Business or any financial institution, leasing company or similar business, which would constitute an Assumed Liability;

(f) other than in the Ordinary Course of Business (A) offer any rebates, discounts, promotions or credits, to customers with respect to the Product (solely in the Territory), or (B) make any change to any promotional programs or in the manner in which Seller generally extends rebates, discounts or credit to, or otherwise similarly deal with, customers with respect to the Product (solely in the Territory);

(g) vary any inventory practices or vary product delivery timelines other than in an immaterial respect to customers of the Product Business with respect to the Product or the Authorized Generic Product (including inventory held by or on behalf of any of Seller's or its Affiliates' wholesalers), including bundling current and future orders for the Product or the Authorized Generic Product or otherwise accelerating sales or delivery of Product or the Authorized Generic Product into any period prior to the Closing, *provided* that nothing herein shall prevent Seller or its Affiliates from satisfying orders placed by customers of the Product Business in the Ordinary Course of Business so long as the satisfaction thereof complies with this Section 4.2.1(g);

(h) initiate any Litigation material to the Product Business or the Purchased Assets;

(i) delay payment of any undisputed or not-allowed account payable or other Liability of the Product Business, in each case, which accrued after the Petition Date, beyond its due date, specifically excluding payables that are routinely delayed in cases like the Chapter 11 Cases;

(j) accelerate the collection of Accounts Receivable, including through incremental discounting, changes in invoicing terms or other similar practices;

(k) other than in the Ordinary Course of Business, take any action or fail to take any action which action or failure to act would result in the material loss or reduction in value of the intellectual property of the Seller;

(l) enter into any "non-compete", "non-solicit" or similar agreement that would restrict the Product Business following the Closing;

(m) make any material changes in accounting methods, principles or practices, except as required by changes in GAAP; or

(n) enter into any Contract to do any of the foregoing (a) through (n).

4.2.2 Nothing contained in this Agreement is intended to give Buyer or its Affiliates, directly or indirectly, the right to control or direct the Product Business prior to the Closing, and nothing contained in this Agreement is intended to give Seller or its Affiliates, directly or indirectly, the right to control or direct Buyer's operations. Prior to the Closing, each of Buyer, on the one hand, and Seller and its Affiliates, on the other hand, shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over its and its Affiliates' respective operations.

4.3 Obligation to Consummate the Transaction. Each of the Parties agrees that, subject to this Section 4.3 and Section 4.4, it shall use its commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to the extent permissible under applicable Law, to consummate and make effective the transactions contemplated by this Agreement and to ensure that the conditions set forth in Article 6 are satisfied, insofar as such matters are within the control of either of them. Without limiting the generality of the foregoing, during the Pre-Closing Period, commencing as soon as

reasonably practicable after the Execution Date, Seller shall use its commercially reasonable efforts (not requiring the payment of money) to obtain the consents, Permits and authorizations, make the filings and issue the notices disclosed on Section 3.1.5(b) of the Seller Disclosure Schedules.

4.4 Reasonable Assurances. Buyer and Seller each shall not, and each shall cause its Affiliates not to, enter into any transaction or any Contract to effect any transaction (including any merger or acquisition) that would reasonably be expected to make it more difficult, or to increase the time required, to: (a) avoid the entry of, the commencement of Litigation seeking the entry of, or to effect the dissolution of, any injunction, temporary restraining order or other order that would materially delay or prevent the consummation of the transactions contemplated hereby or (b) obtain all authorizations, consents, orders and approvals of Governmental Authorities necessary for the consummation of the transactions contemplated by this Agreement.

ARTICLE 5
ADDITIONAL COVENANTS

5.1 Cooperation in Litigation and Investigations. Subject to Section 5.4 and except as set forth in any Ancillary Agreement, from and after the Closing Date, Buyer and Seller shall reasonably cooperate with each other in the defense or prosecution of any Litigation, examination or audit instituted prior to the Closing or that may be instituted thereafter against or by either Party relating to or arising out of the conduct of the Product Business or the Exploitation or Manufacture of the Product or the Authorized Generic Product prior to or after the Closing (other than Litigation between Buyer and Seller or their respective Affiliates arising out of the transactions contemplated hereby or by the Ancillary Agreements, with respect to which applicable rules of discovery shall apply). In connection therewith, and except as set forth in any Ancillary Agreement, from and after the Closing Date, each of Seller and Buyer shall make available to the other during normal business hours and upon reasonable prior written notice, but without unreasonably disrupting its business, all records to the extent relating to the Purchased Assets, the Assumed Liabilities or the Excluded Liabilities held by it and reasonably necessary to permit the defense or investigation of any such Litigation, examination or audit (other than Litigation between Buyer and Seller or their respective Affiliates arising out of the transactions contemplated hereby or by the Ancillary Agreements, with respect to which applicable rules of discovery shall apply), and shall, and shall cause its Affiliates to, preserve and retain all such records for the length of time contemplated by its standard record retention policies and schedules; *provided*, that neither Party shall be required to make available such documents if such disclosure could, in Seller's reasonable discretion, (a) violate applicable Law or any binding agreement entered into prior to the Closing Date (including any confidentiality agreement to which Seller or any of its Affiliates is a party), (b) jeopardize any attorney/client privilege or other established legal privilege or (c) disclose any trade secrets (*provided*, that, with respect to clauses (a)—(c), such Party shall use commercially reasonable efforts to obtain any required consents or waivers and take such other reasonable action (such as the entry into a joint defense agreement or other arrangement to avoid loss of attorney-client privilege) to permit such access). The Party requesting such cooperation shall pay the reasonable out-of-pocket costs and expenses of providing such cooperation (including legal fees and disbursements) incurred by the Party providing such cooperation and by its Representatives.

5.2 Further Assurances.

5.2.1 Each of Seller and Buyer shall, at any time or from time to time after the Closing, at the request and expense of the other, execute and deliver to the other all such instruments and documents or further assurances as the other may reasonably request, in each case that are consistent with the terms of this Agreement, in order to (a) vest in Buyer all of Seller's right, title and interest in and to the Purchased Assets as contemplated hereby, (b) effectuate Buyer's assumption of the Assumed Liabilities and (c) grant to each Party all rights contemplated herein to be granted to such Party under the Ancillary Agreements, *provided, however*, that after the Closing, (i) apart from such foregoing customary further assurances, neither Seller nor Buyer shall have any other obligations except as specifically set forth and described herein or in the Ancillary Agreements, and (ii) the foregoing shall not limit the ability of Seller to wind up its affairs and close the Chapter 11 Cases.

5.2.2 Except with respect to the VA Agreement, which shall be governed by Section 5.12, if any approval, consent or waiver required to assume and assign the Purchased Contracts and other Purchased Assets to Buyer shall not have been obtained prior to the Closing, Seller and its Affiliates shall use commercially reasonable efforts to assume and assign the Purchased Contracts and other Purchased Assets to Buyer, including using commercially reasonable efforts to facilitate any negotiations with the counterparties to such Purchased Contracts and to obtain an order (which shall be the Approval Order) containing a finding that the proposed assignment to and assumption of the Purchased Contracts by Buyer satisfied all applicable requirements of section 365 of the Bankruptcy Code. At the Closing (i) Seller shall, pursuant to the Approval Order, assume and assign to Buyer each of the Purchased Contracts that is capable of being assumed and assigned and (ii) Buyer shall pay all Cure Costs (if any) up to an aggregate amount of $250,000 (the "**Cure Costs Cap**"), in each case in connection with such assumption and assignment and assume and discharge when due the Assumed Liabilities (if any) under the Purchased Contracts. Seller shall pay any and all Cure Costs in excess of the Cure Costs Cap in connection with such assignment and assumption. Except as to Purchased Contracts assigned pursuant to section 365 of the Bankruptcy Code or the Approval Order, anything in this Agreement to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any Purchased Asset or any right thereunder if an attempted assignment, without the consent of a Third Party, would constitute a breach or in any way adversely affect the rights of Buyer or the Seller thereunder, and Seller, at Buyer's expense, shall use their commercially reasonable efforts to obtain any such required consent(s) as promptly as possible. If such consent is not obtained or such assignment is not attainable pursuant to section 365 of the Bankruptcy Code or the Approval Order, or if any attempted assignment would be ineffective or would impair Buyer's rights under the Purchased Asset in question so that Buyer would not in effect acquire the benefit of all such rights, then the Seller, to the maximum extent permitted by applicable Law, shall act after the Closing, at Buyer's request, as Buyer's agent in order to obtain for it the benefits thereunder and shall cooperate, to the maximum extent permitted by applicable Law, with Buyer in any other reasonable arrangement designed to provide such benefits to Buyer. Seller may not agree to pay any amount to obtain any consent of a third party without Buyer's prior written consent. All obligations of the Seller under this Section 5.2.2 shall expire on the date that is three months after the Closing Date.

5.2.3 Prior to the Closing, Buyer shall cooperate with Seller, upon the request of Seller, in any reasonable manner in connection with Seller obtaining any necessary approval, consent or waiver; *provided*, that such cooperation shall not include any requirement of Buyer or any of its Affiliates to pay money to any Third Party, commence any Litigation or offer or grant any accommodation (financial or otherwise) to any Third Party in connection with such efforts.

5.3 Publicity.

5.3.1 No public announcement related to this Agreement or the transactions contemplated herein will be issued without the joint approval of Seller and Buyer, which approval shall not be unreasonably withheld, conditioned or delayed, except in any public disclosure which either Seller or Buyer, in its good faith judgment, believes is required by applicable Law (including the Bankruptcy Court Order) or by any stock exchange on which its securities or those of its Affiliates are listed. If either Party, in its good faith judgment, believes such disclosure is required, such Party shall use its commercially reasonable efforts to consult with the other Party and its Representatives, and to consider in good faith any revisions proposed by the other Party or its Representatives, as applicable, prior to making (or prior to any of its Affiliates making) such disclosure, and shall limit such disclosure to only that information which is legally required to be disclosed. Notwithstanding the foregoing, without the approval of the other Party, Buyer and Seller and their respective Affiliates may, following the Execution Date and subject to the other terms and conditions of this Agreement (including Sections 5.3.2 and 5.3.3), (a) communicate with Governmental Authorities, with the Bankruptcy Court and with their customers, suppliers, distributors or other Persons engaged in the Product Business, regarding this Agreement, the Ancillary Agreements and the transactions contemplated hereby or by the Ancillary Agreements, including in order to obtain consents of or from any such Person necessary or desirable to effect the consummation of the transactions contemplated hereby or by the Ancillary Agreements, and (b) make the public announcements and engage in public communications regarding this Agreement, the Ancillary Agreements and the transactions contemplated hereby or by the Ancillary Agreements (in the case of this clause (b), to the extent such announcements or communications are consistent with a communications plan agreed upon by Seller and Buyer or the Parties' prior public communications made in compliance with this Section 5.3.1). The Parties shall make a joint press release announcing the execution of this Agreement in a mutually acceptable form.

5.4 Confidentiality.

5.4.1 The Confidentiality Agreement shall govern the respective rights and obligations of the Parties and their respective Affiliates and Representatives with respect to Confidential Information (as defined in the Confidentiality Agreement) during the Pre-Closing Period. The Confidentiality Agreement, solely with regard to Confidential Information that relates to the Product Business, the Purchased Assets or the Assumed Liabilities shall expire and be of no further force and effect upon the Closing. From and after the Closing, all Confidential Information (other than Confidential Information that does not relate to the Product Business, the Purchased Assets for the Assumed Liabilities) provided by one Party (or its Representatives or Affiliates) (collectively, the "**Disclosing Party**") to the other Party (or its Representatives or Affiliates) (collectively, the "**Receiving Party**") shall be subject to and treated in accordance with the terms of this Section 5.4. As used in this Section 5.4, "**Confidential Information**"

means (a) all information disclosed to the Receiving Party by the Disclosing Party in connection with this Agreement or any Ancillary Agreement, including all information with respect to the Disclosing Party's licensors, licensees or Affiliates, (b) all information disclosed to the Receiving Party by the Disclosing Party under the Confidentiality Agreement and (c) all memoranda, notes, analyses, compilations, studies and other materials prepared by or for the Receiving Party to the extent containing or reflecting the information in the preceding clause (a) or (b). Notwithstanding the foregoing, Confidential Information shall not include information that, in each case:

(i) was already known to the Receiving Party other than under an obligation of confidentiality, at the time of disclosure by the Disclosing Party;

(ii) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the Receiving Party;

(iii) became generally available to the public or otherwise part of the public domain after its disclosure to the Receiving Party other than through any act or omission of the Receiving Party in breach of this Agreement or the Confidentiality Agreement;

(iv) is subsequently disclosed to the Receiving Party by a Third Party without obligations of confidentiality with respect thereto; or

(v) is subsequently independently discovered or developed by the Receiving Party without the aid, application or use of Confidential Information.

5.4.2 From and after the Closing, all Confidential Information obtained by Seller (or its Affiliates or Representatives) from Buyer (or its Affiliates or Representatives) and all Confidential Information relating exclusively to the Product Business, the Purchased Assets or the Assumed Liabilities (the "**Buyer Confidential Information**") shall be deemed to be Confidential Information disclosed by Buyer to Seller or its Affiliates or Representatives for purposes of this Section 5.4.2 and, during the period from the Closing through the tenth (10^{th}) anniversary of the Closing Date (the "**Confidentiality Period**"), shall be used by Seller or its Affiliates or Representatives solely as required to (a) perform its obligations or exercise or enforce their respective rights and remedies under this Agreement or any Ancillary Agreement or (b) based on the advice of counsel, comply with applicable Law or its or its Affiliates' respective regulatory, stock exchange, Tax or financing reporting requirements (each of (a) through (b), a "**Seller Permitted Purpose**"), and for no other purpose. During the Confidentiality Period, Seller shall (i) not disclose, or permit the disclosure of, any of the Buyer Confidential Information to any Person except those Persons to whom such disclosure is necessary in connection with any Seller Permitted Purpose and who are advised of the confidential nature of the Confidential Information and directed to comply with the confidentiality and non-use obligations under this Section 5.4; and (ii) treat, and will cause its Affiliates and the Representatives of Seller or any of its Affiliates to treat, the Buyer Confidential Information as confidential, using the same degree of care as Seller normally employs to safeguard its own confidential information from unauthorized use or disclosure, but in no event less than a reasonable degree of care. Seller shall be responsible for any use or disclosure of Buyer

Confidential Information by any of Seller's Affiliates or Representatives that would breach this Section 5.4 if such Affiliate or Representative was a party hereto.

5.4.3 During the Confidentiality Period, all Confidential Information obtained by Buyer (or its Affiliates or Representatives) from Seller (or its Affiliates or Representatives) other than the Buyer Confidential Information (the "**Seller Confidential Information**") shall be used by Buyer solely as required to (a) perform its obligations or exercise or enforce its rights and remedies under this Agreement or any Ancillary Agreement, (b) conduct the Product Business, or (c) based on the advice of counsel, comply with applicable Law or its or its Affiliates' respective regulatory, stock exchange, Tax or financing reporting requirements (each of (a) through (c), a "**Buyer Permitted Purpose**"), and for no other purpose. During the Confidentiality Period, Buyer shall (i) not disclose, or permit the disclosure of, any of Seller Confidential Information to any Person except those Persons to whom such disclosure is necessary in connection with a Buyer Permitted Purpose and who are advised of the confidential nature of the Seller Confidential Information and directed to comply with the confidentiality and non-use obligations under this Section 5.4; and (ii) treat, and will cause its Affiliates and the Representatives of Buyer or any of its Affiliates to treat, Seller Confidential Information as confidential, using the same degree of care as Buyer normally employs to safeguard its own confidential information from unauthorized use or disclosure, but in no event less than a reasonable degree of care. Buyer shall be responsible for any use or disclosure of Seller Confidential Information by any of Buyer's Affiliates or Representatives that would breach this Section 5.4 if such Affiliate or Representative was a party hereto.

5.4.4 In the event either Party is requested pursuant to, or required by, applicable Law to disclose any of the other Party's Confidential Information (*i.e.*, Seller Confidential Information or Buyer Confidential Information, as applicable), it will notify the other Party in a timely manner so that such Party may seek a protective order or other appropriate remedy at such Party's expense or, in such Party's sole discretion, waive compliance with the confidentiality provisions of this Agreement. Each Party will cooperate in all reasonable respects in connection with any reasonable actions to be taken for the foregoing purpose. In any event, the Party requested or required to disclose such Confidential Information may furnish it as requested or required pursuant to applicable Law (subject to any such protective order or other appropriate remedy) without liability hereunder, *provided* that such Party furnishes only that portion of the Confidential Information which such Party is advised by an opinion of its counsel is legally required, and such Party exercises reasonable efforts to obtain reliable assurances that confidential treatment will be accorded such Confidential Information.

5.4.5 Nothing in this Section 5.4 shall be construed as preventing or in any way inhibiting either Party from complying with applicable Law governing activities and obligations undertaken pursuant to this Agreement or any Ancillary Agreement in any manner which it reasonably deems appropriate.

5.5 Regulatory Transfers. Except to the extent provided otherwise in the Transition Services Agreement, Buyer and Seller shall (a) cooperate with one another and use their respective commercially reasonable efforts to complete, execute and file with the applicable Governmental Authorities all documentation required to effect the transfer of the Purchased Regulatory Approvals as soon as reasonably practicable following the Closing; and (b) without

limiting the foregoing, promptly file the Buyer FDA Transfer Letter and the Seller FDA Transfer Letter, respectively, with FDA. Except to the extent provided otherwise in the Transition Services Agreement, transfer of title to the Purchased Regulatory Approvals and associated Regulatory Submission shall be effective as of the Closing.

5.6 Regulatory Responsibilities.

5.6.1 Buyer shall use its commercially reasonable efforts to obtain, no later than 180 days following the Closing Date, its own NDC for the Product and have in place all reasonable resources such that sales of the Product in the Territory can be accomplished under the NDCs of Buyer. Following the Closing Date for a period of up to 180 days, except as otherwise provided in the Transition Services Agreement, Buyer and its Affiliates shall be permitted to distribute or sell any Product in the Territory labeled with Seller's NDC. Following the Closing Date, except as otherwise provided in the Transition Services Agreement, neither Seller, nor any of its respective Affiliates shall distribute or sell any Product in the Territory labeled with Seller's NDC.

5.6.2 Other Regulatory Responsibilities.

(a) Except as required by a Party to comply with applicable Law or to exercise its rights and obligations hereunder or under any Ancillary Agreement, from and after the date on which the Purchased Regulatory Approval is transferred to Buyer, Buyer shall have the sole right and responsibility for (and shall bear the cost of) preparing, obtaining and maintaining all Regulatory Approvals, and for conducting communications with Governmental Authorities of competent jurisdiction, for the Product in the Territory. Without limitation of the foregoing, promptly following the Closing, but in any event within such periods required by applicable Law, Buyer shall obtain, with respect to the Territory, such Regulatory Approvals as are necessary for Buyer's own Product labeling and shall comply with such Regulatory Approvals upon receipt thereof.

(b) Subject to the terms and conditions of this Agreement, Seller hereby grants to Buyer, effective as of the Closing, its exclusive right of reference to the DMF. Furthermore, Seller shall use commercially reasonable efforts to assist Buyer in obtaining the DMF Letter.

5.7 Pharmacovigilance Obligations.

5.7.1 Establishment of Safety Project Team Promptly following the Closing, the transition managers appointed pursuant to the Transition Services Agreement shall establish a safety project team to discuss the exchange of safety information and Buyer's compliance with the terms of any pharmacovigilance obligations under the Purchased Contracts.

5.7.2 Exchange of Safety Information. For 120 days following the Closing, each of Seller and Buyer agrees to:

(a) promptly exchange all relevant information in its possession that relates to the safety of the Product or the Authorized Generic Product;

(b) promptly exchange all significant medical and technical inquiries received in relation to the Product or the Authorized Generic Product; and

(c) use reasonable efforts to remove from any of the information exchanged pursuant to Section 5.7.2(a) or Section 5.7.2(b), any personal information that is not legally required to be recorded for drug safety purposes.

5.7.3 Medical and Other Inquiries. Except to the extent otherwise provided in this Agreement or any Ancillary Agreement, from and after the Closing Date, Buyer (a) shall be responsible for handling and responding to all customer complaints and inquiries (including medical and non-medical inquiries) related to the Product or, subject to the AG Agreement, the Authorized Generic Product used, marketed, distributed or sold in the Territory and (b) shall be responsible for all correspondence and communication with physicians and other health care professionals in the Territory relating to the Product or, subject to the AG Agreement, the Authorized Generic Product.

5.7.4 Product Liability Claims. As soon as it becomes aware, each Party shall give the other Party prompt written notice of any defect or alleged defect in the Product or the Authorized Generic Product, any injury alleged to have occurred as a result of the use or application of the Product or the Authorized Generic Product, and any circumstances that may give rise to Litigation or Liability relating to the Product or the Authorized Generic Product, recall or market withdrawal of the Product or the Authorized Generic Product or regulatory action that reasonably would be expected to adversely affect the Exploitation or Manufacture of the Product or the Authorized Generic Product or result in any Liability for either Party, specifying, to the extent the Party has such information, the time, place and circumstances thereof and the names and addresses of the Persons involved. Each Party also shall furnish promptly to the other Party copies of all documents received in respect of any Litigation arising out of such alleged defect, injury or regulatory action; *provided*, that neither Party shall be required to furnish such documents if such disclosure could, in such Party's reasonable discretion, (a) violate applicable Law or any binding agreement entered into prior to the Closing Date (including any confidentiality agreement to which such Party is a party), *provided*, that such Party uses commercially reasonable efforts to obtain waivers thereof, (b) jeopardize any attorney/client privilege or other established legal privilege or (c) disclose any trade secrets.

5.8 Commercialization. Except to the extent otherwise provided in this Agreement or any Ancillary Agreement, from and after the Closing Date, (a) Buyer, at its own cost and expense, shall be responsible for and have sole discretion over the commercialization, marketing strategy, promotion, distribution and sale of the Product and, subject to the AG Agreement, the Authorized Generic Product, in the Territory and shall independently determine and set prices for the Product and, subject to the AG Agreement, the Authorized Generic Product, in the Territory, including the selling price, volume discounts, rebates and similar matters; *provided*, that Buyer shall not increase prices for the Product from the respective prices in effect on the Closing Date until such time as no Product is being sold or distributed by or on behalf of Buyer or any of its Affiliates (including by any Third Party wholesaler or distributor) that includes an NDC of Seller or its Affiliates on the Product labeling; (b) Buyer shall be responsible, at its own cost and expense, for all marketing, advertising and promotional materials related to the Product and, subject to the AG Agreement, the Authorized Generic Product, in the Territory; and (c) Buyer or

its Affiliates shall be responsible for receiving and processing all orders, undertaking all invoicing, collection and receivables, and providing all customer service related to the sale of the Product and, subject to the AG Agreement, the Authorized Generic Product, in each case, in the Territory.

5.9 Certain Tax Matters.

5.9.1 Withholding Taxes The amounts payable by one Party (the "**Payer**") to another Party (the "**Payee**") pursuant to this Agreement or any Ancillary Agreement ("**Payments**") shall not be reduced on account of any Taxes unless required by applicable Law. The Payee alone shall be responsible for paying any and all Taxes (other than withholding Taxes required to be paid by the Payer and Transfer Taxes, Indirect Taxes and Apportioned Obligations, which shall be treated in accordance with Sections 5.9.2 and 5.9.3) levied on account of, or measured in whole or in part by reference to, any Payments it receives. The Payer shall deduct or withhold from the Payments any Taxes that it is required by applicable Law to deduct or withhold, and all such amounts deducted and withheld shall be treated for all purposes of this Agreement as having been paid to Payee. Notwithstanding the foregoing, if the Payee is entitled under any applicable Tax treaty to a reduction of rate of, or the elimination of, or recovery of, applicable withholding Tax, it shall timely deliver to the Payer or the appropriate Governmental Authority (with the assistance of the Payer to the extent that this is reasonably required and is expressly requested in writing) the prescribed forms necessary to reduce the applicable rate of withholding or to relieve the Payer of its obligation to withhold Tax, and the Payer shall apply the reduced rate of withholding, or dispense with the withholding, as the case may be, to the extent it complies with the applicable Tax treaty. If, in accordance with the foregoing, the Payer withholds any amount, it shall make timely payment to the proper Taxing Authority of the withheld amount, and send to the Payee proof of such payment as soon as reasonably practicable.

5.9.2 Transfer Taxes and Apportioned Obligations.

(a) All amounts payable hereunder or under any Ancillary Agreement are exclusive of all recordation, transfer, documentary, stamp, conveyance or other similar Taxes (excluding any Indirect Taxes) imposed or levied by reason of, in connection with or attributable to this Agreement and the Ancillary Agreements or the transactions contemplated hereby and thereby (collectively, "**Transfer Taxes**"). Buyer and Seller shall each be responsible for the payment of 50% of all Transfer Taxes, and shall pay all amounts due and owing in respect of any Transfer Taxes, these amounts in addition to the sums otherwise payable, at the rate in force at the due time for payment or such other time as is stipulated under applicable Law.

(b) All personal property and similar ad valorem obligations (other than, for the avoidance of doubt, Transfer Taxes) levied with respect to the Purchased Assets for a taxable period which includes (but does not end on) the Closing Date (collectively, the "**Apportioned Obligations**") shall be apportioned between Seller and Buyer based on the number of days of such taxable period ending on the Closing Date (such portion of such taxable period, the "**Pre-Closing Tax Period**") and the number of days of such taxable period beginning on the day after the Closing Date (such portion of such taxable period, the "**Post-Closing Tax Period**"). Seller shall be liable for the proportionate amount of such Apportioned Obligations

that is attributable to the Pre-Closing Tax Period, and Buyer shall be liable for the proportionate amount of such Apportioned Obligations that is attributable to the Post-Closing Tax Period.

(c) Apportioned Obligations and Transfer Taxes shall be timely paid, and all applicable filings, reports and returns shall be filed, as provided by applicable Law. The paying Party shall be entitled to reimbursement from the non-paying Party in accordance with Section 5.9.2(a) or Section 5.9.2(b), as the case may be. Upon payment of any such Apportioned Obligation or Transfer Tax, the paying Party shall present a statement to the non-paying Party setting forth the amount of reimbursement to which the paying Party is entitled under Section 5.9.2(a) or Section 5.9.2(b), as the case may be, together with such supporting evidence as is reasonably necessary to calculate the amount to be reimbursed. The non-paying Party shall make such reimbursement promptly but in no event later than 10 days after the presentation of such statement.

5.9.3 Indirect Taxes. The Parties intend and shall use their commercially reasonable efforts to ensure the transfer of the Purchased Assets shall occur without any obligation of Seller to account for or pay Indirect Taxes. However, notwithstanding anything to the contrary contained in this Section 5.9 or elsewhere in this Agreement, Buyer and Seller shall each be responsible for 50% of all Indirect Taxes that arise as a result of the transfer of the Purchased Assets.

5.9.4 Cooperation and Exchange of Information. Each of Seller and Buyer shall (a) provide the other with such assistance as may reasonably be requested by the other (subject to reimbursement of reasonable out-of-pocket expenses) in connection with the preparation of any Tax Return, audit or other examination by any Taxing Authority or judicial or administrative proceeding relating to Liability for Taxes in connection with the Product Business or the Purchased Assets, (b) retain and provide the other with any records or other information that may be relevant to such Tax Return, audit or examination, proceeding or determination, (c) upon the other's request (subject to reimbursement of reasonable out-of-pocket expenses), use their commercially reasonable efforts to obtain any certificate or other document from any Taxing Authority or any other Person as may be necessary to mitigate, reduce or eliminate any applicable Indirect Tax or Transfer Tax and (d) inform the other of any final determination of any such audit or examination, proceeding or determination that affects any amount required to be shown on any Tax Return of the other for any period; *provided, however*, the foregoing shall not limit the ability of Seller to wind up its affairs and close its Chapter 11 Cases.

5.9.5 Survival of Covenants. The covenants contained in this Section 5.9 shall survive until 30 days after the expiration of the applicable statute of limitations (including extensions thereof).

5.10 Accounts Receivable and Payable.

5.10.1 Accounts Receivable. The Parties acknowledge and agree that all Accounts Receivable outstanding on the Closing Date shall remain the property of Seller or its Affiliates and shall be collected by Seller or its Affiliates subsequent to the Closing. In the event that, subsequent to the Closing, Buyer or an Affiliate of Buyer receives any payments from any obligor with respect to an Account Receivable, then Buyer shall, within 30 days after receipt of

such payment, remit the full amount of such payment to Seller. In the case of the receipt by Buyer of any payment from any obligor of both Seller and Buyer then, unless otherwise specified by such obligor, such payment shall be applied first to amounts owed to Buyer with the excess, if any, remitted to Seller. In the event that, subsequent to the Closing, Seller or any of its Affiliates receives any payments from any obligor with respect to an account receivable of Buyer for any period after the Closing Date, then Seller shall, within 30 days after receipt of such payment, remit the full amount of such payment to Buyer. In the case of the receipt by Seller of any payment from any obligor of both Seller and Buyer then, unless otherwise specified by such obligor, such payment shall be applied equitably to Seller and Buyer based on the amounts owed by such obligor to Seller and Buyer.

5.10.2 Accounts Payable. In the event that, subsequent to the Closing, Buyer or an Affiliate of Buyer receives any invoices from any Third Party that is for the account of Seller pursuant to this Agreement or any Ancillary Agreement with respect to any account payable of the Product Business or with respect to the Authorized Generic Product outstanding prior to the Closing, then Buyer shall, within 30 days after receipt of such invoice, provide such invoice to Seller. In the event that, subsequent to the Closing, Seller or any of its Affiliates receives any invoices from any Third Party with respect to any account payable of Buyer or any of its Affiliates for any period after the Closing, then Seller shall, within 30 days after receipt of such invoice, provide such invoice to Buyer.

5.11 Wrong Pockets.

5.11.1 Assets. Without limiting Section 5.2, if either Buyer or Seller becomes aware that any of the Purchased Assets has not been transferred to Buyer or that any of the Excluded Assets has been transferred to Buyer, it shall promptly notify the other and the Parties shall, as soon as reasonably practicable, ensure that such property is transferred, at the expense of Seller and with any necessary prior Third Party consent or approval, to (a) Buyer, in the case of any Purchased Asset which was not transferred to Buyer at the Closing; or (b) Seller, in the case of any Excluded Asset which was transferred to Buyer at the Closing.

5.11.2 Payments. If, on or after the Closing Date, either Party shall receive any payments or other funds due to the other pursuant to the terms of this Agreement or any Ancillary Agreement, then the Party receiving such funds shall, within 30 days after receipt of such funds, forward such funds to the proper Party. The Parties acknowledge and agree there is no right of offset regarding such payments and a Party may not withhold funds received from Third Parties for the account of the other Party in the event there is a dispute regarding any other issue under this Agreement or any of the Ancillary Agreements.

5.12 VA Agreement. The Parties shall, and shall cause their respective Affiliates to, use their commercially reasonable efforts to obtain all consents of Governmental Authorities required for the novation of the VA Agreement to Buyer and perform their respective obligations under 48 C.F.R. Subpart 42.12 (the "**Applicable FAR Regulations**") in order to effect the novation of the VA Agreement to Buyer as soon as reasonably practicable following the Closing. Without limitation of the foregoing and subject to the Applicable FAR Regulations:

5.12.1 in connection with the novation of the VA Agreement to Buyer, each of Seller and Buyer shall, and shall cause their respective Affiliates to, provide to the applicable Governmental Authorities such information as is required by the Responsible Contracting Officer (as defined in the Applicable FAR Regulations) for the VA Agreement (the "**Responsible Contracting Officer** ");

5.12.2 the novation of the VA Agreement shall be made pursuant to the Novation Agreement, with such changes thereto as are required by the Responsible Contracting Officer and agreed to by the Parties or their respective applicable Affiliates, such agreement not to be unreasonably withheld, conditioned or delayed; and

5.12.3 if the novation of the VA Agreement to Buyer is not effective prior to the Closing, Buyer and its Affiliates shall perform Seller's obligations under the VA Agreement to the extent permissible under the Federal Acquisition Regulations and Seller and its Affiliates shall perform its obligations under the VA Agreement, to the extent Buyer or its Affiliates are not permitted to do so, necessary to entitle it to payment from the U.S. Federal government for the work performed under the VA Agreement and shall pay any such payments received, less any amounts expended by Seller in the performance of the VA Agreement, to Buyer promptly following Seller's receipt thereof.

5.13 Purchased Domain Names. Promptly following the Closing, Seller shall take such action as may be necessary, or as reasonably requested by Buyer, to effectuate the assignment and transfer of the Purchased Domain Names to Buyer, including unlocking the Purchased Domain Names, securing and forwarding to Buyer transfer authorization codes for the Purchased Domain Names, and completing such automated website procedures and documentation as may be required by the registrar of the Purchased Domain Names to release and transfer possession and control of the Purchased Domain Names to Buyer.

5.14 Bankruptcy Court Approval.

5.14.1 Within 25 days of the Petition Date, or such later date as agreed by Buyer in its discretion, the U.S. Debtors shall file with the Bankruptcy Court a motion in form and substance reasonably satisfactory to Buyer (the "**Approval Motion**") for:

(a) entry of an order substantially in the form of Exhibit F, authorizing and approving, inter alia, the sale of the Purchased Assets of Seller to Buyer on the terms and conditions set forth herein, free and clear of all Encumbrances (other than Permitted Encumbrances and to the extent set forth therein), and the assumption and assignment of the Purchased Contracts to Buyer (as amended, modified, or supplemented, the "**Approval Order**"), and

(b) entry of an order substantially in the form of Exhibit G (as amended, modified, or supplemented, the "**Bidding Procedures Order**," and together with the Approval Order, the "**Bankruptcy Court Orders**"), among other things, (A) establishing bidding procedures substantially in the form of Exhibit H governing the sale of the Purchased Assets (the "**Bid Procedures**"), (B) approving payment of the Expense Reimbursement, to the extent payable by the terms of this Agreement or the Bidding Procedures Order, and (C)

providing that the Expense Reimbursement shall constitute allowed administrative expenses of the U.S. Debtors. The U.S. Debtors shall use commercially reasonable efforts to seek entry of the Bidding Procedures Order by the earlier of (i) 20 days following the formation of an official committee of unsecured creditors and (ii) 55 days after the Petition Date.

5.14.2 Seller shall use its commercially reasonable efforts, and shall cooperate, assist and consult with Buyer, to secure the entry of the Bidding Procedures Order and the Approval Order. Buyer will promptly take such actions as are reasonably requested by Seller to assist in obtaining entry of the Bidding Procedures Order and the Approval Order, including furnishing affidavits or other documents or information for filing with the Bankruptcy Court for purposes, among others, of providing necessary assurances of performance by Buyer of its obligations under this Agreement and all other agreements, instruments, certificates and other documents to be entered into or delivered in connection with the transactions contemplated by this Agreement and demonstrating that Buyer is a good faith buyer under section 363(m) of the Bankruptcy Code. Except as otherwise set forth herein, nothing in any Chapter 11 plan or any order confirming or implementing such plan in the Chapter 11 Cases shall limit, impair, modify, compromise, abrogate, or otherwise adversely affect Buyer's rights under this Agreement, the Bidding Procedures Order, the Approval Order, or any relief granted and findings set forth in the Bidding Procedures Order or the Approval Order.

5.14.3 If the Bidding Procedures Order, Approval Order or any other orders of the Bankruptcy Court relating to this Agreement or the transactions contemplated hereby shall be appealed by any Person (or if any petition for certiorari or motion for leave to appeal, reconsideration, amendment, clarification, modification, vacation, stay, rehearing or reargument shall be filed with respect to the Approval Order, Bidding Procedures Order or other such order), and this Agreement has not otherwise been terminated pursuant to Section 8.1, Seller shall, at Seller's expense, take such steps to reasonably diligently defend such appeal, petition or motion and shall use their commercially reasonable efforts to obtain an expedited resolution of any such appeal, petition or motion.

5.15 Service of Approval Motion. Seller will serve a copy of the Approval Motion and the accompanying attachments on the persons identified in Paragraph 16 of the Approval Order.

5.16 Approval of Expense Reimbursement.

(a) In consideration for Buyer having expended considerable time and expense in connection with this Agreement and the negotiation thereof and the identification and quantification of assets of Seller, Seller shall pay Buyer, if such payments become due and owing in accordance with Section 8.3 and the Bidding Procedures Orders, the Expense Reimbursement. Subject to the entry by the Bankruptcy Courts of the Bidding Procedures Orders approving the payment of the Expense Reimbursement, the Expense Reimbursement shall be (a) actual and necessary costs and expenses of preserving Seller's estates within the meaning of section 503(b) of the Bankruptcy Code and shall be treated as allowed administrative expenses claims against Seller's estates pursuant to sections 105(a), 503(b), and 507(a)(2) of the Bankruptcy Code and (b) payable in accordance with Section 8.3. Buyer may, in its sole discretion, waive its right to receive the Expense Reimbursement at any time after the

Bankruptcy Courts' approval thereof, including at any auction, if Buyer determines, in its sole discretion, such a waiver is reasonably likely to result in greater net proceeds for the estates and creditors. Seller shall seek, and take commercially reasonable steps to obtain, the approval of each Bankruptcy Court of the Expense Reimbursement in the Bidding Procedures Orders.

(b) The Parties acknowledge that under the Bankruptcy Code the sale of the Purchased Assets is subject to approval of the Bankruptcy Court. The Parties acknowledge that to obtain such approval Seller must demonstrate that it has taken reasonable steps to obtain the highest or best price possible for the Purchased Assets, including giving notice of the transactions contemplated by this Agreement to creditors and other interested parties as ordered by the Bankruptcy Court, providing information about the Purchased Assets to responsible bidders, and entertaining any higher or better offers from responsible bidders.

5.17 Seller Not Party to Other Agreement. Seller represents that as of the date of this Agreement, Seller is not a party to or bound by any agreement with respect to a possible Takeover Proposal with respect to the Product Business or Purchased Assets, and agrees that it will not become a party to or bound by any such agreement hereafter other than any such agreement that may come to exist as part of the bidding and sale process approved by the Bankruptcy Court or as otherwise expressly permitted by this Agreement and the Bidding Procedures Order.

5.18 No Successor Liability. Buyer and Seller intend that, upon the Closing, Buyer shall not be deemed to: (a) be the successor of or successor employer to Seller, including with respect to any collective bargaining agreement or employee plan, (b) have, *de facto* or otherwise, merged with or into Seller; (c) be a mere continuation or substantial continuation of Seller or the enterprise(s) of Seller; or (d) be liable for any acts or omissions of Seller in the conduct of the Product Business or arising under or related to the Purchased Assets or the Assumed Liabilities. Without limiting the generality of the foregoing, and except as otherwise provided in this Agreement, the Parties intend that Buyer shall not be liable for any lien, claim, or other Encumbrances against Seller or any of its Affiliates, and that Buyer shall have no successor or vicarious liability of any kind or character whether known or unknown as of the Closing Date or whether fixed or contingent, existing or hereafter arising, with respect to the Product Business, the Purchased Assets or any Liabilities of Seller or any of its Affiliates arising on or prior to the Closing Date, in each case other than in connection with Permitted Encumbrances and Assumed Liabilities.

5.19 Service of Approval Motion. Seller shall comply (or obtain an order waiving compliance) with all requirements under the Bankruptcy Code, Bankruptcy Rules and any other applicable Law or rule in connection with obtaining approval of the transactions contemplated by this Agreement. Seller shall serve on all required Persons, including, without limitation: (i) all Persons who are known to possess or assert a claim, lien, or other Encumbrance against or interest in the Purchased Assets; (ii) all applicable Governmental Authorities; (iii) all Persons required by any order of the Bankruptcy Courts, the Bankruptcy Code or the Bankruptcy Rules; and (iv) any other Persons that Buyer reasonably may request, the Approval Motion and any notice of the motions, hearings, or orders necessary to comply with Seller's obligations to consummate the transactions contemplated by this Agreement.

5.20 Copies of Pleadings. To the extent practicable, Seller shall provide Buyer with drafts of all documents, motions, orders, filings or pleadings and supporting documents that Seller proposes to file with the Bankruptcy Court that relate to the Agreement and the consummation of the transactions contemplated hereby prior to filing them with the Bankruptcy Court. All motions, applications, petitions, schedules, supporting papers and forms of orders not otherwise agreed to under this Agreement prepared by Seller and relating to the transactions contemplated by this Agreement to be filed on behalf of Seller after the date hereof must be in form and substance reasonably satisfactory to Buyer.

5.21 Assumption and Assignment of Contracts. Except with respect to the VA Agreement, which shall be treated in accordance with Section 5.12, at the Closing (i) Seller shall, pursuant to the Approval Order, assume and assign to Buyer each of the Purchased Contracts and (ii) Buyer shall pay all Cure Costs (if any) up to the Cure Costs Cap, in each case in connection with such assumption and assignment. Seller shall pay any and all Cure Costs in excess of the Cure Costs Cap in connection with such assumption and assignment. Except as to Purchased Contracts assigned pursuant to section 365 of the Bankruptcy Code, section 11.3 of the CCAA or the Approval Orders, anything in this Agreement to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any Purchased Asset or any right thereunder if an attempted assignment, without the consent of a Third Party, would constitute a breach or in any way adversely affect the rights of Buyer or Seller thereunder, and Seller, at Seller's expense, shall use their commercially reasonable efforts to obtain any such required consent(s) as promptly as possible.

5.22 Transition Services.

5.22.1 As promptly as practicable following the execution of this Agreement, Buyer and Seller shall use commercially reasonable efforts to enter into a transition services agreement (the "**Transition Services Agreement**"), to be effective as of the Closing Date, with respect to the services set forth in Schedule 5.22 of the Seller Disclosure Schedule so as to finalize the Transition Services Agreement.

5.22.2 If Buyer identifies any additional transition services that are reasonably necessary in connection with the transition of the Product Business to Buyer and is so requested by Buyer, the parties shall use commercially reasonable efforts to establish an additional transition service schedule (including applicable fees payable to Seller in accordance with this Section 5.22) pursuant to which Seller will provide such additional transition services at Buyer's sole cost and expense. Buyer and Seller agree that, unless otherwise provided in Section 5.22 of the Seller Disclosure Schedule, the pricing and expense for any transition service shall be borne by Buyer and be equal to the Seller's pass through cost.

5.23 Post-Closing Access. For a period of three (3) months after the Closing, or so long as performance is possible, whichever is shorter, the Parties shall use reasonable efforts to provide the other party with reasonable access to the books and records in such parties' possession or control to the extent necessary for the preparation of financial statements, regulatory filings in respect of periods ending on or prior to the Closing, or in connection with any legal proceedings and administration of the Chapter 11 Cases, at the cost of the other Party, in each case to the extent related to the transactions contemplated by this Agreement. Either

Party may notify the other Party in writing that it intends to destroy all such books and records and offer the other Party the right to take possession of the same. If a Party does not notify the other party of its intention to take possession of all such books and records, and actually take possession thereof within 21 days after receipt of the notice, and if the other Party did make such books and records available in good faith so as to enable the notifying party to take possession thereof within such time frame, the other party may destroy such books and records. Notwithstanding anything set forth in this Agreement, Seller shall not destroy, and shall cause the U.S. Debtors to refrain from destroying, all financial books and records relating to the Product Business, the Product, and the Authorized Generic Product sufficient to permit carve-out financial statement audits to be performed (the "**Retained Financial Records**") without the express prior written consent of Buyer; *provided, however*, Seller may, in its sole discretion and at any time or from time to time, in lieu of retaining the Retained Financial Records, transfer such Retained Financial Records to Buyer at Buyer's sole cost and expense.

ARTICLE 6
CONDITIONS PRECEDENT

6.1 Conditions to Obligations of Buyer and Seller. The obligations of Buyer and Seller to complete the transactions contemplated by this Agreement are subject to the satisfaction at or prior to the Closing of the following conditions:

6.1.1 No Adverse Law; No Injunction. No Law shall have been enacted, entered, promulgated or enforced by any Governmental Authority of competent jurisdiction that prohibits or makes illegal the consummation of all or any part of the transactions contemplated by this Agreement or the Ancillary Agreements, and no Order restraining, enjoining or otherwise preventing the consummation of the transactions contemplated hereby shall be in effect; and

6.1.2 U.S. Bankruptcy Orders. The U.S. Bankruptcy Court shall have entered each of the Bankruptcy Court Orders, and each of the Bankruptcy Court Orders shall be in full force and effect and shall be Final Orders.

6.2 Conditions to Obligations of Buyer. The obligation of Buyer to complete the transactions contemplated by this Agreement is subject to the satisfaction, or waiver by Buyer, at or prior to the Closing of the following additional conditions:

6.2.1 Representations and Warranties. The representations and warranties of Seller contained in Section 3.1, other than the Fundamental Reps included in Section 3.1, shall be true and correct (disregarding any materiality or Material Adverse Effect qualifications within such representations and warranties) in all respects at and as of the Closing Date as if made at and as of such date (except that those representations and warranties that address matters only as of a particular date need only be true and correct as of such date), except where the failure to be so true and correct has not had or would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and each Fundamental Rep included in Section 3.1 shall be true and correct in all respects at and as of the Closing Date as if made at and as of such date (except that those representations and warranties that address matters only as of a particular date need only be true and correct in all respects as of such date);

6.2.2 Covenants. Seller shall have performed and complied in all material respects with all covenants, agreements and obligations required to be performed or complied with by it pursuant to this Agreement and any Ancillary Agreement on or prior to the Closing Date; and

6.2.3 No Material Adverse Effect. Between the date hereof and the Closing Date, there shall not have occurred and be continuing any Material Adverse Effect.

6.2.4 DMF. Buyer shall have received a letter, in form and substance reasonably satisfactory to Buyer, from the owner of the DMF acknowledging that Buyer has a right of reference to the DMF, together with evidence of such letter being delivered to the FDA (the "**DMF Letter**").

6.2.5 Closing Deliveries. Seller shall have delivered to Buyer each of the items listed in Section 2.4.2(a).

6.3 Conditions to Obligations of Seller. The obligation of Seller to complete the transactions contemplated by this Agreement is subject to the satisfaction, or waiver by Seller, at or prior to the Closing of the following additional conditions:

6.3.1 Representations and Warranties. The representations and warranties of Buyer contained in Section 3.2, other than the Fundamental Reps included in Section 3.2, shall be true and correct (disregarding any materiality or Buyer Material Adverse Effect qualifications within such representations and warranties) in all respects at and as of the Closing Date as if made at and as of such date (except that those representations and warranties that address matters only as of a particular date need only be true and correct as of such date), except where the failure to be so true and correct has not had or would not, individually or in the aggregate, reasonably be expected to have a Buyer Material Adverse Effect and each Fundamental Rep included in Section 3.2 shall be true and correct in all respects at and as of the Closing Date as if made at and as of such date (except that those representations and warranties that address matters only as of a particular date need only be true and correct in all respects as of such date);

6.3.2 Covenants. Buyer shall have performed and complied in all material respects with all covenants, agreements and obligations required to be performed or complied with by it pursuant to this Agreement and any Ancillary Agreement on or prior to the Closing Date;

6.3.3 Closing Deliveries. Buyer shall have delivered to Seller each of the items listed in Section 2.4.2(b); and

6.3.4 Wind-Down Account. Solely to the extent agreed by Buyer and Seller, each acting reasonably, Buyer shall (or shall cause an Affiliate to) fund the Wind-Down Account.

6.4 Frustration of Closing Conditions. With respect to the conditions to Buyer's and Seller's respective obligations to consummate the transactions contemplated by this Agreement as provided hereunder and each such Party's right to terminate this Agreement as provided in Section 8.1, neither Buyer nor Seller may rely on the failure of any condition set

forth in this Article 6 to be satisfied if such failure was caused by such Party's material breach, or failure to act in good faith or to use its commercially reasonable efforts to cause the condition to be satisfied to the extent required by Section 4.2.

ARTICLE 7
NO SURVIVAL OF REPRESENTATIONS, WARRANTIES AND PRE-CLOSING COVENANTS

7.1 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, 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, equityholders, managers, agents or Affiliates; provided, however, that this Section 7.1 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.

7.2 No Recourse. Except in the case of Fraud or willful breach, (1) Buyer's sole and exclusive remedy (a) for a breach of any representation or warranty made by Seller herein or in any document delivered pursuant hereto or (b) for a breach of any covenant made by Seller herein or in any document delivered pursuant hereto and required to be performed by Seller on or prior to the Closing, shall, in either case, be limited to (i) Buyer's right to terminate this Agreement to the extent permitted pursuant to Section 8.1, in which case Seller shall have not any liability except to the extent expressly provided in Section 8.3 or (ii) Buyer's right to seek a court to order equitable relief pursuant to Section 9.9; and (2) Seller's sole and exclusive remedy (x) for a breach of any representation or warranty made by Buyer herein or in any document delivered pursuant hereto or (y) for a breach of any covenant made by Buyer herein or in any document delivered pursuant hereto and required to be performed by Buyer on or prior to the Closing, shall, in either case, be limited to (i) Seller's right to terminate this Agreement to the extent permitted pursuant to Section 8.1 or (ii) Seller' s right to seek a court to order equitable relief pursuant to Section 9.9.

ARTICLE 8
TERMINATION

8.1 Termination. Prior to the Closing, this Agreement shall terminate on the earliest to occur of any of the following events:

8.1.1 the mutual written agreement of Buyer and Seller;

8.1.2 by written notice delivered by either Buyer or Seller to the other, if the Closing shall not have occurred on or prior to January 31, 2019 (the "**End Date**") (other than due to a breach of any representation or warranty hereunder of the Party seeking to terminate this Agreement or as a result of the failure on the part of such Party to comply with or perform any of its covenants, agreements or obligations under this Agreement and other than as a result of any closing condition in favor of the non-terminating Party not being satisfied, which closing

condition has been waived by the non-terminating Party); *provided, however*, that (a) Buyer shall not have the right to terminate this Agreement pursuant to this Section 8.1.2 during the pendency of any Litigation brought prior to the End Date by Seller for specific performance of this Agreement and (b) Seller shall not have the right to terminate this Agreement pursuant to this Section 8.1.2 during the pendency of any Litigation brought before the End Date by Buyer for specific performance of this Agreement;

8.1.3 by written notice delivered by Buyer to Seller, if (a) the Approval Motion has not been filed with the Bankruptcy Court prior to 11:59 p.m. (prevailing Eastern Time) on September 20, 2018, (b) the Bankruptcy Court has not approved and entered the Bidding Procedures Order prior to 11:59 p.m. (prevailing Eastern Time) on the day that is earlier of (i) 20 days following the formation of an official committee of unsecured creditors and (ii) 55 days after the Petition Date, (c) the Bankruptcy Court has not approved and entered the Approval Order prior to 11:59 p.m. (prevailing Eastern Time) on the day that is 95 days following the Petition Date or (d) following entry of the Approval Order or the Bidding Procedures Order, any of the Approval Order, the Bidding Procedures Order or the Bid Procedures is stayed, reversed, modified, vacated or amended in any respect without the prior written consent of Buyer, and such stay, reversal, modification, vacation or amendment is not eliminated within 14 days;

8.1.4 by written notice delivered by Buyer to Seller, if (a) Seller seeks to have the Bankruptcy Court enter an order (or consent to entry of an order) (i) dismissing, or converting the Chapter 11 Cases into cases under chapter 7 of the Bankruptcy Code, or (ii) appointing a trustee or other Person responsible for operation or administration of Seller or its business or assets, or a responsible officer for any of Seller, or an examiner with enlarged power relating to the operation or administration of Seller or its business or assets (each, an "**Appointee**"), (b) an order of dismissal of the Chapter 11 Cases, conversion of the Chapter 11 Cases into cases under chapter 7 of the Bankruptcy Code, or appointment of an Appointee is entered for any reason, or (c) Seller does not comply with the material terms of the Bid Procedures;

8.1.5 by written notice delivered by Buyer to Seller, if (a) there has been a breach by Seller of a representation or warranty of Seller contained in this Agreement or (b) there shall be a breach by Seller of any covenant, agreement or obligation of Seller in this Agreement, and such breach described in clause (a) or (b) would result in the failure of a condition set forth in Section 6.2.1 or Section 6.2.2 that has not been waived by Buyer, or in the case of a breach of any covenant or agreement is not cured upon the earlier to occur of (i) the 20th day after written notice thereof is given by Buyer to Seller and (ii) the day that is two Business Days prior to the End Date; *provided*, that Buyer may not terminate this Agreement pursuant to this Section 8.1.5 if Buyer has breached any representation, warranty or covenant, agreement or obligation contained in this Agreement that would result in the failure of a condition set forth in Section 6.3.1 or Section 6.3.2;

8.1.6 by written notice delivered by Seller to Buyer, if (a) there has been a breach by Buyer of a representation or warranty of Buyer contained in this Agreement or (b) there shall be a breach by Buyer of any covenant, agreement or obligation of Buyer in this Agreement, and such breach described in clause (a) or clause (b) would result in the failure of a condition set forth in Section 6.3.1 or Section 6.3.2 and has not been waived by Seller, or in the

case of a breach of any covenant or agreement is not cured upon the earlier to occur of (i) the 20th day after written notice thereof is given by Seller to Buyer and (ii) the day that is two Business Days prior to the End Date; *provided*, that Seller may not terminate this Agreement pursuant to this Section 8.1.6 if Seller has breached any representation, warranty or covenant, agreement or obligation contained in this Agreement that would result in the failure of a condition set forth in Section 6.2.1 or Section 6.2.2;

8.1.7 by written notice delivered by Seller to Buyer, if (i) all of the conditions set forth in Section 6.1 and Section 6.2 have been satisfied and remain satisfied (other than those conditions that (a) by their terms are to be satisfied at the Closing or (b) the failure of which to be satisfied is attributable to a breach by Buyer of its representations, warranties, covenants or agreements contained in this Agreement), (ii) Seller has irrevocably confirmed by written notice to Buyer that (A) all conditions set forth in Section 6.3 have been satisfied or that it is willing to waive any unsatisfied conditions set forth in Section 6.3 and (B) if Buyer performs its obligations hereunder then Seller is ready, willing and able to cause the Closing to occur, and (iii) the transactions contemplated hereunder shall not have been consummated within five (5) Business Days after delivery of such notice; *provided, however*, that such conditions remain satisfied and such confirmation remains in full force and effect at the close of business on such fifth Business Day;

8.1.8 by written notice delivered by Seller to Buyer if, at any time prior to the Closing, Seller receives a Superior Proposal and (a) Seller has provided written notice to Buyer that it is prepared to terminate this Agreement to enter into a Contract with respect to such Superior Proposal, which notice shall include the material terms and conditions of the transaction that constitutes such Superior Proposal (but shall not be required to include the identity of the Person making such Superior Proposal) and (b) Buyer has not made, within five (5) Business Days following receipt of such notice, a binding and irrevocable written and complete proposal that the board of directors of Seller determines in good faith, after consultation with its financial and legal advisors is in the best interests of Seller's bankruptcy estate such that Seller confirms in writing that it will not pursue such Superior Proposal;

8.1.9 by either Seller or Buyer, by giving written notice of such termination to the other Party, if any court of competent jurisdiction or other Governmental Authority having jurisdiction over the Parties or the Purchased Assets shall have issued an order or judgment or taken any other action permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such order or other action shall have become final and non-appealable; *provided, however*, in each case, that the right to terminate this Agreement pursuant to this Section 8.1.9 shall not be available to either Party whose breach of any of its representations, warranties, covenants or agreements contained herein has resulted in the circumstances giving rise to the right to terminate this Agreement pursuant to this Section 8.1.9; or

8.1.10 by written notice delivered by Buyer to Seller, if Seller fails to oppose (a) the entry of any order that would preclude or impair the consummation of the transactions contemplated by this Agreement on the terms and conditions set forth in this Agreement or is otherwise inconsistent therewith, (b) any request for relief by any Person that would preclude or impair the consummation of the transactions contemplated by this Agreement on the terms and

conditions set forth in this Agreement or is otherwise inconsistent therewith.

8.2 Procedure and Effect of Termination.

8.2.1 Notice of Termination. Termination of this Agreement by either Buyer or Seller 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 8.1 shall be effective upon and as of the date of delivery of such written notice as determined pursuant to Section 9.2.

8.2.2 Effect of Termination. In the event of the termination of this Agreement pursuant to Section 8.1 by Buyer or Seller, this Agreement shall be terminated and have no further effect, and there shall be no Liability hereunder on the part of Seller, Buyer or any of their respective Affiliates, except that Section 3.3 (*Exclusivity of Representations*), Section 5.3 (*Publicity*), Section 5.4 (*Confidentiality*), this Section 8.2.2 (*Effect of Termination*), Section 8.2.3 (*Withdrawal of Certain Filings*), Section 8.3 (*Expense Reimbursement*) and Article 9 (*Miscellaneous*) shall survive any termination of this Agreement. For the avoidance of doubt, in the event of termination of this Agreement pursuant to Section 8.1, the Parties shall not enter into any of the Ancillary Agreements or have any obligations thereunder. Nothing in this Section 8.2.2 shall relieve either Party of (x) Liability for Fraud or willful breach or (y) subject to Section 8.3, Liability resulting from any breaches of this Agreement prior to the termination hereof.

8.2.3 Withdrawal of Certain Filings. As soon as practicable following a termination of this Agreement for any reason, but in no event more than 30 days after such termination, Buyer or Seller 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 Authority or other Person, other than the Bankruptcy Court or any court in which proceedings related to the transactions contemplated by this Agreement have been filed.

8.3 Expense Reimbursement.

8.3.1 In the event that this Agreement is terminated by Buyer or Seller, as applicable, pursuant to (i) Section 8.1.8 or in accordance with any other provision of Section 8.1 (other than Section 8.1.8) at a time when this Agreement was terminable pursuant to Section 8.1.8 or (ii) Section 8.1.2, Section 8.1.3, Section 8.1.4, Section 8.1.5, Section 8.1.9 or Section 8.1.10, then in any of such cases, Seller shall pay Buyer by wire transfer of immediately available funds, and Buyer shall be deemed to have earned, the Expense Reimbursement for the time and effort associated with initial due diligence and negotiation of this Agreement and the value of serving as the "stalking horse" for the marketing of the Purchased Assets. If this Agreement is terminated pursuant to clause (i) above, the Expense Reimbursement shall be paid on the date a Superior Proposal is consummated. If this Agreement is terminated pursuant to clause (ii) above, Expense Reimbursement shall be paid within three (3) Business Days of the date of such termination.

8.3.2 The Parties acknowledge and agree that the terms and conditions set forth

in this Section 8.3 with respect to the payment of the Expense Reimbursement are subject to the Bankruptcy Court entering the Bidding Procedures Order. The Parties acknowledge that the agreements contained in this Section 8.3 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. Accordingly, if Seller fails to pay the amount(s) payable under this Section 8.3 as and when due as set forth herein, then Seller shall also pay to Buyer all reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees and expenses) incurred by Buyer and its Affiliates in connection with the collection of such amounts and the enforcement by Buyer of its rights under this Section 8.3. Such costs and expenses shall be treated as an allowed administrative expense of Seller's bankruptcy estates under sections 503(b) or 507(b) of the Bankruptcy Code with priority over all other allowed administrative expenses in the Chapter 11 Cases, including any allowed administrative expense claims that may have priority over certain other allowed administrative expenses. Buyer's right to receive the Expense Reimbursement (and, if applicable, such reasonable out-of-pocket costs and expenses) from Seller pursuant to this Section 8.3 shall be liquidated damages and the sole and exclusive remedy of Buyer against Seller and its Affiliates and representatives and any of their respective former, current or future stockholders, members, partners, managers, directors, officers, employees, agents, other representatives or Affiliates for Losses suffered by Buyer in connection with this Agreement (including in respect of any breach by Seller of any of its representations, warranties, covenants or obligations set forth in this Agreement), the termination hereof, the transactions contemplated hereby (including the abandonment thereof) or any matter forming the basis for such termination.

ARTICLE 9
MISCELLANEOUS

9.1 Governing Law, Jurisdiction, Venue and Service.

9.1.1 Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of New York, excluding any conflicts or choice of Law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive Law of another jurisdiction, and applicable provisions of the Bankruptcy Code.

9.1.2 Jurisdiction. Subject to Section 9.9, the Parties hereby irrevocably and unconditionally consent to the exclusive jurisdiction of the Bankruptcy Court for any action, suit or proceeding (other than appeals therefrom) arising out of or relating to this Agreement, and agree not to commence any action, suit or proceeding (other than appeals therefrom) related thereto except in such court. The Parties irrevocably and unconditionally waive their right to a jury trial in connection with any Litigation arising out of or relating to this Agreement, any Ancillary Agreement or the transactions contemplated hereby or thereby.

9.1.3 Venue. The Parties further hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding (other than appeals therefrom) arising out of or relating to this Agreement in the Bankruptcy Court, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in the Bankruptcy Court has been brought in an inconvenient forum.

9.1.4 Service. Each Party further agrees that service of any process, summons, notice or document by registered mail to its address set forth in Section 9.2.2 shall be effective service of process for any action, suit or proceeding brought against it under this Agreement in any such court.

9.2 Notices.

9.2.1 Notice Requirements. Any notice, request, demand, waiver, consent, approval or other communication permitted or required under this Agreement (each, a "**Notice**") shall be in writing, shall refer specifically to this Agreement and shall be deemed given only if delivered by hand or sent by facsimile transmission or by email of a PDF attachment (with transmission confirmed) or by internationally recognized overnight delivery service that maintains records of delivery, addressed to the Parties at their respective addresses specified in Section 9.2.2 or to such other address as the Party to whom notice is to be given may have provided to the other Party at least five days' prior to such address taking effect in accordance with this Section 9.2. Such Notice shall be deemed to have been given as of the date delivered by hand or internationally recognized overnight delivery service or confirmed that it was received by facsimile or email (with receipt confirmed by telephone, or, solely in the case of facsimile, by email or by delivery (in addition to such facsimile) of such communication by internationally recognized overnight delivery service that maintains records of delivery). Any Notice delivered by facsimile or email shall be confirmed by a hard copy delivered as soon as practicable thereafter. If a notice deemed given upon receipt is given after 5:00 p.m. in the place of receipt (the Parties understand and agree that the foregoing applies only to notice and not to copies), such notice will be deemed given on the next succeeding Business Day.

9.2.2 Address for Notice.

If to Seller, to:

Aralez Pharmaceuticals Trading DAC
2 Hume Street
Dublin 2, DO2 FT82, Ireland
Attention: Andrew I. Koven, Director
Email: akoven@aralez.com

with copies (which shall not constitute effective notice) to:

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, NY 10019
Attention: Adam M. Turteltaub
Paul Shalhoub
Email: aturteltaub@willkie.com
pshalhoub@willkie.com

and

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto ON M5L 1B9
Attention: Jonah Mann
Email: jmann@stikeman.com

If to Buyer, to:

Toprol Acquisition LLC
c/o Deerfield Management Company, L.P.
780 Third Avenue, 37th Floor
New York, NY 10017
Attention: Bryan Sendrowski
Email: bsendrowski@deerfield.com

with a copy (which shall not constitute effective notice) to:

Katten Muchin Rosenman LLP
525 W. Monroe St.
Chicago, IL 60661
Attention: Mark D. Wood
Peter A. Siddiqui
Email: mark.wood@kattenlaw.com
peter.siddiqui@kattenlaw.com

9.3 No Benefit to Third Parties. The covenants and agreements set forth in this Agreement are for the sole benefit of the Parties and their successors and permitted assigns and they shall not be construed as conferring any rights on any other Persons.

9.4 Waiver and Non-Exclusion of Remedies. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. The waiver by either Party of any right hereunder or of the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other Party whether of a similar nature or otherwise. The rights and remedies provided herein are cumulative and do not exclude any other right or remedy provided by applicable Law or otherwise available except as expressly set forth herein.

9.5 Expenses. Except as otherwise specified herein or in any Ancillary Agreement, and whether or not the Closing takes place, each Party shall bear any costs and expenses incurred by it with respect to the transactions contemplated herein and therein.

9.6 Assignment. Neither this Agreement nor either Party's rights or obligations hereunder may be assigned or delegated by such Party without the prior written consent of the

other Party, and any attempted assignment or delegation of this Agreement or any of such rights or obligations by either Party without the prior written consent of the other Party shall be void and of no effect; *provided, however*, that either Party may assign all of its rights or obligations hereunder to an Affiliate without the prior written consent of the other Party and Buyer may collaterally assign this Agreement to any lender to Buyer or its Affiliates pursuant to any facilities or agreements under which Buyer or its Affiliates borrow money from time to time without the prior written consent of Seller, but the assigning Party shall remain responsible for all of its obligations hereunder notwithstanding any such assignment. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and permitted assigns.

9.7 Amendment. This Agreement may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by both Parties.

9.8 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be illegal, invalid or unenforceable under any present or future Law, and if the rights or obligations of either Party under this Agreement will not be materially and adversely affected thereby, (a) such provision shall be fully severable, (b) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and (d) in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and reasonably acceptable to the Parties.

9.9 Equitable Relief. 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 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 in the Bankruptcy Court, this being in addition to any other remedy to which it is entitled at law or in equity. 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.

9.10 Damages Waiver. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW AND EXCEPT AS A RESULT OF FRAUD OR TO THE EXTENT PAID OR PAYABLE PURSUANT TO A THIRD PARTY CLAIM, NEITHER BUYER NOR SELLER SHALL BE LIABLE TO THE OTHER, OR THEIR AFFILIATES, FOR ANY CLAIMS, DEMANDS OR SUITS FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, INDIRECT OR MULTIPLE DAMAGES, FOR LOSS OF PROFITS, REVENUE OR INCOME, DIMINUTION IN VALUE OR LOSS OF BUSINESS OPPORTUNITY (WHETHER OR NOT FORESEEABLE AT THE EXECUTION DATE), CONNECTED WITH OR RESULTING FROM ANY BREACH OF THIS AGREEMENT, OR ANY ACTIONS UNDERTAKEN IN CONNECTION HEREWITH, OR RELATED HERETO,

INCLUDING ANY SUCH DAMAGES WHICH ARE BASED UPON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE AND MISREPRESENTATION), BREACH OF WARRANTY, STRICT LIABILITY, STATUTE, OPERATION OF LAW OR ANY OTHER THEORY OF RECOVERY.

9.11 English Language. This Agreement shall be written and executed in, and all other communications under or in connection with this Agreement shall be in, the English language. Any translation into any other language shall not be an official version thereof, and in the event of any conflict in interpretation between the English version and such translation, the English version shall control.

9.12 Bulk Sales Statutes. The Parties hereby waive compliance with the requirements and provisions of any bulk sales, bulk transfer or similar Laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Purchased Assets to Buyer and any other transactions contemplated by this Agreement.

9.13 Representation by Counsel. Each Party represents and agrees with each other that it has been represented by or had the opportunity to be represented by independent counsel of its own choosing, and that it has had the full right and opportunity to consult with its respective attorney(s), that to the extent, if any, that it desired, it availed itself of this right and opportunity, that it or its authorized officers (as the case may be) have carefully read and fully understand this Agreement and the Ancillary Agreements in their entirety and have had them fully explained to them by such Party's respective counsel, that each is fully aware of the contents thereof and their meaning, intent and legal effect, and that it or its authorized officer (as the case may be) is competent to execute this Agreement and has executed this Agreement free from coercion, duress or undue influence.

9.14 Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission (including in portable document format (pdf), as a joint photographic experts group (jpg) file, or otherwise) shall be effective as delivery of a manually executed original counterpart of this Agreement.

9.15 Entire Agreement. This Agreement, together with the Schedules and Exhibits expressly contemplated hereby and attached hereto, the Buyer Disclosure Schedules, the Seller Disclosure Schedules, the Ancillary Agreements, the Confidentiality Agreement and the other agreements, certificates and documents delivered in connection herewith or therewith or otherwise in connection with the transactions contemplated hereby and thereby, contain the entire agreement between the Parties with respect to the transactions contemplated hereby or thereby and supersede all prior agreements, understandings, promises and representations, whether written or oral, between the Parties with respect to the subject matter hereof and thereof, including the Confidentiality Agreement and the Letter of Intent. In the event of any inconsistency between any such Schedules and Exhibits and this Agreement, the terms of this Agreement shall govern.

[*Signature page follows*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Execution Date.

ARALEZ PHARMACEUTICALS TRADING DAC

By: /s/ Andrew I. Koven
Name: Andrew I. Koven
Title: Director

TOPROL ACQUISITION LLC

By: /s/ David Clark
Name: David Clark
Title: Authorized Signatory

[SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT]

Exhibit 99.1

ARALEZ PHARMACEUTICALS ENTERS INTO DEFINITIVE "STALKING HORSE" PURCHASE AGREEMENTS FOR SUBSTANTIALLY ALL ASSETS

Transactions valued at an aggregate of U.S. $240 million

MISSISSAUGA, Ontario, Sept. 19, 2018 /PRNewswire/ — Aralez Pharmaceuticals Inc. ("**Aralez**" or the "**Company**") announced today that it and certain of its affiliates have entered into purchase agreements with two separate stalking-horse purchasers to sell their main operating businesses: an agreement to sell its VIMOVO® royalties and Canadian operations to Nuvo Pharmaceuticals Inc. ("Nuvo") in a transaction valued at U.S.$110 million, subject to customary adjustments, and an agreement to sell its TOPROL-XL® Franchise to its secured lender, certain funds managed by Deerfield Management Company, L.P. ("Deerfield"), in a transaction valued at U.S.$130 million, subject to customary adjustments. Deerfield has also provided a commitment to finance Nuvo's transaction with the Company.

Each of Nuvo and Deerfield has agreed to serve as "stalking horse" bidders through the restructuring proceedings previously commenced by the Company and certain of its U.S., Canadian and Irish affiliates under Canada's Companies' Creditor Arrangement Act (CCAA) in the Ontario Superior Court of Justice and under chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of New York, as applicable. These transactions, taken together, set the floor, or minimum acceptable bid, for an auction under the supervision of the Canadian and U.S. bankruptcy courts, which is designed to achieve the highest value available or otherwise best offer. Final sale approval hearings are expected to take place shortly after completion of the auction with the anticipated closing of the successful bid(s) to occur prior to the end of calendar year 2018, subject to the satisfaction or waiver of other customary closing conditions.

The Company also continues its efforts to sell the assets not being sold in the proposed stalking horse transactions and intends to wind down its operations following the consummation of the sales.

Aralez is being advised by Moelis & Company LLC and Alvarez & Marsal as its financial advisors and Willkie Farr & Gallagher LLP and Stikeman Elliott LLP as U.S. and Canadian legal counsel, respectively.

Additional Information

The Company's securities law filings are available on the Company's website at www.aralez.com, on EDGAR at www.sec.gov, and on SEDAR at www.sedar.com. Court filings and other information related to the court-supervised proceedings are available at a website administered by the Company's claims agent, Primeclerk, at https://cases.primeclerk.com/Aralez. Information is also available at a website

maintained by Richter Advisory Group Inc., the Company's court-appointed monitor in Canada, in accordance with the CCAA proceedings, Richter Advisory Group Inc., at http://insolvency.richter.ca/A/Aralez-Pharmaceuticals. For additional information, vendors and customers may call 1-877-676-4390 or e-mail at aralez@richter.ca.

About Aralez Pharmaceuticals Inc.

Aralez Pharmaceuticals Inc. is a specialty pharmaceutical company focused on delivering meaningful products to improve patients' lives by acquiring, developing and commercializing products in various specialty areas. Aralez's Global Headquarters is in Mississauga, Ontario, Canada and the Irish Headquarters is in Dublin, Ireland. More information about Aralez can be found at www.aralez.com.

Cautionary Note Regarding Forward-Looking Statements

This press release includes certain statements that constitute "forward-looking statements" within the meaning of applicable securities laws. Forward-looking statements include, but are not limited to, statements regarding the potential sale of businesses covered by the purchase agreements as well as other businesses and assets, the sale process, the winding down of operations following sales, and the Company's strategies, plans, objectives, goals, prospects, future performance or results of current and anticipated products, and other statements that are not historical facts, and such statements are typically identified by use of terms such as "may," "will," "would," "should," "could," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," "likely," "potential," "continue" or the negative or similar words, variations of these words or other comparable words or phrases, although some forward-looking statements are expressed differently.

You should be aware that the forward-looking statements included herein represent management's current judgment and expectations, and are based on current estimates and assumptions made by management in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that it believes are appropriate and reasonable under the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct and, as a result, the forward-looking statements based on those estimates and assumptions could prove to be incorrect. Accordingly, actual results, level of activity, performance or achievements or future events or developments could differ materially from those expressed or implied in the forward-looking statements.

In addition, the Company's operations involve risks and uncertainties, many of which are outside of the Company's control, and any one or any combination of these risks and uncertainties could also affect whether the forward-looking statements ultimately prove to be correct and could cause the Company's actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements. These risks and uncertainties include, without limitation, the uncertainty involved in the restructuring proceedings in Canada and the U.S. (the "Restructuring Proceedings"); timely obtaining court approvals of the sales or at all; risks related to restructuring costs; the Company's financing and liquidity; the cooperation of the creditors of the Company; the Company's ability to meet its ongoing obligations during the Restructuring Proceedings; the ability of the Company to maintain relationships with its employees, suppliers and customers and other third parties in light of the events leading up to and including the Restructuring Proceedings; the ability to obtain goods and services in a timely and cost effective manner; the Company's ability to comply with its financial and other covenants; the Company's ability to

obtain approval from the courts with respect to any motions; the outcome of the Restructuring Proceedings; the courts' rulings in the Restructuring Proceedings or a decision of any other Canadian or U.S. court; in general, the length of time the Company will operate under the Restructuring Proceedings, risks associated with any third-party motions, the potential adverse effects of the Restructuring Proceedings on the Company's liquidity; competition, including increased generic competition (including with respect to the Toprol-XL Franchise); the Company's inability to maintain key personnel necessary to manage the business; the Company's failure to successfully commercialize its products and product candidates; costs and delays in the development and/or approval of the Company's product candidates, including as a result of the need to conduct additional studies or due to issues with third-party API or finished product manufacturers, or the failure to obtain such approval of the Company's product candidates for all expected indications or in all targeted territories; with respect to certain products, dependence on reimbursement from third-party payors and the possibility of a failure to obtain coverage or reduction in the extent of reimbursement; the inability to maintain or enter into, and the risks resulting from the Company's dependence upon, collaboration or contractual arrangements necessary for the development, manufacture, commercialization, marketing, sales and distribution of any products, including the Company's dependence on AstraZeneca AB and Horizon Pharma USA, Inc. for the sales and marketing of Vimovo and the Company's dependence on AstraZeneca AB for the manufacture and supply of Toprol-XL and the authorized generic; the Company's dependence on maintaining and renewing contracts with customers, distributors and other counterparties (certain of which may be under negotiation from time to time), including the Company's inability to renew existing contracts or enter into new contracts on favorable terms, and the risks that we may not be able to maintain the Company's existing terms with certain customers, distributors and other counterparties; the Company's ability to protect its intellectual property and defend its patents, including if generic competitors successfully appeal the recent District Court decision with respect to certain Vimovo patents; regulatory obligations and oversight; fluctuations in the value of certain foreign currencies, including the Canadian dollar, in relation to the U.S. dollar, and other world currencies; changes in laws and regulations, including tax laws and unanticipated tax liabilities and laws and regulations regarding the pricing of pharmaceutical products; general adverse economic, market and business conditions; and those risks detailed from time-to-time under the caption "Risk Factors" and elsewhere in the Company's Securities and Exchange Commission (SEC) filings and reports and Canadian securities law filings, including in the Company's Annual Report on Form 10-K for the year ended December 31, 2017 and Quarterly Report on Form 10-Q for the three month period ended March 31, 2018, which are available on EDGAR at www.sec.gov, on SEDAR at www.sedar.com, and on the Company's website at www.aralez.com. You should not place undue importance on forward-looking statements and should not rely upon this information as of any other date. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.

EXHIBIT "H"

referred to in the Affidavit of

ADRIAN ADAMS

Sworn October 1st, 2018

Adrian Adams

Amanda Snyter

Commissioner for Taking Affidavits

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

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

(I) Asset Purchase Agreement, dated September 18, 2018 (together with the schedules and related documents thereto, and as may be amended, supplemented or otherwise modified from time to time, the "**Toprol APA**"), regarding those assets defined in Section 2.1 of the Toprol APA (the "**Toprol Assets**") by and among the Toprol Seller and Toprol Acquisition LLC (the "**Toprol Purchaser**");

(II) Asset Purchase Agreement, dated September 18, 2018 (together with the schedules and related documents thereto, and as may be amended, supplemented or otherwise modified from time to time, the "**Vimovo APA**") regarding those assets defined in Section 2.1 of the Vimovo APA (the "**Vimovo Assets**") by and among the Vimovo Seller and Nuvo Pharmaceuticals (Ireland) Limited (the "**Vimovo Purchaser**"); and

(III) Share Purchase Agreement, dated September 18, 2018 (together with the schedules and related documents thereto, and as may be amended, supplemented or otherwise modified from time to time, the "**Canadian Share Purchase Agreement**") regarding the shares (the "**Canadian Assets**") of Aralez Pharmaceuticals Canada Inc. ("**AP Canada**") by and among the Canadian Seller and Nuvo Pharmaceuticals Inc. (the "**Canadian Purchaser**"),

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

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

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

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

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

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

A. ASSETS TO BE SOLD

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

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

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

B. THE BID PROCEDURES

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

1. Key Dates

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

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

2. Confidentiality

In order to participate in the bidding process, each person other than a Stalking Horse Purchaser who wishes to participate in the bidding process (a "**Potential Bidder**") must provide an executed confidentiality agreement (to be delivered prior to the distribution of any confidential information by any Seller to any Potential Bidder) in form and substance satisfactory to the applicable Seller, on terms not less favorable to the applicable Seller

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

than the confidentiality agreement signed by the applicable Stalking Horse Purchaser, and without limiting the foregoing, each confidentiality agreement executed by such a Potential Bidder shall contain standard non-solicitation provisions.

3. Due Diligence

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

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

4. Provisions Governing Qualified Bids

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

a. it discloses whether the bid is for some or all of each of the Toprol Assets, the Vimovo Assets and/or the Canadian Assets, or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement;

b. it fully discloses the identity of each entity that will be bidding for or purchasing some or all of each of the Toprol Assets, the Vimovo Assets and/or the Canadian Assets, 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, 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)). 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 plus the applicable Termination Fee, Expense Reimbursement (each as defined below) and minimum overbid requirements detailed below in Sections 4(k)-(m);

d. it provides a description of any anticipated regulatory or governmental approvals necessary to consummate the bid;

e. it includes a commitment to close the transactions within the timeframe contemplated by the applicable Stalking Horse Agreement;

f. it includes a signed writing that the Qualified Bidder's offer is irrevocable unless and until the applicable Seller(s) accept a higher or otherwise better bid and such Qualified Bidder is not selected as a Back-Up Bidder (as defined below); provided that if such Qualified Bidder is selected as the Successful Bidder (as defined below), its offer shall remain irrevocable until three (3) months after the execution of the applicable Stalking Horse Agreement or Proposed Asset Purchase Agreement (as defined herein). 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 Toprol Assets, the Vimovo Assets and/or the Canadian Assets 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) (collectively, the "**Financials**"), or, if the Qualified Bidder is an entity formed for the purpose of acquiring some or all of each of the Toprol Assets, the Vimovo Assets and/or the Canadian Assets, 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 that such Potential Bidder has the financial wherewithal to consummate the applicable sale transaction. The Potential Bidder also must establish that it has the financial ability to consummate its proposed transaction within the timeframe contemplated for consummation of the applicable Stalking Horse Agreement.

l. with respect to the Toprol Assets, it (in combination with any other bids for some or all of such assets) provides for a cash purchase price that exceeds the aggregate cash consideration to be paid to or for the benefit of the Toprol Seller's estate set forth in the Toprol APA by at

least $1,000,000, which represents the sum of: (i) the Toprol Expense Reimbursement (as defined below) (not to exceed $500,000), plus (ii) $500,000, and otherwise has a value to the Toprol Seller, in its exercise of its reasonable business judgment, after consultation with its advisors, that is greater or otherwise better than the value offered under the Toprol APA (including impact of any liabilities assumed in the Toprol APA);

m. with respect to the Vimovo Assets, it (in combination with any other bids for some or all of such assets) provides for a cash purchase price that exceeds the aggregate cash consideration to be paid to or for the benefit of the Vimovo Seller's estates set forth in the Vimovo APA by at least $2,587,500, which represents the sum of: (i) the Vimovo Termination Fee (as defined below) of $1,662,500, 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, 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, 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;

p. it includes an acknowledgement and representation that the Qualified Bidder: (i) has had an opportunity to conduct any and all required due diligence regarding acquiring the applicable Toprol Assets, the Vimovo Assets and/or the Canadian Assets prior to making its offer; (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Toprol Assets, the Vimovo Assets and/or the Canadian Assets in making its bid; (iii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Toprol Assets, the Vimovo Assets and/or the Canadian Assets or the completeness of any information provided in connection therewith or with the Auction (defined below), except as expressly stated in the Proposed Asset Purchase Agreement; and (iv) is not entitled to any expense reimbursement, break-up fee, termination fee, or similar type of payment in connection with its bid;

q. it includes evidence, in form and substance satisfactory to the applicable Seller(s), of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the Proposed Asset Purchase Agreement;

r. it provides such other guarantee of performance or assurance acceptable to the applicable Seller(s) in their discretion;

s. it states that the Qualified Bidder consents to the jurisdiction of the Courts, as applicable;

t. it contains such other information reasonably requested by the applicable Seller(s); and

u. it is received by the applicable Notice Parties (as defined in, and in accordance with, Section B.5) on or prior to the 5:00 p.m. (prevailing Eastern Time) on November 19, 2018 (the "**Bid Deadline**").

Non-Conforming Bids; Non-Solicitation. Notwithstanding anything to the contrary in these Bid Procedures, the Sellers in consultation with the Consultation Parties, 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; (c) any subsequent bid must meet the requirements set forth in Section 8(g) below; 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.

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 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, 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 and/or the Canadian Assets.

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

Consultation Parties. The "**Consultation Parties**" are (a) the DIP Agent, (b) Richter Advisory Group Inc., in its capacity as Monitor to the Canadian Seller (the "**Monitor**"), with respect to the Canadian Assets and Vimovo Assets, or any other assets proposed to be purchased that are conditioned upon the purchase of the Canadian Assets, (c) counsel to the Monitor; and (d) counsel to any statutory committee appointed in the Sellers' bankruptcy cases, and each of their respective counsel and advisors with respect to the Toprol Assets and the Vimovo Assets. Notwithstanding anything herein to the contrary, the Sellers shall not be required to consult with any Consultation Party during the bidding and Auction process to the extent such Consultation Party is a Potential Bidder, a Qualified Bidder, or a financing source for a bidder, including, if the Sellers determine, in

their reasonable business judgment, 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.

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));

(b) counsel to Deerfield: Katten Muchin Rosenman LLP, 525 West Monroe Street, Chicago, Illinois 60661 (Attn: Peter A. Siddiqui, Esq. (peter.siddiqui@kattenlaw.com)) and Katten Muchin Rosenman LLP, 575 Madison Avenue, New York, New York 10022 (Attn: Steven J. Reisman, Esq. (sreisman@kattenlaw.com)) and Bennett Jones LLP, 3400 First Canadian Place, 100 King Street West, Toronto, Ontario M5X 1A4 Canada (Attn: Sean Zweig, Esq. (zweigs@bennettjones.com)); and

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

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

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

(b) counsel to Deerfield: Katten Muchin Rosenman LLP, 525 West Monroe Street, Chicago, Illinois 60661 (Attn: Peter A. Siddiqui, Esq. (peter.siddiqui@kattenlaw.com)) and Katten Muchin Rosenman LLP, 575 Madison Avenue, New York, New York 10022 (Attn: Steven J. Reisman, Esq. (sreisman@kattenlaw.com)) and Bennett Jones LLP, 3400 First Canadian Place, 100 King Street West, Toronto, Ontario M5X 1A4 Canada (Attn: Sean Zweig (zweigs@bennettjones.com));

(c) the Monitor: 3320 Bay Wellington Tower, 181 Bay Street, Toronto, Ontario M5J 2T3 (Attn: Paul Van Eyk (pvaneyk@richter.ca)); and

(d) counsel to the Monitor: Torys LLP, 3000 TD South Tower, 79 Wellington Street West, Toronto, Ontario M5K 1N2 (Attn: David Bish (dbish@torys.com)).

6. Evaluation of Competing Bids

A Qualified Bid will be valued based upon several factors including, without limitation: (a) the amount of such bid (including value provided by the assumption of liabilities); (b) the risks and timing associated with consummating such bid; (c) any proposed revisions to the applicable Stalking Horse Agreement (including any additional conditions to closing); and (d) any other factors deemed relevant by the applicable Seller(s).

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 will not hold an Auction (as defined below) with respect to such Purchased Assets and the applicable Stalking Horse Purchaser will be deemed the Successful Bidder on the Bid Deadline with respect to such Purchased Assets.

8. Auction Process

If one or more Seller receives one or more Qualified Bids with respect to any of the Toprol Assets, Vimovo Assets or Canadian Assets in addition to the applicable Stalking Horse Bid, such Seller(s) will conduct auction(s) (the "**Auction**") of the applicable Purchased Assets (which the Sellers intend to transcribe) at 11:00 a.m. (prevailing Eastern Time) on November 27, 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 Stalking Horse Purchasers, and any other Qualified Bidders, in each case along with their representatives and advisors, shall be entitled to attend the Auction (such attendance to be in person);

b. only the Stalking Horse Purchasers and such other Qualified Bidders will be entitled to participate as bidders in, or make any subsequent bids at, the Auction; provided that all such Qualified Bidders wishing to attend the Auction must have at least one individual representative with authority to bind such Qualified Bidder attending the Auction in person;

c. each Qualified Bidder shall be required to confirm that it has not engaged in any collusion with respect to the bidding or the sale;

d. at least one (1) business day prior to the Auction, each Qualified Bidder must inform the applicable Seller(s) whether it intends to attend the Auction; provided that in the event a Qualified Bidder elects not to attend the Auction, such Qualified Bidder's Qualified Bid shall, subject to the terms of the Stalking Horse Agreements, nevertheless remain fully enforceable against such Qualified Bidder until (i) the date of the selection of the applicable Successful Bidder (as defined below) at the conclusion of the Auction, or (ii) if selected as the Successful Bidder, until three (3) months after the execution of the applicable Stalking Horse Agreement or Proposed Asset Purchase Agreement. 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 believes, in its discretion, is the highest or otherwise best offer for the Toprol Assets (the "**Toprol Starting Bid**"), the Vimovo Assets (the "**Vimovo Starting Bid**") and the Canadian Assets (the "**Canadian Starting Bid**", collectively, the "**Starting Bids**" and each a "**Starting Bid**") to the Stalking Horse Purchasers and all other Qualified Bidders;

e. all Qualified Bidders who have timely submitted Qualified Bids will be entitled to be present for all Subsequent Bids (as defined below) at the Auction and the actual identity of each Qualified Bidder will be disclosed on the record at the Auction;

f. the Sellers, after consultation with their advisors, may employ and announce at the Auction additional procedural rules that are reasonable under the circumstances for conducting the Auction, provided that such rules are: (i) not inconsistent with these Bid Procedures, title 11 of the United States Code (the "**Bankruptcy Code**") as to the Toprol Assets and Vimovo Assets and the CCAA as to the assets and liabilities of the Canadian Assets, any order of the Bankruptcy Court or Canadian Court, as applicable, entered in connection herewith or the Stalking Horse Agreements; (ii) provide that bids be made and

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

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

Stalking Horse Agreement at the Auction consistent with these Bid Procedures.

h. With respect to Qualified Bids that bid on two or more of any of the Toprol Assets, the Vimovo Assets and the Canadian Assets, 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.

i. The Auction may be adjourned as the Sellers, in consultation with the Consultation Parties, deem appropriate. Reasonable notice of such adjournment and the time and place (which shall be in New York City) for the resumption of the Auction shall be given to the Stalking Horse Purchasers, all other Qualified Bidders, the United States Trustee and the Consultation Parties.

9. Selection of Successful Bid

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

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

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

10. Designation of Back-Up Bidder

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

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

The applicable Back-Up Bid must remain open until three (3) months after the execution of the applicable Stalking Horse Agreement or Proposed Asset Purchase Agreement (the "**Outside Back-Up Date**"); provided, however, that in no event shall any Stalking Horse Bidder be required to keep their Stalking Horse Bid open except as specified in the applicable Stalking Horse Agreement. Notwithstanding any provision hereof, the Stalking Horse Purchasers obligation to act as a Back-Up Bidder shall be exclusively governed by the terms of the applicable Stalking Horse Agreement.

11. Good Faith Deposit

Except as otherwise provided in this paragraph with respect to any Successful Bid and any Back-Up Bid, if any, the Good Faith Deposits of all Qualified Bidders that submitted such a deposit under the Bid Procedures shall be returned upon or within three (3) business days after the Auction. The Good Faith Deposit of a Successful Bidder shall be held until the closing of the sale of the applicable Purchased Assets and applied in accordance with the Successful Bid. The Good Faith Deposit of any Back-Up Bidder shall be returned within three (3) business days after the applicable Outside Back-Up Date. If a Successful Bidder fails to consummate an approved sale because of a breach or failure to perform on the part of such Successful Bidder, the applicable Seller(s) will not have any obligation to return the applicable Good Faith Deposit deposited by such Successful Bidder, which may be retained by the applicable Seller(s) as liquidated damages, in addition to any and all rights, remedies and/or causes of action that may be available to the applicable Seller(s) at law or in equity, and, the applicable Seller(s) shall

be free to consummate the proposed transaction at the next highest price bid at the Auction by a Qualified Bidder, without the need for an additional hearings or orders of the Courts. Notwithstanding any provision hereof, the terms pertaining to any good faith deposit submitted by a Stalking Horse Purchaser pursuant to a Stalking Horse Agreement (including, without limitation, the entitlements of the Stalking Horse Purchaser and any Seller to such good faith deposit and the timing of return of any good faith deposit to a Stalking Horse Purchaser) shall be exclusively governed by the terms of the applicable Stalking Horse Agreement.

12. Sale Is As Is/Where Is

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

C. THE BID PROTECTIONS

In recognition of the expenditure of time, energy, and resources, and because the agreement to make payment thereof is necessary to preserve the value of each of the Sellers' estates, the Sellers have agreed that, among other triggering events, if the: (i) Toprol Purchaser is not a Successful Bidder with respect to the Toprol Assets, then the Toprol Seller will pay the Toprol Purchaser (a) an amount in cash equal to the Expense Reimbursement (as such term is defined in the Toprol APA (the "**Toprol Expense Reimbursement**"), which is not to exceed $500,000, whether incurred prior to or after August 10, 2018; (ii) Vimovo Purchaser is not the Successful Bidder with respect to the Vimovo Assets, the Vimovo Seller will pay the Vimovo Purchaser (a) an aggregate fee of approximately $1,662,500, as more fully described in the Vimovo APA (as defined therein, the "**Vimovo Termination Fee**"), and (b) an amount in cash equal to the Expense Reimbursement (as such term is defined in the Vimovo APA (the "**Vimovo Expense Reimbursement**"), which is not to exceed $425,000 whether incurred prior to or after August 10, 2018; and (iii) Canadian Purchaser is not the Successful Bidder with respect to the Canadian Assets, the Canadian Seller will pay the Canadian Purchaser (a) an aggregate fee of approximately $2,187,500 as more fully described in the Canadian Share Purchase Agreement (as defined therein, the "**Canadian Termination Fee**", collectively with the Vimovo Termination Fee, the "**Termination Fees**"), and (b) an amount in cash equal to the Expense Reimbursement (as such term is defined in the Canadian Share Purchase Agreement (the "**Canadian Expense Reimbursement**", collectively with the Toprol Expense Reimbursement and the Vimovo Expense Reimbursement, the "**Expense Reimbursements**"), which is not to exceed $575,000 or $1,575,000, as the case may be, whether incurred prior to or after August 10, 2018. The Termination Fees and Expense Reimbursements shall be payable as provided for

pursuant to the terms of the applicable Stalking Horse Agreements, and nothing herein shall be deemed to limit or otherwise modify the terms thereof, including other circumstances pursuant to which the applicable Termination Fee and applicable Expense Reimbursement may be payable.

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

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

D. SALE HEARING

The Sellers will seek entry of separate orders from: the Bankruptcy Court, at a hearing (the "**U.S. Sale Hearing**") to begin at 11:00 a.m. (prevailing Eastern Time) on November 29, 2018 or as soon thereafter as counsel may be heard; and the Canadian Court, at a hearing (the "**Canadian Sale Hearing**" and together with the U.S. Sale Hearing, the "**Sale Hearings**") to take place on the earliest date available after November 29, 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.

E. MISCELLANEOUS

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.

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. 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, Potential Bidders, and Qualified Bidders (including the Stalking Horse Purchasers).

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

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

AFFIDAVIT OF ADRIAN ADAMS SWORN ON OCTOBER 1, 2018

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TAB 3

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, 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 (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.

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 Applicants, and shall return all other personal information to the Applicants, 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"

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

(I) Asset Purchase Agreement, dated September 18, 2018 (together with the schedules and related documents thereto, and as may be amended, supplemented or otherwise modified from time to time, the "**Toprol APA**"), regarding those assets defined in Section 2.1 of the Toprol APA (the "**Toprol Assets**") by and among the Toprol Seller and Toprol Acquisition LLC (the "**Toprol Purchaser**");

(II) Asset Purchase Agreement, dated September 18, 2018 (together with the schedules and related documents thereto, and as may be amended, supplemented or otherwise modified from time to time, the "**Vimovo APA**") regarding those assets defined in Section 2.1 of the Vimovo APA (the "**Vimovo Assets**") by and among the Vimovo Seller and Nuvo Pharmaceuticals (Ireland) Limited (the "**Vimovo Purchaser**"); and

(III) Share Purchase Agreement, dated September 18, 2018 (together with the schedules and related documents thereto, and as may be amended, supplemented or otherwise modified from time to time, the "**Canadian Share Purchase Agreement**") regarding the shares (the "**Canadian Assets**") of Aralez Pharmaceuticals Canada Inc. ("**AP Canada**") by and among the Canadian Seller and Nuvo Pharmaceuticals Inc. (the "**Canadian Purchaser**"),

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

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

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

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

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

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

A. ASSETS TO BE SOLD

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

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

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

B. THE BID PROCEDURES

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

1. Key Dates

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

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

2. Confidentiality

In order to participate in the bidding process, each person other than a Stalking Horse Purchaser who wishes to participate in the bidding process (a "**Potential Bidder**") must provide an executed confidentiality agreement (to be delivered prior to the distribution of any confidential information by any Seller to any Potential Bidder) in form and substance satisfactory to the applicable Seller, on terms not less favorable to the applicable Seller

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

than the confidentiality agreement signed by the applicable Stalking Horse Purchaser, and without limiting the foregoing, each confidentiality agreement executed by such a Potential Bidder shall contain standard non-solicitation provisions.

3. Due Diligence

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

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

4. Provisions Governing Qualified Bids

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

a. it discloses whether the bid is for some or all of each of the Toprol Assets, the Vimovo Assets and/or the Canadian Assets, or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement;

b. it fully discloses the identity of each entity that will be bidding for or purchasing some or all of each of the Toprol Assets, the Vimovo Assets and/or the Canadian Assets, 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, 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)). 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 plus the applicable Termination Fee, Expense Reimbursement (each as defined below) and minimum overbid requirements detailed below in Sections 4(k)-(m);

d. it provides a description of any anticipated regulatory or governmental approvals necessary to consummate the bid;

e. it includes a commitment to close the transactions within the timeframe contemplated by the applicable Stalking Horse Agreement;

f. it includes a signed writing that the Qualified Bidder's offer is irrevocable unless and until the applicable Seller(s) accept a higher or otherwise better bid and such Qualified Bidder is not selected as a Back-Up Bidder (as defined below); provided that if such Qualified Bidder is selected as the Successful Bidder (as defined below), its offer shall remain irrevocable until three (3) months after the execution of the applicable Stalking Horse Agreement or Proposed Asset Purchase Agreement (as defined herein). 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 Toprol Assets, the Vimovo Assets and/or the Canadian Assets 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) (collectively, the "**Financials**"), or, if the Qualified Bidder is an entity formed for the purpose of acquiring some or all of each of the Toprol Assets, the Vimovo Assets and/or the Canadian Assets, 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 that such Potential Bidder has the financial wherewithal to consummate the applicable sale transaction. The Potential Bidder also must establish that it has the financial ability to consummate its proposed transaction within the timeframe contemplated for consummation of the applicable Stalking Horse Agreement.

l. with respect to the Toprol Assets, it (in combination with any other bids for some or all of such assets) provides for a cash purchase price that exceeds the aggregate cash consideration to be paid to or for the benefit of the Toprol Seller's estate set forth in the Toprol APA by at

least $1,000,000, which represents the sum of: (i) the Toprol Expense Reimbursement (as defined below) (not to exceed $500,000), plus (ii) $500,000, and otherwise has a value to the Toprol Seller, in its exercise of its reasonable business judgment, after consultation with its advisors, that is greater or otherwise better than the value offered under the Toprol APA (including impact of any liabilities assumed in the Toprol APA);

m. with respect to the Vimovo Assets, it (in combination with any other bids for some or all of such assets) provides for a cash purchase price that exceeds the aggregate cash consideration to be paid to or for the benefit of the Vimovo Seller's estates set forth in the Vimovo APA by at least $2,587,500, which represents the sum of: (i) the Vimovo Termination Fee (as defined below) of $1,662,500, 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, 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, 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;

p. it includes an acknowledgement and representation that the Qualified Bidder: (i) has had an opportunity to conduct any and all required due diligence regarding acquiring the applicable Toprol Assets, the Vimovo Assets and/or the Canadian Assets prior to making its offer; (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Toprol Assets, the Vimovo Assets and/or the Canadian Assets in making its bid; (iii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Toprol Assets, the Vimovo Assets and/or the Canadian Assets or the completeness of any information provided in connection therewith or with the Auction (defined below), except as expressly stated in the Proposed Asset Purchase Agreement; and (iv) is not entitled to any expense reimbursement, break-up fee, termination fee, or similar type of payment in connection with its bid;

q. it includes evidence, in form and substance satisfactory to the applicable Seller(s), of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the Proposed Asset Purchase Agreement;

r. it provides such other guarantee of performance or assurance acceptable to the applicable Seller(s) in their discretion;

s. it states that the Qualified Bidder consents to the jurisdiction of the Courts, as applicable;

t. it contains such other information reasonably requested by the applicable Seller(s); and

u. it is received by the applicable Notice Parties (as defined in, and in accordance with, Section B.5) on or prior to the 5:00 p.m. (prevailing Eastern Time) on November 19, 2018 (the "**Bid Deadline**").

Non-Conforming Bids; Non-Solicitation. Notwithstanding anything to the contrary in these Bid Procedures, the Sellers in consultation with the Consultation Parties, 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; (c) any subsequent bid must meet the requirements set forth in Section 8(g) below; 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.

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 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, 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 and/or the Canadian Assets.

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

Consultation Parties. The "**Consultation Parties**" are (a) the DIP Agent, (b) Richter Advisory Group Inc., in its capacity as Monitor to the Canadian Seller (the "**Monitor**"), with respect to the Canadian Assets and Vimovo Assets, or any other assets proposed to be purchased that are conditioned upon the purchase of the Canadian Assets, (c) counsel to the Monitor; and (d) counsel to any statutory committee appointed in the Sellers' bankruptcy cases, and each of their respective counsel and advisors with respect to the Toprol Assets and the Vimovo Assets. Notwithstanding anything herein to the contrary, the Sellers shall not be required to consult with any Consultation Party during the bidding and Auction process to the extent such Consultation Party is a Potential Bidder, a Qualified Bidder, or a financing source for a bidder, including, if the Sellers determine, in

their reasonable business judgment, 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.

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));

(b) counsel to Deerfield: Katten Muchin Rosenman LLP, 525 West Monroe Street, Chicago, Illinois 60661 (Attn: Peter A. Siddiqui, Esq. (peter.siddiqui@kattenlaw.com)) and Katten Muchin Rosenman LLP, 575 Madison Avenue, New York, New York 10022 (Attn: Steven J. Reisman, Esq. (sreisman@kattenlaw.com)) and Bennett Jones LLP, 3400 First Canadian Place, 100 King Street West, Toronto, Ontario M5X 1A4 Canada (Attn: Sean Zweig, Esq. (zweigs@bennettjones.com)); and

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

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

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

(b) counsel to Deerfield: Katten Muchin Rosenman LLP, 525 West Monroe Street, Chicago, Illinois 60661 (Attn: Peter A. Siddiqui, Esq. (peter.siddiqui@kattenlaw.com)) and Katten Muchin Rosenman LLP, 575 Madison Avenue, New York, New York 10022 (Attn: Steven J. Reisman, Esq. (sreisman@kattenlaw.com)) and Bennett Jones LLP, 3400 First Canadian Place, 100 King Street West, Toronto, Ontario M5X 1A4 Canada (Attn: Sean Zweig (zweigs@bennettjones.com));

(c) the Monitor: 3320 Bay Wellington Tower, 181 Bay Street, Toronto, Ontario M5J 2T3 (Attn: Paul Van Eyk (pvaneyk@richter.ca)); and

(d) counsel to the Monitor: Torys LLP, 3000 TD South Tower, 79 Wellington Street West, Toronto, Ontario M5K 1N2 (Attn: David Bish (dbish@torys.com)).

6. Evaluation of Competing Bids

A Qualified Bid will be valued based upon several factors including, without limitation: (a) the amount of such bid (including value provided by the assumption of liabilities); (b) the risks and timing associated with consummating such bid; (c) any proposed revisions to the applicable Stalking Horse Agreement (including any additional conditions to closing); and (d) any other factors deemed relevant by the applicable Seller(s).

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 will not hold an Auction (as defined below) with respect to such Purchased Assets and the applicable Stalking Horse Purchaser will be deemed the Successful Bidder on the Bid Deadline with respect to such Purchased Assets.

8. Auction Process

If one or more Seller receives one or more Qualified Bids with respect to any of the Toprol Assets, Vimovo Assets or Canadian Assets in addition to the applicable Stalking Horse Bid, such Seller(s) will conduct auction(s) (the "**Auction**") of the applicable Purchased Assets (which the Sellers intend to transcribe) at 11:00 a.m. (prevailing Eastern Time) on November 27, 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 Stalking Horse Purchasers, and any other Qualified Bidders, in each case along with their representatives and advisors, shall be entitled to attend the Auction (such attendance to be in person);

b. only the Stalking Horse Purchasers and such other Qualified Bidders will be entitled to participate as bidders in, or make any subsequent bids at, the Auction; provided that all such Qualified Bidders wishing to attend the Auction must have at least one individual representative with authority to bind such Qualified Bidder attending the Auction in person;

c. each Qualified Bidder shall be required to confirm that it has not engaged in any collusion with respect to the bidding or the sale;

d. at least one (1) business day prior to the Auction, each Qualified Bidder must inform the applicable Seller(s) whether it intends to attend the Auction; provided that in the event a Qualified Bidder elects not to attend the Auction, such Qualified Bidder's Qualified Bid shall, subject to the terms of the Stalking Horse Agreements, nevertheless remain fully enforceable against such Qualified Bidder until (i) the date of the selection of the applicable Successful Bidder (as defined below) at the conclusion of the Auction, or (ii) if selected as the Successful Bidder, until three (3) months after the execution of the applicable Stalking Horse Agreement or Proposed Asset Purchase Agreement. 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 believes, in its discretion, is the highest or otherwise best offer for the Toprol Assets (the "**Toprol Starting Bid**"), the Vimovo Assets (the "**Vimovo Starting Bid**") and the Canadian Assets (the "**Canadian Starting Bid**", collectively, the "**Starting Bids**" and each a "**Starting Bid**") to the Stalking Horse Purchasers and all other Qualified Bidders;

e. all Qualified Bidders who have timely submitted Qualified Bids will be entitled to be present for all Subsequent Bids (as defined below) at the Auction and the actual identity of each Qualified Bidder will be disclosed on the record at the Auction;

f. the Sellers, after consultation with their advisors, may employ and announce at the Auction additional procedural rules that are reasonable under the circumstances for conducting the Auction, provided that such rules are: (i) not inconsistent with these Bid Procedures, title 11 of the United States Code (the "**Bankruptcy Code**") as to the Toprol Assets and Vimovo Assets and the CCAA as to the assets and liabilities of the Canadian Assets, any order of the Bankruptcy Court or Canadian Court, as applicable, entered in connection herewith or the Stalking Horse Agreements; (ii) provide that bids be made and

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

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

Stalking Horse Agreement at the Auction consistent with these Bid Procedures.

h. With respect to Qualified Bids that bid on two or more of any of the Toprol Assets, the Vimovo Assets and the Canadian Assets, 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.

i. The Auction may be adjourned as the Sellers, in consultation with the Consultation Parties, deem appropriate. Reasonable notice of such adjournment and the time and place (which shall be in New York City) for the resumption of the Auction shall be given to the Stalking Horse Purchasers, all other Qualified Bidders, the United States Trustee and the Consultation Parties.

9. Selection of Successful Bid

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

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

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

10. Designation of Back-Up Bidder

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

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

The applicable Back-Up Bid must remain open until three (3) months after the execution of the applicable Stalking Horse Agreement or Proposed Asset Purchase Agreement (the "**Outside Back-Up Date**"); provided, however, that in no event shall any Stalking Horse Bidder be required to keep their Stalking Horse Bid open except as specified in the applicable Stalking Horse Agreement. Notwithstanding any provision hereof, the Stalking Horse Purchasers obligation to act as a Back-Up Bidder shall be exclusively governed by the terms of the applicable Stalking Horse Agreement.

11. Good Faith Deposit

Except as otherwise provided in this paragraph with respect to any Successful Bid and any Back-Up Bid, if any, the Good Faith Deposits of all Qualified Bidders that submitted such a deposit under the Bid Procedures shall be returned upon or within three (3) business days after the Auction. The Good Faith Deposit of a Successful Bidder shall be held until the closing of the sale of the applicable Purchased Assets and applied in accordance with the Successful Bid. The Good Faith Deposit of any Back-Up Bidder shall be returned within three (3) business days after the applicable Outside Back-Up Date. If a Successful Bidder fails to consummate an approved sale because of a breach or failure to perform on the part of such Successful Bidder, the applicable Seller(s) will not have any obligation to return the applicable Good Faith Deposit deposited by such Successful Bidder, which may be retained by the applicable Seller(s) as liquidated damages, in addition to any and all rights, remedies and/or causes of action that may be available to the applicable Seller(s) at law or in equity, and, the applicable Seller(s) shall

be free to consummate the proposed transaction at the next highest price bid at the Auction by a Qualified Bidder, without the need for an additional hearings or orders of the Courts. Notwithstanding any provision hereof, the terms pertaining to any good faith deposit submitted by a Stalking Horse Purchaser pursuant to a Stalking Horse Agreement (including, without limitation, the entitlements of the Stalking Horse Purchaser and any Seller to such good faith deposit and the timing of return of any good faith deposit to a Stalking Horse Purchaser) shall be exclusively governed by the terms of the applicable Stalking Horse Agreement.

12. Sale Is As Is/Where Is

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

C. THE BID PROTECTIONS

In recognition of the expenditure of time, energy, and resources, and because the agreement to make payment thereof is necessary to preserve the value of each of the Sellers' estates, the Sellers have agreed that, among other triggering events, if the: (i) Toprol Purchaser is not a Successful Bidder with respect to the Toprol Assets, then the Toprol Seller will pay the Toprol Purchaser (a) an amount in cash equal to the Expense Reimbursement (as such term is defined in the Toprol APA (the "**Toprol Expense Reimbursement**"), which is not to exceed $500,000, whether incurred prior to or after August 10, 2018; (ii) Vimovo Purchaser is not the Successful Bidder with respect to the Vimovo Assets, the Vimovo Seller will pay the Vimovo Purchaser (a) an aggregate fee of approximately $1,662,500, as more fully described in the Vimovo APA (as defined therein, the "**Vimovo Termination Fee**"), and (b) an amount in cash equal to the Expense Reimbursement (as such term is defined in the Vimovo APA (the "**Vimovo Expense Reimbursement**"), which is not to exceed $425,000 whether incurred prior to or after August 10, 2018; and (iii) Canadian Purchaser is not the Successful Bidder with respect to the Canadian Assets, the Canadian Seller will pay the Canadian Purchaser (a) an aggregate fee of approximately $2,187,500 as more fully described in the Canadian Share Purchase Agreement (as defined therein, the "**Canadian Termination Fee**", collectively with the Vimovo Termination Fee, the "**Termination Fees**"), and (b) an amount in cash equal to the Expense Reimbursement (as such term is defined in the Canadian Share Purchase Agreement (the "**Canadian Expense Reimbursement**", collectively with the Toprol Expense Reimbursement and the Vimovo Expense Reimbursement, the "**Expense Reimbursements**"), which is not to exceed $575,000 or $1,575,000, as the case may be, whether incurred prior to or after August 10, 2018. The Termination Fees and Expense Reimbursements shall be payable as provided for

pursuant to the terms of the applicable Stalking Horse Agreements, and nothing herein shall be deemed to limit or otherwise modify the terms thereof, including other circumstances pursuant to which the applicable Termination Fee and applicable Expense Reimbursement may be payable.

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

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

D. SALE HEARING

The Sellers will seek entry of separate orders from: the Bankruptcy Court, at a hearing (the "**U.S. Sale Hearing**") to begin at 11:00 a.m. (prevailing Eastern Time) on November 29, 2018 or as soon thereafter as counsel may be heard; and the Canadian Court, at a hearing (the "**Canadian Sale Hearing**" and together with the U.S. Sale Hearing, the "**Sale Hearings**") to take place on the earliest date available after November 29, 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.

E. MISCELLANEOUS

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.

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. 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, Potential Bidders, and Qualified Bidders (including the Stalking Horse Purchasers).

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

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

BIDDING PROCEDURES ORDER

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Lawyers for the Applicants

TAB 4

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

CLAIMS PROCEDURE 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 an order approving a procedure for the solicitation of claims against the Applicants and the Directors and Officers of the Applicants was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Adrian Adams sworn ●, 2018 and the Exhibits attached thereto, and the 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 and the Monitor, Deerfield Private Design Fund III, L.P. and Deerfield Partners L.P. ("**Deerfield**"), and Nuvo Pharmaceuticals Inc., no one else appearing for any other person on the service list, although duly served as appears from the affidavit 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.

DEFINITIONS

2. **THIS COURT ORDERS** that, for the purposes of this Order (the "**Claims Procedure Order**"), in addition to the terms defined elsewhere herein, the following terms shall have the following meanings:

(a) "**Assessments**" means Claims of Her Majesty the Queen in Right of Canada or of any Province or Territory or Municipality or any other taxation authority in any Canadian or foreign jurisdiction, including, without limitation, amounts which may arise or have arisen under any notice of assessment, notice of reassessment, notice of objection, notice of appeal, audit, investigation, demand or similar request from any taxation authority;

(b) "**Business Day**" means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;

(c) "**CCAA Proceedings**" means the proceedings commenced by the Applicants in the Court under Court File No. CV-18-603054-00CL;

(d) "**Chapter 11 Entities**" means 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;

(e) "**Claims**" means D&O Claims, Pre-filing Claims and Restructuring Claims, provided that "Claims" shall not include Excluded Claims;

(f) "**Claimant**" means a Person asserting a Claim other than a D&O Claim;

(g) "**Claims Bar Date**" means: (i) with respect to a Pre-filing Claim or a D&O Claim, 5:00 p.m. on November 29, 2018, in Toronto, Ontario; and (ii) with respect to a Restructuring Claim, the Restructuring Claims Bar Date;

(h) "**Claims Package**" means the Instruction Letter, the Notice Letter, the Proof of Claim and any other documentation the Applicants, in consultation with the Monitor, may deem appropriate;

(i) "**Claims Procedure**" means the procedures outlined in this Claims Procedure Order in connection with the assertion and determination of Claims against the Applicants or the Directors or Officers or any of them, as amended or supplemented by further order of the Court;

(j) "**Court**" means the Ontario Superior Court of Justice (Commercial List) in the City of Toronto, in the Province of Ontario;

(k) "**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;

(l) "**D&O Claimant**" means a Person asserting a D&O Claim;

(m) "**Directors**" means all current and former directors (or their estates) of the Applicants, in such capacity, and "**Director**" means any one of them;

(n) "**Deerfield Facility Agreement**" means the secured loan agreement between, *inter alia*, API and Deerfield dated as of June 8, 2015 (as amended or amended and restated from time to time, including on December 7, 2015);

(o) "**Equity Claim**" has the meaning set forth in Section 2(1) of the CCAA;

(p) "**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); and

b. Pre-filing secured debt in favour of Deerfield owed by the Applicants;

(q) "**Filing Date**" means August 10, 2018;

(r) "**Initial Order**" means the Initial Order under the CCAA dated August 10, 2018, as amended, restated or varied from time to time;

(s) "**Instruction Letter**" the means the document substantially in the form attached hereto as Schedule "A" regarding the information sheet supplied to Claimants to assist them in completing the Proof of Claim;

(t) "**Known Creditors**" means with respect to the Applicants, or the Directors or Officers or any of them:

a. any Person that the books and records of the Applicants disclose is owed monies by the Applicants as of the Filing Date, where such monies remain unpaid in full or in part as of the date hereof;

b. any Person who commenced a legal proceeding against the Applicants or one or more Directors or Officers in respect of a Claim, which legal proceeding was commenced and served prior to the Filing Date; and

c. any other Person of whom the Applicants have knowledge as at the date of this Claims Procedure Order as being owed monies by the Applicants and for whom the Applicants have a current address or other contact information;

(u) "**Meeting**" means a meeting of the creditors of the Applicants called for the purpose of considering and voting in respect of a Plan;

(v) "**Monitor's Website**" means the webpages operated by the Monitor for the purpose of these CCAA Proceedings, which can be found at http://insolvency.richter.ca/A/Aralez-Pharmaceuticals;

(w) "**Notice Letter**" means the document substantially in the form attached hereto as Schedule "B" regarding notification of the Claims Bar Date and how to submit a Proof of Claim;

(x) "**Officers**" means all current and former officers (or their estates) of the Applicants, in such capacity, and "**Officer**" means any one of them;

(y) "**Person**" means any individual, partnership, limited partnership, joint venture, trust, corporation, unincorporated organization, government or agency or instrumentality thereof, or any other corporate, executive, legislative, judicial, regulatory or administrative entity howsoever designated or constituted, including, without limitation, any present or former shareholder, supplier, customer, employee, agent, client, contractor, lender, lessor, landlord, sublandlord, tenant, sub-tenant, licensor, licensee, partner or advisor;

(z) "**Plan**" means a plan of compromise or arrangement or plan of reorganization filed by or in respect of the Applicants;

(aa) "**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**");

(bb) "**Proof of Claim**" means a Proof of Claim form in substantially the form attached hereto as Schedule "C";

(cc) "**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**"); and

(dd) "**Restructuring Claims Bar Date**" means, with respect to a Restructuring Claim, the later of (i) 5:00 p.m. in Toronto, Ontario, on the Claims Bar Date for Pre-filing Claims

and D&O Claims (which, for greater certainty, is November 29, 2018) and (ii) the date that is 10 Business Days after the Monitor sends a Claims Package with respect to a Restructuring Claim in accordance with the Claims Procedure Order.

INTERPRETATION

3. **THIS COURT ORDERS** that all references to time herein shall be measured in the Eastern Time Zone, specifically the City of Toronto, Ontario, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein.

4. **THIS COURT ORDERS** that all references to the word "including" shall mean "including without limitation".

5. **THIS COURT ORDERS** that all references to the singular herein include the plural, the plural include the singular and any gender includes the other gender(s).

GENERAL

6. **THIS COURT ORDERS** that the Claims Procedure and the forms attached as schedules to the Claims Procedure Order are hereby approved and, if applicable, arrangements shall be made for French language translations of such forms. Notwithstanding the foregoing, the Monitor may, from time to time, make non-substantive changes to the forms as the Monitor, in its sole discretion, may consider necessary or desirable.

7. **THIS COURT ORDERS** that, notwithstanding anything else in this Claims Procedure Order, Persons asserting a Claim in respect of the Deerfield Facility Agreement are not required to file a Proof of Claim, pending further order of the Court.

8. **THIS COURT ORDERS** that the Applicants and the Monitor are hereby authorized to (a) use reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered hereunder are completed and executed, and may waive strict compliance with the requirements of the Claims Procedure Order as to completion, execution and submission of such forms; and (b) request any such further documentation

from a Claimant that the Applicants or Monitor may reasonably require in order to enable them to determine the validity and amount of a Claim; provided, however, that neither the Monitor nor the Applicants shall have any discretion to accept any Claim submitted subsequent to the Claims Bar Date.

9. **THIS COURT ORDERS** that all Claims shall be denominated in Canadian dollars. Any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily average exchange rate on the Filing Date.

10. **THIS COURT ORDERS** that amounts claimed in Assessments whether issued before or after the Filing Date shall be subject to this Claims Procedure Order and there shall be no presumption of validity or deeming of the amount due in respect of amounts claimed in any Assessment.

11. **THIS COURT ORDERS** that copies of all forms delivered hereunder, as applicable, shall be provided to and maintained by the Monitor.

ROLE OF THE MONITOR

12. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA and under the Initial Order, shall assist the Applicants in the administration of the Claims Procedure provided for herein and is hereby directed and empowered to take such other actions and fulfill such other roles as are contemplated by this Claims Procedure Order.

13. **THIS COURT ORDERS** that the Monitor shall (a) have all protections afforded to it by the CCAA, this Claims Procedure Order, the Initial Order, any other Orders of the Court in these proceedings and other applicable law in connection with its activities in respect of this Claims Procedure Order, including the stay of proceedings in its favour provided pursuant to the Initial Order; and (b) incur no liability or obligation as a result of carrying out the provisions of this Claims Procedure Order, other than in respect of gross negligence or wilful misconduct.

14. **THIS COURT ORDERS** that the Applicants, the Officers, the Directors and their respective employees, agents and representatives and any other Person given notice of this

Claims Procedure Order shall fully cooperate with the Monitor in the exercise of its powers and the discharge of its duties and obligations under this Claims Procedure Order.

CLAIMS PROCEDURE

Notice to Claimants

15. **THIS COURT ORDERS** that:

(a) the Monitor shall cause to be published, for at least one Business Day, on or before October 17, 2018, the Notice Letter in The Globe and Mail (National Edition);

(b) the Monitor shall post a copy of this Claims Procedure Order, the Applicants' Motion Record in respect of this Claims Procedure Order and the Claims Package on the Monitor's Website as soon as practicable and no later than 5:00 pm on the first Business Day following the date of this Order;

(c) the Monitor shall, within three Business Days of the date of this Order, send a Claims Package to each Known Creditor by regular prepaid mail, facsimile or email to the address of such Known Creditor as set out in the books and records of the Applicants and to any Claimant or D&O Claimant who requests these documents; and

(d) with respect to 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, the Monitor shall send to the counterparty(ies) to such lease, contract or other agreement or obligation a Claims Package no later than five Business Days following the date of the restructuring, disclaimer, resiliation, termination or breach of any lease, contract, or other agreement or obligation.

16. **THIS COURT ORDERS** that upon request by a Claimant for a Claims Package or documents or information relating to the Claims Procedure prior to the Claims Bar Date, as applicable, the Monitor shall forthwith 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.

Deadline for Submitting a Claim or a D&O Claim

17. **THIS COURT ORDERS** that any Person that wishes to assert a Pre-filing Claim or a D&O Claim must submit a Proof of Claim evidencing such claim, accompanied with all relevant supporting documentation in respect of such Claim, and deliver that Proof of Claim to the Monitor via means permitted by this Order, so that it is actually received by the Monitor by no later than the Claims Bar Date.

18. **THIS COURT ORDERS** that any Person that wishes to assert a Restructuring Claim must submit a Proof of Claim evidencing such claim, accompanied with all relevant supporting documentation in respect of such Claim, and deliver that Proof of Claim to the Monitor via means permitted by this Order, so that it is actually received by the Monitor by no later than the Restructuring Claims Bar Date.

19. **THIS COURT ORDERS** that any Person that does not file a Proof of Claim with respect to a Claim, other than a D&O Claim, in the manner required by this 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, as applicable:

(a) shall not be entitled to attend or vote at a Meeting in respect of such Claim;

(b) shall not be entitled to receive any distribution in respect of such Claim pursuant to a Plan or otherwise;

(c) shall not be entitled to any further notice in the CCAA Proceedings (unless it has otherwise sought to be included on the service list); and

(d) shall be and is hereby 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 and is hereby extinguished without any further act or notification.

For greater certainty, this paragraph shall not apply to Excluded Claims and the rights of any Person (including the Applicants) with respect to Excluded Claims are expressly reserved.

20. **THIS COURT ORDERS** that any Person who does not file a Proof of Claim with respect to a D&O Claim in accordance with this Order by the Claims Bar Date shall be

forever barred from asserting or enforcing such D&O Claim against the Directors and Officers and the Directors and Officers shall not have any liability whatsoever in respect of such D&O Claim and such D&O Claim shall be extinguished without any further act or notification.

TRANSFER OF CLAIMS

21. **THIS COURT ORDERS** that if, after the Filing Date, the holder of a Claim transfers or assigns the whole of such Claim to another Person, neither the Monitor nor the Applicants shall be obligated to give notice or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received and acknowledged by the relevant Applicant and the Monitor in writing and thereafter such transferee or assignee shall for the purposes hereof constitute the "Claimant" or "D&O Claimant" in respect of such Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Claims Procedure Order prior to receipt and acknowledgment by the Applicants and the Monitor of satisfactory evidence of such transfer or assignment. A transferee or assignee of a Claim takes the Claim subject to any right of set-off to which the Applicants may be entitled with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set off, apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such Person to any of the Applicants.

22. **THIS COURT ORDERS** that if a Claimant or D&O Claimant or any subsequent holder of a Claim, who in any such case has previously been acknowledged by the Applicants and the Monitor as the holder of the Claim, transfers or assigns the whole of such Claim to more than one Person or part of such Claim to another Person, such transfers or assignments shall not create separate Claims and such Claims shall continue to constitute and be dealt with as a single Claim notwithstanding such transfers or assignments. The Monitor shall not, in each case, be required to recognize or acknowledge any such transfers or assignments and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim, provided such

Claimant or D&O Claimant may, by notice in writing delivered to the Monitor, direct that subsequent dealings in respect of such Claim, but only as a whole, shall be dealt with by a specified Person and in such event, such Person shall be bound by any notices given or steps taken in respect of such Claim with such Claimant or D&O Claimant in accordance with the provisions of this Order.

23. **THIS COURT ORDERS** that the Applicants and the Monitor are not under any obligation to give any notice hereunder to any Person holding a security interest, lien or charge in, or a pledge or assignment by way of security in, a Claim.

SERVICE AND NOTICES

24. **THIS COURT ORDERS** that the Applicants and the Monitor may, unless otherwise specified by this Claims Procedure Order, serve and deliver or cause to be served and delivered any letters, notices or other documents to Claimants, D&O Claimants or any other interested Person by forwarding copies by ordinary mail, courier, personal delivery, facsimile or email to such Persons or their counsel (including counsel of record in any ongoing litigation) at the physical or electronic address, as applicable, last shown on the books and records of the Applicants or set out in such Claimant's Proof of Claim or D&O Claimant's Proof of Claim.

25. **THIS COURT ORDERS** that any notice or communication required to be provided or delivered by a Claimant or D&O Claimant to the Monitor under this Claims Procedure Order shall be delivered in writing in substantially the form, if any, provided for in this Claims Procedure Order, shall be deemed to be received on the date that the Monitor actually receives such notice or communication, and will be sufficiently given only if delivered by prepaid ordinary mail, registered mail, courier, personal delivery, facsimile or email addressed to:

Richter Advisory Group Inc., Court Appointed CCAA Monitor
of the Aralez Pharmaceuticals Inc. and Aralez Pharmaceuticals
Canada Inc.
Attention: Aralez CCAA Claims
181 Bay Street, 33rd Floor
Bay Wellington Tower
Toronto, ON M5J 2T3

Email: aralez@richter.ca
Phone: 1-877-676-4390
Fax: 1-877-676-4383

26. **THIS COURT ORDERS** that service and delivery by the Monitor or the Applicants of notices or communications contemplated in this Order shall be deemed to have been received: (a) if sent by ordinary mail, on the third Business Day after mailing within Canada, and the fifth Business Day after mailing internationally; (b) if sent by courier or personal delivery, on the next Business Day following dispatch; and (c) if delivered by facsimile or email by 5:00 p.m. on a Business Day, on such Business Day, or if delivered after 5:00 p.m. or on a day other than on a Business Day, on the following Business Day.

27. **THIS COURT ORDERS** that if during any period during which notices or other communications are being given pursuant to this Claims Procedure Order, a postal strike or postal work stoppage of general application should occur, such notices, notifications or other communications sent by ordinary mail and then not received shall not, absent further Order of this Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile or email in accordance with this Claims Procedure Order.

28. **THIS COURT ORDERS** that in the event that this Claims Procedure Order is amended by further Order of the Court, the Monitor shall post such further Order on the Monitor's Website and such posting shall constitute adequate notice to all Persons of such amended claims procedure.

29. **THIS COURT ORDERS** that the forms of notice to be provided in accordance with this Claims Procedure Order shall constitute good and sufficient service and delivery of notice of this Claims Procedure Order, the Claims Bar Date on all Persons who may be entitled to receive notice and who may assert a Claim and no other notice or service need be given or made and no other documents or material need be sent to or served upon any Person in respect of this Claims Procedure Order.

DETERMINATION OF CLAIMS AND RESTRUCTURING CLAIMS

30. **THIS COURT ORDERS** that the applicable procedures for reviewing and determining Claims shall be established by further Order of the Court. Notice of such procedures shall be provided to the service list in this CCAA proceeding and any Person who has filed a Proof of Claim against the Applicants in accordance with the Claims Procedure.

MISCELLANEOUS

31. **THIS COURT ORDERS** that notwithstanding any other provisions of this Claim Procedure Order, the solicitation by the Monitor or the Applicants of Claims and the filing by any Claimant or D&O Claimant of any Claims shall not, for that reason only, grant any Person any standing in these proceedings.

32. **THIS COURT ORDERS** that, notwithstanding the terms of this Claims Procedure Order, the Applicants or the Monitor may from time to time apply to this Court to amend, vary, supplement or replace this Claims Procedure Order or for advice and directions concerning the discharge of their respective powers and duties under this Claims Procedure Order or the interpretation or application of this Claims Procedure Order.

33. **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.

SCHEDULE "A"

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

THIS INFORMATION SHEET IS SUPPLIED IN ORDER TO ASSIST YOU IN COMPLETING THE PROOF OF CLAIM

PARAGRAPH 1 OF THE PROOF OF CLAIM AND GENERAL COMMENTS

- ❒ The Claimant must state the full and complete legal name of the Claimant.
- ❒ The Claimant must give the complete address (including the postal code) where all notices and correspondence are to be forwarded. In addition, the Claimant and/or the authorized representative must indicate their telephone number, their facsimile and their e-mail address.
- ❒ The Claimant must advise as to whether or not the claim was acquired by assignment and, if so, provide full particulars/support evidencing assignment and provide the full legal name of the original creditor(s).

PARAGRAPH 2 OF THE PROOF OF CLAIM

- ❒ If the individual completing the Proof of Claim is not themselves the Claimant, they must state their position or title.

PARAGRAPHS 3, 4 AND 5 OF THE PROOF OF CLAIM

- ❒ A detailed, complete statement of account must be attached to the Proof of Claim. Provide all particulars of the Claim and supporting documents, including the amount and description of transaction(s) or agreements(s) giving rise to the Claim. The amount on the statement of account must correspond with the amount claimed on the Proof of Claim. The detailed statement of account must show the date, the invoice number and the amount of all invoices or charges, together with the date, the number and the amount of all credits or payments. A statement of account is not complete if it begins with an amount brought forward. If the Claim cannot be evidenced through a statement of account, the Claimant must provide a sworn affidavit providing all particulars of the Claim, together with all supporting documents.
- ❒ With respect to priority claims under section 136 of the *Bankruptcy and Insolvency Act* (Canada), please attach a detailed explanation supporting any priority claim.
- ❒ With respect to secured claims, please provide a detailed, complete statement of any particulars of the security, including the date on which the security was given and the value at which you assess the security and attach a copy of the security documents.
- ❒ If the Claim is in a foreign currency, it shall be converted to Canadian dollars at the Bank of Canada daily average exchange rate for August 10, 2018: CDN$1.3113/USD$1.00.

PARAGRAPH 6 OF THE PROOF OF CLAIM

- ❒ The Proof of Claim must be received by the Monitor before 5:00 p.m. in Toronto, Ontario, on the Claims Bar Date. For Pre-filing Claims and all D&O Claims, the Claims Bar Date is November 29, 2018. For Restructuring Claims, the Claims Bar Date

is the Restructuring Claims Bar Date, that being the later of (i) 5:00 p.m. in Toronto, Ontario, on the Claims Bar Date for Pre-filing Claims and D&O Claims (which is November 29, 2018) and (ii) the date that is 10 Business Days after the Monitor sends a Claims Package with respect to a Restructuring Claim in accordance with the Claims Procedure Order.

- ❒ Completed forms must be delivered to the Monitor by ordinary prepaid mail, registered mail, courier, personal delivery or email to the address below:

  Richter Advisory Group Inc., Court Appointed CCAA Monitor
  of the Aralez Pharmaceuticals Inc. and Aralez Pharmaceuticals
  Canada Inc.
  Attention: Aralez CCAA Claims
  181 Bay Street, 33rd Floor
  Bay Wellington Tower
  Toronto, ON M5J 2T3

  Email: aralez@richter.ca
  Phone: 1-877-676-4390
  Fax: 1-877-676-4383

- ❒ Claimants are responsible for proving receipt of documents by the Monitor.

PARAGRAPH 7 OF THE PROOF OF CLAIM

- ❒ The Proof of Claim must be signed by the Claimant or its duly authorized representative and must also be signed by a witness.

SCHEDULE "B"

NOTICE TO CLAIMANTS FOR THE CLAIMS PROCEDURE OF:

Aralez Pharmaceuticals Inc. and
Aralez Pharmaceuticals Canada Inc.
(the "Applicants") and/or
its former and current Directors or Officers (the "Directors")

RE: NOTICE OF CLAIMS PROCEDURE, CLAIMS BAR DATE and RESTRUCTURING CLAIMS BAR DATE

NOTICE IS HEREBY GIVEN that this notice is being published pursuant to an order of the Ontario Superior Court of Justice (Commercial List) made October 10, 2018 (the "**Claims Procedure Orde**r"). All capitalized terms herein shall have the meanings given to them in the Claims Procedure Order. The Court has authorized the Court-appointed Monitor of the Applicants, Richter Advisory Group Inc. (the "**Monitor**"), to assist the Applicants in conducting a claims procedure (the "**Claims Procedure**") with respect to claims against the Applicants and the Directors in accordance with the terms of the Claims Procedure Order.

PLEASE TAKE NOTICE that the claims procedure applies only to the Claims described in the Claims Procedure Order. Reference should be made to the Claims Procedure Order for the complete definition of "**Pre-filing Claim**", "**D&O Claim**" and "**Restructuring Claim**". The Claims Procedure Order and related materials and forms may be accessed from the Monitor's website at http://insolvency.richter.ca/A/Aralez-Pharmaceuticals.

If you believe that you have a Claim against the Applicants or the D&O of the Applicants, you must file a Proof of Claim with the Monitor by completing the Proof of Claim form, a copy of which can be obtained from the Monitor's website or by contacting **1-877-676-4390** (phone), **1-877-676-4383** (fax) or **aralez@richter.ca**. All Claimants must submit their Claim to the Monitor (at the address noted below) by the Claims Bar Date, as defined below.

THE CLAIMS BAR DATE with respect to a Pre-filing Claim or a D&O Claim is 5:00 p.m. in Toronto, Ontario, on November 29, 2018. The Claims Bar Date with respect to a Restructuring Claim is the Restructuring Claims Bar Date.

THE RESTRUCTURING CLAIMS BAR DATE is the later of (i) 5:00 p.m. in Toronto, Ontario, on November 29, 2018 and (ii) the date that is 10 Business Days after the Monitor sends a Claims Package with respect to a Restructuring Claim in accordance with the Claims Procedure Order.

PROOFS OF CLAIM MUST BE COMPLETED AND RECEIVED BY THE MONITOR BY THE CLAIMS BAR DATE OR THE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED.

HOLDERS OF CLAIMS who do not file a Proof of Claim with respect to a Claim by the Claims Bar Date will not be entitled to vote at any Meeting regarding a Plan or participate in any distribution under a Plan or otherwise in respect of such Claims.

The Monitor can be contacted at the following address to request relevant documents or for any other notices or enquiries with respect to the Claims Procedure:

Richter Advisory Group Inc., Court Appointed CCAA Monitor
of the Aralez Pharmaceuticals Inc. and Aralez Pharmaceuticals
Canada Inc.
Attention: Aralez CCAA Claims
181 Bay Street, 33rd Floor
Bay Wellington Tower
Toronto, ON M5J 2T3

Email: aralez@richter.ca
Phone: 1-877-676-4390
Fax: 1-877-676-4383

DATED at Toronto, Ontario this 10th day of October, 2018.

SCHEDULE "C"

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGMENT OF ARALEZ PHARMACEUTICALS INC. AND ARALEZ PHARMACEUTICALS CANADA INC. (the "Applicants")

PROOF OF CLAIM

Please read carefully the Claims Procedure Order and the schedules appended to the Claims Procedure Order prior to completing this form.

1. PARTICULARS OF THE CLAIMANT:

A. Full Legal Name of Claimant _____

_____ (the "**Claimant**")

B. Full Mailing Address of the Claimant _____

_____

_____

_____

C. Telephone Number _____

D. Email Address _____

E. Fax Number _____

F. Name of the Authorized Representative of the Claimant _____

_____

G. Email address of the Authorized Representative _____

H. Have you acquired this claim by assignment? Yes: □ No: □

If yes, please attach documents evidencing assignment and provide the full legal name of the original creditor(s):

_____

_____

2. DECLARATION:

I, _____

(name of Claimant or Authorized Representative of the Claimant)

□ am the Claimant of Aralez Pharmaceuticals Inc. and/or Aralez Pharmaceuticals Canada Inc.;

□ have a claim against one or more Directors/Officers:

_____

(please specify the individual Directors/Officers)

□ am _____ of

(indicate the title or function)

_____

(name of Claimant)

which is a Claimant of Aralez Pharmaceuticals Inc. and/or Aralez Pharmaceuticals Canada Inc.;

□ have knowledge of all the circumstances connected with the Claim described herein.

3. PROOF OF CLAIM:

The Applicant(s) and/or the Directors/Officers of the Applicants were and still are indebted to the Claimant as follows:

(A restructuring claim against the Applicants 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 (namely August 10, 2018) of any contract, lease or other agreement or arrangement whether written or oral.)

(Claims in a foreign currency are to be converted to Canadian Dollars at the Bank of Canada daily average exchange rate for August 10, 2018: CDN$1.3113/USD$1.00.)

i. PRE-FILING CLAIM AGAINST THE APPLICANTS

a. ARALEZ PHARMACEUTICALS INC. CA $_____
b. ARALEZ PHARMACEUTICALS CANADA INC. CA $_____

ii. RESTRUCTURING CLAIM AGAINST THE APPLICANTS:

a. ARALEZ PHARMACEUTICALS INC. CA $_____
b. ARALEZ PHARMACEUTICALS CANADA INC. CA $_____

iii. DIRECTOR/OFFICER CLAIM AGAINST THE DIRECTORS/OFFICERS OF THE APPLICANTS:

a. ARALEZ PHARMACEUTICALS INC. CA $_____
b. ARALEZ PHARMACEUTICALS CANADA INC. CA $_____

iv. TOTAL CLAIM (sum of (i), (ii) and (iii)):

a. ARALEZ PHARMACEUTICALS INC. CA $_____
b. ARALEZ PHARMACEUTICALS CANADA INC. CA $_____

4. NATURE OF CLAIM:

Applicant (circle as applicable):

Aralez Pharmaceuticals Inc. / Aralez Pharmaceuticals Canada Inc.

(a) **UNSECURED CLAIM** in the amount of CA$_____ /_____.
In respect of this debt, I do not hold any security and:

(i) □ Regarding the amount of CA$_____ /_____, I do not claim a right to priority.

(ii) □ Regarding the amount of CA$_____ /_____, I claim a right to a priority under section 136 of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") or would claim such a priority if this Proof of Claim were being filed in accordance with the BIA.

Please attach a detailed explanation supporting any priority claim.

(b) **SECURED CLAIM** in the amount of CA$_____ /_____.
In respect of this debt, I hold security valued at CA$_____ /_____, particulars of which are attached to this Proof of Claim form.

Please provide a detailed, complete statement of any particulars of the security, including the date on which the security was given and the value at which you assess the security and attach a copy of the security documents.

5. PARTICULARS OF CLAIM

The particulars of the undersigned's total Claim (including Pre-filing Claims, Restructuring Claims and D&O Claims) are attached.

(Provide full particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor(s) which has guaranteed the Claim, particulars and copies of any security and amount of Claim allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed. If a Claim cannot be evidenced through a statement of account, the Claimant must provide a sworn affidavit attesting to the particulars of the Claim, together with all supporting documents. If a claim is made against any Directors or Officers, specify the applicable Directors or Officers and the legal basis for the Claim against them.)

6. FILING OF CLAIM

This Proof of Claim must be received by the Monitor on or before the Claims Bar Date. With respect to Pre-filing Claims and D&O Claims, the Claims Bar Date means 5:00 p.m. in Toronto, Ontario, on November 29, 2018. With respect to Restructuring Claims, the Claims Bar Date means the later of (i) 5:00 p.m. in Toronto, Ontario, on November 29, 2018 and (ii) the date that is 10 Business Days after the Monitor sends a Claims Package with respect to a Restructuring Claim in accordance with the Claims Procedure Order.

Failure to file your Proof of Claim as directed by the Claims Bar Date will result in your Claim being extinguished and barred and in you being prevented from making or enforcing a Claim against the Applicants or Director/Officer, as applicable.

All future correspondence will be directed to the email designated in the contact details unless you specifically request that hardcopies be provided.

☐ I require hardcopy correspondence.

DATED at _____ this ____ day of _____, 201___.

_____	_____
(Signature of Witness)	(Signature of Claimant or its authorized representative)
_____	_____
(Please print name)	(Please print name)

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

CLAIMS PROCEDURE ORDER

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Ashley Taylor LSO#: 39932E
Tel: (416) 869-5236
Email: ataylor@stikeman.com
Kathryn Esaw LSO#: 58264F
Tel: (416) 869-6820
Email: kesaw@stikeman.com

Lawyers for the Applicants

TAB 5

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

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 referred to in the Stay Extension Order made September 5, 2018 (the "**First Stay Extension Order**"), to December 7, 2018 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, and the report dated **[October]** ●, 2018 by Richter Advisory Group Inc., in its capacity as Court-appointed Monitor (the "**Monitor's Second Report**"), and on hearing the submissions of counsel for the Applicants and the Monitor (as those terms are defined in the Adams Affidavit), no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of ● sworn **[October]** ●, 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 (the "**Initial Order**") be and is hereby extended until December 7, 2018.

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 October 10, 2018)
(Re: Bid Procedures, Claims Procedure and Stay Extension)

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

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Lawyers for the Applicants