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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

Applicants

MOTION RECORD OF THE APPLICANTS
(Returnable December 17, 2018)
(Re Bezafibrate Sale Approval)

December 6, 2018

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

Ashley Taylor LSO#: 39932E
Tel: (416) 869-5236
E-mail: ataylor@stikeman.com

Maria Konyukhova LSO#: 52880V
Tel: (416) 869-5230
Email: mkonyukhova@stikeman.com

Kathryn Esaw LSO# 58264F
Tel: 416-869-6820
E-mail: kesaw@stikeman.com

Lawyers for the Applicants

TO: The Service List

INDEX

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.

I N D E X

TAB 1

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

NOTICE OF MOTION
(Returnable December 17, 2018)
(Re Bezafibrate Sale Approval)

Aralez Pharmaceuticals Inc. ("**API**") and Aralez Pharmaceuticals Canada Inc. ("**Aralez Canada**", and with API the "**Applicants**"), will make a motion to the Justice presiding over the Commercial List on December 17, 2018 at 3:30PM 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) approving the asset purchase agreement dated December 6, 2018 (the "**Bezafibrate APA**") between Aralez Canada and Intercept Pharmaceuticals, Inc. ("**Intercept**"), for the sale of the Bezafibrate Assets (defined below) (the "**Bezafibrate Sale**"); and

      (ii) sealing the Confidential Supplement to the Sixth Report of the Monitor; and

(b) 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;

6. The Applicants' restructuring strategy and sales process, which was approved by order of this Court on October 10, 2018, includes the going concern sale of substantially all of their assets;

7. The Applicants have entered into the Bezafibrate Sale for the sale of assets related to the commercialization of the Bezalip drug (the "**Bezafibrate Assets**"). This sale was negotiated outside of the Court approved sales process;

8. The commercialization of the Bezafibrate Assets is a non-core component of the Applicants' business;

9. Inserting the Bezafibrate Sale into the Court approved sales process would unnecessarily delay and potentially derail the Bezafibrate Sale;

10. The Applicants believe the Bezafibrate Sale maximizes the value of the Bezafibrate Assets and is in the best interests of the Applicants' stakeholders;

11. The Aralez Entities do not expect the Bezafibrate Sale to impact the Sale Process and the purchase price ultimately received for their other assets at the auction;

12. The Monitor, the DIP agent and other relevant parties support the independent sale of the Bezafibrate Assets outside of the Court approved sales process;

13. The Confidential Supplement contains sensitive commercial information the disclosure of which would be to the detriment of the Aralez Entities and their stakeholders;

GENERAL

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

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

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

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

17. The Affidavit of Adrian Adams, to be sworn, and the exhibits attached thereto;

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

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

December 6, 2018

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

Ashley Taylor LSO#: 39932E
Tel: (416) 869-5236
E-mail: ataylor@stikeman.com

Maria Konyukhova LSO#: 52880V
Tel: (416) 869-5230
Email: mkonyukhova@stikeman.com

Kathryn Esaw LSO#: 58264F
Tel: (416) 869-6820
Email: kesaw@stikeman.com

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 DECEMBER 17, 2018)

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

Ashley Taylor LSO#: 39932E
Tel: (416) 869-5236
E-mail: ataylor@stikeman.com

Maria Konyukhova LSO#: 52880V
Tel: (416) 869-5230
Email: mkonyukhova@stikeman.com

Kathryn Esaw LSO#: 58264F
Tel: (416) 869-5230
E-mail: kesaw@stikeman.com

Lawyers for the Applicants

TAB 2

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

(Applicants)

AFFIDAVIT OF ADRIAN ADAMS

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

1. I am the Chief Executive Officer of the Applicant, Aralez Pharmaceuticals Inc. ("**API**") which is the parent company of Aralez Pharmaceuticals Canada Inc. ("**Aralez Canada**" and, together with API, the "**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 motion is brought by the Applicants seeking:

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

      (i) approving the asset purchase agreement dated December 6, 2018 (the "**Bezafibrate APA**") between Aralez Canada and Intercept Pharmaceuticals, Inc. ("**Intercept**"), for the sale of the Bezafibrate Assets (defined below) (the "**Bezafibrate Sale**"); and

(ii) sealing the Confidential Supplement to the Sixth Report of the Monitor (the "**Confidential Supplement**"); and

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

I. BACKGROUND OF THE APPLICANTS AND STATUS OF THE PROCEEDINGS

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

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

6. As a result of certain negative events 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**"). Richter Advisory Group Inc. was appointed as monitor (the "**Monitor**") of the Aralez Entities.

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.

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

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 to act as the investment banker to the Aralez Entities during these proceedings.

9. Copies of each of the Initial Affidavit (without exhibits) and the Initial Order are attached hereto as **Exhibit "A"** and **Exhibit "B"**, respectively, and are 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 Applicants, with the assistance of A&M and oversight of the Monitor, have been working diligently to maintain the stability of their business operations, manage relationships with key stakeholders, carry out the terms of the Initial Order and develop and implement a sales process and claims process. As a result of these efforts the Applicants have continued to operate without significant disruption.

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

(a) communicating with key suppliers to advise them of the CCAA 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 in the Initial Order; and

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

B. Sales Process and Claims Process

13. Prior to the commencement of the Restructuring Proceedings, and in response to the issues leading to the current liquidity concerns, the Aralez Entities engaged in a thorough review of their strategic alternatives with the guidance of their legal and financial advisors.

14. After careful analysis of the available alternatives and having duly considered the interests of all stakeholders, the Aralez Entities, with the assistance of their advisors and counsel, determined that the appropriate approach was to divest substantially all of their assets through one or more sales pursuant to (a) the CCAA with respect to the Applicants and (b) the Bankruptcy Code with respect to the Chapter 11 Entities.

15. On September 18, 2018, the Aralez Entities entered into three stalking horse agreements (the "**Stalking Horse Agreements**"), one of which was directly and exclusively applicable to the assets and business of the Applicants (the "**Canadian Stalking Horse Agreement**").

16. The Canadian Stalking Horse Agreement is an agreement between API, Aralez Canada and Nuvo Pharmaceuticals Inc. (the "**Canadian Purchaser**"), 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, subject to better offers and the approval of the Canadian Court. A copy of the Canadian Stalking Horse Agreement is attached hereto as **Exhibit "C"**.

17. The two remaining Stalking Horse Agreements (the "**Vimovo Stalking Horse Agreement**" and the "**Toprol Stalking Horse Agreement**") relate to assets held by the Chapter 11 Entities.

18. On October 10, 2018, the Aralez Entities sought and were granted approval of the Canadian Stalking Horse Agreement, the proposed sales process (the "**Sales Process**"), the proposed claims process and an extension of the stay of proceedings up to and including December 7, 2018.

19. The Vimovo Stalking Horse Agreement and the Toprol Stalking Horse Agreement, along with a concurrent US sales process and claims process, were approved by the U.S. Court by way of motion brought by the Chapter 11 Entities on October 10, 2018.

20. The key dates under the Sales Process are as follows:

Proposed Sale Timeline	
Bid Deadline	November 26, 2018 at 5:00 p.m. ET
Deadline to Notify Qualified Bidders	November 28, 2018 at 5:00 p.m. ET
Auction (if required)	November 29, 2018 at 11:00 a.m. ET
Notice of Successful Bidders	December 3, 2018 at 5:00 p.m. ET
Sale Hearing	December 4, 2018 at 11:00 a.m. ET in the U.S. Court December 7, 2018 at 10:00 a.m. ET in the Canadian Court

21. Notwithstanding that the Bezafibrate Assets (defined below) are excluded assets under the Canadian Stalking Horse Agreement, no party has submitted an offer superior to the offer under the Bezafibrate APA with respect to those assets during the Sales Process.

22. As announced on November 29, 2018, the Canadian Purchaser was the highest bidder for the Canadian Assets. The Applicants will seek Court approval of the Canadian Stalking Horse Agreement via a sale hearing scheduled for December 7, 2018. Assuming the Court approves the sale, the parties expect the transaction to close prior to the end of this calendar year.

II. THE BEZAFIBRATE SALE

A. Overview

23. Aralez Canada is a party to a certain Product Development and Profit Share Agreement by and between Aralez Canada (as successor to Tribute Pharmaceuticals Canada Inc.

("**Tribute**")) and Allergan Pharmaceuticals International Limited ("**Allergan**") (as successor to Actavis Group PTC ehf) effective as of May 4, 2011, as amended by Amendment #1 thereto dated April 1, 2013 and Amendment #2 thereto dated November 30, 2017 (as amended, the "**Allergan Agreement**"). None of the Chapter 11 Entities are parties to, or have any interest in, the Allergan Agreement.

24. Pursuant to the Allergan Agreement, Aralez Canada has agreed to develop and, if approved, market products containing bezafibrate ("**Bezafibrate Products**") in the United States. The Product IP License, Purchased Regulatory Documentation (each as defined in the Bezafibrate APA) and the Allergan Agreement together constitute the assets to be licensed or sold under the Bezafibrate APA (the "**Bezafibrate Assets**"). For greater certainty, the Bezafibrate Assets exclusively relate to the development, manufacture and, if approved, marketing of the Bezafibrate Products in the United States, even though the Bezafibrate Assets are held solely by Aralez Canada.

25. The Bezafibrate Assets are a non-core component of the Applicants' business as the sustained release bezafibrate product currently marketed by the Applicants in Canada ("**Bezalip**") is not approved or sold in the United States. At the time Tribute entered into the Allergan Agreement, the market in which Bezalip operated had limited competition. By 2016, there were multiple generic competitors, such that development and marketing of Bezalip as a monotherapy drug in the United States was considered by the Applicants to be challenging at that time in its current indication.

26. The Applicants believe that, if they chose to market and ultimately sell Bezalip in the United States as a monotherapy drug themselves, they would realize limited revenues by doing so. For reference, the sales of Bezalip in Canada totaled only CDN $1.8M in 2017. The Applicants expect this number to continue to decline further as generic competition increases.

B. Attempts to Sell the Bezafibrate Assets

27. I am advised by Michael Pine, Vice President, Corporate Development & Licensing at Aralez Pharmaceuticals US Inc., that due to commercial challenges, the lack of R&D funds available and the lack of R&D capabilities, Tribute began searching for a partner interested in developing and commercializing the Bezafibrate Assets.

28. On February 27, 2014, Tribute entered into a Letter of Engagement with JSB Partners, LP, a specialized investment banking and advisory services firm in the pharmaceutical industry ("**JSB**"), to identify and pursue parties interested in the Bezafibrate Assets. As part of this process, Tribute spoke with a number of companies with an interest in purchasing the Bezafibrate Assets, including Intercept, an international pharmaceutical company with operations in the United States and Canada.

29. The Applicants, with the assistance of JSB, contacted at least 96 parties regarding a potential purchase of, or partnership in, the Bezafibrate Assets. Of those 96 parties, 28 parties expressed an interest in the Bezafibrate Assets, five parties signed a non-disclosure agreement and two parties (but not Intercept) submitted non-binding term sheets. Ultimately, the process, which had been ongoing for over a year, was put on hold in 2015 as a result of the Pozen acquisition of Tribute.

30. The process to locate a buyer or partner was recommenced when the Aralez Entities were approached by Intercept in 2017 with an interest in restarting the partnering process. I am advised by Michael Pine that, subsequent to receiving this renewed interest from Intercept, the Aralez Entities conducted their own search for potential purchasers of the Bezafibrate Assets. In the course of that search, Michael Pine and Harry Atkins, Senior Director, Corporate Development & Licensing and Alliance Management at Aralez Pharmaceuticals US Inc., contacted various parties that had expressed interest in the Bezafibrate Assets in the past, including the two parties that had previously submitted term sheets, and discussed the Bezafibrate Assets with parties that were exploring unrelated partnership opportunities with the Aralez Entities. Ultimately, the best offer received by Aralez Canada for the Bezafibrate Assets was from Intercept.

C. Asset Purchase Agreement

31. Beginning in the spring of 2017, the Applicants started negotiations with Intercept to complete the sale or licensing of Bezalip. A non-binding term sheet with agreeable financial terms was shared in June 2017. The parties have been engaged in attempting to finalize the sale agreement since then. The structure and process of these negotiations were somewhat complicated for various reasons. The parties believed they had reached an acceptable agreement in principle on August 9, 2018, just a day prior to the Applicants entering the CCAA

Proceedings, but were unable to complete the transaction ahead of the filing. While the Aralez Entities' financial difficulties and the commencement of the CCAA proceedings have interfered with the negotiation efforts, the parties have continued their negotiations in the context of the CCAA Proceedings.

32. Intercept's continued interest in the Bezafibrate Assets is driven by plans to create a combination drug utilizing their own patent-protected monotherapy product, thus providing additional benefit to patients and extending the life cycle of the drug. The success of this plan, which requires Intercept to comply with various timelines imposed under the Allergan Agreement, is largely dependent on the Bezafibrate Sale proceeding expeditiously. Intercept has advised the Applicants that the value of the Bezafibrate Assets depreciates every day that it is not able to develop them, and therefore it is critical to Intercept that this transaction be approved and closed as expeditiously as possible.

33. Due to the sales processes conducted by JSB and Aralez Canada itself in 2014 and 2017, the Applicants are of the view that further marketing efforts or an additional sales process would not result in any better offers for the Bezafibrate Assets, and would risk losing the best offer that has been obtained from the marketing efforts undertaken to date, which is the offer from Intercept that has now been finalized under the terms of the definitive Bezafibrate APA. In light of these factors, the parties have worked together to complete the negotiation of the Bezafibrate APA and associated agreements, as well as to close this transaction as expeditiously as possible.

34. The negotiation of the Bezafibrate APA and the Amended Allergan Agreement (as defined below) took longer than anticipated due to, *inter alia*, various issues arising in the Applicants' CCAA Proceedings. That said, these negotiations have now concluded with the execution of the Bezafibrate APA, an associated assignment of rights under the Allergan Agreement and an agreed form of amendment and restatement of the Allergan Agreement, which will be executed by Allergan and Intercept concurrently with the closing of the Bezafibrate Sale (the "**Amended Allergan Agreement**").

35. A redacted copy of the Bezafibrate APA (without the Amended Allergan Agreement or Allergan Agreement) is attached hereto as **Exhibit "D"**. A general summary of the nature of the

amendments being made to the Allergan Agreement under the terms of the Amended Allergan Agreement is set forth in the Sixth Report of the Monitor.

36. Pursuant to the Bezafibrate APA, Intercept will pay Aralez Canada part of the purchase price at closing and will assume certain ordinary course liabilities associated with the Bezafibrate Assets (the "**Initial Payment**"). Intercept is also required to pay Aralez Canada a further amount after its receipt of initial regulatory approval for its first Bezafibrate Product (together with the Initial Payment, the "**Purchase Price**"). In exchange for the Purchase Price, (a) the Applicants will grant, and Intercept will accept, the Product IP License in accordance with the terms of the Bezafibrate APA, and (b) Aralez Canada will sell, transfer, convey, assign and deliver (or cause its affiliates to do the same) to Intercept the Purchased Regulatory Documentation and the Allergan Agreement**.**

37. The Bezafibrate APA also provides that Intercept shall, immediately following the signing of the Bezafibrate APA, advance a substantial deposit to the agreed upon escrow agent.

38. Given that the Applicants are involved in other sales processes, with differing timelines, the Bezafibrate APA mandates that no transactions approved through the Canadian sales processes or in the CCAA Proceedings may negatively impact the benefits conferred to Intercept under the Bezafibrate APA. It further requires, for purposes of clarity and in light of the other sales processes underway, that any transaction documentation for a sale approved under those processes, including the form of any sale approval order, explicitly note that the Bezafibrate Assets are not involved in any such approved sale(s) and that the benefits conferred under the Bezafibrate APA are not adversely affected by any such sale(s).

39. Under the Bezafibrate APA, Intercept will assume certain ordinary course liabilities, including:

(i) all liabilities under or relating to the Bezafibrate Assets solely to the extent first arising, and relating to the period from and after the closing of the Bezafibrate Sale; and

(ii) all liabilities assumed under the Allergan Agreement solely to the extent first arising, and relating to the period from and after the closing of the Bezafibrate Sale (collectively, the "**Assumed Liabilites**").

40. The Bezafibrate APA mandates that Intercept indemnify Aralez Canada from any claims suffered in relation to the Assumed Liabilities.

41. The closing of the Bezafibrate Sale is subject to certain conditions which must be satisfied prior to closing, including:

(i) the granting of an Order approving the Bezafibrate APA; and

(ii) the Amended Allergan Agreement having been executed by Allergan and delivered in escrow prior to closing.

42. The executed Amended Allergan Agreement is to be released from escrow at closing. Allergan has signed a consent to the assignment of the Allergan Agreement to Intercept, which consent form appends the final form of the Amended Allergan Agreement that has been negotiated and finalized as between Allergan and Intercept.

43. The Bezafibrate APA also places certain obligations upon the Applicants (and their successors) subsequent to its closing. For example, for a period of 90 days following closing, API is required to make certain of its and its affiliates' employees and consultants available to Intercept for the purpose of answering its reasonable questions regarding the Bezafibrate Assets. Both Intercept and the Applicants also maintain certain post-closing obligations to assist one another with the preparation of various documents, to provide one another with access to information and documents and to report and defend the unauthorized use of certain interests transferred under the Bezafibrate APA.

44. The Bezafibrate APA further provides that Aralez Canada releases Intercept from any claims available as of the closing of the Bezafibrate APA (aside from claims related to a breach of the Bezafibrate APA and associated agreements), whether or not those claims were known to Aralez Canada at the time of closing.

45. The Canadian Stalking Horse Agreement is currently structured as a share deal, such that the aforementioned obligations and release, as well as any other obligations or restrictions under the Bezafibrate APA and associated agreements, will remain with Aralez Canada, which will be owned by the Canadian Purchaser following the closing of the transactions

contemplated by the Canadian Stalking Horse Agreement. The Canadian Purchaser has been fully informed of the covenants, obligations and restrictions it will assume under the Bezafibrate APA and associated agreements should its transaction and the Bezafibrate Sale transaction both close, and it does not oppose the Bezafibrate Sale, the Bezafibrate APA or any of the associated agreements.

46. To address the possibility that the Canadian Stalking Horse Agreement closes prior to the Bezafibrate APA and the Canadian Purchaser indirectly assumes ownership of the Bezafibrate Assets, the Bezafibrate APA provides that at any time on or after December 28, 2018 (the closing date of the Canadian Stalking Horse Agreement), Aralez Canada may transfer the Bezafibrate Assets to API, in which case API will assume the place of Aralez Canada and become fully bound by all the obligations of Aralez Canada under the Bezafibrate APA.

47. For the reasons discussed above concerning the declining value of the Bezafibrate Assets to Intercept over time if it is not able to develop them in accordance with the timeline under the Allergan Agreement (and the Amended Allergen Agreement), the terms of the Bezafibrate APA provide that Intercept has the right to terminate the APA, and receive a refund of its deposit, if the transaction is not approved by the CCAA Court within ten days of December 17, 2018.

III. SEALING ORDER

48. The Applicants are seeking to seal the Confidential Supplement pending the closing of the Bezafibrate APA. The Confidential Supplement contains commercially sensitive information that, if released, may jeopardize the Bezafibrate Sale and any subsequent attempts to market the Bezafibrate Assets to the detriment of the Aralez Entities and their stakeholders.

IV. CONCLUSION

49. The Bezafibrate APA has been exhaustively negotiated between Intercept and the Applicants, such that considerable expense has already been borne by both parties in arriving at the Bezafibrate APA. Requiring the Applicants to conduct an additional sales process would require the Aralez Entities to incur significant legal fees and administrative expenses which are unnecessary given the exhaustive market outreach that the Applicants have already conducted to confirm that there are no better offers for the Bezafibrate Assets, and could jeopardize the definitive offer that the Applicants have in hand from Intercept. In addition, for the timing

reasons discussed above, Intercept has advised that it is not interested and will not serve as a stalking horse bidder in any subsequent sale process, and is not prepared to extend its offer to purchase the Bezafibrate Assets for the duration of any additional sale process.

50. Moreover, and as previously noted, the development of the Bezafibrate Products is subject to the terms of the Allergan Agreement, and the Bezafibrate Assets cannot be transferred without the consent of Allergan. Intercept has expended significant time and effort to secure a definitive agreement with Allergan in order to obtain the requisite consents, and it is unclear that any other party would be able to do so.

51. The Bezafibrate APA has been approved by the respective Boards of Directors for each of the Applicants. The Bezafibrate Sale is also supported by the Monitor, the Canadian Purchaser and the DIP Agent.

52. I am of the view that approving the Bezafibrate Sale is fair and reasonable in the circumstances and is in the best interests of the Applicants and their stakeholders. The Bezafibrate Sale will allow the Applicants to generate significant funds for their stakeholders.

53. The Applicants believe, in their business judgement, that the Bezafibrate Sale represents the best value available for the Bezafibrate Assets and will benefit the Applicants' stakeholders generally.

SWORN BEFORE ME at the City of New York, State of New York, on December ●, 2018.

_____

Commissioner for Taking Affidavits

_____

ADRIAN ADAMS

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 DECEMBER ●, 2018

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

Ashley Taylor LSO#: 39932E
Tel: (416) 869-5236
E-mail: ataylor@stikeman.com

Maria Konyukhova LSO#: 52880V
Tel: (416) 869-5230
Email: mkonyukhova@stikeman.com

Kathryn Esaw LSO#: 58264F
Tel: (416) 869-5230
E-mail: kesaw@stikeman.com

Lawyers for the Applicants

TAB A

EXHIBIT "A"

referred to in the Affidavit of

ADRIAN ADAMS

Sworn December , 2018

_____

Commissioner for Taking Affidavits

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.

---

[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**").

---

[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

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. _____

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

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

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

Ashley Taylor LSUC#: 39932E
Tel: (416) 869-5236
E-mail: ataylor@stikeman.com

Kathryn Esaw LSUC#: 58264F
Tel: (416) 869-6820
E-mail: kesaw@stikeman.com
Fax: (416) 947-0866

Lawyers for the Applicants

TAB B

EXHIBIT "B"

referred to in the Affidavit of

ADRIAN ADAMS

Sworn December , 2018

_____

Commissioner for Taking Affidavits

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

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.

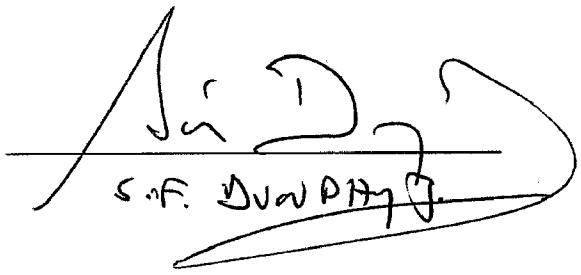
62. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this 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.



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

SEP 05 2018

PER / PAR: RW

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

INITIAL ORDER

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

Ashley Taylor LSUC#: 39932E
Tel: (416) 869-5236
E-mail: ataylor@stikeman.com

Kathryn Esaw LSUC#: 58264F
Tel: (416) 869-6820
E-mail: kesaw@stikeman.com
Fax: (416) 947-0866

Lawyers for the Applicants

TAB C

EXHIBIT "C"

referred to in the Affidavit of

ADRIAN ADAMS

Sworn December , 2018

_____

Commissioner for Taking Affidavits

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

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 P*roceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) at least three Business Days prior to the Closing;

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

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

Section 6.16 Transition Services.

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

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

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

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

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

Section 6.17 Deposit

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

Section 6.18 TSX Conditional Approval

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

Section 6.19 License Agreements

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

Section 6.20 Claims Process

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

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

Section 6.21 Aralez Trademark

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

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

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

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

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

ARTICLE 7
CONDITIONS OF CLOSING

Section 7.1 Conditions for the Benefit of the Purchaser.

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

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

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

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

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

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

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

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

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

(iii) the originals of the Books and Records;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 7.2 Conditions for the Benefit of the Vendor.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 8
CLOSING

Section 8.1 Date, Time and Place of Closing.

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

Section 8.2 Closing Procedures.

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

Section 8.3 Monitor's Certificates

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

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

ARTICLE 9
TERMINATION

Section 9.1 Termination Rights.

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

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

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

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

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

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

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

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

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

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

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

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

Section 9.2 Procedure and Effect of Termination.

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

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

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

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

Section 9.3 Termination Fee, Expense Reimbursement and Deposit.

(1) In the event that:

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

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

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

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

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

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

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

Section 10.1 No Survival.

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

Section 10.2 No Recourse.

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

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

ARTICLE 11
MISCELLANEOUS

Section 11.1 Notices.

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

(a) to the Vendor at:

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

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

with a copy to:

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

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

and with a copy to:

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

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

(b) to the Purchaser at:

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

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

with a copy to:

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

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

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

Section 11.2 Time of the Essence.

Time is of the essence in this Agreement.

Section 11.3 Announcements.

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

Section 11.4 Third Party Beneficiaries.

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

Section 11.5 Costs and Expenses.

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

Section 11.6 Amendments.

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

Section 11.7 Waiver.

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

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

Section 11.8 Non-Merger.

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

Section 11.9 Entire Agreement.

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

Section 11.10 Successors and Assigns.

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

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

Section 11.11 Severability.

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

Section 11.12 Equitable Relief.

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

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

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

Section 11.13 No Liability

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

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

Section 11.14 Governing Law.

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

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

Section 11.15 Counterparts.

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

Section 11.16 Rules of Construction.

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

Section 11.17 Deerfield Related Matters.

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

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

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

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

PURCHASER:

NUVO PHARMACEUTICALS INC.

By: _____
Authorized Signing Officer

VENDOR:

ARALEZ PHARMACEUTICALS INC.

By: _____
Authorized Signing Officer

CORPORATION:

ARALEZ PHARMACEUTICALS CANADA INC.

By: _____
Authorized Signing Officer

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

PURCHASER:

NUVO PHARMACEUTICALS INC.

By: _____
Authorized Signing Officer

VENDOR:

ARALEZ PHARMACEUTICALS INC.

By: Adrian Adams
Authorized Signing Officer

CORPORATION:

ARALEZ PHARMACEUTICALS CANADA INC.

By: _____
Authorized Signing Officer

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

PURCHASER:

NUVO PHARMACEUTICALS INC.

By: _____
Authorized Signing Officer

VENDOR:

ARALEZ PHARMACEUTICALS INC.

By: _____
Authorized Signing Officer

CORPORATION:

ARALEZ PHARMACEUTICALS CANADA INC.

By: _____
Authorized Signing Officer

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

Section 4.1 ORGANIZATION; GOOD STANDING; QUALIFICATION

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

Section 4.2 AUTHORITY AND ENFORCEABILITY

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

Section 4.3 AUTHORIZATIONS AND CONSENTS

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

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

Section 4.4 NO VIOLATION

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

Section 4.5 THE ASSETS AND PURCHASED SHARES GENERALLY

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

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

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

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

Section 4.6 NO MATERIAL DISPOSALS

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

Section 4.7 FINANCIALS

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

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

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

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

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

Section 4.8 CAPITALIZATION OF THE CORPORATION

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

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

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

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

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

Section 4.9 ABSENCE OF CERTAIN CHANGES

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

Section 4.10 COMPLIANCE WITH LAWS

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

Section 4.11 LITIGATION

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

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

Section 4.12 REAL PROPERTY

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

(2) With respect to each Real Property Lease:

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

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

Section 4.13 CONTRACTS

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

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

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

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

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

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

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

(g) any Contract with a Governmental Entity;

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

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

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

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

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

Section 4.14 TAXES

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

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

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

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

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

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

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

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

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

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

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

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

Section 4.15 EMPLOYEE AGREEMENTS; EMPLOYEE PLANS

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

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

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

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

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

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

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

Section 4.16 INTELLECTUAL PROPERTY

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

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

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

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

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

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

Section 4.17 REGULATORY MATTERS

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

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

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

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

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

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

Section 4.18 BOOKS AND RECORDS

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

Section 4.19 ENVIRONMENTAL MATTERS

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

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

Section 4.20 INSURANCE

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

Section 4.21 PRODUCT WARRANTIES

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

Section 4.22 PRODUCT COMPLAINTS

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

Section 4.23 SUPPLIERS, MANUFACTURERS, CUSTOMERS, DISTRIBUTORS AND WHOLESALERS

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

Section 4.24 INVENTORY

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

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

Section 4.25 RELATED PARTY TRANSACTIONS

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

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

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

Section 4.26 INFORMATION TECHNOLOGY

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

Section 4.27 BROKERS AND FINDERS

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

Section 4.28 NO OTHER REPRESENTATIONS AND WARRANTIES

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

Exhibit "B"
Representations and Warranties of the Purchaser

Section 5.1 INCORPORATION AND QUALIFICATION

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

Section 5.2 AUTHORITY

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

Section 5.3 NO CONFLICT

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

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

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

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

Section 5.4 REQUIRED AUTHORIZATIONS

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

Section 5.5 EXECUTION AND BINDING OBLIGATION

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

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

Section 5.6 PURCHASER'S FINANCING

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

Section 5.7 LITIGATION

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

Section 5.8 BROKERS

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

Section 5.9 TAX

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

Section 5.10 NO OTHER REPRESENTATIONS AND WARRANTIES

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

Exhibit "C"
Approval Order

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

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

Applicants

APPROVAL AND VESTING ORDER

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

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

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

SERVICE

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

DEFINED TERMS

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

APPROVAL OF THE TRANSACTION

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

Share Purchase Agreement or necessary or desirable for completion of the Transaction and for the conveyance of the Purchased Shares to the Purchaser.

VESTING OF THE PURCHASED SHARES

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Monitor's Certificate**"), all of API's right, title and interest in and to the Purchased Shares described in the Share Purchase Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order dated August 10, 2018 (as amended and restated, the "**Initial Order**"); and (ii) all charges, security interests or claims evidenced by registrations pursuant to the Personal Property Security Act (Ontario) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Shares are hereby expunged and discharged as against the Purchased Shares.

5. **THIS COURT ORDERS** that for purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Shares shall stand in the place and stead of the Purchased Shares, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances (including those created by the Initial Order) shall attach to the net proceeds from the sale of the Purchased Shares with the same priority as they had with respect to the Purchased Shares immediately prior to

the sale, as if the Purchased Shares had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Monitor is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Applicants' records pertaining to Aralez Canada's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Applicants.

8. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any assignment in bankruptcy or any application for a bankruptcy order now or hereafter issued pursuant to the Bankruptcy and Insolvency Act (the "**BIA**") and any order issued pursuant to any such application;

(c) any application for a receivership order; or

(d) any provisions of any federal or provincial legislation,

the vesting of the Purchased Shares in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants and shall not be void or voidable by creditors of the Applicants, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive

or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

DISBURSEMENTS

9. **THIS COURT ORDERS** that the disbursements authorized and approved by this Order shall at all times be subject to: (i) the completion of the Transaction and the receipt of the net proceeds from the sale of the Purchased Shares (the "**Sale Proceeds"**) by the Monitor; and (ii) the Monitor retaining from the Sale Proceeds any reserve(s) of funds (collectively, the "**Reserve**") considered necessary or appropriate by the Monitor, in consultation with API and Deerfield, including, without limitation, in an amount satisfactory to the Monitor, in consultation with API and Deerfield, or in an amount determined by the Court, sufficient to (a) satisfy or secure the obligations under the Charges, other than the DIP Charge (each as defined in the Initial Order), that rank ahead of the applicable debt owing to Deerfield, (b) satisfy any unpaid obligations incurred by API since the commencement of the within proceedings, (c) complete the within proceedings and satisfy such obligations of API as may arise in so doing, and (d) perform any and all obligations, including post-closing obligations, of API under the Share Purchase Agreement and any other agreements entered into by API in respect of the Transaction (collectively, the "**Reserved Obligations**").

10. **THIS COURT ORDERS** that, subject to the Reserve, the Monitor is hereby authorized and directed to, in consultation with API and Deerfield, disburse the balance of the Sale Proceeds on behalf of API to Deerfield on the day of filing of the Monitor's Certificate or as soon thereafter as practicable. Such distribution shall be applied: (i) first, to the obligations of the API owing to Deerfield under the Definitive Documents (as defined in the Initial Order) and (ii) second, to the pre-filing secured debt in favour of Deerfield owed by API.

11. **THIS COURT ORDERS** that any portion of the Reserve subsequently determined by the Monitor, in consultation with API and Deerfield, to no longer be

necessary or appropriate to retain, shall be disbursed by the Monitor to Deerfield, to be applied: (i) first, to the obligations of API owing to Deerfield under the Definitive Documents, if any are remaining, and (ii) second, to the pre-filing secured debt in favour of Deerfield owed by API (provided, for greater certainty, that in no circumstance shall the aggregate amount of all disbursements to Deerfield exceed the quantum of the obligations of API owing to Deerfield).

12. **THIS COURT ORDERS** that the Monitor is hereby authorized and empowered to, in consultation with API and Deerfield, disburse on behalf of API from time to time from the Reserve such amounts as are required to pay the Reserved Obligations (provided, for greater certainty, that any amounts paid to the Monitor or its counsel are subject to a final approval of such fees and disbursements by this Court).

13. **THIS COURT ORDERS** that notwithstanding:

(a) the pendency of these proceedings;

(b) any assignment in bankruptcy or any application for a bankruptcy order now or hereafter issued pursuant to the BIA and any order issued pursuant to any such application;

(c) any application for a receivership order; or

(d) any provisions of any federal or provincial legislation,

the Reserve, payments, distributions and disbursements contemplated in this Order shall be binding on any trustee in bankruptcy or receiver that may be appointed, and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Applicants, the Monitor, Deerfield, or any other person receiving distributions or disbursements

pursuant to this Order, and shall not constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

14. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the Initial Order, the Monitor shall not be liable for any act or omission on the part of the Monitor pertaining to the discharge of its duties under this Order, save and except for any claim or liability arising out of any gross negligence or wilful misconduct on the part of the Monitor. Nothing in this Order shall derogate from the protections afforded to the Monitor by the CCAA, any other federal or provincial applicable law or the Initial Order.

15. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order and without in any way limiting the protections for the Monitor set forth in this Order, the Initial Order and the CCAA, the Monitor shall have no obligation to make any payment unless the Monitor is in receipt of funds adequate to effect any such payment, subject at all times to paragraph 9 of this Order.

16. **THIS COURT ORDERS AND DECLARES** that any payments, distributions and disbursements under this Order shall not constitute a "distribution" for the purposes of section 159 of the Income Tax Act (Canada), section 270 of the Excise Tax Act (Canada), section 107 of the Corporations Tax Act (Ontario), section 22 of the Retail Sales Tax (Ontario), section 117 of the Taxation Act, 2007 (Ontario) or any other similar federal, provincial or territorial tax legislation (collectively, the "**Tax Statutes"**), and that the Monitor in making any such payments, distributions or disbursements is not "distributing", nor shall be considered to "distribute" nor to have "distributed", such funds for the purpose of the Tax Statutes, and the Monitor shall not incur any liability under the Tax Statutes in respect of its making any payments ordered or permitted under this Order, and is hereby forever released and discharged from any claims against it under or pursuant to the Tax Statutes or otherwise at law, arising in respect of

payments made under this Order and any claims of this nature are hereby forever barred.

GENERAL

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

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

_____

SCHEDULE A
FORM OF MONITOR'S CERTIFICATE

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

Applicants

MONITOR'S CERTIFICATE

RECITALS

A. The Applicants obtained protection under the *Companies' Creditors Arrangement Act* (the "**CCAA**") pursuant to an Initial Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated August 10, 2018 (the "**Initial Order**").

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

C. Pursuant to the Approval and Vesting Order of the Court granted ●, 2018 (the "**Approval and Vesting Order**"), the Court approved the share purchase agreement dated ● 2018 (the "**Share Purchase Agreement**") among Aralez Pharmaceuticals Inc. ("**API**"), as vendor, Aralez Pharmaceuticals Canada Inc. ("**Aralez Canada**"), as the company, and Nuvo Pharmaceuticals Inc., as the purchaser (the "**Purchaser**") providing for, among other things, the sale of all the shares in the capital of Aralez Canada to the

Purchaser (the "**Purchased Shares**"), which vesting is to be effective upon the delivery by the Monitor to the Purchaser of this Monitor's Certificate.

D. Unless otherwise indicated or defined herein, capitalized terms used in this Monitor's Certificate shall have the meanings given to them in the Approval and Vesting Order.

THE MONITOR CONFIRMS the following:

1. The Monitor has received written confirmation, in form and substance satisfactory to the Monitor, from the Purchaser and API that:

(a) all conditions to Closing set forth in the Share Purchase Agreement have been satisfied or waived;

(b) the Purchaser has paid the Purchase Price;

(c) the Purchase Price has been delivered in accordance with the Share Purchase Agreement; and

(d) the Transaction has been completed to the satisfaction of the Purchaser and API, respectively.

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

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

Per: _____

Name:

Title:

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

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

Applicants

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

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

APPROVAL AND VESTING ORDER

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

Ashley Taylor LSUC#: 39932E
Tel: (416) 869-5236
E-mail: ataylor@stikeman.com

Kathryn Esaw LSUC#: 58264F
Tel: (416) 869-6820
E-mail: kesaw@stikeman.com
Fax: (416) 947-0866

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

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

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

Ashley Taylor LSUC#: 39932E
Tel: (416) 869-5236
E-mail: ataylor@stikeman.com

Kathryn Esaw LSUC#: 58264F
Tel: (416) 869-6820
E-mail: kesaw@stikeman.com
Fax: (416) 947-0866

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

Ashley Taylor LSUC#: 39932E
Tel: (416) 869-5236
E-mail: ataylor@stikeman.com

Kathryn Esaw LSUC#: 58264F
Tel: (416) 869-6820
E-mail: kesaw@stikeman.com
Fax: (416) 947-0866

Lawyers for the Applicants

TAB D

EXHIBIT "D"

referred to in the Affidavit of

ADRIAN ADAMS

Sworn December , 2018

_____

Commissioner for Taking Affidavits

ASSET PURCHASE AGREEMENT

by and between

ARALEZ PHARMACEUTICALS CANADA INC.

and

INTERCEPT PHARMACEUTICALS, INC.

Dated as of December 6, 2018

TABLE OF CONTENTS

SCHEDULES

DISCLOSURE SCHEDULES

EXHIBITS

ASSET PURCHASE AGREEMENT (this "**Agreement**") is made and executed as of December 6, 2018 (the "**Execution Date**"), by and between Aralez Pharmaceuticals Canada Inc., a corporation incorporated under the laws of the Province of Ontario ("**Seller**"), and Intercept Pharmaceuticals, Inc., a Delaware corporation ("**Buyer**"). Seller and Buyer are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, on August 10, 2018, Seller sought protection under the *Companies Creditors' Arrangement Act* (Canada) (as amended, the "**CCAA**") by commencing proceedings (the "**CCAA Case**") in the Superior Court of Ontario (Commercial List) (the "**CCAA Court**");

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

WHEREAS, upon entry into this Agreement, Buyer shall deposit an amount equal to [redacted] 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;

WHEREAS, at the Closing, Seller and Buyer intend to enter into the Bill of Sale;

WHEREAS, Seller is a party to that certain Product Development and Profit Share Agreement relating to bezafibrate, by and between Seller (as successor to Tribute Pharmaceuticals Canada Ltd.) and Allergan Pharmaceuticals International Limited ("**Allergan**") (as successor to Actavis Group PTC ehf), effective as of May 4, 2011, as amended by Amendment #1 thereto dated April 1, 2013 and Amendment #2 thereto dated November 30, 2017 (the "**Original Bezafibrate Development Agreement**"); and

WHEREAS, concurrently with the Closing, Buyer and Allergan intend to amend and restate the Original Bezafibrate Development Agreement in the form attached as Exhibit E (the "**Restated Bezafibrate Development Agreement**").

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:

1.1.1 "**Act**" means the U.S. Federal Food, Drug, and Cosmetic Act.

1.1.2 "**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 fifty percent (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).

1.1.3 "**Aggregate Payments**" means the sum of the Closing Payment and the Milestone Payment, in each case, to the extent actually paid by Buyer to Seller hereunder.

1.1.4 "**Agreement**" has the meaning set forth in the preamble.

1.1.5 "**All Products**" means all versions of the Product or New Products, including any Improvement to the Product or any New Product, whether sold as a brand or as a generic, if any, and "**Any Product**" means any brand or generic version of any Product or New Product.

1.1.6 "**Allergan**" has the meaning set forth in the recitals.

1.1.7 "**Allergan Consent**" means the written consent of Allergan to the assignment to Buyer of the Original Bezafibrate Development Agreement at the Closing, as executed by Allergan and attached hereto as Exhibit G.

1.1.8 "**Ancillary Agreements**" means the Bill of Sale, the Allergan Consent and the Deposit Escrow Agreement.

1.1.9 "**Application for Regulatory Approval**" means an application made to a Governmental Authority in any country for permission to Market a pharmaceutical product in that country, and includes a new drug application and an abbreviated new drug application.

1.1.10 "**Appointee**" has the meaning set forth in Section 8.1.6.

1.1.11 "**Apportioned Obligations**" has the meaning set forth in Section 4.10.2(c).

1.1.12 "**Approval Motion**" has the meaning set forth in Section 4.14.1.

1.1.13 "**Approval Order**" means an order in the form of Exhibit D subject to changes mutually agreed by the parties acting reasonably, authorizing and approving, *inter alia*, the sale and vesting of the Purchased Assets to Buyer and the grant of the Product IP License to Buyer, on the terms and subject to the conditions set forth herein, free and clear of all Encumbrances, other than Permitted Encumbrances, including the assignment and vesting of all rights and benefits of the Original Bezafibrate Development Agreement to Buyer and providing

that any sale or other disposition of Seller or its assets, and any order of the CCAA Court approving any such sale or other disposition, shall be expressly subject to the rights of Buyer under this Agreement in and to the Purchased Assets and the Product IP License. The Approval Order shall provide that (a) the benefits conferred to the Buyer under this Agreement shall not be negatively impacted in any manner whatsoever by any transactions that may be approved or implemented in connection with Seller or any Affiliate of Seller pursuant to the Canadian CCAA process or any other bankruptcy or reorganization process that may follow in respect of Seller or any Affiliate of Seller in Canada, and (b) in the event of any transaction in which all or substantially all of the assets of Seller and its Affiliates are sold, the purchaser of such assets, including the Successful CCAA Bidder if such entity purchases all or substantially all of the assets of Seller, shall be bound by all obligations of Seller hereunder (including in respect of the Product IP License).

1.1.14 "**Assumed Liabilities**" has the meaning set forth in Section 2.2.1(b).

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

1.1.16 "**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.

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

1.1.18 "**Buyer Confidential Information**" has the meaning set forth in Section 4.7.3.

1.1.19 "**Buyer FDA Transfer Letter**" means the letter from Buyer to FDA in substantially the form attached as Exhibit B, accepting the transfer of rights to any IND submitted by Seller to FDA.

1.1.20 "**Buyer Group**" has the meaning set forth in Section 4.13.

1.1.21 "**Buyer Material Adverse Effect**" means any event, fact, condition, occurrence, change or effect that prevents or materially impedes or delays the consummation by Buyer of the transactions contemplated by this Agreement or the Ancillary Agreements.

1.1.22 "**Buyer Permitted Purpose**" has the meaning set forth in Section 4.7.4.

1.1.23 "**Buyer Released Party**" has the meaning set forth in Section 7.3.2.

1.1.24 "**Buyer Releasing Party**" has the meaning set forth in Section 7.3.1.

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

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

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

1.1.28 "**Claims**" means all legal, equitable, or other claims, complaints, counterclaims, charges, rights, qui tam actions, demands, setoffs, defenses, contracts, accounts, suits, debts, agreements, actions and causes of action of any kind whatsoever (whether based on common law or on any federal, state, local or foreign statute, rule, regulation, or other law or right of action), sums of money, bills, invoices, covenants, promises, agreements, damages, judgments, or obligations of any nature whatsoever.

1.1.29 "**Closing**" has the meaning set forth in Section 2.4.1.

1.1.30 "**Closing Date**" means the date on which the Closing occurs.

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

1.1.32 "**Competing Proposed Transaction**" has the meaning set forth in Section 4.15.

1.1.33 "**Confidential Information**" has the meaning set forth in Section 4.7.1.

1.1.34 "**Confidentiality Agreement**" means the Confidentiality Agreement, dated March 22, 2017, as amended by letter agreement dated October 1, 2018, by and between Aralez Pharmaceuticals Trading DAC and Buyer.

1.1.35 "**Contract**" means any contract, agreement, lease, sublease, license, sublicense or other legally binding commitment or arrangement.

1.1.36 "**Cure Costs**" shall mean the Liabilities and obligations, if any, that must be paid or otherwise satisfied to cure all of Seller's defaults under the Original Bezafibrate Development Agreement, or to effect the assumption thereof and assignment to Buyer pursuant to the CCAA, as provided herein and in the Approval Order.

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

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

1.1.39 "**Develop**" means to perform all of the work and conduct all of the tests and studies required to prepare and submit an Application for Regulatory Approval, and to obtain Regulatory Approval, of Any Product in the Territory, and "**Developed**" and "**Development**" have corresponding meanings.

1.1.40 "**DIP Agreement**" means that certain Senior Secured Super-Priority Debtor-in-Possession Credit Agreement, dated as of August 10, 2018, by and among Seller, Aralez Pharmaceuticals Inc., Deerfield Management Company, L.P. and the DIP Lenders, as the same has been or may be amended from time to time.

1.1.41 "**DIP Lenders**" means Deerfield Private Design Fund III, L.P. and Deerfield Partners, L.P.

1.1.42 "**Disclosing Party**" has the meaning set forth in Section 4.7.1.

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

1.1.44 "**Dispute**" means any dispute, controversy or claim (of any and every kind or type, whether based on contract, tort, statute, regulation, or otherwise) arising out of, relating to, or in connection with this Agreement or any Ancillary Agreement or the activities carried out hereunder or thereunder, including any dispute as to the construction, validity, interpretation, enforceability or breach hereof or thereof.

1.1.45 "**Encumbrance**" means any mortgage, lien (statutory or otherwise), license, sublicense, pledge, security interest, preference, encroachment, restrictive covenant, charge, hypothecation, title defect, claim of ownership, prior assignment, statutory or deemed trust, right of use or possession, Claim, Liability, right or restriction of any kind or nature or other encumbrance.

1.1.46 "**End Date**" has the meaning set forth in Section 8.1.2.

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

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

1.1.49 "**Excluded Assets**" means all assets, property, rights and interests of Seller and its Affiliates other than the Purchased Assets, including (a) subject to the Product IP License, all intellectual property and intellectual property rights of Seller and its Affiliates (excluding the Original Bezafibrate Development Agreement and all rights and interest of Seller thereunder); (b) all employees, real property and tangible personal property of Seller or any of its Affiliates (but excluding the Purchased Regulatory Documentation); (c) all accounts receivable; (d) subject to the Product IP License, all Manufacturing-related assets of Seller or any of its Affiliates other than the Original Bezafibrate Development Agreement and the Purchased Regulatory Documentation; (e) 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); (f) 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; (g) without limiting the Product IP License, any safety information relating to the Existing Seller Product; (h) without limiting the Product IP License, any rights or interests relating to the Existing Seller Product outside the Territory, to the extent used exclusively for the marketing, promotion, distribution and sale of the Existing Seller Product outside of the Territory as of the Closing Date; and (i) all Excluded Items.

1.1.50 "**Excluded Items**" means, other than the Purchased Assets and Buyer's rights under the Product IP License, any and all (a) books, documents, records, files and other items to the extent 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 other than the Buyer 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 Product Business other than the Buyer, and (iii) strategic, financial or Tax analyses relating to the divestiture of the Purchased Assets, the Assumed Liabilities, the Product and the Product Business; (b) trade secrets not licensed pursuant to the Product IP License; (c) (x) attorney-client privilege and attorney work-product protection of Seller or associated with the Product Business as a result of legal counsel representing Seller or the Product Business in connection with the transactions contemplated by this Agreement, (y) documents (including electronic communications) subject to the attorney-client privilege and work-product protection described in clause (x), and (z) documents maintained by Seller in connection with negotiating the transactions contemplated by this Agreement; (d) employee books and records; (e) financial, Tax and accounting records to the extent not related to the Product Business; (f) items to the extent applicable Law prohibits their transfer; and (g) without limiting the Product IP License, items related to the Exploitation or Manufacture of the Existing Seller Product outside of the Territory.

1.1.51 "**Excluded Liabilities**" means all Liabilities of Seller or any of its Affiliates other than the Assumed Liabilities. For the avoidance of doubt, Excluded Liabilities shall include (i) Liabilities relating to Taxes of Seller, (ii) Liabilities relating to Taxes with respect to the Purchased Assets or Product IP attributable to periods ending prior to the Closing, (iii) Liabilities related to Taxes of another person for which Seller is liable, including, by reason of being a transferee or successor, any contractual obligation or otherwise, (iv) all Liabilities arising out of, resulting from, or relating to any Excluded Assets, and (v) the Liabilities described on Schedule 1.1.51.

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

1.1.53 "**Existing Encumbrances**" means the Encumbrances disclosed on Schedule 1.1.53.

1.1.54 "**Existing Seller Product**" means the product Marketed as of the Execution Date by Seller and its Affiliates in Canada under DIN 02083523 and commonly referred to as Bezalip^{SR}.

1.1.55 "**Exploit**," "**Exploited**" and "**Exploitation**" mean to 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, but excludes to Manufacture or to have Manufactured.

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

1.1.57 "**Force Majeure**" has the meaning set forth in Section 9.13.1.

1.1.58 "**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 Ontario courts applying Ontario law. For the avoidance of doubt, "Fraud" does not include constructive fraud or any torts based on negligence or recklessness.

1.1.59 "**Governmental Authority**" means any supranational, international, federal, state, provincial or local court, administrative agency, authority, regulatory body, tribunal, bureau or commission or other governmental authority or instrumentality, domestic or foreign, whether administrative, legislative, executive or otherwise, including the FDA.

1.1.60 "**Improvement**" means a modification to a product that is:

(a) a change to the dosage strengths of such product not involving a material change in the drug release profile; or

(b) a change to the dosing regimens of such product; or

(c) a change or addition to the indications for which such product may be used; or

(d) a change or modification to the process for manufacturing such product; or

(e) solely with respect to the Product any change in specifications to the Product that is implemented in order to obtain Regulatory Approval in the Territory or otherwise required by the Governmental Authority in the Territory.

1.1.61 "**IND**" means Investigational New Drug Application 114039 for the Product or, to the extent existing as of the Closing Date, any other Investigational New Drug Application relating to Any Product or to any immediate release formulation of bezafibrate or of any salts, enantiomers, or metabolites of bezafibrate.

1.1.62 "**Invention**" means any New Product, any Improvement to Any Product, any new use of Any Product, any new performance characteristic of Any Product, any new process used to Manufacture Any Product, or any step or steps in any such process, and includes all formulations of any New Product.

1.1.63 "**IRS**" means the U.S. Internal Revenue Service.

1.1.64 "**Know-How**" means all data, information, expertise, trade secrets, manufacturing, mixing and production procedures, technical assistance, and shop rights, known to, licensed to or in the possession of Seller or any Affiliate of Seller relating to the manufacture of Any Product or All Products, or to the processing, preparing, manufacturing, packaging, making and testing of Any Product or All Products, whether generally known to others or not, and includes any Improvement thereto made by Seller or any Affiliate of Seller during the performance of its obligations under the Original Bezafibrate Development Agreement.

1.1.65 "**Law**" means any domestic or foreign, federal, state, provincial or local statute, law, treaty, judgment, ordinance, rule, administrative interpretation, regulation, Order, code, principle of common law or equity, policy, guideline or other requirement having the force of law of any Governmental Authority.

1.1.66 "**Liabilities**" means any debts, liabilities, obligations, commitments, claims or complaints, whether accrued or fixed, known or unknown, disputed or undisputed, fixed or contingent, determined or determinable, liquidated or unliquidated, joint or several, due or to become due, executory or otherwise, and whether or not the same would be required to be reflected in financial statements or disclosed in the notes thereto.

1.1.67 "**Litigation**" means any Claim, action, arbitration, mediation, hearing, proceeding, suit, warning letter, or notice of violation.

1.1.68 "**Manufacture**," "**Manufacturing**" and "**Manufactured**" means to process, prepare, make and test.

1.1.69 "**Market**" means to promote, distribute, test, package, label, market, advertise, sell or offer to sell, and "**Marketing**" and "**Marketed**" have corresponding meanings.

1.1.70 "**Material Adverse Effect**" means an event, fact, condition, occurrence, change or effect that individually or in the aggregate (a) has had, has or would reasonably be expected to have a material adverse effect on the business, results of operations, assets, liabilities or condition (financial or otherwise) of the Product Business, the Purchased Assets, the Product IP and the Assumed Liabilities, taken as a whole, or (b) prevents or materially impedes or delays the consummation by Seller of the transactions contemplated by this Agreement or the Ancillary Agreements; *provided*, *however*, that for clause (a) only none of 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," in each case, to the extent arising after the date hereof: (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; (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 public announcement, execution or delivery of this Agreement or the pendency or consummation of the transactions contemplated hereby, including any reduction in revenue, any disruption in (or loss of) supplier, distributor, customer, partner or similar relationships or any loss of employees directly and solely resulting therefrom; (vii) the failure to take any action that Seller or any of its Affiliates has requested the consent of Buyer to take and for which Buyer did not act reasonably in refusing to grant such consent or the taking of any action by Seller or any of its Affiliates pursuant to the terms of this Agreement or that Buyer has expressly requested in writing be taken; and (viii) the results of any pre-clinical or clinical testing sponsored by any Third Party; except, in each of clauses (i) through (v), for those that have a disproportionate effect on the Product Business, the Purchased Assets, the Product IP and the Assumed Liabilities, taken as a whole, relative to other Persons operating businesses similar to the Product Business (in which case only the incremental disproportionate effect may be taken into account in determining whether there has been a Material Adverse Effect).

1.1.71 "**Milestone Payment**" has the meaning set forth in Section 2.3.2.

1.1.72 "**Monitor**" means Richter Advisory Group Inc. in its capacity as the court-appointed monitor of the Seller.

1.1.73 "**New Product**" means any formulation of bezafibrate Developed (a) prior to the Closing Date by or for Seller or its Affiliates or (b) after the Closing Date by or for Buyer, its Affiliates or sublicensees, including any formulation using any salts, enantiomers, or metabolites of bezafibrate, or any fixed combinations containing those medicines.

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

1.1.75 "**Order**" means any writ, judgment, award, edict, decree, injunction, ruling, order or other binding obligation, pronouncement or determination of any Governmental Authority.

1.1.76 "**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 February 5, 2016 to the Petition Date.

1.1.77 "**Original Bezafibrate Development Agreement**" has the meaning set forth in the recitals.

1.1.78 "**Party**" or "**Parties**" has the meaning set forth in the preamble.

1.1.79 "**Patents**" means any patent or patent application, including any continuation, file wrapper continuations, continuation-in-part, divisional, re-issue and re-examination applications, in the Territory, now or hereafter owned by or licensed to Seller or any Affiliate of Seller that claims Any Product or any intermediate used or useful in manufacturing the Product, any use of Any Product, or any process used or useful in manufacturing the Product.

1.1.80 "**Permitted Encumbrance**" means the Encumbrances disclosed on Schedule 1.1.80.

1.1.81 "**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.

1.1.82 "**Petition Date**" means August 10, 2018.

1.1.83 "**Post-Closing Tax Period**" has the meaning set forth in Section 4.10.2(c).

1.1.84 "**Pre-Closing Period**" has the meaning set forth in Section 4.2.1.

1.1.85 "**Pre-Closing Tax Period**" has the meaning set forth in Section 4.10.2(c).

1.1.86 "**Product**" means a sustained release solid oral dosage formulation containing bezafibrate that was or is under Development by or for Seller or its Affiliates in the Territory, and any Improvement thereto.

1.1.87 "**Product Business**" means the rights of Seller and its Affiliates under the Original Bezafibrate Development Agreement and the Purchased Regulatory Documentation, including all Development, Marketing, Manufacturing and Exploitation completed by, on behalf of or in favor of Seller and its Affiliates with respect to All Products or Any Product in the Territory.

1.1.88 "**Product IP**" means Seller's and its Affiliates' Inventions, Know-How and Patents as of the Closing Date, in each case solely to the extent such Inventions, Know-How and Patents relate to the Product or Any Product, but excluding (i) any intellectual property licensed to Seller pursuant to the Original Bezafibrate Development Agreement, and (ii) any Inventions, Know-How and Patents owned by Seller or its Affiliates that relate to any brand or generic version of any product developed, Manufactured or Marketed by Seller or its Affiliates as of the date hereof, other than the Product or Any Product.

1.1.89 "**Product IP License**" means the rights and licenses granted to Buyer pursuant to, and the obligations of Seller set forth in, ARTICLE 5 of this Agreement.

1.1.90 "**Purchase Price**" means the sum of the Closing Payment, and to the extent actually paid by Buyer in accordance with Section 2.3.2, the Milestone Payment.

1.1.91 "**Purchase Price Allocation**" has the meaning set forth in Section 2.3.4.

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

1.1.93 "**Purchased Regulatory Documentation**" means, with respect to All Products and Any Product, (a) any IND, (b) all correspondence and reports related to All Products or Any Product in the Territory or necessary to, or otherwise limiting the ability to, commercially Market, Develop, Exploit or have made All Products or Any Product in the Territory as of the Closing Date, including all correspondence and reports 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 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, adverse drug experience reports (periodic and expedited), technical dossier and other registration documents and information, and (c) all data (including commercial, safety, clinical and pre-clinical data) referenced in any of the foregoing or generated in any study conducted under or referenced in any of the foregoing, in each case (clauses (a), (b) and (c)), to the extent in the possession or control of Seller or any of its Affiliates or to which any of Seller or its Affiliates have rights or access, in each case directly or indirectly and in each case in the form currently maintained by Seller or its Affiliates (e.g., electronic, physical or otherwise).

1.1.94 "**Receiving Party**" has the meaning set forth in Section 4.7.1.

1.1.95 "**Regulatory Approval**" means the permission or consent granted by any relevant Governmental Authority for the Marketing of Any Product or All Products in the Territory, and includes all of the contents of the Application for Regulatory Approval as approved by that Governmental Authority.

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

1.1.97 "**Restated Bezafibrate Development Agreement**" has the meaning set forth in the recitals.

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

1.1.99 "**Seller Confidential Information**" has the meaning set forth in Section 4.7.4.

1.1.100 "**Seller Group**" has the meaning set forth in Section 4.13.

1.1.101 "**Seller Permitted Purpose**" has the meaning set forth in Section 4.7.3.

1.1.102 "**Seller Releasing Party**" has the meaning set forth in Section 7.3.2.

1.1.103 "**Seller Transfer Letters**" means the letters to FDA, Buyer and Mapi Life Science Canada, Inc., in the forms attached as Exhibits C-1, C-2 and C-3.

1.1.104 "**Seller's Knowledge**" means the actual knowledge of those individuals listed on Schedule 1.1.104 with respect to the designated subject matter for the applicable individual as set forth on such schedule.

1.1.105 "**Senior Officers**" means an employee at the executive officer level.

1.1.106 "**Successful CCAA Bidder**" means Nuvo Pharmaceuticals Inc., or, in the event Nuvo Pharmaceuticals Inc. is not the successful bidder pursuant to the CCAA Case, the other successful bidder for all of the issued and outstanding shares or substantially all of the assets, in each case, of Seller pursuant to the CCAA Case.

1.1.107 "**Successful CCAA Bidder Parties**" has the meaning set forth in Section 7.3.1.

1.1.108 "**Successful CCAA Bidder Released Parties**" has the meaning set forth in Section 7.3.1.

1.1.109 "**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.

1.1.110 "**Taxes**" means all taxes of any kind, and all charges, fees, customs, levies, duties, imposts, required deposits or other assessments, including all federal, state, provincial, local or foreign net income, capital gains, gross income, gross receipt, property, franchise, sales, use, value-add, retail, goods and services, harmonized sales, 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.

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

1.1.112 "**Territory**" means the United States of America, including its territories and possessions, including Puerto Rico.

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

1.1.114 "**Transfer Taxes**" has the meaning set forth in Section 4.10.2(a).

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 and headings 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 term "including" or its variations as used herein 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, regulations or legally binding guidelines 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. For the avoidance of doubt, references to "Any Product" or "All Products" shall include any product with the same composition as the Existing Seller Product, but shall not in any way (x) grant Buyer or its Affiliates any rights or interests in Any Product or All Products outside of the Territory, including in Canada, or (y) provide any rights to Buyer or its Affiliates in, or control

over, the Existing Seller Product itself (as expressly defined herein) (it being understood that the foregoing clauses (x) and (y) shall not limit the Product IP License or otherwise restrict Buyer from Manufacturing or having Manufactured Any Product or All Products outside of the Territory for purposes of Developing, Marketing or otherwise Exploiting Any Product or All Products in the Territory or granting sublicenses with respect thereto, including as permitted by Section 5.1).

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, at and effective as of the Closing, (x) Seller and Aralez Pharmaceuticals Inc. shall grant, and Buyer shall accept the grant of, the Product IP License in accordance with the terms set forth herein, and (y) 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), the following (collectively, the "**Purchased Assets**") in each case of clauses (x) and (y), free and clear of any Encumbrances (other than Permitted Encumbrances):

(a) the Purchased Regulatory Documentation; and

(b) the Original Bezafibrate Development Agreement, including any and all licenses to intellectual property provided to Seller pursuant to such agreement.

2.1.2 Excluded Assets. Notwithstanding anything to the contrary in this Agreement or any Ancillary Agreement, Buyer shall not acquire pursuant to this Agreement or any Ancillary Agreement the Excluded Assets, and the Purchased Assets shall not include, and Seller shall retain following the Closing, the Excluded Assets.

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 in accordance with their terms when due:

(a) all Liabilities of Seller and its Affiliates under or relating to the Purchased Assets solely to the extent arising, and relating to the period from and after, the Closing; and

(b) all Liabilities assumed under the Original Bezafibrate Development Agreement solely to the extent arising, and relating to the period from and after, the Closing (subsections (a) and (b) collectively, the "**Assumed Liabilities**").

2.2.2 Excluded Liabilities. Notwithstanding anything to the contrary in this Agreement or any Ancillary Agreement, Buyer shall not assume 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, Buyer shall pay to Seller (or a designee, successor or assign of Seller that is a Canadian resident for the purposes of the Income Tax Act (Canada)):

(a) [redacted] (the "**Closing Payment**"), *less* the Deposit, to be paid on the Closing Date by wire transfer of immediately available funds to the account designated by Seller (or a designee, successor or assign of Seller that is a Canadian resident for the purposes of the Income Tax Act (Canada)) by written notice delivered to Buyer at least five (5) Business Days prior to the Closing Date; and

(b) the Milestone Payment.

2.3.2 Milestone Payment. Promptly following (but no more than twenty-five (25) calendar days after) Buyer's receipt of Regulatory Approval of the first Any Product in the Territory, Buyer shall pay to Seller (or a designee, successor or assign of Seller that is a Canadian resident for the purposes of the Income Tax Act (Canada)), as additional consideration hereunder, an amount equal to [redacted] (the "**Milestone Payment**"). Such Milestone Payment shall be made by wire transfer (for same day value in cleared funds) to an account designated by Seller (or a designee, successor or assign of Seller that is a Canadian resident for the purposes of the Income Tax Act (Canada)) by written notice delivered to Buyer at least five (5) Business Days prior to the date of the Milestone Payment.

2.3.3 Mode of Payment; Interest; Tax Treatment. All payments to be made by Buyer to Seller under this Agreement shall be made in United States dollars. If Buyer fails to make any payment pursuant to this Agreement when due, any such late payment shall bear simple interest, to the extent not prohibited by Law, at a per annum rate equal to the U.S. Prime Rate, as reported in The Wall Street Journal, Eastern Edition, for the first date on which such payment was delinquent, plus two percent (2%), beginning on the first date on which such payment was delinquent and ending on the date on which such payment is made, calculated based on the actual number of days such payment is overdue. The Milestone Payment shall be treated as an adjustment to the Purchase Price for all Tax purposes, unless otherwise required by applicable Law and unless any portion of such Milestone Payment is required to be treated as interest in respect of deferred consideration for Tax purposes.

2.3.4 Allocation of Consideration. Prior to Closing, Buyer and Seller agree to allocate the Purchase Price (including the Assumed Liabilities) among all of the Purchased Assets in accordance with the provisions of Exhibit F (the "**Purchase Price Allocation**"). The Parties agree to execute and file all of their own Tax Returns and prepare all of their own financial statements and other instruments on the basis of the Purchase Price Allocation. If the Purchase Price Allocation is disputed by any Governmental Authority, the Party receiving notice

of such dispute will promptly notify the other Party and the Parties will use their best efforts to sustain the Purchase Price Allocation.

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 office of Willkie Farr & Gallagher LLP on a Business Day not later than three (3) 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 of this Agreement (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 12:01 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) the Bill of Sale, validly executed by a duly authorized officer of Seller or its applicable Affiliate;

(ii) a receipt acknowledging receipt of the Closing Payment in satisfaction of Buyer's obligations pursuant to Section 2.3.1, validly executed by a duly authorized representative of Seller (which, for the avoidance of doubt, shall only be effective upon actual receipt of the Closing Payment by Seller); and

(iii) the Seller Transfer Letters.

(b) At the Closing, Buyer shall deliver the following to Seller:

(i) the Bill of Sale, validly executed by a duly authorized officer of Buyer or its applicable Affiliate;

(ii) the Closing Payment in accordance with Section 2.3.1 (along with a U.S. Federal Reserve reference or similar number evidencing execution of such payment); and

(iii) the Buyer FDA Transfer Letter.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Seller. Seller represents and warrants to Buyer, as of the date hereof and as of the Closing Date, as follows:

3.1.1 Entity Status. Seller is a corporation duly formed, validly existing and in good standing under the Laws of the Province of Ontario. Seller has all requisite corporate power and authority to own, use and operate the Purchased Assets and, to Seller's Knowledge, the Product IP.

3.1.2 Authority. Seller has the requisite corporate power and authority to (i) own, use and operate the Purchased Assets and, to Seller's Knowledge, the Product IP 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 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 person 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**").

3.1.3 Non-Contravention. The execution, delivery and performance by Seller of this Agreement and of each Ancillary Agreement to which it is a party (including the assignment and transfer of the Purchased Assets to Buyer and, to Seller's Knowledge, the grant of the Product IP License to Buyer) do not and will not (a) violate the certificate of incorporation, certificate of formation, bylaws, operating agreement or comparable organizational documents of Seller, as applicable, (b) violate any Law or restriction of any Governmental Authority applicable to Seller, the Product Business, the Purchased Assets, or, to Seller's Knowledge, the Product IP, (c) (i) except as set forth on Section 3.1.3(c) of the Disclosure Schedule, violate, breach or constitute a default under or result in the termination of, or loss of any right or acceleration of any obligation under, any material Contract to which Seller is a party (including the Original Bezafibrate Development Agreement) or to which the Purchased Assets or, to Seller's Knowledge, the Product IP are subject, and which, in each case, is necessary for the conduct of the Product Business or (ii) violate any order or judgment of a Governmental Authority to which Seller is subject or relating primarily to the Product Business, the Purchased Assets (including the Purchased Regulatory Documentation), or, to Seller's Knowledge, the Product IP, (d) result in the imposition of any Encumbrance upon any assets of Seller or its Affiliates or (e) except as set forth on Section 3.1.3(e) of the Disclosure Schedule, require Seller or any of its Affiliates to give any notice to or make any filing with, or obtain any permit, authorization, consent or approval of, any Governmental Authority or Third Party.

3.1.4 No Broker. There is no broker, finder, financial advisor or other Person acting or who has acted on behalf of Seller or 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 or any Ancillary Agreement.

3.1.5 Title; Sufficiency. Seller has, or its Affiliates have, good title to, or valid contract rights in, as applicable, the Purchased Assets and, to Seller's Knowledge, the Product IP, in each case, free and clear of all Encumbrances other than Existing Encumbrances. The Purchased Assets and the Product IP License include (x) all assets and rights (other than intellectual property), and (y) to Seller's Knowledge, all intellectual property of Seller or any of its Affiliates (i) that are necessary to operate the Product Business in substantially the same manner as it is currently operated or (ii) that are otherwise related to the Product Business.

3.1.6 Bezafibrate Development Agreement. The Original Bezafibrate Development Agreement is legal, valid, binding and enforceable and in full force and effect, subject in each case to the effect of any Enforceability Exceptions. To Seller's Knowledge, none of Seller or its Affiliates is in material breach or violation of, or default under, the Original Bezafibrate Development Agreement, and, to Seller's Knowledge, no event has occurred, is pending or, to Seller's Knowledge, is threatened, which, after the giving of notice, with lapse of time, or otherwise, would constitute a material breach or default by Seller or its Affiliates under the Original Bezafibrate Development Agreement. Other than the Original Bezafibrate Development Agreement or as set forth on Section 3.1.6 of the Disclosure Schedule, Seller is not a party to any Contracts, whether written or oral, with respect to the Product Business or the technology licensed to Seller pursuant to the Original Bezafibrate Development Agreement. To Seller's Knowledge, Seller is not a party to any Contracts, whether written or oral, with respect to the Product IP that would prevent or prohibit the license of the Product IP from Seller to Buyer as set forth herein, or otherwise interfere with Buyer's performance under the Restated Bezafibrate Development Agreement or the rights and obligations of the Parties under this Agreement. Seller has made available to Buyer a complete and accurate copy of the Original Bezafibrate Development Agreement. Seller is the surviving entity of an amalgamation of Seller and its wholly owned subsidiary Medical Futures Inc., and Seller was formerly known as Tribute Pharmaceuticals Canada Inc., the successor to Tribute Pharmaceuticals Canada Ltd. and, accordingly, Seller is the successor to all rights and obligations of such parties under the Original Bezafibrate Development Agreement. To Seller's Knowledge, Allergan has supplied testing quantities of Any Product and All Products to Seller and there is no other supplier of Any Product or All Products to Seller and its Affiliates.

3.1.7 IND. Seller is the owner of record of Investigational New Drug Application 114039. Such IND is the only Investigational New Drug Application (or comparable filing) with respect to Any Product and All Products in the Territory that is owned or controlled by Seller or its Affiliates. To Seller's Knowledge, Seller has made available to Buyer true, correct and complete copies of such IND, and all material books, records and files that are related to the IND, Any Product and All Products in the Territory in its or its Affiliates' possession, including all related regulatory files in its or its Affiliates' possession. To Seller's Knowledge, the business and activities of Seller and its Affiliates in connection with the preparation and submission of such IND and the development and commercialization of Any Product and All Products in the Territory are being and have been conducted in compliance with all applicable Laws in all material respects. There are no proceedings pending or, to Seller's Knowledge, threatened with respect to an actual or alleged violation by Seller or any of its Affiliates resulting from, or related to, the IND, Any Product or All Products of the Act or the regulations adopted by the FDA thereunder, the

Controlled Substance Act or any other similar Law promulgated by the FDA or other Governmental Authority.

3.1.8 Seller is a resident of Canada for purposes of the Income Tax Act (Canada).

3.2 Representations and Warranties of Buyer. Buyer represents and warrants to Seller, as of the date hereof and as of the Closing Date, as follows:

3.2.1 Entity Status. Buyer is a corporation, duly formed, validly existing and in good standing under the laws of Delaware.

3.2.2 Authority. Buyer has the requisite corporate 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 the 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 corporate 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.

3.2.3 Non-Contravention. The execution, delivery and performance by Buyer of this Agreement and of each Ancillary Agreement to which it is a party do not and will not (a) violate the certificate of incorporation, certificate of formation, bylaws, operating agreements, or comparable organizational documents, of Buyer, (b) violate any Law or other restriction of any Governmental Authority applicable to Buyer, as applicable, (c) violate, breach or constitute a default under or result in the termination of any material Contract to which Buyer is a party, or (d) violate any order or judgment of a Governmental Authority to which Buyer is subject, except, in the case of clause (b), (c) or (d), 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 or any Ancillary Agreement.

3.2.5 Financial Capacity; Solvency.

(a) Immediately prior to and at the Closing, Buyer will have immediately available cash that is sufficient to enable it to pay the full consideration payable hereunder and to make all other payments required to be made by Buyer in connection with the transactions contemplated hereby and by the Ancillary Agreements and to pay all related fees and expenses of Buyer and its Affiliates as described herein and in the Ancillary Agreements, in each case, as and when due.

(b) After giving effect to the transactions contemplated hereby and by the Ancillary Agreements, including the payment of the Purchase Price and all other amounts required to be paid by Buyer and its Affiliates in connection with the consummation of the transactions contemplated hereby and thereby, including the payment of all related fees and expenses, in each case, as and when due, 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.

3.3 Exclusivity of Representations. Each Party acknowledges and agrees that, except for the express representations and warranties contained in Sections 3.1 and 3.2, as applicable, (a) the other Party has made no representation or warranty whatsoever herein or otherwise related to the transactions contemplated hereby and (b) such Party has not relied on any representation or warranty, express or implied, in connection with the transactions contemplated hereby. Without limiting the generality of the foregoing, Buyer acknowledges and agrees that, except as expressly provided in this Agreement (and subject to Seller's representations and warranties), Buyer is acquiring the Purchased Assets and assuming the Assumed Liabilities 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 and agrees that it 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 or any Ancillary 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, any financial projection, forecast, estimate, budget or other prospective financial information relating to the Product Business.

ARTICLE 4
COVENANTS

4.1 Ordinary Course of Business.

4.1.1 During the Pre-Closing Period, except (u) as set forth in Schedule 4.1 or as otherwise required by this Agreement, (v) as required by applicable Law, (w) as required by the terms of the Original Bezafibrate Development Agreement, (x) for any actions taken by Seller that are reasonably required to consummate the transactions contemplated by this Agreement, (y) for actions taken by Seller or its Affiliates that are required or expressly permitted by an Order of the CCAA Court or (z) as Buyer shall otherwise consent in writing, (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) enter into, terminate (or fail to exercise any rights of renewal), amend, cancel or waive any right or remedy under the Original Bezafibrate Development Agreement;

(b) sell, lease, license or dispose of any of the Purchased Assets;

(c) 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) waives, releases or assigns any material claims or rights of Seller or its Affiliates against Third Parties with respect to the Product Business;

(d) initiate any Litigation with respect to the Product Business or the Purchased Assets;

(e) enter into any "non-compete," "non-solicit" or similar agreement that would restrict the Product Business following the Closing;

(f) take any action which impedes, impairs or restricts Seller's ability to grant the Product IP License;

(g) waive, amend, cancel or terminate any provision of the Original Bezafibrate Development Agreement or take or fail to take any action, the taking or failure to take, as applicable, of which would, with or without notice or lapse of time or both, result in a breach or default under, or otherwise fail to comply with the terms of, the Original Bezafibrate Development Agreement; or

(h) enter into any Contract to do any of the foregoing in subsections (a) through (g).

4.1.2 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 any of 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.

4.1.3 Without limiting anything in this Section 4.1, in the event that Seller receives a "Termination Notice" from Allergan pursuant to Section 17.5 of the Original Bezafibrate Development Agreement during the Pre-Closing Period, Seller shall promptly, but in no event more than five (5) calendar days after receipt by Seller of such Termination Notice (i) provide a copy of such Termination Notice to Buyer and (ii) if requested by Buyer, consult on a plan to prevent termination of the Original Bezafibrate Development Agreement.

4.1.4 During the Pre-Closing Period, Seller shall provide Buyer with advance notice of all meetings, conferences, and discussions scheduled with Governmental Authorities concerning Any Product and All Products in the Territory, the Product Business, or the Purchased Assets (except to the extent such meeting, conference or discussion is related to the CCAA or Chapter 11 proceeding and does not involve or relate to the acquisition of the Purchased Assets or the grant of the Product IP License) not later than two (2) Business Days after Seller receives notice of the scheduling of such meeting, conference, or discussion. Buyer shall be entitled to have reasonable representation present at all such meetings; provided, however, that (a) except with the prior written consent of Buyer, Seller shall not, at any time following the date of this Agreement, request any meeting regarding Any Product or All Products, or the Product Business, or the Purchased Assets with any Governmental Authority in the Territory (b) Seller shall not accept any such meetings without prior approval of Buyer; and (c) unless required by the CCAA Court, Seller shall not attend any meetings with Governmental Authorities in the Territory regarding Any Product or All Products or the Product Business or the Purchased Assets without participation of Buyer in such meeting. Seller shall advise Buyer promptly after it receives any oral or written communication from a Governmental Authority. Seller shall submit to Buyer for its review and comment any notice or correspondence to and any filing with any Governmental Authority reasonably in advance of, but no fewer than ten (10) calendar days prior to the date such notice, correspondence or filing is made (or if earlier, due) to such Governmental Authority. Seller shall not unreasonably refuse to incorporate any of Buyer's comments into Seller's response to any Governmental Authority in the Territory, and shall otherwise not communicate with such Governmental Authority without Buyer's written consent.

4.2 Access and Information.

4.2.1 During the period commencing on the date hereof and ending on the earlier to occur of (a) the Closing and (b) the termination of this Agreement in accordance with ARTICLE 8 hereof (the "**Pre-Closing Period**"), Seller shall, and shall cause its Affiliates and Representatives to, afford Buyer and its Representatives, (i) continued reasonable access to the employees of Seller and its Affiliates to discuss Any Product or All Products, the Product Business, the Purchased Assets or the Product IP, (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, books and records, agreements, documents, data and files constitute Purchased Assets or the Product IP, (iii) continued reasonable access to the officers, employees, advisors, agents or other representatives of Seller and its Affiliates to

discuss financial and operating data and other information reasonably requested by Buyer and (iv) continued access through an electronic data room to the historical financial records and Contracts, in each case of clauses (i) through (iv) to the extent related to the Product Business (other than the Excluded Assets); *provided*, *however*, that such access shall not unreasonably disrupt Seller's and its Affiliates' ordinary course operations in any material respect. Notwithstanding anything to the contrary contained in this Agreement, Seller shall not be required to disclose any such information or provide any such access if such disclosure or access would reasonably be expected to (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) result in a waiver of any attorney/client privilege or other established legal privilege or (iii) disclose any trade secrets not related to the Product Business; *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 4.2.1, (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 4.2.1 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).

4.2.2 Buyer acknowledges and agrees that (a) certain records may contain information relating to Seller or its Affiliates, but not relating to Any Product or All Products, the Product Business or the Purchased Assets (and, notwithstanding the inclusion of such information in such records, such information shall not constitute Purchased Assets) and 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 Any Product or All Products, the Product Business or the Purchased Assets.

4.2.3 During the Pre-Closing 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 Any Product or All Products, the Purchased Assets, the Product Business, this Agreement, the Ancillary Agreements or the transactions contemplated hereby or thereby, without the prior written consent of Seller, such consent not to be unreasonably withheld or delayed. Notwithstanding the foregoing, Buyer may contact Allergan and its Affiliates, *provided* that Buyer informs Seller of its intention to make such contact and provides Seller with a reasonable opportunity to participate in such communications.

4.2.4 During the Pre-Closing Period, each Party shall (a) subject to applicable Law, reasonably cooperate with one another to prepare to transition Any Product or All Products, the Product Business and the Purchased Assets to Buyer and effect the Product IP License 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.

4.3 Obligation to Consummate the Transaction. Each of the Parties agrees that, subject to this Section 4.3, 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 hereof are satisfied, insofar as such matters are within its control. Without limiting the generality of the foregoing, during the Pre-Closing Period, commencing as soon as reasonably practicable after the date hereof, Seller shall use its commercially reasonable efforts (not requiring the payment of money other than the Cure Costs) to obtain the consents and authorizations, make the filings and issue the notices required or desirable in connection with the transactions contemplated by this Agreement.

4.4 Cooperation in Litigation and Investigations. Subject to Section 4.7, 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 either Party relating to or arising out of the conduct of the Product Business or the Development, Marketing, Exploitation or Manufacture of Any Product or All Products 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). In connection therewith, from and after the Closing, 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 respective business, all records relating to the Purchased Assets, the Assumed Liabilities, the Excluded Assets, the Excluded Items 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 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 such Party's reasonable discretion, (a) violate applicable Law or any binding agreement (including any confidentiality agreement to which such Party or any of its Affiliates is a party), *provided* that such Party uses its reasonable best efforts to obtain waivers thereof, (b) jeopardize any attorney/client privilege or other established legal privilege or (c) disclose any trade secrets. The Party requesting such cooperation shall pay the reasonable and documented out-of-pocket costs and expenses of providing such cooperation incurred by the Party providing such cooperation (including reasonable and documented legal fees and disbursements). Notwithstanding anything to the contrary in this Section 4.4, the foregoing shall not limit the ability of Seller to wind up its affairs and close the CCAA Case.

4.5 Further Assurances. Each of Seller and Buyer shall, at any time or from time to time after the Closing, at the reasonable 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 order to (i) vest in Buyer all of Seller's right, title and interest in and to the Purchased Assets, and grant to Buyer the Product IP License, as contemplated hereby, (ii) effectuate

Buyer's assumption of the Assumed Liabilities and (iii) grant to each Party all rights contemplated herein to be granted to such Party under the Ancillary Agreements; *provided*, *however*, that after the Closing, (x) 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 (y) the foregoing shall not limit the ability of Seller to wind up its affairs and close the CCAA Case.

4.6 Publicity. 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 is required by applicable Law, the CCAA Case, a Governmental Authority, or by the rules of any stock exchange on which a Party's securities or those of its Affiliates are listed. If either Party, in its good faith judgment, believes any additional disclosure regarding this Agreement or any Ancillary Agreement is required by Law, the CCAA Case, a Governmental Authority, or stock exchange requirement, except where prohibited by Law or impracticable, such Party shall consult with the other Party and its Representatives and, where practicable, 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, (a) Buyer and Seller and their respective Affiliates may, following the Execution Date and subject to the other terms and conditions of this Agreement (including Section 4.7), (i) communicate with Governmental Authorities and (ii) make public announcements and engage in public communications regarding this Agreement, the Ancillary Agreements and the transactions contemplated hereby or by the Ancillary Agreements 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 4.6 and (b) from and after the Closing, Buyer and its Affiliates may make public announcements and engage in public communications regarding All Products or Any Products in its sole discretion.

4.7 Confidentiality.

4.7.1 The Confidentiality Agreement shall govern the respective rights and obligations of the Parties and their respective Affiliates and Representatives with respect to Proprietary Information (as defined in the Confidentiality Agreement) during the Pre-Closing Period. From and after the Closing, all Confidential Information provided by one Party (or its Representatives, Affiliates or Affiliates' Representatives) (collectively, the "**Disclosing Party**") to the other Party (or its Representatives, Affiliates or Affiliates' Representatives) (collectively, the "**Receiving Party**") shall be subject to and treated in accordance with the terms of this Section 4.7. As used in this Section 4.7, "**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 (whether before or after the date hereof) 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, from and after the Closing, Confidential

Information shall not include information that, in each case as demonstrated by competent written documentation:

(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 or its Affiliates or Representatives in breach of this Agreement or the Confidentiality Agreement;

(iv) is subsequently disclosed to the Receiving Party by a Third Party not acting in violation of obligations of confidentiality with respect thereto; or

(v) is subsequently independently discovered or developed by the Receiving Party or its Affiliates or Representatives without the aid, application or use of Confidential Information.

4.7.2 The Confidentiality Agreement shall expire and be of no further force and effect upon the Closing; *provided*, *however*, that such expiration of the Confidentiality Agreement shall in no way prejudice or adversely affect either Party's ability after the Closing to seek damages, or any other remedy available to such Party, with respect to a violation by the other Party (or its Affiliates or Representatives) of the Confidentiality Agreement relating to Proprietary Information (as defined therein) prior to the Closing.

4.7.3 From and after the Closing, (a) all information constituting the Purchased Assets, (b) all information relating to Any Product, All Products, the Product Business, the Purchased Assets or the Assumed Liabilities and (c) all other information of Buyer disclosed to Seller prior to the date hereof pursuant to the Confidentiality Agreement (collectively, 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 4.7 without regard to subsections (i), (iv) or (v) of the last sentence of Section 4.7.1, and shall be used by Seller (or its Affiliates or Representatives) solely as required to (i) perform its obligations or exercise or enforce its rights under this Agreement or any Ancillary Agreement or (ii) comply with applicable Law or its or its Affiliates' respective regulatory, stock exchange, Tax or financing reporting requirements, including the obligations under the CCAA and any order of the CCAA Court (each of clauses (i) and (ii), a "**Seller Permitted Purpose**"), and for no other purpose. Seller shall 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 Buyer Confidential Information and directed to comply with the confidentiality and non-use obligations under this Section 4.7. Seller shall treat, and will cause all Affiliates and the Representatives of Seller and 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 Representatives, Affiliates or Affiliates' Representatives that would breach this Section 4.7 if such Affiliate or Representative was a party hereto. Notwithstanding anything to the contrary contained in this Agreement, Seller may disclose the terms and conditions of this Agreement and amounts received pursuant to this Agreement to the extent necessary to comply with its reporting obligations under applicable securities Laws and the CCAA and any Order of the CCAA Court.

4.7.4 From and after the Closing, all Confidential Information obtained by Buyer (or its Representatives, Affiliates or Affiliates' Representatives) from Seller (or its Representatives, Affiliates or Affiliates' Representatives) other than the Buyer Confidential Information (the "**Seller Confidential Information**") shall be used by Buyer (or its Representatives, Affiliates or Affiliates' Representatives) solely as required to (a) perform its obligations or exercise or enforce its rights under this Agreement or any Ancillary Agreement, (b) comply with applicable Law or its or its Affiliates' respective regulatory, stock exchange, Tax or financing reporting requirements or (c) use the Product IP in accordance with the Product IP License, to the extent such Seller Confidential Information constitutes Product IP (each of clauses (a) through (c), a "**Buyer Permitted Purpose**"), and for no other purpose. Buyer shall not disclose, or permit the disclosure of, any 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 4.7. Buyer shall treat, and will cause its Affiliates and the Representatives of Buyer and 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 Representatives, Affiliates or Affiliates' Representatives that would breach this Section 4.7 if such Affiliate or Representative was a party hereto.

4.7.5 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, to the extent legally permissible, notify the other Party in a timely manner so that such Party may seek a protective order or other appropriate remedy 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.

4.7.6 Nothing in this Section 4.7 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

4.7.7 From and after the Closing:

(a) until the earlier of Buyer's payment of the Milestone Payment and the six year anniversary of the Closing Date, Buyer shall provide Seller and Seller's authorized Representatives with access (for the purpose of examining and copying, at Seller's sole cost), during normal business hours, upon reasonable advance notice, to the books and records formerly owned by Seller related to the Purchased Assets (including the Product) and the Product Business with respect to periods or occurrences prior to or on the Closing Date, as well as reasonable access to Buyer employees (without disruption of employment), including with respect to any Tax audits, Tax returns, insurance claims, governmental investigations, legal compliance, financial statement preparation or any other matter, subject, in each case, to this ARTICLE 4. Unless otherwise consented to in writing by Seller, Buyer shall not, until the earlier of Buyer's payment of the Milestone Payment and the six-year anniversary of the Closing Date, destroy, alter or otherwise dispose of any of the books and records related to the Purchased Assets (including the Product) and the Product Business for any period prior to the Closing without first giving reasonable prior written notice to Seller and offering to deliver possession, at Seller's sole cost, to Seller of such books and records or any portion thereof which Buyer may intend to destroy, alter or dispose of.

(b) until the six-year anniversary of the Closing Date, Seller shall provide Buyer and Buyer's authorized Representatives with access (for the purpose of examining and copying, at the Buyer's sole cost), during normal business hours, upon reasonable advance notice, to the books and records retained by Seller related to the Purchased Assets (including Any Product), the Product IP and the Product Business with respect to periods or occurrences prior to or on the Closing Date, as well as reasonable access to Seller's or Aralez Pharmaceuticals Inc.'s employees (without disruption of employment), including with respect to any Tax audits, Tax returns, insurance claims, governmental investigations, legal compliance, financial statement preparation or any other matter, subject, in each case, to this ARTICLE 4. Unless otherwise consented to in writing by the Buyer, Seller shall not, for a period of six years following the Closing Date, destroy, alter or otherwise dispose of any of the books and records related to the Purchased Assets (including the Product), the Product IP and the Product Business for any period prior to the Closing without first giving reasonable prior written notice to the Buyer and offering to deliver possession, at the Buyer's sole cost, to the Buyer of such books and records or any portion thereof which Seller may intend to destroy, alter or dispose of.

4.8 Regulatory Transfers. Buyer and Seller shall use their respective reasonable best efforts to file the Buyer FDA Transfer Letter with FDA and the applicable Seller Transfer Letters with FDA and Mapi Life Science Canada, Inc., respectively, promptly, but in any event within five (5) Business Days, after the Closing Date. For clarity, Buyer shall be responsible for all out-of-pocket costs incurred in connection with any regulatory transfers contemplated in this Section 4.8 and in Section 4.9, including costs arising from procurement of certain ancillary documents, registration file transfer, document transfer, archive copying and document legalization.

4.9 Regulatory Responsibilities. Except as required by a Party to comply with applicable Law or to exercise its rights and obligations hereunder, from and after the Closing, 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 All Products in the Territory.

4.10 Certain Tax Matters.

4.10.1 Withholding Taxes. Buyer shall be entitled to deduct and withhold from the amounts otherwise payable by it to Seller (or a designee, successor or assign of Seller, as applicable) under this Agreement, such amounts as it reasonably determines that it is required to deduct and withhold with respect to the making of such payment under applicable Law and to collect any Tax forms or any similar information from Seller (or a designee, successor or assign of Seller, as applicable) as required by applicable Law. In the event that any amount is so deducted and withheld, and properly remitted to the appropriate Tax authority, such amount will be treated for all purposes of this Agreement as having been paid to Seller (or a designee, successor or assign of Seller, as applicable).

4.10.2 Transfer Taxes and Apportioned Obligations.

(a) All amounts payable hereunder or under any Ancillary Agreement are exclusive of all recordation, transfer, documentary, excise, sales, value-added, retail, goods and services, harmonized sales, use, stamp, conveyance or other similar 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 solely 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) Notwithstanding the foregoing, Buyer and Seller acknowledge and agree that the supply of the Purchased Assets is a zero-rated supply for the purposes of sections 10 and 10.1 of Part V of Schedule VI of the *Excise Tax Act* (Canada) and sections 188 and 188.1 of the *Act respecting the Québec sales tax*. Buyer shall indemnify Seller and save Seller, as well as its shareholders, directors, officers and employees, fully harmless against any damages or losses (including any taxes, penalties and/or interest which may be assessed against Seller) arising from, in connection with or otherwise with respect to Seller's failure to collect Transfer Taxes on the supply of the Purchased Assets under this Agreement as a result of Seller relying upon the representations of Buyer in this Section 4.10.2 and the conclusion that the supply of the Purchased Assets is a zero-rated supply. In this respect, Buyer represents and warrants that (i) it is a non-resident of Canada for the purpose of the *Excise Tax Act* (Canada) and a non-resident of the Province of Québec for the purpose of the *Act respecting the Québec sales tax*, (ii) it is not registered under Part IX of the *Excise Tax Act* (Canada) or the *Act respecting the Québec sales tax* and (iii) it does not have a permanent place of business (or permanent establishment) in Canada.

(c) 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 day prior to the Closing Date (such portion of such taxable period, the "**Pre-Closing Tax Period**") and the number of days of such taxable period on and 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.

(d) 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 4.10.2(a), 4.10.2(b) or 4.10.2(c), 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 in accordance with its terms, 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 ten (10) calendar days after the presentation of such statement.

4.10.3 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.

4.10.4 Survival of Covenants. The covenants contained in this Section 4.10.4 shall survive until thirty (30) days after the expiration of the applicable statute of limitations (including extensions thereof).

4.11 Wrong Pockets.

4.11.1 Assets. For a period of up to three months after the Closing Date, 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.

4.11.2 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 thirty (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.

4.12 Insurance. As of the Closing Date, the coverage under all insurance policies related to the Purchased Assets (including the Product) shall continue in force only for the benefit of Seller and its Affiliates and not for the benefit of Buyer or its Affiliates. Buyer agrees to arrange for its own insurance policies with respect to the Purchased Assets covering all periods and agrees not to seek, through any means, to benefit from any of the insurance policies maintained by Seller or its Affiliates which may provide coverage for claims relating in any way to the Purchased Assets prior to the Closing.

4.13 Covenant Not to Sue.

4.13.1 Effective as of the Closing, subject to Section 4.13.3, Buyer, on behalf of itself, its Affiliates and its and their respective transferees, successors and assigns (collectively, the "**Buyer Group**"), hereby irrevocably and perpetually covenants that no member of the Buyer Group shall, directly or indirectly, sue Seller or any of its Affiliates (collectively, the "**Seller Group**"), or commence, knowingly aid or prosecute or cause to be commenced, knowingly aided or prosecuted any action, suit or proceeding against any member of the Seller Group, in each case, with respect to infringement or misappropriation of intellectual property rights included in the Purchased Assets or the Product IP in connection with (a) any Exploitation, development, filing of an Application for Regulatory Approval, Marketing, Manufacture, use, holding, keeping, transport, disposition, import or export by any member of the Seller Group of the Existing Seller Product outside the Territory, or (b) any Manufacture, research, development, use, holding, keeping, transport, import or export of the Existing Seller Product in the Territory where the same are conducted for the sole purpose of Exploitation of the Existing Seller Product by any member of the Seller Group outside the Territory. Buyer shall bind any assignee or transferee of any of the Purchased Assets or the Product IP License to adhere to the foregoing as if such assignee or transferee were Buyer hereunder.

4.13.2 Effective as of the Closing, subject to Section 4.13.3, the Buyer Group hereby irrevocably and perpetually covenants that no member of the Buyer Group shall, directly or indirectly, sue the Seller Group, or commence, knowingly aid or prosecute or cause to be commenced, knowingly aided or prosecuted any action, suit or proceeding against any member of the Seller Group, in each case, with respect to infringement or misappropriation of intellectual property rights included in the Purchased Regulatory Documentation or the Product IP in connection with any Exploitation, development, filing of an Application for Regulatory Approval, Marketing, Manufacture, use, holding, keeping, transport, disposition, import or export by any member of the Seller Group of any product set forth on Schedule 4.13.2 (each, an "**Other Product**") in the manner Exploited, Marketed or Manufactured as of the Closing Date by the Seller Group worldwide (other than Any Product or All Products and, in the Territory, without limiting Section 4.13.1, other than the Existing Seller Product). Buyer shall bind any

assignee or transferee of any of the Purchased Regulatory Documentation or the Product IP License to adhere to the foregoing as if such assignee or transferee were Buyer hereunder.

4.13.3 Nothing in this Section 4.13 shall prohibit Buyer from exercising any remedies available to it under this Agreement or any Ancillary Agreement as a result of any breach hereof or thereof by Seller of any of its Affiliates. Furthermore, the covenants set forth in this Section 4.13 shall not apply with respect to any intellectual property rights licensed from Allergan under the Original Bezafibrate Development Agreement or the Restated Bezafibrate Development Agreement.

4.13.4 The covenants not to sue in this Section 4.13 are assignable by the Seller Group in connection with a merger, change of control, or sale of all or substantially all of the assets or equity, or any applicable business unit of any member of the Seller Group (the "**Acquired Party**"); *provided*, that upon such assignment, for the avoidance of doubt, the covenants not to sue in this Section 4.13 shall remain limited and shall extend only to the Existing Seller Product or the Other Product(s), as applicable, of the Acquired Party that are Exploited, Marketed or Manufactured by the Acquired Party as of the closing date of the applicable transaction. The covenants not to sue in this Section 4.13 shall also extend to any manufacturers of, or subsequent successors-in-interest to (e.g., purchasers of), such Existing Seller Product or Other Product(s); *provided*, that, for the avoidance of doubt, the covenants not to sue in this Section 4.13 shall extend only to the specific Existing Seller Product or Other Product(s), as applicable, manufactured by it, or sold or transferred to it, as applicable.

4.14 CCAA Court Approval.

4.14.1 Promptly following the execution of this Agreement, Seller shall file with the CCAA Court a motion in form and substance satisfactory to Buyer (the "**Approval Motion**") for entry of the Approval Order. Other than in respect of a Competing Proposed Transaction, following the execution of this Agreement, Seller shall not file any filings, motions or documents with the CCAA Court in connection with the Approval Motion unless such filings, motions or documents are in form and substance reasonably satisfactory to Buyer.

4.14.2 Seller shall use its commercially reasonable efforts, and shall cooperate, assist and consult with Buyer, to secure the entry of the Approval Order. Buyer will promptly take such actions as are reasonably requested by Seller to assist in obtaining entry of the Approval Order, including furnishing affidavits or other documents or information for filing with the CCAA 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. Nothing in any CCAA plan or any order confirming or implementing such plan in the CCAA Case (including any other transaction involving Seller, its Affiliates or any of their respective assets or properties) shall limit, impair, modify, compromise, abrogate, or otherwise adversely affect Buyer's rights to the Purchased Assets, the Original Bezafibrate Development Agreement or the Product IP under this Agreement, the Approval Order, or any relief granted and findings set forth in the Approval Order. Seller shall and shall cause its Affiliates and its and their Representatives to support this Agreement and the transactions contemplated hereby for purposes of the CCAA Case and the

Approval Order and shall use reasonable best efforts to defend any opposing or contesting motions brought to adjourn the Approval Order being sought, to open a sales, auction or other process in respect of the Purchased Assets or the Product Business, or to consider any other transaction in respect of the Product Business or the Purchased Assets.

4.15 Exclusivity. During the Pre-Closing Period (or until the earlier termination of this Agreement in accordance with Section 8.1), Seller shall not, and shall not authorize or permit any of its Affiliates or Representatives to, directly or indirectly, solicit, encourage, initiate, entertain, review, accept, execute, facilitate, approve, provide any nonpublic information for, consider the merits of, or participate in any negotiations, agreements or discussions with respect to any Competing Proposed Transaction or any offer, inquiry, indication of interest or proposal, whether oral, written or otherwise, formal or informal, from any Person relating to any Competing Proposed Transaction. On the Execution Date, Seller shall (and shall cause its Affiliates and Representatives to) immediately cease and shall cause to be terminated all such existing discussions or negotiations with any parties (other than Buyer or its Affiliates) conducted heretofore. Through the Closing Date (or until the earlier termination of this Agreement in accordance with Section 8.1), Seller shall promptly (and in any event within two (2) Business Days after receipt thereof by Seller or its Representatives) advise Buyer orally and in writing of any proposal for a Competing Proposed Transaction, any request for information with respect to any Competing Proposed Transaction, or any inquiry or contact with any Person with respect to or which would reasonably be expected to result in a Competing Proposed Transaction, including the identity of the proposing Person and the terms thereof; *provided* that this provision shall not in any way be deemed to limit the obligations of Seller and its Affiliates and Representatives set forth in the first sentence of this Section 4.15. "**Competing Proposed Transaction**" means the direct or indirect disposition, whether by stock or asset sale, merger or otherwise, of all or any portion of the Product Business or the Purchased Assets to any Person other than Buyer pursuant to a written definitive offer that is filed by any such Person with the CCAA Court. Notwithstanding anything to the contrary in this Agreement, *provided* that this provision shall not in any way be deemed to limit the obligations of Seller and its Affiliates and Representatives set forth in the first sentence of this Section 4.15, the Seller and the Monitor shall have no obligation to oppose, contest or object in any way to any motion or proceeding to advance a Competing Proposed Transaction that is filed by any Person other than Seller and its Affiliates and Representatives.

4.16 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 prior to the

Closing, in each case other than in connection with Permitted Encumbrances and Assumed Liabilities.

4.17 Service of Approval Motion. Seller shall serve on all Persons required by Law, the CCAA Court and related rules and procedures and 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.

4.18 Assumption and Assignment of Contracts. At the Closing (i) Seller shall assign to Buyer the Original Bezafibrate Development Agreement and (ii) Seller shall pay all Cure Costs. In no event shall Buyer be under any obligation to pay or have any other liability with respect to any Cure Costs.

4.19 Right of Reference. Effective from and after the Closing, Buyer hereby grants to Seller, on behalf of itself and its Affiliates, a perpetual, irrevocable, worldwide, non-exclusive, royalty-free and non-transferable license and right of reference (without the right to grant sublicenses or further rights of reference) to the Purchased Regulatory Documentation as may be necessary to (a) comply with ongoing regulatory obligations related to the continued marketing of the Existing Seller Product in Canada, including requests for information from Health Canada, and (b) file an Application for Regulatory Approval for the Existing Seller Product outside the Territory. Promptly following Seller's request therefor, Buyer shall (i) provide to Seller copies of the Purchased Regulatory Documentation as shall be reasonably requested by Seller in furtherance of the license granted in this Section 4.19; and (ii) provide to Seller and to any Governmental Authority specified by Seller a letter, in the form reasonably requested by Seller, acknowledging that Seller and its Affiliates have the rights of reference to the Purchased Regulatory Documentation granted pursuant to this Section 4.19.

ARTICLE 5
INTELLECTUAL PROPERTY MATTERS

5.1 Licenses to Buyer. Seller and Aralez Pharmaceuticals Inc. hereby grant to Buyer, effective as of the Closing, subject to Section 5.4 herein, (a) the non-exclusive right and license to use the Product IP, to Develop, prepare, submit and prosecute Applications for Regulatory Approval, import Any Product and All Products into the Territory, Market and otherwise Exploit All Products in the Territory, including the right to grant sublicenses of the same scope as, or of narrower scope than, the license granted to Buyer by this Section 5.1 and (b) the (i) non-exclusive right and license to use the Product IP to Manufacture or have Manufactured Any Product and All Products outside of the Territory, and (ii) non-exclusive right to use the Product IP to Manufacture or have Manufactured Any Product and All Products within the Territory, in the case of each of subclauses (b)(i) and (b)(ii), solely for Marketing and otherwise Exploiting Any Product or All Products in the Territory, including the right to grant sublicenses to Manufacture or have Manufactured Any Product and All Products of the same scope as, or of narrower scope than, the rights granted to Buyer by this Section 5.1.

5.2 Enforcement. Each of the Parties shall immediately report to the other any infringement or any unauthorized use or misuse of the Product IP that may come to its

attention. Seller shall have the exclusive right, but not the obligation, to enforce the Product IP against others in the Territory including the exclusive right to sue others for past, present and future infringements of the Patents included in the Product IP, to seek injunctions and/or money damages for such infringements, and to seek any other legal or equitable remedy authorized by Law, to protect the Inventions covered by the Patents included in the Product IP against violation by third parties, to commence and prosecute any action or proceeding in respect of any misappropriation of the Product IP, and if necessary may do so in the name of Buyer. Seller's attorneys shall represent both Seller and Buyer in any such litigation, and Seller shall have sole control over any such litigation. Seller shall keep Buyer fully informed of the status of any such litigation, and shall provide to Buyer, to the extent possible without loss of any privilege, copies of any pleadings, transcripts and correspondence related to such litigation. Buyer may retain its own attorneys at its own expense to advise Buyer with respect to Seller's conduct of the litigation. Buyer shall fully cooperate with Seller at the expense of Seller and execute such documents and do such acts and things as, in the opinion of Seller, may be necessary or desirable. If Seller or Aralez Pharmaceuticals Inc. fails within a reasonable time, not to exceed ninety (90) days, to take appropriate steps against that infringement or misappropriation of the Product IP in the Territory, subject to any Permitted Encumbrance, Buyer shall be entitled to take such reasonable steps against such infringement or misappropriation in the Territory for the protection of Buyer's and/or Seller's or Aralez Pharmaceuticals Inc.'s rights in the Product IP at Buyer's sole cost, and if necessary may do so in the name of and on behalf of Seller or Aralez Pharmaceuticals Inc.; *provided* that, for the avoidance of doubt, at no time shall Buyer be able to take any steps against an infringement or misappropriation of Product IP outside of the Territory.

5.3 Technology Transfer. During the ninety (90) days following the Closing Date, Aralez Pharmaceuticals Inc., at Buyer's cost and expense (so long as such costs and expenses are reasonable and documented), shall, without limitation of Seller's obligation to assign and transfer its right, title and interest in, to and under the Purchased Assets and grant the Product IP License at Closing under Section 2.1, use commercially reasonable efforts to make available to Buyer experienced employees and consultants of Aralez Pharmaceuticals Inc. and its Affiliates to answer Buyer's reasonable questions regarding Any Product, All Products, the Product Business, Purchased Assets and Product IP, and to assist in the transition of the Product Business to Buyer; provided, that nothing in this Section 5.3 shall require Aralez Pharmaceuticals Inc. to hire, engage or maintain the employment of any employee or consultant.

5.4 Restriction on Use. Notwithstanding anything to the contrary herein, Buyer hereby covenants to Seller that Buyer shall not, and shall not permit its Affiliates, licensees, sublicensees or any other party (including any acquirer, successor or assignee of Buyer or its Affiliates) to (a) use the Product IP for any purpose other than to Develop, Manufacture, Market or otherwise Exploit Any Product or All Products to treat any disease, disorder or condition of the liver, or (b) combine the Product IP with, or use the Product IP in connection with, the Development, Manufacturing or Marketing of any brand or generic version of any product Developed, Manufactured or Marketed by Seller or its Affiliates as of the date hereof, other than the Product, All Products or Any Product.

5.5 Reservation of Rights. Except for the sale of the Purchased Assets, the Product IP License and the rights granted under Section 4.13 and Section 4.19 herein, as between the Parties, each Party expressly reserves all of its right, title and interest in and to its intellectual

property rights, whether existing as of the date of this Agreement or arising out of this Agreement. Except as expressly provided herein, this Agreement shall not be deemed or interpreted to grant or transfer any rights or licenses in or to any intellectual property rights (including with respect to the use or disclosure of any trade secret or confidential information of the other Party), whether by implication, estoppel, statute, or otherwise.

ARTICLE 6
CONDITIONS

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 CCAA Court Orders. The CCAA Court shall have entered the Approval Order and such Order shall be in full force and effect and shall be a final Order.

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 shall be true and correct in all material 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);

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, including the payment of all Cure Costs;

6.2.3 Bezafibrate Development Agreement. The Original Bezafibrate Development Agreement and the Allergan Consent shall be in full force and effect immediately prior to Closing. Allergan shall have delivered to Buyer the executed Restated Bezafibrate Development Agreement, in escrow in the form attached hereto as Exhibit E, which shall be released from escrow and effective immediately upon the Closing;

6.2.4 No Material Adverse Effect. Between the date hereof and the Closing Date, there shall not have occurred and be continuing any Material Adverse Effect;

6.2.5 Approval Order. The CCAA Court shall have entered the Approval Order within ten (10) days of December 17, 2018 (being the date that has been scheduled with the Court for a hearing in respect of the Approval Order), and any amendments made to the form of

Approval Order presented to the CCAA Court (at the direction of the CCAA Court or otherwise) shall be acceptable to Buyer acting reasonably;

6.2.6 Purchase of Seller Assets. In the event that a purchase of all or substantially all of the assets of Seller and its Affiliates has closed prior to the Closing, or in the event a purchaser of such assets has been identified and such a closing is pending, Seller shall have provided Buyer evidence of a written agreement executed by such purchaser, in form and substance reasonably acceptable to and enforceable by Buyer, that such purchaser shall assume all obligations of Seller hereunder effective upon the later to occur of the Closing or the closing of such asset purchase;

6.2.7 Closing Deliveries. Seller shall have delivered to Buyer each of the items listed in Section 2.4.2(a); and

6.2.8 Other Transactions. The Purchased Assets and the Product IP License shall not have been transferred or impacted in any manner by any deals or transactions accepted or approved in the CCAA Case and the definitive sale documentation with respect to any sale of the shares or substantially all of the assets of the Seller and/or any of its Affiliates that are debtors in the CCAA Case, and all sale approval orders entered in the CCAA Case by the CCAA Court, that are entered into or granted prior to the Closing, shall specify that any such sale does not: (i) involve directly or indirectly any of the Purchased Assets or the Product IP License and (ii) does not and shall not impair or adversely affect any of the Purchased Assets or the Product IP License and related rights and benefits to be sold and conferred to Buyer pursuant to this Agreement and the Approval Order contemplated hereby.

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 shall be true and correct in all material 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;

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; and

6.3.3 Closing Deliveries. Buyer shall have delivered to Seller each of the items listed in Section 2.4.2(b).

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 its failure to act in good faith or to use its commercially reasonable efforts to cause the condition to be satisfied.

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

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, 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 not have any liability except to the extent expressly provided in Section 8.2.2(a) or (ii) Buyer's right to seek a court to order equitable relief pursuant to Section 9.9.

7.3 Release and Waiver of Claims.

7.3.1 From and after the Closing, contingent upon (x) the closing of a sale of all of the issued and outstanding shares, or substantially all of the assets, in each case, of Seller to the Successful CCAA Bidder and (y) the receipt by Buyer of a mutual release from the Successful CCAA Bidder for all Buyer Released Parties on substantially the same terms as Section 7.3.2, Buyer, on behalf of itself and each of its respective successors, assigns, affiliates, representatives, attorneys, individuals whom it is legally authorized to bind (each, a "**Buyer Releasing Party**" and collectively, the "**Buyer Releasing Parties**") hereby irrevocably and unconditionally fully and forever releases, acquits, remises, and discharges Seller and the Successful CCAA Bidder and their respective Affiliates, and for each of the foregoing, each of their respective predecessors, successors, assigns, divisions, affiliates, parents, and subsidiaries including but not limited to past, present, and future owners, partners, members, managers, directors, officers, employees, agents, representatives, attorneys, and all persons acting by, through, under, or in concert with any of them (each a "**Successful CCAA Bidder Released Party**" and collectively, the "**Successful CCAA Bidder Parties**"), from any and all Claims whatsoever which any Buyer Releasing Party had or may have had as of the Closing Date or may in the future have against Seller or any of the Successful CCAA Bidder Released Parties, whether known or unknown, suspected or unsuspected, foreseen or unforeseen, matured or unmatured, accrued or not accrued, fixed or contingent, and whether or not concealed or hidden,

for or by reason of any matter, cause, or thing whatsoever, arising out of, directly or indirectly relating to, or in any way attributable to the Original Bezafibrate Development Agreement. Nothing in this Section 7.3.1 shall constitute (a) a release of any Claim against any Successful CCAA Bidder Released Party, Seller or Aralez Pharmaceuticals Inc. arising out of any breach of this Agreement or any Ancillary Agreement to the extent resulting from any action or inaction of any Successful CCAA Bidder Released Party, Seller or Aralez Pharmaceuticals Inc. or (b) a waiver of any right or remedy of the Buyer under this Agreement or any Ancillary Agreement or a release of any Claim with respect thereto. Buyer hereby agrees to indemnify and hold harmless Seller from and against all claims and losses suffered or incurred by Seller by reason of or arising out of any Assumed Liabilities.

7.3.2 From and after the Closing, Seller, on behalf of itself and each of its respective successors, assigns, affiliates, representatives, attorneys, individuals whom it is legally authorized to bind (each, a "**Seller Releasing Party**" and collectively, the "**Seller Releasing Parties**") hereby irrevocably and unconditionally fully and forever releases, acquits, remises, and discharges Buyer and its Affiliates, and for each of the foregoing, each of their respective predecessors, successors, assigns, divisions, affiliates, parents, and subsidiaries including past, present, and future owners, partners, members, managers, directors, officers, employees, agents, representatives, attorneys, and all persons acting by, through, under, or in concert with any of them (each a "**Buyer Released Party**" and collectively, the "**Buyer Released Parties**"), from any and all Claims whatsoever which any Seller Releasing Party had or may have had as of the Closing Date or may in the future have against any of the Buyer Released Parties, whether known or unknown, suspected or unsuspected, foreseen or unforeseen, matured or unmatured, accrued or not accrued, fixed or contingent, and whether or not concealed or hidden, for or by reason of any matter, cause, or thing whatsoever, arising out of, directly or indirectly relating to, or in any way attributable to the Original Bezafibrate Development Agreement. Seller shall bind any assignee or transferee of this Agreement or any of the Product IP to adhere to the foregoing as if such assignee or transferee were Seller hereunder. Nothing in this Section 7.3.2 shall constitute (a) a release of any Claim against any Buyer Released Party arising out of any breach of this Agreement or any Ancillary Agreement to the extent resulting from any action or inaction of any Buyer Released Party or (b) a waiver of any right or remedy of the Seller under this Agreement or any Ancillary Agreement or a release of any Claim with respect thereto.

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; *provided* that if this Agreement has been approved by the CCAA Court, any such termination may require approval of the CCAA Court, as applicable;

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 by Buyer 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 by Seller;

8.1.3 by written notice delivered by Buyer to Seller in the event that the Original Bezafibrate Development Agreement is terminated or amended by Seller in violation of Section 4.1.1(g);

8.1.4 by written notice delivered by Buyer to Seller in the event of a breach, violation or non-compliance by Seller of its obligations under Section 4.14 or Section 4.15;

8.1.5 by written notice delivered by Buyer to Seller, if (a) the Approval Motion has not been served on the fifth (5^{th}) Business Day following execution of this Agreement or (b) the CCAA Court has not approved and entered the Approval Order prior to 11:59 p.m. (prevailing Eastern Time) on the day that is within ten (10) days of December 17, 2018 (being the date that has been scheduled with the Court for a hearing in respect of the Approval Order);

8.1.6 by written notice delivered by Buyer to Seller, if (a) Seller seeks to have the CCAA Court enter an order (or consent to entry of an order) (i) dismissing, or converting the CCAA case into, a bankruptcy, 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 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 CCAA Case, conversion of the CCAA case into a case under the *Bankruptcy and Insolvency Act* (Canada), or appointment of an Appointee is entered for any reason;

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 fifteen (15) 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 fifteenth (15^{th}) Business Day;

8.1.8 by written notice delivered by Buyer to Seller, if (a) there has been a breach by any Seller of a representation or warranty of Seller contained in this Agreement or (b) there shall be a breach by any 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 twentieth (20^{th}) day after written notice thereof is given by Buyer to Seller and (ii) the day that is two (2) Business Days prior to the End Date; *provided* that Buyer may not terminate this Agreement pursuant to this Section 8.1.8 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;

8.1.9 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 twentieth (20) day after written notice thereof is given by Seller to Buyer and (ii) the day that is two (2) Business Days prior to the End Date; *provided* that Seller may not terminate this Agreement pursuant to this Section 8.1.9 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;

8.1.10 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, the Purchased Assets or the Product IP 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 8.1.10 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 8.1.10; or

8.1.11 by written notice delivered by Buyer to Seller, if Seller fails to oppose (a) the entry of any order that would preclude or impair (x) the consummation of the transactions contemplated by this Agreement on the terms and conditions set forth in this Agreement or is otherwise inconsistent therewith, (y) the ability of the Buyer to carry on the Product Business from and after Closing or (z) Buyer's ownership of and right to use and Exploit the Purchased Assets (including the Product IP License in accordance with the terms set forth herein), or (b) any objection or request for relief by any Person (including any committee appointed in the U.S. bankruptcy proceedings of Seller or Seller's Affiliates) that would, if sustained or granted, 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 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 written notice as determined pursuant to Section 9.2.

8.2.2 Effect of Termination.

(a) In the event of the termination of this Agreement pursuant to Section 8.1 by Buyer or Seller, this Agreement and the Allergan Consent 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 4.6 (Publicity), Section 4.7 (Confidentiality), this Section 8.2.2 (Effect of Termination), Section 8.2.3 (Withdrawal of Certain Filings), 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 the Bill of Sale 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 8.2.3, Liability resulting from any breaches of this Agreement prior to the termination hereof.

(b) If this Agreement is terminated by Seller pursuant to Section 8.1.9, Buyer shall (after the expiration of any applicable cure period) direct the Escrow Agent to disburse the Deposit (plus all accrued interest or earnings thereon) to Seller in immediately available funds, to an account designated by Seller to the Escrow Agent in writing. Upon any termination of this Agreement (other than termination by Seller pursuant to Section 8.1.9), the Deposit (plus all accrued interest or earnings thereon) shall be disbursed by the Escrow Agent to Buyer in immediately available funds, to an account designated by Buyer to the Escrow Agent in writing.

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 thirty (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 CCAA Court or any court in which proceedings related to the transactions contemplated by this Agreement have been filed.

ARTICLE 9
MISCELLANEOUS

9.1 Governing Law; Jurisdiction and Venue; Service.

9.1.1 Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the Province of Ontario and the federal Laws of Canada applicable therein (including the CCAA), without regard to the conflicts of law principles thereof.

9.1.2 Jurisdiction; Venue. Subject to Section 9.9, each Party hereby irrevocably attorns and submits to the exclusive jurisdiction of the Ontario courts situated in the City of Toronto (including the CCAA Court and appellate courts therefrom), and waives

objection to the venue of any proceeding in such court or that such court provides an inappropriate forum.

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 by email of a PDF attachment 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 (5) calendar 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 by internationally recognized overnight delivery service or by email.

9.2.2 Address for Notice.

If to Buyer, to:

Intercept Pharmaceuticals, Inc.
10 Hudson Yards
37th Floor
New York, NY 10001, USA
Attention: General Counsel
Facsimile: (646) 747-1001

with copies (which shall not constitute effective notice) to:

Wilmer Cutler Pickering Hale
and Dorr LLP
60 State Street
Boston, MA 02109, USA
Attention: Joseph Conahan
Attention: Steven D. Barrett
Attention: George W. Shuster
Facsimile: (617) 526-5000

Goodmans LLP
Bay Adelaide Centre – West Tower
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Attention: Victor Liu
Attention: Brendan O'Neill
Facsimile: (416) 979-1234

If to Seller, to:

Aralez Pharmaceuticals Inc.
7100 West Credit Avenue, Suite 101
Mississauga, Ontario L5N 0E4, Canada
Attention: Christopher Freeland
E-mail: cfreeland@aralez.com

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

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

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, NY 10019
Attention: Sean M. Ewen
E-mail: sewen@willkie.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 an Ancillary Agreement, each Party shall bear any costs and expenses incurred by it with respect to the transactions contemplated herein.

9.6 Assignment. Except as otherwise specified in Section 2.3 and this Section 9.6, 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 prior to the Closing, Buyer may assign or delegate any or all of its rights or obligations to an Affiliate with the consent of the Seller or the Monitor; *provided further* that following the Closing, Buyer may assign or delegate any or all of its rights and obligations hereunder to an Affiliate without the prior written consent of the Seller or the Monitor (*provided* that in the event of such assignment or delegation to an Affiliate, Buyer shall remain liable to Seller for its duties, obligations and liabilities hereunder). 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; *provided* that, for the avoidance of doubt, any purchaser of all or substantially all of the assets of Seller and its Affiliates shall be a successor and assign of the Seller, and shall be bound by all obligations of Seller hereunder (including in respect of the Product IP License). At any time from and after December 28, 2018, the Seller may transfer the Purchased Assets and the Product IP to Aralez Pharmaceuticals Inc. and Aralez Pharmaceuticals Inc. hereby agrees that, upon any such transfer, it shall be deemed to have become bound by all of the Seller's obligations under this Agreement, provided that Seller shall have obtained all consents (and have made all filings and delivered all notices) that are necessary in connection with such transfer. Following such transfer, except as set forth in the immediately following sentence, Seller shall have no further liability under this Agreement. Notwithstanding any such transfer and assumption, Seller shall continue to be bound by the provisions of this Agreement that contemplate performance (in whole or in part) after the Closing, including Sections 4.4, 4.5, 4.6, 4.7, 4.8, 4.10.3, 4.11, 5.1, 5.2, 5.3, and Articles 7 and 9. Notwithstanding anything to the contrary in this Agreement, Seller and Aralez Pharmaceuticals Inc. shall be deemed to be Affiliates of each other for purposes of this Agreement until the later of (i) the Closing and (ii) the completion of the sale of the Seller to the Successful CCAA Bidder.

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 and, in the case of any modification, amendment, alteration or supplement that would adversely impact the pre-closing reorganization steps contemplated to be taken pursuant to the share purchase agreement entered into in connection with the sale of all of the issued and outstanding shares of Seller to the Successful CCAA Bidder, as amended through the date hereof and in the form provided on the date hereof to the Buyer by the Seller, the prior written consent of the Successful CCAA Bidder, acting reasonably. For the avoidance of doubt, the Successful CCAA Bidder is a third party beneficiary of this Section 9.7.

9.8 Severability. If any provision of this Agreement is held 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 seek an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in the CCAA 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 COMMON LAW FRAUD WITH RESPECT TO MATTERS ADDRESSED HEREIN, 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, ANY ANCILLARY 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. EXCEPT IN CASES OF COMMON LAW FRAUD OR WILLFUL BREACH, UNDER NO CIRCUMSTANCES SHALL THE AGGREGATE LIABILITY OF EITHER PARTY AND ITS AFFILIATES TO THE OTHER PARTY OR ITS RESPECTIVE AFFILIATES UNDER THIS AGREEMENT EXCEED THE AGGREGATE PAYMENTS. THE PARTIES ACKNOWLEDGE THAT THESE LIMITATIONS ON POTENTIAL DAMAGES WERE AN ESSENTIAL ELEMENT IN SETTING CONSIDERATION UNDER THIS AGREEMENT.

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 Dispute Resolution.

9.12.1 If a Dispute arises, then either Party shall have the right to refer such Dispute to the Senior Officers for attempted resolution by good faith negotiations during a period of ten (10) Business Days. Any final decision mutually agreed to by the Senior Officers shall be conclusive and binding on the Parties. If such Senior Officers are unable to resolve such Dispute within such ten (10) Business Day period, either Party shall be free to institute litigation in accordance with Section 9.1 and seek such remedies as may be available. Notwithstanding anything in this Agreement to the contrary, either Party shall be entitled to institute litigation in

accordance with Section 9.1 immediately if litigation is necessary to prevent irreparable harm to that Party.

9.12.2 Notwithstanding anything herein to the contrary, (a) any relevant time period related to a matter that is the subject of a Dispute shall be tolled during any dispute resolution proceeding under this Section 9.12.2 and (b) nothing in this Section 9.12 shall preclude either Party from seeking interim or provisional relief, including a temporary restraining order, preliminary injunction or other interim equitable relief concerning a Dispute, if necessary to protect the interests of such Party. This Section 9.12.2 shall be specifically enforceable.

9.13 Force Majeure.

9.13.1 Neither Party shall be liable for any failure to perform, or any delay in the performance of, any of its obligations under this Agreement to the extent, but only to the extent, that such Party's performance is prevented by the occurrence of an event of Force Majeure. For purposes of this Agreement, "**Force Majeure**" shall mean (i) war, civil war, insurrection, rebellion, civil unrest, fire, flood, earthquake, or adverse weather conditions, (ii) strike, lockout or labor unrest, (iii) unavailability of supplies, materials or transportation, acts of the public enemy, acts of government authorities (including the refusal of the competent Governmental Authorities to issue required Regulatory Approvals), and (iv) any other cause or condition beyond the reasonable control of the Party whose performance is affected thereby. In the event that a Party's performance is affected by the occurrence of any event of Force Majeure, that Party shall furnish immediate written notice thereof to the other Party hereto.

9.13.2 If an event of Force Majeure interferes with either Party's ability to consummate the Closing for a period greater than nine (9) months, then either Party may terminate this Agreement upon written notice to the other Party.

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 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 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. In the event of any inconsistency between any such Schedules and Exhibits and this Agreement or any Ancillary 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.

INTERCEPT PHARMACEUTICALS, INC.

By:_____
Name: Mark Pruzanski
Title: President and Chief Executive Officer

ARALEZ PHARMACEUTICALS CANADA INC.

By:_____
Name:
Title:

And, solely for the purposes expressly stated herein:

ARALEZ PHARMACEUTICALS INC.

By:_____
Name:
Title:

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Execution Date.

INTERCEPT PHARMACEUTICALS, INC.

By:_____
Name:
Title:

ARALEZ PHARMACEUTICALS CANADA INC.

By:_____
Name: Andrew Koven
Title: President

And, solely for the purposes expressly stated herein:

ARALEZ PHARMACEUTICALS INC.

By:_____
Name: Andrew Koven
Title: President

DISCLOSURE SCHEDULE

TO

PURCHASE AGREEMENT

by and between

ARALEZ PHARMACEUTICALS CANADA INC.

and

INTERCEPT PHARMACEUTICALS, INC.

Dated as of December 6, 2018

This Disclosure Schedule ("**Disclosure Schedule**") is delivered in connection with the execution and delivery of the Asset Purchase Agreement (the "**Agreement**"), by and between Aralez Pharmaceuticals Canada Inc., a corporation incorporated under the laws of the Providence of Ontario ("**Seller**") and Intercept Pharmaceuticals, Inc., a Delaware corporation ("**Buyer**"). Seller and Buyer are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**." Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Agreement.

Any item set forth in this Disclosure Schedule with respect to a particular representation or warranty contained in the Agreement will be deemed to be disclosed with respect to all other applicable representations and warranties contained in the Agreement to the extent any description of facts regarding the event, item or matter is disclosed in such a way as to make reasonably apparent solely from a reading of such description or specified in such disclosure that such item is applicable to such other representations or warranties whether or not such item is so numbered. The specification of any dollar amount in the representations or warranties contained in the Agreement or included in this Disclosure Schedule is not intended to imply that such amounts, or higher or lower amounts or other items, are or are not material, and no party hereto shall use the fact of the setting of such amounts in any dispute or controversy as to whether any obligation, item or matter not described therein or included in this Disclosure Schedule is or is not material for purposes of the Agreement. Where the terms of a Contract or other disclosure item have been summarized or described in this Disclosure Schedule, such summary or description does not purport to be a complete statement of the material terms of such Contract or other item. Matters disclosed in this Disclosure Schedule are not necessarily limited to matters required by the Agreement to be disclosed in this Disclosure Schedule. Such additional matters are set forth for informational purposes only, and this Disclosure Schedule does not necessarily include other matters of a similar nature. Similarly, the inclusion of information herein as to matters in the ordinary course of business does not mean that such other information is also included.

Any item of information, matter or document disclosed or referenced in, or attached to, this Disclosure Schedule shall not (a) be used as a basis for interpreting the terms "material", "Material Adverse Effect", or other similar terms in the Agreement or to establish a standard of materiality, (b) represent a determination that such item or matter did not arise in the ordinary course of business, (c) be deemed or interpreted to expand the scope of Seller's representations and warranties, obligations, covenants, conditions or agreements contained therein, (d) constitute, or be deemed to constitute, an admission of liability or obligation regarding such matter, or (e) constitute, or be deemed to constitute, an admission to any third party concerning such item or matter. The information contained in this Disclosure Schedule is subject to the provisions of (i) the Confidentiality Agreement during the Pre-Closing Period and (ii) Section 4.7 of the Agreement from and after the Closing.

Schedule 1.1.51

Excluded Liabilities

None.

Schedule 1.1.53

Existing Encumbrances

Encumbrances related to the Purchased Assets, which Encumbrances are to be discharged with respect to the Purchased Assets and Product IP License in connection with Closing as contemplated by the DIP Agreement, the Chapter 11 proceeding, the CCAA Case and the Approval Order:

1. Security interests under that certain Second Amended and Restated Facility Agreement, dated as of December 7, 2015, by and among Aralez Pharmaceuticals Inc., Pozen, Inc. ("**Pozen**") and Seller (collectively with Aralez Pharmaceuticals Inc. and Pozen, the "**Credit Parties**"), and Deerfield Private Design Fund III, L.P. ("**DPD**"), Deerfield International Master Fund, L.P. ("**DIM**") and Deerfield Partners, L.P. (collectively with DPD and DIM, the "**Lenders**") (as amended by that certain Waiver and Limited Consent, dated as of April 26, 2016, between the Lenders and the Credit Parties, that certain Limited Consent, dated as of September 6, 2016, between the Lenders and the Credit Parties, that certain Amendment to Second Amended and Restated Credit Facility Agreement, dated as of October 3, 2016, between the Lenders and the Credit Parties, that certain Limited Consent, dated as of October 3, 2016, between the Lenders and the Credit Parties, that certain Limited Waiver, dated as of March 30, 2017, between the Lenders and the Credit Parties, that certain Waiver and Limited Consent, dated as of December 20, 2017, between the Lenders and the Credit Parties, that certain Waiver and Limited Consent, dated as of June 29, 2018, between the Lenders and the Credit Parties, and that certain Waiver and Limited Consent / Sale of Collateral, dated as of July 10, 2018, between the Lenders and the Credit Parties, the "**Original Facility Agreement**").
2. Security interests under that certain Senior Secured Super-Priority Debtor-in-Possession Credit Agreement, dated as of August 10, 2018, among Aralez Pharmaceuticals US Inc, Pozen, Halton Laboratories LLC, Aralez Pharmaceuticals Management Inc., Aralez Pharmaceuticals Holdings Limited, Aralez Pharmaceuticals Trading Designated Activity Company and Aralez Pharmaceuticals R&D Inc., as borrowers (collectively, the "**Borrowers**"), Deerfield Management Company, L.P., as administrative agent (the "**Agent**"), and the lenders party thereto (the "**DIP Lenders**") (as amended by that certain First Amendment to Senior Secured Super-Priority Debtor-in-Possession Credit Agreement, dated as of September 4, 2018, by and among the Borrowers, the Agent and the DIP Lenders party thereto, the "**DIP Agreement**").

Schedule 1.1.80

Permitted Encumbrances

None.

Schedule 1.1.104

Seller's Knowledge

1. Adrian Adams, Chief Executive Officer
2. Andrew I. Koven, President and Chief Business Officer
3. Christopher Freeland, General Counsel and Compliance Officer
4. Michael Kaseta, Chief Financial Officer
5. Michael Pine, Vice President, Corporate Development & Licensing

Schedule 3.1.3

Non-Contravention

(c)

1. The Original Facility Agreement, provided that effective as of the Closing, Buyer shall (x) accept the grant of the Product IP License and (y) purchase and accept from Seller the Purchased Assets, in each case of (x) and (y), free and clear of that any and all Encumbrances and obligations under the Original Facility Agreement pursuant to the Approval Order.

2. The DIP Agreement, provided that effective as of the Closing, Buyer shall (x) accept the grant of the Product IP License and (y) purchase and accept from Seller the Purchased Assets, in each case of (x) and (y), free and clear of that any and all Encumbrances and obligations under the Original Facility Agreement pursuant to the Approval Order.

(e)

1. The Buyer FDA Transfer Letter and Seller FDA Transfer Letters must be submitted in accordance with the Agreement.

Schedule 3.1.6

Bezafibrate Development Agreement

Schedule 4.1

Ordinary Course of Business

None.

Schedule 4.13.2

Other Products

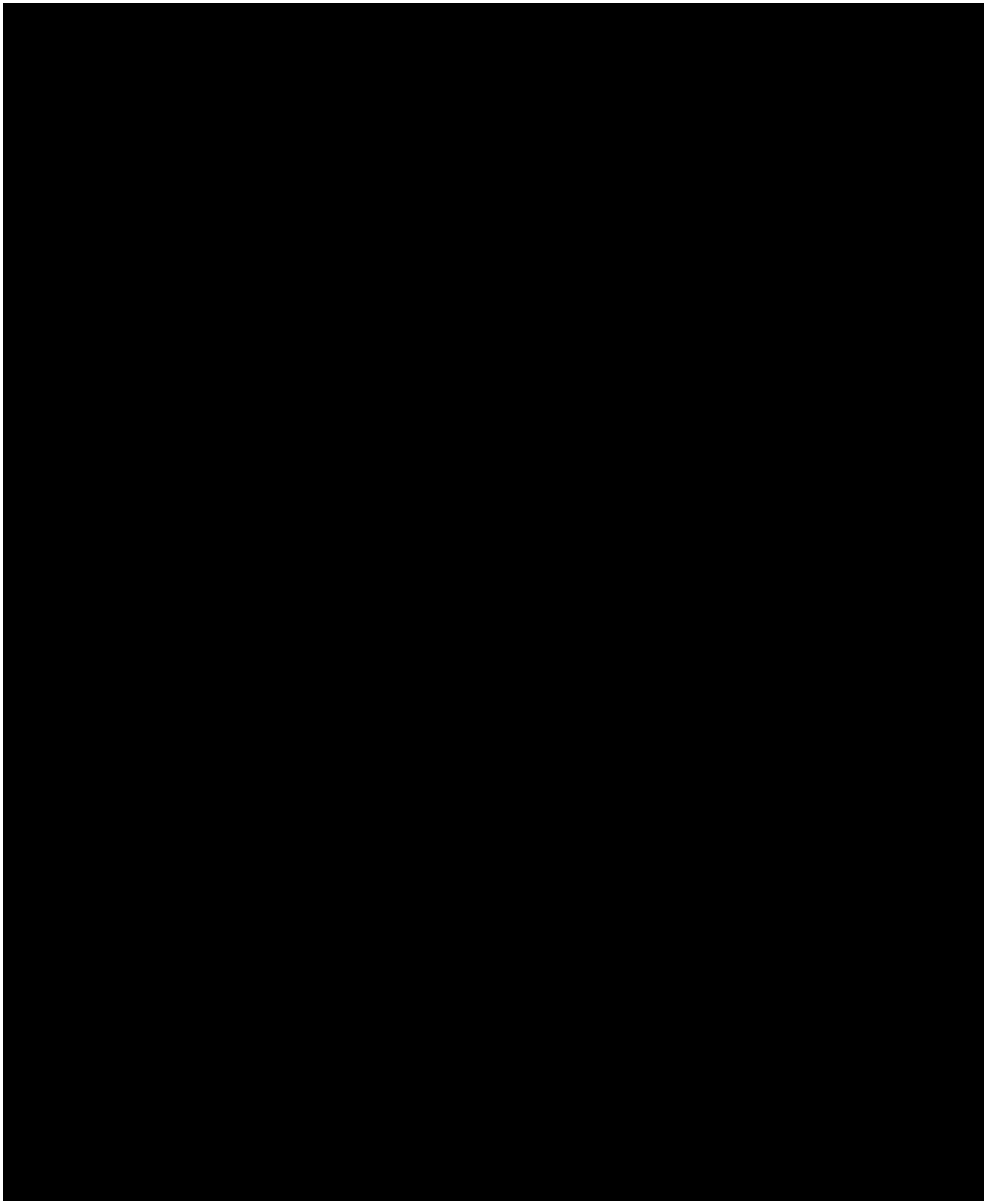


Exhibit A

Form of Bill of Sale and Assignment and Assumption Agreement

Attached.

Exhibit A
Form of Bill of Sale and Assignment and Assumption Agreement

BILL OF SALE AND ASSIGNMENT AND ASSUMPTION AGREEMENT

This Bill of Sale and Assignment and Assumption Agreement (this "**Agreement**") is made and executed as of [●], 2018 by and between Aralez Pharmaceuticals Canada Inc., a corporation incorporated under the laws of the Province of Ontario ("**Aralez**" or "**Seller**"), and Intercept Pharmaceuticals, Inc., a Delaware corporation ("**Buyer**"). Seller and Buyer are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, Seller and Buyer have entered into that certain Asset Purchase Agreement, dated as of December [●], 2018 (the "**Asset Purchase Agreement**"); and

WHEREAS, pursuant to the Asset Purchase Agreement, Seller has agreed to sell, transfer, convey, assign and deliver the Purchased Assets and assign the Assumed Liabilities to Buyer and Buyer has agreed to purchase and accept the Purchased Assets and assume the Assumed Liabilities from Seller.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual benefits to be derived from this Agreement and of the representations, warranties, conditions, agreements and promises contained in the Asset Purchase Agreement and this Agreement, 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:

1. **Definitions**. Unless otherwise specifically provided herein, capitalized terms used but not defined in this Agreement shall have the respective meanings ascribed thereto in the Asset Purchase Agreement.

2. **Conveyance and Acceptance**. In accordance with the provisions of the Asset Purchase Agreement, Seller hereby sells, transfers, conveys, assigns and delivers to Buyer all of Seller's right, title and interest in and to the Purchased Assets, and Buyer hereby purchases and accepts the Purchased Assets, in each case, free and clear of any Encumbrances (other than Permitted Encumbrances).

3. **Assumption of Assumed Liabilities**. The Seller hereby assigns to Buyer the Assumed Liabilities, and Buyer hereby assumes and agrees to pay and discharge in accordance with their terms when due the Assumed Liabilities.

4. **Asset Purchase Agreement Control**. Notwithstanding any other provision of this Agreement to the contrary, nothing contained herein shall in any way supersede, modify, replace, amend, change, rescind, waive, exceed, expand, enlarge or in any way affect the provisions, including warranties, covenants, agreements, conditions, representations or in general any of the rights and remedies or any of the obligations

of Buyer or Seller set forth in the Asset Purchase Agreement or any other Ancillary Agreement. This Agreement is subject to and governed entirely by the terms and conditions of the Asset Purchase Agreement.

5. **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.

6. **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 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.

[*Signature page follows*]

IN WITNESS WHEREOF, the Parties have each caused this Agreement to be duly executed as of date first above written.

ARALEZ PHARMACEUTICALS CANADA INC.

By: _____
Name:
Title:

INTERCEPT PHARMACEUTICALS, INC.

By:_____
Name:
Title:

Exhibit B

Form of Buyer FDA Transfer Letter

[DATE], 2018

Director, Division of Metabolism & Endocrinology Products Office
of Drug Evaluation II
Office of New Drugs
Center for Drug Evaluation & Research U.S.
Food and Drug Administration
WO Bldg 22
10903 New Hampshire Ave.
Silver Spring, MD 20993

Dear [ ]:

Re: Acceptance of Ownership of IND 114039 - Bezafibrate

Intercept Pharmaceuticals, Inc. ("**Intercept**") hereby notifies the U.S. Food and Drug Administration of Intercept's acceptance of the transfer of ownership of IND 114039 for Bezafibrate from Aralez Pharmaceuticals Canada Inc. Intercept also confirms that it has a complete copy of the referenced IND.

All correspondence from and after the date of this letter related to the referenced IND should be forwarded to the attention of:

[_____]
[_____]
Intercept Pharmaceuticals, Inc.
10 Hudson Yards, 37th Floor
New York, NY 10001
[phone]
[email]

This submission is being provided electronically via the Electronic Submission Gateway.

If there are any questions or comments regarding this submission, please contact me via telephone at [ ] or by secure email at [ ].

Sincerely,

Intercept Pharmaceuticals, Inc.

By:_____
Name:_____
Title:_____

Exhibit C

Forms of Seller Transfer Letters

Attached.

Exhibit C-1

[DATE], 2018

[ ]
Director, Division of Metabolism & Endocrinology Products
Office of Drug Evaluation II
Office of New Drugs
Center for Drug Evaluation & Research
Food and Drug Administration
WO Bldg 22
10903 New Hampshire Ave.
Silver Spring, MD 20993

Dear [_____]:

Re: Transfer of Ownership of IND 114039 - Bezafibrate

Aralez Pharmaceuticals Canada Inc. ("**Aralez**") hereby submits a General Correspondence to the SUBJECT IND (IND 114039) to notify the U.S. Food and Drug Administration of a change in legal ownership from Aralez to Intercept Pharmaceuticals, Inc. ("**Intercept**"), which is now the Sponsor of this IND. With the exception of information in the SUBJECT IND which is derived from Drug Master Files, legal ownership of all rights to the SUBJECT IND has been transferred to Intercept effective as of the date of this letter. A complete copy of the SUBJECT IND and the corresponding supplements and records required to be kept under 21 CFR Part 312 have been provided to Intercept.

All correspondence from and after the date of this letter related to the SUBJECT IND should be forwarded to the attention of:

[_____]
[_____]
Intercept Pharmaceuticals, Inc.
10 Hudson Yards, 37th Floor
New York, NY 10001
[phone]
[email]

This submission is being provided electronically via the Electronic Submission Gateway.

If there are any questions or comments regarding this submission, please contact me via telephone at [ ] or by secure email at [ ].

Sincerely,

Aralez Pharmaceuticals Canada Inc.

By:_____
Name:_____
Title:_____

Exhibit C-2

Form of Seller Letter to Buyer

[Date], 2018

[_____]
[_____]
Intercept Pharmaceuticals, Inc.
10 Hudson Yards, 37th Floor
New York, NY 10001

Dear [_____]:

Further to the execution of our Agreement regarding our product bezafibrate in the United States, including Bezafibrate Sustained Release Tablets, 400mg (IND 114039), this letter confirms that Intercept Pharmaceuticals, Inc. ("**Intercept**") may have access to and utilize all data, information, materials and findings related to this product in the possession of or otherwise accessible by Aralez Pharmaceuticals Canada Inc., including all data, information, materials and findings on file with Mapi Life Sciences Canada, Inc.

Intercept may utilize these data, information, materials and findings for any purpose relating to the development, review, approval and marketing of bezafibrate or any product containing bezafibrate in the United States (USA), including in discussions with the U.S. Food and Drug Administration ("**FDA**"), preparation and filing of a New Drug Application in the USA and to market bezafibrate or any product containing bezafibrate in the USA. Further, Aralez authorizes Intercept to share this letter with FDA or any other government or non-government entity to effectuate the purposes of the Agreement.

Yours sincerely,

Aralez Pharmaceuticals Canada Inc.

By:_____
Name:_____
Title:_____

Exhibit C-3

Form of Seller Letter to Mapi Life Science Canada, Inc.

[Date], 2018

[ ]
President
Mapi Life Sciences Canada, Inc.
4 Innovation Drive
Dundas, Ontario
Canada
L9H 7P3

Dear [ ]:

This letter confirms that you are directed to provide Intercept Pharmaceuticals, Inc. ("**Intercept**") upon Intercept's request with all data, information, materials and findings related to our product, bezafibrate in the United States, including Bezafibrate Sustained Release Tablets, 400mg (IND 114039), in your possession. It is understood that Intercept may utilize such data, information, materials and findings in discussions with the FDA in the United States to pursue potential registration discussions.

Yours sincerely,

Aralez Pharmaceuticals Canada Inc.

By:_____
Name:_____
Title:_____

Exhibit D

Form of Approval Order

Attached.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	**)**	**MONDAY, THE 17TH**
	)	
JUSTICE DUNPHY	**)**	**DAY OF DECEMBER, 2018**

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

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

(Applicants)

BEZAFIBRATE 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 C*ompanies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an Order, (a) approving the sale transaction (the "**Transaction**") contemplated by the Asset Purchase Agreement (the "**Bezafibrate APA**") between Aralez Canada (the "**Seller**") and Intercept Pharmaceuticals, Inc. (the "**Buyer**") made as of December 6, 2018, by which the Seller, (b) vests in the Buyer, the Seller's right, title and interest in and to the Purchased Assets (as defined in the Bezafibrate APA), and (c) grants to the Buyer, the Seller's right, title and interest in the Product IP License (as defined in the Bezafibrate APA), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Adrian Adams, sworn December ●, 2018, and the Sixth 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 Buyer, and counsel for those other parties appearing as indicated by the counsel sheet, no one else appearing although duly served, as appears from the affidavit of ●, sworn December ●, 2018 and 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.

DEFINITIONS

2. **THIS COURT ORDERS** that all capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Bezafibrate APA.

SALE TRANSACTION

3. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Bezafibrate APA by the Seller, through its existing agents, representatives or officers, is hereby authorized, ratified and approved, with such minor amendments as the Seller and the Buyer may agree to with the consent of the Monitor. The Seller, through its existing agents, representatives or officers, is hereby authorized and directed, and the Monitor is authorized and empowered, to take such additional steps and execute such additional documents as may be reasonably necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets and the granting of the Product IP License to the Buyer.

4. **THIS COURT ORDERS** that the Seller is authorized and directed to perform its obligations under the Bezafibrate APA and any ancillary documents related thereto.

5. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Buyer substantially in the form attached as Schedule "A" hereto (the "**Monitor's Certificate**"), all of the Seller's right, title and interest in and to the Purchased Assets and Product IP License shall vest absolutely in the Buyer, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts, pledges or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies or charges (whether contractual, statutory, or otherwise), license, sublicense, preference, encroachment, restrictive covenant, charge, title defect, claim of ownership, prior assignment, right of use or possession, Claim, Liability, right or restriction of any kind or nature or other

encumbrance, 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: (a) any encumbrances or charges created by the Initial Order of the Honourable Justice Dunphy dated August 10, 2018, as amended and restated, the Orders of the Honourable Justice Dunphy dated October 10, 2018 and October 25, 2018 and any subsequent charges created by the Court; and (b) all charges, security interests or claims evidenced by registrations pursuant to the Personal Property Security Act (Ontario) or any other personal property registry system in any provinces or territories in Canada, the United States or the Civil Code of Québec (all of which are collectively referred to as the "**Encumbrances**"). For greater certainty, this Court orders that, other than Permitted Encumbrances, all of the Encumbrances affecting or relating to the Purchased Assets or the Product IP License are hereby expunged and discharged as against the Purchased Assets and the Product IP License.

6. **THIS COURT ORDERS**, subject to paragraph 7 of this Order, that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets and from the grant of the Product IP License shall stand in the place and stead of the Purchased Assets and Product IP License, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets and Product IP License with the same priority as they had with respect to the Purchased Assets and Product IP License immediately prior to the sale, as if the Purchased Assets and Product IP License had not been sold or granted and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. **THIS COURT ORDERS** that the Applicants shall be entitled to retain and use the funds making up the Aggregate Payments to make payments, distributions, and disbursements from such funds, all in accordance with the Initial Order of this Court dated August 10, 2018, as amended and restated, and the Orders of this Court dated October 10, 2018 and October 25, 2018.

8. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Seller and the Buyer regarding the fulfillment of conditions required under the Monitor's Certificate.

9. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

10. **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* (Canada) (the "**BIA**") in respect of the Applicants and any order issued pursuant to any such applications; and

(c) any application for a receivership order,

the vesting of the Purchased Assets in the Buyer and the granting of the Product IP License to the Buyer pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Seller and shall not be void or voidable by creditors of the Seller, 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.

11. **THIS COURT ORDERS** that, except as set forth in paragraph 3 of Section 6.4 of the Disclosure Letter to the share purchase agreement among API, Aralez Canada and Nuvo Pharmaceuticals Inc. dated September 18, 2018, for the purchase of all of the shares of Aralez Canada, as amended, the Bezafibrate APA or as may otherwise be agreed to in writing among the Seller, the Buyer and Nuvo Pharmaceuticals Inc., (a) any transactions that may be approved or implemented in connection with the Seller pursuant to the CCAA Case shall be expressly subject to the rights and benefits conferred to the Buyer under the Bezafibrate APA in and to the Purchased Assets and the Product IP License, and (b) the benefits conferred to the Buyer under the Bezafibrate APA shall not be negatively impacted in any manner whatsoever by any transactions that may be approved or implemented in connection with the Seller pursuant to the CCAA process or any other bankruptcy or reorganization process that may follow in either jurisdiction or any other jurisdiction in respect of the Seller or any Affiliate of the Seller in Canada.

12. **THIS COURT ORDERS** that in the event of any transaction in which all or substantially all of the assets of the Seller and its Affiliates are sold, the purchaser of such assets shall be bound by all obligations of the Seller under the Bezafibrate APA, including any obligations in respect of the Product IP License. For the avoidance of doubt, this provision shall not bind Nuvo Pharmaceuticals Inc. as the proposed purchaser of the shares of Aralez Canada.

SEALING

13. **THIS COURT ORDERS** that the Confidential Supplement to the Sixth Report of the Monitor is hereby sealed and shall not form part of the public record unless otherwise ordered by this Court.

GENERAL

14. **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 and 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 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 – 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.

The Applicants

MONITOR'S CERTIFICATE

RECITALS

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

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

C. Pursuant to the Approval and Vesting Order of the Court dated December 17, 2018 (the "**Approval and Vesting Order**"), the Court approved the asset purchase agreement dated December 6, 2018 (the "**Bezafibrate APA**") between Aralez Pharmaceuticals Canada Inc. (the "**Seller**") and Intercept Pharmaceuticals, Inc. (the "**Buyer**"), vesting in the Buyer, the Seller's right, title and interest in and to the Purchased Assets and the Product IP License (the "**Transaction**"), which is to be effective upon the delivery by the Monitor to the Buyer of this Monitor's Certificate.

D. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Approval and Vesting Order.

E. Pursuant to the Approval and Vesting Order, the Monitor may rely on written notice from the Seller and the Buyer regarding fulfillment of conditions to closing under the Bezafibrate APA.

THE MONITOR CONFIRMS the following:

1. The Monitor has received written confirmation, in form and substance satisfactory to the Monitor, from the Seller and Buyer that:

   (a) All applicable conditions under the Bezafibrate APA have been satisfied and/or waived, as applicable;

   (b) The Buyer has paid and the Seller has received the Closing Payment; and

   (c) The Transaction has been completed to the satisfaction of the Monitor.

2. This Certificate was delivered by the Monitor at _____ [TIME] on _____ [DATE].

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

Per: _____

Name:

Title:

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

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

APPROVAL AND VESTING 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
E-mail: ataylor@stikeman.com

Maria Konyukhova LSO#: 52880V
Tel: (416) 869-5230
Email: mkonyukhova@stikeman.com

Kathryn Esaw LSO#: 58264F
Tel: (416) 869-5230
E-mail: kesaw@stikeman.com

Lawyers for the Applicants

Exhibit E

Restated Bezafibrate Development Agreement

Attached.

Exhibit F

Purchase Price Allocation

The Purchase Price (including the Assumed Liabilities) shall be allocated to the Purchased Regulatory Documentation and the Original Bezafibrate Development Agreement (i.e., solely Class VI assets under Treas. Reg. 1.338-6)).

Exhibit G

Allergan Consent

Attached.

Aralez Pharmaceuticals
Breathing New Life Into Pharmaceuticals™

Global Headquarters
7100 West Credit Avenue
Mississauga, Ontario L5N 0E4

Ireland Headquarters
2 Hume Street
Dublin 2, DO2 FT82, Ireland

November 26, 2018

Allergan Pharmaceuticals
International Limited
Clonshaugh Industrial
Estate
Coolock
Dublin 17, Ireland
Attn: General Manager

Re: Product Development and Profit Share Agreement by and between Aralez Pharmaceuticals Canada, Inc. (as successor to Tribute Pharmaceuticals Canada Ltd.) and Allergan Pharmaceuticals International Limited (as successor to Actavis Group PTC ehf) ("you"), effective as of May 4, 2011, as amended thereafter (the "Agreement").

Dear Sir or Madam:

As you are aware, Aralez Pharmaceuticals Canada Inc. ("Aralez") intends to enter into an Asset Purchase Agreement (the "Asset Purchase Agreement") with Intercept Pharmaceuticals, Inc. ("Intercept"), pursuant to which Intercept will agree to purchase certain assets of Aralez related to bezafibrate (the "Transaction"). The Transaction is expected to close before the end of December.

As part of the Transaction, Aralez will assign the Agreement to Intercept (the "Assignment"). Immediately following the Assignment, the terms and conditions of the Agreement will be amended and restated to be substantially in the form attached as Exhibit A to this letter (the "Amended and Restated Agreement"). The Amended and Restated Agreement will be effective immediately upon the closing of the Transaction.

We are sending you this letter to provide you with formal notice of, and request your consent to, the Assignment. In order to facilitate a smooth transition of our relationship upon completion of the Transaction, please acknowledge your receipt of this notice and confirm your consent to the Assignment upon completion of the Transaction by executing the acknowledgement in this letter and returning a copy of the executed letter as promptly as possible by e-mail (cfreeland@aralez.com). By executing the acknowledgement in this letter you hereby agree (i) to the assignment of the Agreement to Intercept, (ii) to execute and deliver the Amended and Restated Agreement to be effective upon the closing of the Transaction as described herein and (iii) that Intercept may rely on this consent in connection with the Transaction.

Your consent is requested prior to the execution of the Asset Purchase Agreement, and as such we request to receive your consent at your earliest convenience, but in any event **no later than November 28, 2018**. If you have any questions regarding this letter, please do

not hesitate to call our General Counsel, Christopher Freeland, at (609) 917-9286. We thank you for your prompt response.

[Remainder of Page Intentionally Left Blank]

Sincerely,

ARALEZ PHARMACEUTICALS CANADA INC.

By:
Name: ANDREW I KOVEN
Title: PRESIDENT

ACCEPTED, ACKNOWLEDGED AND AGREED:

ALLERGAN PHARMACEUTICALS INTERNATIONAL LIMITED

_____

Name:
Title:
Date:

Sincerely,

ARALEZ PHARMACEUTICALS CANADA INC.

By: _____
Name:
Title:

ACCEPTED, ACKNOWLEDGED AND AGREED:

ALLERGAN PHARMACEUTICALS INTERNATIONAL LIMITED

_____
Name: Tom Daunt
Title: Director

Exhibit A

TAB 3

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	**)**	**MONDAY, THE 17TH**
	)	
JUSTICE DUNPHY	**)**	**DAY OF DECEMBER, 2018**

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

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

(Applicants)

BEZAFIBRATE 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 C*ompanies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an Order, (a) approving the sale transaction (the "**Transaction**") contemplated by the Asset Purchase Agreement (the "**Bezafibrate APA**") between Aralez Canada (the "**Seller**") and Intercept Pharmaceuticals, Inc. (the "**Buyer**") made as of December 6, 2018, by which the Seller, (b) vests in the Buyer, the Seller's right, title and interest in and to the Purchased Assets (as defined in the Bezafibrate APA), and (c) grants to the Buyer, the Seller's right, title and interest in the Product IP License (as defined in the Bezafibrate APA), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Adrian Adams, sworn December ●, 2018, and the Sixth 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 Buyer, and counsel for those other parties appearing as indicated by the counsel sheet, no one else appearing although duly served, as appears from the affidavit of ●, sworn December ●, 2018 and 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.

DEFINITIONS

2. **THIS COURT ORDERS** that all capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Bezafibrate APA.

SALE TRANSACTION

3. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Bezafibrate APA by the Seller, through its existing agents, representatives or officers, is hereby authorized, ratified and approved, with such minor amendments as the Seller and the Buyer may agree to with the consent of the Monitor. The Seller, through its existing agents, representatives or officers, is hereby authorized and directed, and the Monitor is authorized and empowered, to take such additional steps and execute such additional documents as may be reasonably necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets and the granting of the Product IP License to the Buyer.

4. **THIS COURT ORDERS** that the Seller is authorized and directed to perform its obligations under the Bezafibrate APA and any ancillary documents related thereto.

5. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Buyer substantially in the form attached as Schedule "A" hereto (the "**Monitor's Certificate**"), all of the Seller's right, title and interest in and to the Purchased Assets and Product IP License shall vest absolutely in the Buyer, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts, pledges or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies or charges (whether contractual, statutory, or otherwise), license, sublicense, preference, encroachment, restrictive covenant, charge, title defect, claim of ownership, prior assignment, right of use or possession, Claim, Liability, right or restriction of any kind or nature or other

encumbrance, 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: (a) any encumbrances or charges created by the Initial Order of the Honourable Justice Dunphy dated August 10, 2018, as amended and restated, the Orders of the Honourable Justice Dunphy dated October 10, 2018 and October 25, 2018 and any subsequent charges created by the Court; and (b) all charges, security interests or claims evidenced by registrations pursuant to the Personal Property Security Act (Ontario) or any other personal property registry system in any provinces or territories in Canada, the United States or the Civil Code of Québec (all of which are collectively referred to as the "**Encumbrances**"). For greater certainty, this Court orders that, other than Permitted Encumbrances, all of the Encumbrances affecting or relating to the Purchased Assets or the Product IP License are hereby expunged and discharged as against the Purchased Assets and the Product IP License.

6. **THIS COURT ORDERS**, subject to paragraph 7 of this Order, that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets and from the grant of the Product IP License shall stand in the place and stead of the Purchased Assets and Product IP License, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets and Product IP License with the same priority as they had with respect to the Purchased Assets and Product IP License immediately prior to the sale, as if the Purchased Assets and Product IP License had not been sold or granted and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. **THIS COURT ORDERS** that the Applicants shall be entitled to retain and use the funds making up the Aggregate Payments to make payments, distributions, and disbursements from such funds, all in accordance with the Initial Order of this Court dated August 10, 2018, as amended and restated, and the Orders of this Court dated October 10, 2018 and October 25, 2018.

8. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Seller and the Buyer regarding the fulfillment of conditions required under the Monitor's Certificate.

9. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

10. **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* (Canada) (the "**BIA**") in respect of the Applicants and any order issued pursuant to any such applications; and

(c) any application for a receivership order,

the vesting of the Purchased Assets in the Buyer and the granting of the Product IP License to the Buyer pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Seller and shall not be void or voidable by creditors of the Seller, 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.

11. **THIS COURT ORDERS** that, except as set forth in paragraph 3 of Section 6.4 of the Disclosure Letter to the share purchase agreement among API, Aralez Canada and Nuvo Pharmaceuticals Inc. dated September 18, 2018, for the purchase of all of the shares of Aralez Canada, as amended, the Bezafibrate APA or as may otherwise be agreed to in writing among the Seller, the Buyer and Nuvo Pharmaceuticals Inc., (a) any transactions that may be approved or implemented in connection with the Seller pursuant to the CCAA Case shall be expressly subject to the rights and benefits conferred to the Buyer under the Bezafibrate APA in and to the Purchased Assets and the Product IP License, and (b) the benefits conferred to the Buyer under the Bezafibrate APA shall not be negatively impacted in any manner whatsoever by any transactions that may be approved or implemented in connection with the Seller pursuant to the CCAA process or any other bankruptcy or reorganization process that may follow in either jurisdiction or any other jurisdiction in respect of the Seller or any Affiliate of the Seller in Canada.

12. **THIS COURT ORDERS** that in the event of any transaction in which all or substantially all of the assets of the Seller and its Affiliates are sold, the purchaser of such assets shall be bound by all obligations of the Seller under the Bezafibrate APA, including any obligations in respect of the Product IP License. For the avoidance of doubt, this provision shall not bind Nuvo Pharmaceuticals Inc. as the proposed purchaser of the shares of Aralez Canada.

SEALING

13. **THIS COURT ORDERS** that the Confidential Supplement to the Sixth Report of the Monitor is hereby sealed and shall not form part of the public record unless otherwise ordered by this Court.

GENERAL

14. **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 and 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 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 – 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.

The Applicants

MONITOR'S CERTIFICATE

RECITALS

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

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

C. Pursuant to the Approval and Vesting Order of the Court dated December 17, 2018 (the "**Approval and Vesting Order**"), the Court approved the asset purchase agreement dated December 6, 2018 (the "**Bezafibrate APA**") between Aralez Pharmaceuticals Canada Inc. (the "**Seller**") and Intercept Pharmaceuticals, Inc. (the "**Buyer**"), vesting in the Buyer, the Seller's right, title and interest in and to the Purchased Assets and the Product IP License (the "**Transaction**"), which is to be effective upon the delivery by the Monitor to the Buyer of this Monitor's Certificate.

D. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Approval and Vesting Order.

E. Pursuant to the Approval and Vesting Order, the Monitor may rely on written notice from the Seller and the Buyer regarding fulfillment of conditions to closing under the Bezafibrate APA.

THE MONITOR CONFIRMS the following:

1. The Monitor has received written confirmation, in form and substance satisfactory to the Monitor, from the Seller and Buyer that:

   (a) All applicable conditions under the Bezafibrate APA have been satisfied and/or waived, as applicable;

   (b) The Buyer has paid and the Seller has received the Closing Payment; and

   (c) The Transaction has been completed to the satisfaction of the Monitor.

2. This Certificate was delivered by the Monitor at _____ [TIME] on _____ [DATE].

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

Per: _____

Name:

Title:

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

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

APPROVAL AND VESTING 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
E-mail: ataylor@stikeman.com

Maria Konyukhova LSO#: 52880V
Tel: (416) 869-5230
Email: mkonyukhova@stikeman.com

Kathryn Esaw LSO#: 58264F
Tel: (416) 869-5230
E-mail: kesaw@stikeman.com

Lawyers for the Applicants

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

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

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

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

MOTION RECORD OF THE APPLICANTS
(Returnable December 17, 2018)
(Re Bezafibrate Sale Approval)

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

Ashley Taylor LSO#: 39932E
Tel: (416) 869-5236
E-mail: ataylor@stikeman.com

Maria Konyukhova LSO#: 52880V
Tel: (416) 869-5230
Email: mkonyukhova@stikeman.com

Kathryn Esaw LSO#: 58264F
Tel: (416) 869-5230
E-mail: kesaw@stikeman.com

Lawyers for the Applicants