

**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 SHIMSHON DUKESZ
(Sworn December 6, 2018)**

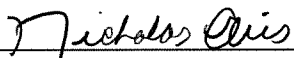
I, Shimshon E. Dukesz, of the City of Hamilton, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a lawyer with Stikeman Elliott LLP, Lawyers for the Applicants, and as such have personal knowledge of the matters set out below.
2. On Friday, November 30, 2018, Nicholas Avis, an articling student at Stikeman Elliott LLP, served materials in support of a motion returnable on December 7, 2018 to, *inter alia*, approve the share purchase agreement among API, as the vendor, Aralez Canada, as the corporation, and Nuvo Pharmaceuticals Inc., as the purchaser (the "**Purchaser**") dated September 18, 2018 (the "**Share Purchase Agreement**").
3. The Share Purchase Agreement was amended by the First Amending Agreement to the Share Purchase Agreement and Disclosure Letter dated December 6, 2018 (the "**Amending Agreement**"). A copy of the Amending Agreement is attached hereto as **Exhibit "A"**.

4. The Applicants and the Purchaser have entered into the Amending Agreement in order to align the terms of the Share Purchase Agreement with the terms of an asset purchase agreement (the “Benzafibrate APA”) relating to assets which are not subject to the Share Purchase Agreement.

5. A copy of the Amending Agreement was served by Nicholas Avis on December 6, 2018.

SWORN BEFORE ME at the City of
Toronto, on December 6, 2018



Commissioner for taking affidavits



SHIMSHON DUKESZ

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

EXHIBIT "A"

referred to in the Affidavit of

SHIMSHON DUKESZ

Sworn December 6, 2018



A Commissioner for Taking Affidavits

**FIRST AMENDING AGREEMENT TO THE SHARE PURCHASE AGREEMENT AND
DISCLOSURE LETTER**

THIS AGREEMENT is dated as of December 6, 2018.

BETWEEN:

NUVO PHARMACEUTICALS INC.
(the "Purchaser")

and

ARALEZ PHARMACEUTICALS INC.
(the "Vendor")

and

ARALEZ PHARMACEUTICALS CANADA INC.
(the "Corporation")

WHEREAS:

- A. The Purchaser, the Vendor and the Corporation are parties to a Share Purchase Agreement dated September 18, 2018 (the "Purchase Agreement") pursuant to which the Purchaser has agreed to purchase all of the issued and outstanding shares of the Corporation from the Vendor subject to the terms and conditions thereof;
- B. In connection with the Purchase Agreement, the Vendor delivered to the Purchaser a Disclosure Letter (as defined in the Purchase Agreement); and
- C. The Parties have agreed to amend the Purchase Agreement and the Disclosure Letter on the terms contained in this first amending agreement (this "Agreement").

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration (the receipt and adequacy of which are hereby acknowledged), the Parties hereto agree as follows:

- 1. The Purchase Agreement is hereby amended by:
 - (a) deleting the definition of "Disclosure Letter" in Section 1.1 and replacing it as follows:

""**Disclosure Letter**"" means the disclosure letter dated as of the date of this Agreement and delivered by the Vendor to the Purchaser with this Agreement, as may be amended from time to time as mutually agreed to in writing by the Parties.";

- (b) deleting the definition of "Closing Date" in Section 1.1 and replacing it as follows:

""Closing Date" means (a) the earlier of (i) the date that is sixteen (16) days, and (ii) the date not earlier than December 30, 2018 that may be designated by the Purchaser (upon providing not less than three (3) Business Days' notice to the Vendor), in either case, 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."; and

- (c) adding the following Section 6.22 immediately following Section 6.21:

"Section 6.22 Milestone Payments

If, on or following the Closing Date, the Corporation receives any Milestone Payments (as defined in the Asset Purchase Agreement between Aralez Pharmaceuticals Canada Inc. and Intercept Pharmaceuticals, Inc. dated December 6, 2018 (the "Bezafibrate APA")), the Purchaser shall promptly pay (or cause to be paid) an amount equal to such Milestone Payment to the Vendor by wire transfer of immediately available funds. Notwithstanding the foregoing, the Purchaser shall be entitled to reduce the amount that it is required to pay pursuant to this Section 6.22 by (i) any withholding Taxes imposed with respect to the payment of the Milestone Payment to the Corporation, and (ii) any income Taxes incurred by the Corporation as a result of receiving the Milestone Payment, which income Taxes shall be calculated on the assumption that the Milestone Payment will be subject to tax at the rate generally applicable to ordinary income using the combined federal and Ontario provincial corporate tax rate in place at such time and without taking into account any deductions, credits or attributes of the Corporation which may be available to reduce such Tax. The Purchaser shall be entitled to withhold from any payment made pursuant to this Section 6.22 any amounts which it is required to withhold in respect of Taxes under applicable Laws. Any payment made pursuant to this Section 6.22 shall be treated as an adjustment to the Purchase Price."

2. The Disclosure Letter is hereby amended by deleting Section 6.4 (Pre-Closing Reorganization) and replacing it in its entirety with Exhibit A hereto.
3. In this Agreement, except as otherwise defined herein or unless the context otherwise requires, all terms used but not defined herein (including the recitals hereto) shall have the meanings specified in the Purchase Agreement. This Agreement shall, unless otherwise required, be subject to the interpretation provisions contained in Article 1 of the Purchase Agreement. When entered into by the Parties, this Agreement shall be supplemental to, part of and read together with each of the Purchase Agreement and the Disclosure Letter, as applicable, as a single instrument. If any term or provision contained in this Agreement shall conflict or be inconsistent with any term or provision

of the Purchase Agreement or the Disclosure Letter, the terms and provisions of the Agreement shall govern.

4. In all other respects the Purchase Agreement and the Disclosure Letter remain unamended and are in full force and effect.
5. 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.
6. This Agreement may be executed and delivered by facsimile transmission or email and in any number of counterparts and all such facsimile copies, email copies and counterparts shall be deemed to be an original hereof and for all purposes constitute one agreement and be binding on the parties hereto, provided each party hereto has executed and delivered at least one counterpart, and each may be relied upon by each party hereto as such for any and all purposes.

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

IN WITNESS each of the Parties have executed this Agreement on the 6th day of December, 2018.

ARALEZ PHARMACEUTICALS INC.

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

ARALEZ PHARMACEUTICALS
CANADA INC.

By: _____
Name:
Title:

NUVO PHARMACEUTICALS INC.

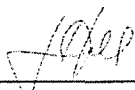
By: _____
Name:
Title:

IN WITNESS each of the Parties have executed this Agreement on the 6th day of December, 2018.

ARALEZ PHARMACEUTICALS INC.

By: _____
Name:
Title:

**ARALEZ PHARMACEUTICALS
CANADA INC.**

By:  _____
Name: James L Hall
Title: General Manager

NUVO PHARMACEUTICALS INC.

By: _____
Name:
Title:

IN WITNESS each of the Parties have executed this Agreement on the 6th day of December, 2018.

ARALEZ PHARMACEUTICALS INC.

By: _____
Name:
Title:

**ARALEZ PHARMACEUTICALS
CANADA INC.**

By: _____
Name:
Title:

NUVO PHARMACEUTICALS INC.

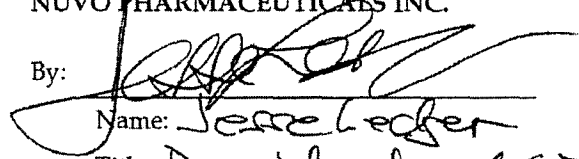
By: 
Name: Jesse Leder
Title: President and CEO

EXHIBIT A

Section 6.4

Pre-Closing Reorganization

1. Evidence shall be provided by the Vendor to the Purchaser of (A) the termination of (i) the Management and Support Services Agreement, and (ii) the Non-Exclusive Distributor Agreement dated April 1, 2016 between Aralez Pharmaceuticals Trading DAC and the Corporation and, in each case, all parties thereto shall have executed a full and unconditional release of all rights and obligations thereunder and (B) the assignment of the Product Development and Profit Share Agreement, as contemplated by #3 below.
2. Tribute Pharmaceuticals International Inc. (Barbados) shall be dissolved, or the shares in its capital stock transferred, such that it shall no longer be a subsidiary of the Corporation.
3. The U.S. rights of the Corporation to the Bezafibrate product shall be transferred by the Corporation to, subject to approval by the CCAA Court, Intercept Pharmaceuticals, Inc. in consideration for a cash purchase price (the portion of such cash purchase price actually received by the Corporation on the closing of the transaction is referred to herein as the "**Bezafibrate Cash Proceeds**") pursuant to the asset purchase agreement between the Corporation and Intercept Pharmaceuticals Inc. dated as of December 6, 2018 (the "**Intercept APA**"), which asset purchase agreement shall not be amended in a manner that would adversely impact the pre-closing reorganization without the prior written consent of Purchaser, acting reasonably; provided, however, that if such transaction does not close on or prior to the date that is two (2) Business Days prior to the Closing Date, the U.S. rights of the Corporation to the Bezafibrate product shall be transferred by the Corporation to the Vendor by way of dividend in kind (and the Vendor shall pay HST to the Corporation in respect of the transferred assets); provided that such transfer by the Corporation to the Vendor shall not occur prior to December 28, 2018; and provided further that in either case, the Corporation or the Vendor, as the case may be, shall ensure that, except for the Corporation's express obligations under the Intercept APA, which in the case of a transfer to by the Corporation to the Vendor, are only those obligations that survive such transfer as expressly specified in Section 9.6 (Assignment) of the Intercept APA, the Corporation does not have any further liability related thereto or under the Product Development and Profit Share Agreement whether (i) through the Claims Procedure Order and/or the CCAA Termination Order, (ii) a full and unconditional release in favour of the Corporation by the counterparty to the relevant contract(s) in respect of such U.S. rights and obligations, (iii) by the provision of an indemnity in favour of the Corporation by a credit worthy third party with respect thereto, or (iv) by such other commercially reasonable means (including disclaiming such relevant contract(s) if necessary), in each case, acceptable to the Purchaser, acting reasonably. For greater certainty, any failure to satisfy this Step 3 as contemplated shall be deemed to be a material and non-curable breach under the Agreement.

Steps 4-11 below (as amended, modified, or supplemented with the written consent of each of the Vendor and the Purchaser) shall be completed in the order set forth below and in a manner

that does not give rise to a material Tax liability of the Corporation or a material reduction in the Tax attributes of the Corporation or any of its Assets.

4. 2017 Loan Agreement. The loan agreement dated April 3, 2017 between the Corporation, as lender, and the Vendor, as borrower, (the "2017 Loan Agreement") in the principal amount of CDN\$6,015,200 shall be amended to reflect the additional principal amount of approximately CDN\$8,000,000 owing by the Vendor to the Corporation thereunder, such that following such amendment the total amount owing by the Vendor to the Corporation thereunder shall be approximately CDN\$14,015,200.
5. 2016 Loan Facility Agreement. The loan facility agreement dated March 29, 2016, among Aralez Luxembourg Finance, as lender, and Aralez Pharmaceuticals Trading DAC, Tribute Pharmaceuticals Canada Inc., Aralez Pharmaceuticals Inc. and Aralez Pharmaceuticals Management Inc., as borrowers, as amended by an amendment to the loan facility agreement effective as of March 29, 2016 (the "2016 Loan Facility Agreement"), under which there is and shall be no amount owing by any of the borrowers, shall be amended to (i) remove the Corporation as a party thereto and (ii) fully, finally, unconditionally and irrevocably release the Corporation and all of its Assets from any and all liabilities and obligations thereunder, such that following such amendment there shall be no debts, liabilities or obligations owing by the Corporation to any Person thereunder.
6. Deerfield Guarantee. The Corporation shall be fully, finally, unconditionally and irrevocably released of any and all of the liabilities and obligations of the Corporation to Deerfield under the facility agreement dated as of June 8, 2015, as amended and restated on October 29, 2015 and as further amended and restated on December 7, 2015, under which the Corporation has and shall have liabilities and obligations only as guarantor and not as borrower, and which guarantee of the Corporation has not been and shall not have been called upon, such that following such release there shall be no debts, liabilities or obligations owing by the Corporation to any Person thereunder.
7. DIP Indebtedness. The Vendor shall assume any and all of the debts, liabilities and obligations of the Corporation to Deerfield Management Company, LP or any Affiliate thereof (collectively, "Deerfield") under the DIP Agreement or any of the Definitive Documents (as defined in the Initial Order) (collectively, the "DIP Indebtedness") in consideration for the issuance of a demand promissory note (the "DIP Note") having a principal amount equal to the aggregate amount of the DIP Indebtedness, such that following such assumption there shall be no debts, liabilities or obligations owing by the Corporation to any Person under the DIP Agreement or any of the Definitive Documents.
8. DIP Note. The Corporation shall repay the DIP Note using all or a portion of the Bezafibrate Cash Proceeds. If the amount of the Bezafibrate Cash Proceeds is less than the principal amount of the DIP Note the Corporation shall issue common shares to the Vendor having an aggregate fair market value equal to the principal amount of the DIP Note less the Bezafibrate Cash Proceeds. Such payment(s) shall be in full and final payment and satisfaction of the amount owing by the Corporation to the Vendor under the DIP Note, such that following such cash payment and issuance, if applicable, no amount shall be owing by the Corporation to the Vendor under the DIP Note.

9. Intercompany Indebtedness. The Vendor shall assume any and all of the debts, liabilities and obligations owing by the Corporation to any Affiliate of the Vendor (including the amount owing by the Corporation to Aralez Pharmaceuticals Trading DAC ("Trading DAC") pursuant to a promissory note in the principal amount of USD\$2,260,000 effective as of August 8, 2018 issued by the Corporation for and in favour of Trading DAC) (collectively, the "**Intercompany Indebtedness**") in consideration for the issuance by the Corporation to the Vendor of a demand promissory note (the "**Assumption Note**") having a principal amount equal to the aggregate amount of the Intercompany Indebtedness, such that following such assumption there shall be no debts, liabilities or obligations owing by the Corporation to any Affiliate of the Vendor.
10. Assumption Note and Other Liabilities To Vendor. The Corporation shall repay the Assumption Note and any and all other debts, liabilities and obligations owing by the Corporation to the Vendor using all or a portion of the Bezafibrate Cash Proceeds that remain following the repayment of the DIP Note in step 8 hereof. If the remaining amount of the Bezafibrate Cash Proceeds is less than the sum of the principal amount of the Assumption Note and the aggregate amount of any and all other debts, liabilities and obligations owing by the Corporation to the Vendor, the Corporation shall issue common shares to the Vendor having an aggregate fair market value equal to the sum of the principal amount of the Assumption Note and the aggregate amount of any and all other debts, liabilities and obligations owing by the Corporation to the Vendor less the Bezafibrate Cash Proceeds paid to the Vendor pursuant to this step 10. Such payment(s) shall be in full and final payment and satisfaction of the amounts owing by the Corporation to the Vendor under the Assumption Note and under such other debts, liabilities and obligations, such that following such payment and issuance, if applicable, no amount shall be owing by the Corporation to the Vendor.
11. Intercompany Receivables. The Corporation shall forgive, settle and extinguish in full without repayment in respect thereof all amounts owing by the Vendor or any Affiliate thereof to the Corporation (including the amount owing by the Vendor to the Corporation under the 2017 Loan Agreement).
12. Bezafibrate Cash Proceeds. If any portion of the Bezafibrate Cash Proceeds remain following the payments in Steps 8 and 10 hereof, such amounts (together with any other cash of the Corporation) shall be distributed to the Vendor as a cash dividend.

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

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

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

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

Proceeding commenced at Toronto

**AFFIDAVIT OF SHIMSHON DUKESZ
(SWORN DECEMBER 6, 2018)**

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

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Email: kesaw@stikeman.com

Lawyers for the Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

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

Applicants

APPROVAL AND VESTING ORDER

THIS MOTION, made by Aralez Pharmaceuticals Inc. ("**API**") and Aralez Pharmaceuticals Canada Inc. ("**Aralez Canada**" and, together with API, the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an Order, among other things, (i) approving the sale transaction (the "**Transaction**") contemplated by a share purchase agreement (the "**Share Purchase Agreement**") among API, as vendor, Aralez Canada, as the corporation, and Nuvo Pharmaceuticals Inc., as the purchaser (the "**Purchaser**") dated September 18, 2018 (as amended by the First Amending Agreement to the Share Purchase Agreement and Disclosure Letter dated December 6, 2018), (ii) vesting in the Purchaser all of API's right, title and interest in and to the Purchased Shares, and (iii) granting the other relief set out herein, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Applicants filed in respect of this motion and the Report, and on hearing the submissions of counsel for the Applicants, Richter Advisory

Group Inc. ("**Richter**") in its capacity as Monitor of the Applicants (the "**Monitor**"), Deerfield, and the Purchaser, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service filed:

SERVICE

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

DEFINED TERMS

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

APPROVAL OF THE TRANSACTION

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

VESTING OF THE PURCHASED SHARES

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Monitor's Certificate**"), all of API's right, title and interest in and to the Purchased Shares shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other

financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order dated August 10, 2018 (as amended and restated, the “**Initial Order**”); (ii) any encumbrances or charges created by the Order (Re Bidding Procedures Approval) dated October 10, 2018; (iii) any encumbrances or charges created by the Order (Re KEIP Approval and Related Charge) dated November 28, 2018; and (iv) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the “**Encumbrances**”) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Shares are hereby expunged and discharged as against the Purchased Shares.

5. **THIS COURT ORDERS** that for purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Shares shall stand in the place and stead of the Purchased Shares, and that from and after the delivery of the Monitor’s Certificate all Claims and Encumbrances (including those created by the Initial Order) shall attach to the net proceeds from the sale of the Purchased Shares with the same priority as they had with respect to the Purchased Shares immediately prior to the sale, as if the Purchased Shares had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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

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

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

- (a) the pendency of these proceedings;
- (b) any assignment in bankruptcy or any application for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (the “**BIA**”) and any order issued pursuant to any such application;
- (c) any application for a receivership order; or
- (d) any provisions of any federal or provincial legislation,

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

9. **THIS COURT ORDERS** that except as set forth in paragraph 3 of Section 6.4 of the Disclosure Letter, the Bezalip APA (as defined below) or as may otherwise be agreed in writing among API, Aralez Canada, the Purchaser and any purchaser of the U.S. rights to the Bezalip product (the “**Bezalip Assets**”), including Intercept Pharmaceuticals Inc. as the purchaser of the Bezalip Assets under the Asset Purchase Agreement dated December 6, 2018 among API, Aralez Canada and Intercept Pharmaceuticals Inc. (the “**Bezalip Purchaser**” and the “**Bezalip APA**”), the Share Purchase Agreement shall not impair or adversely affect the Bezalip Assets, Aralez Canada’s ability to transfer the Bezalip Assets to the Bezalip Purchaser under the Bezalip APA or the Bezalip Purchaser’s rights and benefits under the Bezalip APA.

APPROVAL OF THE PRE-CLOSING REORGANIZATION

10. **THIS COURT ORDERS AND DECLARES** that the Pre-Closing Reorganization is hereby approved and the Applicants are authorized and empowered to take the necessary or desirable steps, transactions, set-offs, distributions, repayments, transfers and other actions to

consummate the Pre-Closing Reorganization as set out in Schedule "B" to this Order (collectively, the "**Pre-Closing Reorganization Steps**").

11. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered, but not directed, without further notice to or action, order, or approval of this Court or any other person, to issue, execute, deliver, file, and record any document, and to take any action necessary or appropriate to consummate the Pre-Closing Reorganization and Pre-Closing Reorganization Steps and all transactions and agreements related thereto in accordance with their terms, without the need for any further notice to, or action, order or approval of this Court, or other act or action under applicable laws. This Order shall constitute all approvals and consents required, if any, by the laws, rules and regulations of all provinces and any other governmental authority with respect to the implementation or consummation of the Pre-Closing Reorganization and the Pre-Closing Reorganization Steps.

GENERAL

12. **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.

13. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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 (as amended and restated, the "Initial Order").
- B. Richter Advisory Group Inc. (in such capacity, the "Monitor") was appointed as the Monitor of the Applicants in the CCAA proceedings pursuant to the Initial Order.
- C. Pursuant to the Approval and Vesting Order of the Court granted ●, 2018 (the "Approval and Vesting Order"), the Court approved the share purchase agreement dated ● 2018 (as amended by the First Amending Agreement to the Share Purchase Agreement and Disclosure Letter dated December 6, 2018) (the "Share Purchase Agreement") among Aralez Pharmaceuticals Inc. ("API"), as vendor, Aralez Pharmaceuticals Canada Inc. ("Aralez Canada"), as the corporation, and Nuvo Pharmaceuticals Inc., as the purchaser (the "Purchaser") providing for, among other things, the sale of all the shares in the capital of Aralez Canada to the Purchaser (the "Purchased Shares"), which vesting is to be effective upon the delivery by the Monitor to the Purchaser of this Monitor's Certificate.

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

THE MONITOR CONFIRMS the following:

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

- (a) all conditions to Closing set forth in the Share Purchase Agreement have been satisfied or waived;
- (b) the Purchaser has paid the Purchase Price;
- (c) the Purchase Price has been delivered in accordance with the Share Purchase Agreement; and
- (d) the Transaction has been completed to the satisfaction of the Purchaser and API, respectively.

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

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

Per: _____

Name:

Title:

SCHEDULE "B"
PRE-CLOSING REORGANIZATION STEPS

Section 6.4 of the Share Purchase Agreement (as amended and revised)

Pre-Closing Reorganization

- (1) Evidence shall be provided by the Vendor to the Purchaser of (A) the termination of (i) the Management and Support Services Agreement, and (ii) the Non-Exclusive Distributor Agreement dated April 1, 2016 between Aralez Pharmaceuticals Trading DAC and the Corporation and, in each case, all parties thereto shall have executed a full and unconditional release of all rights and obligations thereunder and (B) the assignment of the Product Development and Profit Share Agreement, as contemplated by #3 below.
- (2) Tribute Pharmaceuticals International Inc. (Barbados) shall be dissolved, or the shares in its capital stock transferred, such that it shall no longer be a subsidiary of the Corporation.
- (3) The U.S. rights of the Corporation to the Bezafibrate product shall be transferred by the Corporation to, subject to approval by the CCAA Court, Intercept Pharmaceuticals, Inc. in consideration for a cash purchase price (the portion of such cash purchase price actually received by the Corporation on the closing of the transaction is referred to herein as the "**Bezafibrate Cash Proceeds**") pursuant to the asset purchase agreement between the Corporation and Intercept Pharmaceuticals Inc. dated as of December 6, 2018 (the "**Intercept APA**"), which asset purchase agreement shall not be amended in a manner that would adversely impact the pre-closing reorganization without the prior written consent of Purchaser, acting reasonably; provided, however, that if such transaction does not close on or prior to the date that is two (2) Business Days prior to the Closing Date, the U.S. rights of the Corporation to the Bezafibrate product shall be transferred by the Corporation to the Vendor by way of dividend in kind (and the Vendor shall pay HST to the Corporation in respect of the transferred assets); provided that such transfer by the Corporation to the Vendor shall not occur prior to December 28, 2018; and provided further that in either case, the Corporation or the Vendor, as the case may be, shall ensure that, except for the Corporation's express obligations under the Intercept APA, which in the case of a transfer to by the Corporation to the Vendor, are only those obligations that survive such transfer as expressly specified in Section 9.6 (Assignment) of the Intercept APA, the Corporation does not have any further liability related thereto or under the Product Development and Profit Share Agreement whether (i) through the Claims Procedure Order and/or the CCAA Termination Order, (ii) a full and unconditional release in favour of the Corporation by the counterparty to the relevant contract(s) in respect of such U.S. rights and obligations, (iii) by the provision of an indemnity in favour of the Corporation by a credit worthy third party with respect thereto, or (iv) by such other commercially reasonable means (including disclaiming such relevant contract(s) if necessary), in each case, acceptable to the Purchaser, acting reasonably. For greater certainty, any failure to satisfy this Step 3 as contemplated shall be deemed to be a material and non-curable breach under the Agreement.

Steps 4-11 below (as amended, modified, or supplemented with the written consent of each of the Vendor and the Purchaser) shall be completed in the order set forth below and in a manner that does not give rise to a material Tax liability of the Corporation or a material reduction in the Tax attributes of the Corporation or any of its Assets.

- (4) 2017 Loan Agreement. The loan agreement dated April 3, 2017 between the Corporation, as lender, and the Vendor, as borrower, (the "**2017 Loan Agreement**") in the principal amount of CDN\$6,015,200 shall be amended to reflect the additional principal amount of approximately CDN\$8,000,000 owing by the Vendor to the Corporation thereunder, such that following such amendment the total amount owing by the Vendor to the Corporation thereunder shall be approximately CDN\$14,015,200.
- (5) 2016 Loan Facility Agreement. The loan facility agreement dated March 29, 2016, among Aralez Luxembourg Finance, as lender, and Aralez Pharmaceuticals Trading DAC, Tribute Pharmaceuticals Canada Inc., Aralez Pharmaceuticals Inc. and Aralez Pharmaceuticals Management Inc., as borrowers, as amended by an amendment to the loan facility agreement effective as of March 29, 2016 (the "**2016 Loan Facility Agreement**"), under which there is and shall be no amount owing by any of the borrowers, shall be amended to (i) remove the Corporation as a party thereto and (ii) fully, finally, unconditionally and irrevocably release the Corporation and all of its Assets from any and all liabilities and obligations thereunder, such that following such amendment there shall be no debts, liabilities or obligations owing by the Corporation to any Person thereunder.
- (6) Deerfield Guarantee. The Corporation shall be fully, finally, unconditionally and irrevocably released of any and all of the liabilities and obligations of the Corporation to Deerfield under the facility agreement dated as of June 8, 2015, as amended and restated on October 29, 2015 and as further amended and restated on December 7, 2015, under which the Corporation has and shall have liabilities and obligations only as guarantor and not as borrower, and which guarantee of the Corporation has not been and shall not have been called upon, such that following such release there shall be no debts, liabilities or obligations owing by the Corporation to any Person thereunder.
- (7) DIP Indebtedness. The Vendor shall assume any and all of the debts, liabilities and obligations of the Corporation to Deerfield Management Company, LP or any Affiliate thereof (collectively, "**Deerfield**") under the DIP Agreement or any of the Definitive Documents (as defined in the Initial Order) (collectively, the "**DIP Indebtedness**") in consideration for the issuance of a demand promissory note (the "**DIP Note**") having a principal amount equal to the aggregate amount of the DIP Indebtedness, such that following such assumption there shall be no debts, liabilities or obligations owing by the Corporation to any Person under the DIP Agreement or any of the Definitive Documents.
- (8) DIP Note. The Corporation shall repay the DIP Note using all or a portion of the Bezafibrate Cash Proceeds. If the amount of the Bezafibrate Cash Proceeds is less than the principal amount of the DIP Note the Corporation shall issue common shares to the

Vendor having an aggregate fair market value equal to the principal amount of the DIP Note less the Bezafibrate Cash Proceeds. Such payment(s) shall be in full and final payment and satisfaction of the amount owing by the Corporation to the Vendor under the DIP Note, such that following such cash payment and issuance, if applicable, no amount shall be owing by the Corporation to the Vendor under the DIP Note.

- (9) Intercompany Indebtedness. The Vendor shall assume any and all of the debts, liabilities and obligations owing by the Corporation to any Affiliate of the Vendor (including the amount owing by the Corporation to Aralez Pharmaceuticals Trading DAC (“**Trading DAC**”) pursuant to a promissory note in the principal amount of USD\$2,260,000 effective as of August 8, 2018 issued by the Corporation for and in favour of Trading DAC) (collectively, the “**Intercompany Indebtedness**”) in consideration for the issuance by the Corporation to the Vendor of a demand promissory note (the “**Assumption Note**”) having a principal amount equal to the aggregate amount of the Intercompany Indebtedness, such that following such assumption there shall be no debts, liabilities or obligations owing by the Corporation to any Affiliate of the Vendor.
- (10) Assumption Note and Other Liabilities To Vendor. The Corporation shall repay the Assumption Note and any and all other debts, liabilities and obligations owing by the Corporation to the Vendor using all or a portion of the Bezafibrate Cash Proceeds that remain following the repayment of the DIP Note in step 8 hereof. If the remaining amount of the Bezafibrate Cash Proceeds is less than the sum of the principal amount of the Assumption Note and the aggregate amount of any and all other debts, liabilities and obligations owing by the Corporation to the Vendor, the Corporation shall issue common shares to the Vendor having an aggregate fair market value equal to the sum of the principal amount of the Assumption Note and the aggregate amount of any and all other debts, liabilities and obligations owing by the Corporation to the Vendor less the Bezafibrate Cash Proceeds paid to the Vendor pursuant to this step 10. Such payment(s) shall be in full and final payment and satisfaction of the amounts owing by the Corporation to the Vendor under the Assumption Note and under such other debts, liabilities and obligations, such that following such payment and issuance, if applicable, no amount shall be owing by the Corporation to the Vendor.
- (11) Intercompany Receivables. The Corporation shall forgive, settle and extinguish in full without repayment in respect thereof all amounts owing by the Vendor or any Affiliate thereof to the Corporation (including the amount owing by the Vendor to the Corporation under the 2017 Loan Agreement).
- (12) Bezafibrate Cash Proceeds. If any portion of the Bezafibrate Cash Proceeds remain following the payments in Steps 8 and 10 hereof, such amounts (together with any other cash of the Corporation) shall be distributed to the Vendor as a cash dividend.

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

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

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

Applicants

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

APPROVAL AND VESTING ORDER

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Lawyers for the Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

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

Applicants

APPROVAL AND VESTING ORDER

THIS MOTION, made by Aralez Pharmaceuticals Inc. ("**API**") and Aralez Pharmaceuticals Canada Inc. ("**Aralez Canada**" and, together with API, the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an Order, among other things, (i) approving the sale transaction (the "**Transaction**") contemplated by a share purchase agreement (the "**Share Purchase Agreement**") among API, as vendor, Aralez Canada, as the corporation, and Nuvo Pharmaceuticals Inc., as the purchaser (the "**Purchaser**") dated September 18, ~~2018~~2018 (as amended by the First Amending Agreement to the Share Purchase Agreement and Disclosure Letter dated December 6, 2018), (ii) vesting in the Purchaser all of API's right, title and interest in and to the Purchased Shares, and (iii) granting the other relief set out herein, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Applicants filed in respect of this motion and the Report, and on hearing the submissions of counsel for the Applicants, Richter Advisory

Group Inc. ("**Richter**") in its capacity as Monitor of the Applicants (the "**Monitor**"), Deerfield, and the Purchaser, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service filed:

SERVICE

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

DEFINED TERMS

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

APPROVAL OF THE TRANSACTION

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

VESTING OF THE PURCHASED SHARES

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Monitor's Certificate**"), all of API's right, title and interest in and to the Purchased Shares shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other

financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order dated August 10, 2018 (as amended and restated, the “**Initial Order**”); (ii) any encumbrances or charges created by the Order (Re Bidding Procedures Approval) dated October 10, 2018; (iii) any encumbrances or charges created by the Order (Re KEIP Approval and Related Charge) dated November 28, 2018; and (iv) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the “**Encumbrances**”) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Shares are hereby expunged and discharged as against the Purchased Shares.

5. **THIS COURT ORDERS** that for purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Shares shall stand in the place and stead of the Purchased Shares, and that from and after the delivery of the Monitor’s Certificate all Claims and Encumbrances (including those created by the Initial Order) shall attach to the net proceeds from the sale of the Purchased Shares with the same priority as they had with respect to the Purchased Shares immediately prior to the sale, as if the Purchased Shares had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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

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

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

- (a) the pendency of these proceedings;
- (b) any assignment in bankruptcy or any application for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (the “**BIA**”) and any order issued pursuant to any such application;
- (c) any application for a receivership order; or
- (d) any provisions of any federal or provincial legislation,

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

9. THIS COURT ORDERS that except as set forth in paragraph 3 of Section 6.4 of the Disclosure Letter, the Bezalip APA (as defined below) or as may otherwise be agreed in writing among API, Aralez Canada, the Purchaser and any purchaser of the U.S. rights to the Bezalip product (the “Bezalip Assets”), including Intercept Pharmaceuticals Inc. as the purchaser of the Bezalip Assets under the Asset Purchase Agreement dated December 6, 2018 among API, Aralez Canada and Intercept Pharmaceuticals Inc. (the “Bezalip Purchaser” and the “Bezalip APA”), the Share Purchase Agreement shall not impair or adversely affect the Bezalip Assets, Aralez Canada’s ability to transfer the Bezalip Assets to the Bezalip Purchaser under the Bezalip APA or the Bezalip Purchaser’s rights and benefits under the Bezalip APA.

APPROVAL OF THE PRE-CLOSING REORGANIZATION

10. ~~9.~~ **THIS COURT ORDERS AND DECLARES** that the Pre-Closing Reorganization is hereby approved and the Applicants are authorized and empowered to take the necessary or desirable steps, transactions, set-offs, distributions, repayments, transfers and other actions to

consummate the Pre-Closing Reorganization as set out in Schedule “B” to this Order (collectively, the “**Pre-Closing Reorganization Steps**”).

11. ~~10.~~ **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered, but not directed, without further notice to or action, order, or approval of this Court or any other person, to issue, execute, deliver, file, and record any document, and to take any action necessary or appropriate to consummate the Pre-Closing Reorganization and Pre-Closing Reorganization Steps and all transactions and agreements related thereto in accordance with their terms, without the need for any further notice to, or action, order or approval of this Court, or other act or action under applicable laws. This Order shall constitute all approvals and consents required, if any, by the laws, rules and regulations of all provinces and any other governmental authority with respect to the implementation or consummation of the Pre-Closing Reorganization and the Pre-Closing Reorganization Steps.

GENERAL

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

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

SCHEDULE A
FORM OF MONITOR'S CERTIFICATE

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

Applicants

MONITOR'S CERTIFICATE

RECITALS

- A. The Applicants obtained protection under the *Companies' Creditors Arrangement Act* (the "CCAA") pursuant to an Initial Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated August 10, 2018 (as amended and restated, the "Initial Order").
- B. Richter Advisory Group Inc. (in such capacity, the "Monitor") was appointed as the Monitor of the Applicants in the CCAA proceedings pursuant to the Initial Order.
- C. Pursuant to the Approval and Vesting Order of the Court granted [●●](#), 2018 (the "Approval and Vesting Order"), the Court approved the share purchase agreement dated [●●](#) 2018 ([as amended by the First Amending Agreement to the Share Purchase Agreement and Disclosure Letter dated December 6, 2018](#)) (the "Share Purchase Agreement") among Aralez Pharmaceuticals Inc. ("API"), as vendor, Aralez Pharmaceuticals Canada Inc. ("Aralez Canada"), as the corporation, and Nuvo Pharmaceuticals Inc., as the purchaser (the "Purchaser") providing for, among other things, the sale of all the shares in the capital of Aralez Canada to the Purchaser (the "Purchased Shares"), which vesting is to be effective upon the delivery by the Monitor to the Purchaser of this Monitor's Certificate.

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

THE MONITOR CONFIRMS the following:

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

- (a) all conditions to Closing set forth in the Share Purchase Agreement have been satisfied or waived;
- (b) the Purchaser has paid the Purchase Price;
- (c) the Purchase Price has been delivered in accordance with the Share Purchase Agreement; and
- (d) the Transaction has been completed to the satisfaction of the Purchaser and API, respectively.

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

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

Per: _____

Name:

Title:

SCHEDULE "B"
PRE-CLOSING REORGANIZATION STEPS

Section 6.4 of the Share Purchase Agreement (as amended and revised)

Pre-Closing Reorganization

- (1) Evidence shall be provided by the Vendor to the Purchaser of (A) the termination of (i) the Management and Support Services Agreement, and (ii) the Non-Exclusive Distributor Agreement dated April 1, 2016 between Aralez Pharmaceuticals Trading DAC and the Corporation and, in each case, all parties thereto shall have executed a full and unconditional release of all rights and obligations thereunder and (B) the assignment of the Product Development and Profit Share Agreement ~~to the Vendor~~, as contemplated by # 3 below.
- (2) Tribute Pharmaceuticals International Inc. (Barbados) shall be dissolved, or the shares in its capital stock transferred, such that it shall no longer be a subsidiary of the Corporation.
- (3) The U.S. rights of the Corporation to the ~~Bezalip~~ Bezafibrate product shall be transferred by the Corporation to, subject to approval by the CCAA Court, Intercept Pharmaceuticals, Inc. in consideration for a cash purchase price (the portion of such cash purchase price actually received by the Corporation on the closing of the transaction is referred to herein as the "Bezafibrate Cash Proceeds") pursuant to the asset purchase agreement between the Corporation and Intercept Pharmaceuticals Inc. dated as of December 6, 2018 (the "Intercept APA"), which asset purchase agreement shall not be amended in a manner that would adversely impact the pre-closing reorganization without the prior written consent of Purchaser, acting reasonably; provided, however, that if such transaction does not close on or prior to the date that is two (2) Business Days prior to the Closing Date, the U.S. rights of the Corporation to the Bezafibrate product shall be transferred by the Corporation to the Vendor by way of dividend- ~~in-kind; provided that if the Vendor, directly or indirectly, assigns or otherwise transfers such rights to a third party, whether prior to or following Closing, the Vendor shall ensure that~~ kind (and the Vendor shall pay HST to the Corporation in respect of the transferred assets); provided that such transfer by the Corporation to the Vendor shall not occur prior to December 28, 2018; and provided further that in either case, the Corporation or the Vendor, as the case may be, shall ensure that, except for the Corporation's express obligations under the Intercept APA, which in the case of a transfer to by the Corporation to the Vendor, are only those obligations that survive such transfer as expressly specified in Section 9.6 (Assignment) of the Intercept APA, the Corporation does not have any further liability related thereto or under the Product Development and Profit Share Agreement whether (i) through the Claims Procedure Order and/or the CCAA Termination Order, (ii) a full and unconditional release in favour of the Corporation by the counterparty to the relevant contract(s) in respect of such U.S. rights and obligations, (iii) by the provision of an indemnity in favour of the Corporation by a credit worthy third party with respect thereto, or (iv) by such other commercially reasonable means (including disclaiming such relevant contract(s) if

necessary), in each case, acceptable to the Purchaser, acting reasonably. For greater certainty, any failure to satisfy this Step 3 as contemplated shall be deemed to be a material and non-curable breach under the Agreement.

Steps 4-11 below (as amended, modified, or supplemented with the written consent of each of the Vendor and the Purchaser) shall be completed in the order set forth below and in a manner that does not give rise to a material Tax liability of the Corporation or a material reduction in the Tax attributes of the Corporation or any of its Assets.

- (4) 2017 Loan Agreement. The loan agreement dated April 3, 2017 between the Corporation, as lender, and the Vendor, as borrower, (the “**2017 Loan Agreement**”) in the principal amount of CDN\$6,015,200 shall be amended to reflect the additional principal amount of approximately CDN\$8,000,000 owing by the Vendor to the Corporation thereunder, such that following such amendment the total amount owing by the Vendor to the Corporation thereunder shall be approximately CDN\$14,015,200.
- (5) 2016 Loan Facility Agreement. The loan facility agreement dated March 29, 2016, among Aralez Luxembourg Finance, as lender, and Aralez Pharmaceuticals Trading DAC, Tribute Pharmaceuticals Canada Inc., Aralez Pharmaceuticals Inc. and Aralez Pharmaceuticals Management Inc., as borrowers, as amended by an amendment to the loan facility agreement effective as of March 29, 2016 (the “**2016 Loan Facility Agreement**”), under which there is and shall be no amount owing by any of the borrowers, shall be amended to (i) remove the Corporation as a party thereto and (ii) fully, finally, unconditionally and irrevocably release the Corporation and all of its Assets from any and all liabilities and obligations thereunder, such that following such amendment there shall be no debts, liabilities or obligations owing by the Corporation to any Person thereunder.
- (6) Deerfield Guarantee. The Corporation shall be fully, finally, unconditionally and irrevocably released of any and all of the liabilities and obligations of the Corporation to Deerfield under the facility agreement dated as of June 8, 2015, as amended and restated on October 29, 2015 and as further amended and restated on December 7, 2015, under which the Corporation has and shall have liabilities and obligations only as guarantor and not as borrower, and which guarantee of the Corporation has not been and shall not have been called upon, such that following such release there shall be no debts, liabilities or obligations owing by the Corporation to any Person thereunder.
- (7) DIP Indebtedness. The Vendor shall assume any and all of the debts, liabilities and obligations of the Corporation to Deerfield Management Company, LP or any Affiliate thereof (collectively, “**Deerfield**”) under the DIP Agreement or any of the Definitive Documents (as defined in the Initial Order) (collectively, the “**DIP Indebtedness**”) in consideration for the issuance of a demand promissory note (the “**DIP Note**”) having a principal amount equal to the aggregate amount of the DIP Indebtedness, such that following such assumption there shall be no debts, liabilities or obligations owing by the Corporation to any Person under the DIP Agreement or any of the Definitive Documents.

- (8) DIP Note. The Corporation shall repay the DIP Note using all or a portion of the Bezafibrate Cash Proceeds. If the amount of the Bezafibrate Cash Proceeds is less than the principal amount of the DIP Note the Corporation shall issue common shares to the Vendor having an aggregate fair market value equal to the principal amount of the DIP Note less the Bezafibrate Cash Proceeds. Such payment(s) shall be in full and final payment and satisfaction of the amount owing by the Corporation to the Vendor under the DIP Note, such that following such cash payment and issuance, if applicable, no amount shall be owing by the Corporation to the Vendor under the DIP Note.
- (9) Intercompany Indebtedness. The Vendor shall assume any and all of the debts, liabilities and obligations owing by the Corporation to any Affiliate of the Vendor (including the amount owing by the Corporation to Aralez Pharmaceuticals Trading DAC (“**Trading DAC**”) pursuant to a promissory note in the principal amount of USD\$2,260,000 effective as of August 8, 2018 issued by the Corporation for and in favour of Trading DAC) (collectively, the “**Intercompany Indebtedness**”) in consideration for the issuance by the Corporation to the Vendor of a demand promissory note (the “**Assumption Note**”) having a principal amount equal to the aggregate amount of the Intercompany Indebtedness, such that following such assumption there shall be no debts, liabilities or obligations owing by the Corporation to any Affiliate of the Vendor.
- (10) Assumption Note and Other Liabilities To Vendor. ~~The Corporation shall issue common shares to the Vendor having an aggregate fair market value equal to~~ The Corporation shall repay the Assumption Note and any and all other debts, liabilities and obligations owing by the Corporation to the Vendor using all or a portion of the Bezafibrate Cash Proceeds that remain following the repayment of the DIP Note in step 8 hereof. If the remaining amount of the Bezafibrate Cash Proceeds is less than the sum of the principal amount of the Assumption Note and the aggregate amount of any and all other debts, liabilities and obligations owing by the Corporation to the Vendor, the Corporation shall issue common shares to the Vendor having an aggregate fair market value equal to the sum of the principal amount of the Assumption Note and the aggregate amount of any and all other debts, liabilities and obligations owing by the Corporation to the Vendor less the Bezafibrate Cash Proceeds paid to the Vendor pursuant to this step 10. Such payment(s) shall be in full and final payment and satisfaction of the amounts owing by the Corporation to the Vendor under the Assumption Note and under such other debts, liabilities and obligations, such that following such payment and issuance, if applicable, no amount shall be owing by the Corporation to the Vendor.
- (11) Intercompany Receivables. The Corporation shall forgive, settle and extinguish in full without repayment in respect thereof all amounts owing by the Vendor or any Affiliate thereof to the Corporation (including the amount owing by the Vendor to the Corporation under the 2017 Loan Agreement).
- (12) Bezafibrate Cash Proceeds. If any portion of the Bezafibrate Cash Proceeds remain following the payments in Steps 8 and 10 hereof, such amounts (together with any other cash of the Corporation) shall be distributed to the Vendor as a cash dividend.

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

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

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

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE (COMMERCIAL
LIST)

Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER

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Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	21
Deletions	13
Moved from	1
Moved to	1
Style change	0
Format changed	0
Total changes	36