

**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.**

Applicant

**MOTION RECORD OF THE APPLICANT
(Returnable January 30, 2019)
(Re Change of Name and Stay Extension)**

January 23, 2019

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Lawyers for the Applicant

TO: The Service List

**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.**

I N D E X

TAB	DOCUMENT
1.	Notice of Motion, returnable January 30, 2019
2.	Affidavit of Adrian Adams, sworn January 23, 2019
A.	Distribution Order dated December 17, 2018
3.	Order

TAB 1

**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.

Applicant

**NOTICE OF MOTION
(RETURNABLE JANUARY 30, 2019)
(Re Change of Name and Stay Extension)**

Aralez Pharmaceuticals Inc. ("**API**") will make a motion to the Justice presiding over the Commercial List on January 30, 2019 at 8:30 AM at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING:

The motion is to be heard orally.

THE MOTION IS FOR:

1. An order changing the name of API and the style of cause in the within proceedings and extending the Stay Period (defined below) to April 19, 2019; and
2. Such further and other relief as the Court deems just.

THE GROUNDS FOR THE MOTION ARE:

3. The Applicant, together with Aralez Pharmaceuticals Canada Inc. ("**Aralez Canada**", and with the Applicant, the "**Initial Applicants**"), 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 and with the Initial Applicants, the "**Aralez Entities**") were 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;

4. On August 10, 2018, the Initial 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;

Change of Name

5. The Initial Applicants' court-approved restructuring strategy and sales process (the "**Sales Process**") included the going concern sale of substantially all of their assets;

6. Pursuant to the Sales Process, the Applicant entered into a sale transaction (the "**SPA 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;

7. This Court approved the SPA Transaction on December 7, 2018 and the transaction subsequently closed on December 31, 2018;

8. Section 6.21 of the Share Purchase Agreement mandates that API remove any reference to the word 'Aralez' from its name. It further requires that the style of cause in the CCAA Proceedings be amended to remove any reference to the word 'Aralez'. This change was to occur as soon as practicable and in any event no later than ninety days following the closing of the SPA Transaction.

Stay Extension

9. The extension of the Stay Period through to April 19, 2019 will provide the stability necessary for the Applicant to continue the CCAA Proceedings in an orderly and efficient manner;

10. The Monitor will be filing a report in support of the extension of the Stay Period to April 19, 2019;

11. The Applicant has acted and continues to act in good faith and with due diligence, and no creditor will suffer any material prejudice if the Stay Period is extended to April 19, 2019.

GENERAL

12. The provisions of the CCAA and the inherent and equitable jurisdiction of this Court;
13. Sections 257 and 263 of the (British Columbia) *Business Corporations Act*, [SBC 2002] CH. 57;
14. Rules 1.04, 1.05, 2.03, and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
15. Such further grounds as counsel may advise and this Court may see fit.

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

16. The Affidavit of Adrian Adams, sworn January 23, 2019;
17. A report of the Monitor to be filed; and
18. Such further and other materials as counsel may advise and this Court may permit.

January 23, 2019

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Lawyers for the Applicant

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.

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

NOTICE OF MOTION
(RETURNABLE JANUARY 30, 2019)

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Lawyers for the Applicant

TAB 2

**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.

Applicant

AFFIDAVIT OF ADRIAN ADAMS
(Sworn January 23, 2019)

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**"). 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 API and have spoken with and relied upon certain of the directors, officers, employees and/or advisors of API, as necessary and applicable. Where I have relied upon such information, I believe such information to be true.

2. This affidavit is sworn in support of a motion brought by the Applicant pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") seeking:

- (a) An order changing the name of API and the style of cause in the within proceedings and extending the Stay Period (defined below) to April 19, 2019; and
- (b) Such further and other relief as the Court deems just.

A. BACKGROUND AND STATUS OF THE PROCEEDINGS

3. API and Aralez Pharmaceuticals Canada Inc. ("**Aralez Canada**" and together with API, the "**Initial Applicants**") were 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., Halton Laboratories LLC, Aralez Pharmaceuticals

Holdings Limited, and Aralez Pharmaceuticals Trading DAC (“DAC”, and collectively, the “**Chapter 11 Entities**” and, with the Initial Applicants, the “**Aralez Entities**”).

4. As described in greater detail in the affidavit sworn by Andrew I. Koven on August 9, 2018 (the “**Initial Affidavit**”), the Aralez Entities were 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.

5. 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. Prior to the events described below, Canadian operations of the Aralez Entities were largely conducted through Aralez Canada, which is incorporated under the laws of Ontario.

6. On August 10, 2018, the Initial Applicants sought and were granted creditor protection and related relief under the CCAA (the “**CCAA Proceedings**”) pursuant to an Order (as amended, the “**Initial Order**”) of this Court.

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

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

9. 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.

B. THE SALES PROCESS AND THE CLOSING OF THE SPA TRANSACTION

10. An essential component of the Aralez Entities’ restructuring was the going concern sale of substantially all of their assets following comprehensive and Court-approved marketing processes.

Sales Process in the CCAA Proceedings

11. Pursuant to the Court-approved sales process (the “**Sales Process**”), API entered into a sale transaction (the “**SPA Transaction**”) contemplated by a share purchase agreement (the

“Share Purchase Agreement”) among API, as vendor, and Nuvo Pharmaceuticals Inc., as purchaser (the “Purchaser”) dated September 18, 2018. The Share Purchase Agreement, which acted as a stalking horse bid, contemplated the sale of all of the shares of Aralez Canada, which were held by API, to the Purchaser for the purchase price of US\$ 62.5 million, subject to certain adjustments (the “Purchase Price”). This Court approved the SPA Transaction on December 7, 2018 and the transaction subsequently closed on December 31, 2018.

12. The Share Purchase Agreement provided that immediately before the SPA Transaction closed API was to provide the Purchaser with an estimate (the “Estimate”) of the net working capital as of the time the SPA Transaction would close (the “Closing”).

13. The Share Purchase Agreement further provided that, within 75 days of Closing, the Purchaser will calculate the actual net working capital as of the date of Closing. To the extent the actual net working capital (as ultimately agreed to by the Purchaser and API) differs from the Estimate, the Share Purchase Agreement contemplates a post-facto adjustment of the Purchase Price to reflect those variations (the “Adjustment Process”). API anticipates that the Adjustment Process will commence in March, 2019.

14. On December 10, 2018, this Court ordered that, upon certain conditions of Closing being satisfied (the “CCAA Termination Time”), the CCAA Proceedings would have no further application to Aralez Canada (the “Termination Order”). Pursuant to the Termination Order, the style of cause in the CCAA Proceedings was amended to remove any references to Aralez Canada.

Sales Process in the U.S. Proceedings

15. In the U.S. Proceedings, the Chapter 11 Entities obtained court approval of the sale of various assets (the “Vimovo Sale”) on December 27, 2018. The Vimovo Sale closed on December 31, 2018.

16. With respect to the proposed sale of the assets related to the Chapter 11 Entities’ Toprol-XL Franchise (the “Toprol Sale”), on December 7, 2018, the U.S. Court directed the parties to enter into mediation for the purpose of facilitating a settlement of certain issues raised by the Toprol Sale. These issues primarily relate to the proposed assignment of certain agreements between DAC and AstraZeneca AB. AstraZeneca AB has opposed what it considers to be

cherry-picking amongst which agreements the Chapter 11 Entities wish to assign and which they seek to reject.

17. On December 14, 2018, the parties began mediation. The relevant parties continue to mediate their disputes related to the Toprol Sale and negotiate other issues that are relevant to the successful resolution of the U.S. Proceedings. If an agreement is reached on the Toprol Sale, the Chapter 11 Entities believe that a global settlement resolving the primary issues in the U.S. Proceedings can then be reached. A hearing on the Toprol Sale is scheduled to commence on February 20, 2019 before the U.S. Court. The resolution of the matters currently in issue does not affect the Initial Applicants or the SPA Transaction.

18. The Chapter 11 Entities have remained engaged in sale processes for their other non-core assets. On January 15, 2019, those entities filed a motion seeking approval of the sale of their assets relating to the Fibracor drug, with a hearing scheduled for February 14, 2019 before the U.S. Court. The Chapter 11 Entities also expect to file a motion seeking approval of the sale of assets related to another non-core drug in their portfolio.

C. DISTRIBUTIONS

19. Following the Closing, and pursuant to an order of this Court dated December 17, 2018 (the “**Distribution Order**”), API and the Monitor, in consultation with Deerfield (as defined in the Distribution Order) established a reserve (the “**Reserve**”) in the amount of US\$ 10.5 million from the proceeds of the SPA Transaction (the “**Sale Proceeds**”) and certain other transactions to secure and/or satisfy various obligations, including certain Court-approved charges, professional expenses, post-filing expenses, priority obligations and amounts that the Monitor reasonably estimated to be potentially owing to the Purchaser under the Adjustment Process. A copy of the Distribution Order is attached hereto as **Exhibit “A”**.

20. Pursuant to the Distribution Order, API and the Monitor were authorized and directed to distribute the remainder of the Sale Proceeds to the DIP Lender and to Deerfield up to the maximum amount of the obligations owed to them under the Canadian DIP Credit Agreement and the Facility Agreement. Via an offset of debt amounts owing under the Facility Agreement, API distributed US\$ 55.1 million to Deerfield (each capitalized term as defined in the Distribution Order).

D. THE CLAIMS PROCESS

21. On October 10, 2018, this Court approved a claims process (the “**Claims Process**”) pursuant to which the Initial Applicants called for claims against themselves and their directors and officers (the “**Claims Process Order**”).

22. The Claims Process Order provided that any party that did not file a Proof of Claim (as defined in the Claims Process Order) by the applicable deadline was not entitled to receive any distribution in respect of such claim and was barred from making or enforcing such claim against the Initial Applicants and their directors and officers.

23. The Initial Applicants received 39 Claims against Aralez Canada and 34 claims against API in the total amounts of US\$ 66.7 million and US\$ 136.9 million, respectively, by the Claims Bar Date of November 29, 2018 (the “**Claims**”). Many of these Claims are duplicates of one another, in that the claimant filed a Claim against both API and Aralez Canada. Of the 73 Claims filed, 46 were placeholder Claims for unspecified amounts relating to indemnification for directors and officers and intercompany debt obligations.

24. Pursuant to the Termination Order, API retained the authority to address and resolve Claims filed against Aralez Canada following Closing.

25. Following discussions with the Purchaser and Monitor, the Initial Applicants concluded that given the small number of Claims in dispute, the parties may not require a claims resolution officer or formal claims resolution process to resolve the Claims. The Initial Applicants have resolved to attempt to address the Claims directly, in consultation with the Monitor, the Purchaser and Deerfield.

26. API, in consultation with the Monitor, the Purchaser and Deerfield, has communicated its position with respect to certain of the Claims directly to the claimants. With respect to the Claims against Aralez Canada, and as of the date of this sworn affidavit, 19 Claims have been resolved, four Claims are actively in dispute and 16 Claims are still being reviewed. API has sent letters requesting the withdrawal or revision of certain of the disputed Claims, but has not yet received responses thereto.

27. The Termination Order provided that any motions with respect to the determination of any Claims against Aralez Canada shall be scheduled within 45 days following the CCAA

Termination Time. API anticipates that it will be able to complete the scheduling of any required motions within that time.

E. STAY EXTENSION

28. The Initial Order granted a stay of proceedings up to and including September 7, 2018 (the “**Stay Period**”). The Stay Period was extended three times: first to November 14, 2018; then to December 7, 2018, and again to February 1, 2019. The Applicant is seeking to extend the Stay Period to April 19, 2019.

29. This extension is required to allow API to:

- (a) Address any post-closing matters ancillary to the SPA Transaction, including implementing the Adjustment Process, which will commence in April 19, 2019;
- (b) Review and address the remaining Claims;
- (c) Distribute the Sale Proceeds to stakeholders; and
- (d) Address any other issues as they arise in the CCAA Proceedings.

30. It is my understanding that the Monitor will be filing a report in support of the extension of the Stay Period to April 19, 2019 and that Deerfield does not oppose the extension.

31. The extension of the Stay Period through to April 19, 2019 will provide the stability necessary for the Applicant to advance the CCAA Proceedings in an orderly and efficient matter.

32. The Applicant has acted and continues to act in good faith and with due diligence. I do not believe that any creditor will suffer any material prejudice if the Stay Period is extended to April 19, 2019.

F. CHANGE OF NAME

33. Section 6.21 of the Share Purchase Agreement mandates that API remove any reference to the word “Aralez” from its name. It further requires that the style of cause in the CCAA Proceedings be amended to remove any reference to the word “Aralez”. This change was to occur as soon as practicable and in any event no later than ninety days following Closing.

34. API, in consultation with its advisors and other relevant parties, has agreed to change its name to "Old API Wind-Down Ltd."

35. As such, the Applicant is seeking Court approval to change its name to "Old API Wind-Down Ltd.", as well as approval of a concurrent change to the style of cause in the CCAA Proceedings.

G. CONCLUSION

36. It is my belief that granting the relief sought herein is an appropriate next step in the CCAA Proceedings and will provide a pathway for completing the restructuring of the Aralez Entities in a manner that will maximize value for stakeholders.

SWORN BEFORE ME in the Town of
Devon, in the State of Pennsylvania, on
January 23, 2019.



Commissioner for Taking Affidavits

Michael D. Serratore

Commonwealth of Pennsylvania - Notary Seal
Michael D. Serratore, Notary Public
Montgomery County
My commission expires December 21, 2019
Commission number 1295344
Member, Pennsylvania Association of Notaries



ADRIAN ADAMS


TAB A

EXHIBIT "A"

referred to in the Affidavit of

ADRIAN ADAMS

Sworn January 23, 2019



Commissioner for Taking Affidavits
Michael D. Serratore

Commonwealth of Pennsylvania - Notary Seal
Michael D. Serratore, Notary Public
Montgomery County
My commission expires December 21, 2019
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Member, Pennsylvania Association of Notaries

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.

)

MONDAY, THE 17TH

JUSTICE DUNPHY

)

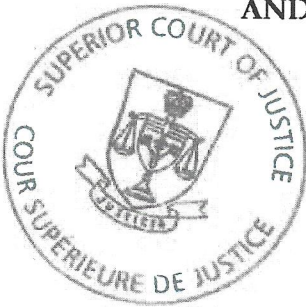
DAY OF DECEMBER, 2018

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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: Distribution Protocol)

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, among other things, an order approving a distribution protocol (the "Distribution Protocol") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Adrian Adams sworn December 12, 2018, and the report dated December 12, 2018 by Richter Advisory Group Inc., in its capacity as Court-appointed Monitor (the "Monitor"), and on hearing the submissions of counsel for the Applicants, the Monitor and those other parties present, no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of Shimshon E. Dukesz sworn December 13, 2018 and filed:

SERVICE

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

DEFINITIONS

2. **THIS COURT ORDERS** that all capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Amended and Restated Initial Order dated August 10, 2018 (the "**Initial Order**").

DISTRIBUTION PROTOCOL

3. **THIS COURT ORDERS** that any distributions authorized and approved by this Order shall at all times be subject to: (a) the closing of the share purchase agreement among API, Aralez Canada and Nuvo Pharmaceuticals Inc. ("**Nuvo**") dated September 18, 2018, for the purchase of all of the shares of Aralez Canada (as amended, the "**Nuvo SPA**") and the receipt of the net sale proceeds thereunder by API or the Monitor (the "**Sale Proceeds**"); and (b) API retaining from the Sale Proceeds or other cash on hand a reserve of funds (the "**Reserve**") in an amount satisfactory to the Monitor, in consultation with API, Deerfield and, in the case of (iv), below, Nuvo, sufficient to: (i) secure the obligations under the Charges (including, without limitation, the Bid Protections Charge as defined in the Order (Re Bidding Procedures) dated October 10, 2018 and the Key Employee Charge as defined in the Order (Re KEIP Approval & Related Charge) dated November 28, 2018) that rank ahead of the applicable debt owing to Deerfield; (ii) pay the Professional Expenses and Post-Filing Expenses (each as defined below); (iii) pay any other obligations of API that rank ahead of the applicable debt owing to Deerfield and any other contingent amounts appropriate under the circumstances (collectively, the "**Priority Claims**"); and (iv) account for any amounts reasonably estimated by the Monitor to be potentially owing to Nuvo as a result of the reconciliation of the Adjustment Amount under the Nuvo SPA (as such term is defined therein).

APPROVAL OF INTERIM AND FUTURE DISTRIBUTIONS

4. **THIS COURT ORDERS** that, subject to the Reserve and as soon as practicable following the filing of the Monitor's Certificate under the Nuvo SPA, the Monitor in consultation with API or API with the prior written consent of the Monitor, is hereby authorized and directed, without further Order of the Court to make any distributions in cash or otherwise to the DIP Lender up to the maximum amount of the obligations owing under the Canadian DIP Credit Agreement (as defined in the affidavit of Andrew I. Koven, sworn August 9, 2018).

5. **THIS COURT ORDERS** that, subject to the Reserve and as soon as practicable following the filing of the Monitor's Certificate under the Nuvo SPA, the Monitor in consultation with API or API with the prior written consent of the Monitor, is hereby authorized and directed, without further Order of the Court to make any distributions in cash or otherwise to Deerfield up to the maximum amount of the obligations owing under the Facility Agreement (as defined in the affidavit of Andrew I. Koven, sworn August 9, 2018).

6. **THIS COURT ORDERS** that the Monitor in consultation with API or API with the prior written consent of the Monitor, is hereby authorized and empowered to disburse from time to time from the Reserve or from other available cash on hand any amounts owing by API in respect of the fees and expenses of the Monitor, the Monitor's legal counsel, legal counsel to API, and any other professionals retained pursuant to the Initial Order (collectively, the "**Professional Expenses**"). Any disbursements to the Monitor or to the Monitor's legal counsel are subject to their obligations to pass their accounts under the terms of the Initial Order.

7. **THIS COURT ORDERS** that the Monitor in consultation with API or API with the prior written consent of the Monitor, is hereby authorized and empowered to disburse from time to time from the Reserve or from other available cash on hand any amounts owing by API in respect of obligations incurred by API since the commencement of these CCAA proceedings (collectively, the "**Post-Filing Expenses**").

8. **THIS COURT ORDERS** that the Monitor in consultation with API or API with the prior written consent of the Monitor, is hereby authorized and empowered to disburse from time to

time from the Reserve or from other available cash on hand any amounts owing by API in respect of Priority Claims, if any.

9. **THIS COURT ORDERS** that the Monitor in consultation with API or API with the prior written consent of the Monitor, is hereby authorized and empowered to disburse from the Reserve or from other available cash on hand any amounts owing to Nuvo as a result of the reconciliation of the Adjustment Amount under the Nuvo SPA (as such term is defined therein), if any.

10. **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 distributed to Deerfield as soon as practicable following such determination, up to the maximum amount of the obligations owing under the Facility Agreement (as defined in the affidavit of Andrew I. Koven, sworn August 9, 2018).

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

- (a) the pendency of these proceedings;
- (b) any assignment in bankruptcy or any petition 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 petition;
- (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 made free and clear of any encumbrances, 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 API, the Monitor, the DIP Lender, Deerfield or any other party receiving distributions pursuant to this Order, and shall not constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

MONITOR PROTECTIONS

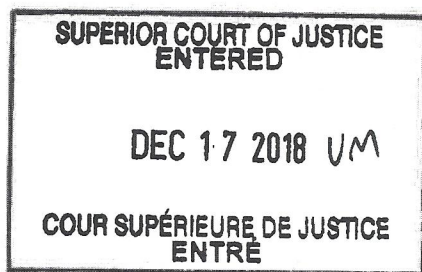
12. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the Initial Order, the Monitor shall not be liable for any act or omission on the part of the Monitor pertaining to the discharge of its duties under this Order, save and except for any claim or liability 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.

13. **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 3 of this Order.

GENERAL

14. **THIS COURT ORDERS** that the Monitor may apply to the Court as necessary to seek further orders and directions to give effect to the payments, distributions and disbursements proposed herein.

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



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

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

ORDER
(RE: DISTRIBUTION PROTOCOL)

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Lawyers for the Applicants

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

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

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

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

AFFIDAVIT OF ADRIAN ADAMS
SWORN ON JANUARY 23, 2019

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TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)	WEDNESDAY, THE 30 TH
)	
JUSTICE DUNPHY)	DAY OF JANUARY, 2019

**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.**

Applicant

ORDER

THIS MOTION, made by Aralez Pharmaceuticals Inc. (the "**Applicant**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order: a) changing the name of API and the style of cause in the within proceedings; and b) approving an extension of the stay of proceedings referred to in the Stay Extension Order made December 7, 2018 to April 19, 2019, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Adrian Adams sworn January 23, 2019 and the report dated January ●, 2019 by Richter Advisory Group Inc., in its capacity as Court-appointed Monitor, and on hearing the submissions of counsel for the Applicant and the Monitor and counsel for those other parties appearing as indicated by the counsel sheet, no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of ● sworn January ●, 2019 and filed:

SERVICE

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

EXTENSION OF STAY PERIOD

2. **THIS COURT ORDERS** that the Stay Period, as such term is defined in the Amended and Restated Initial Order of the Honourable Justice Dunphy dated August 10, 2018, be and is hereby extended until April 19, 2019.

CHANGE OF NAME

3. **THIS COURT ORDERS** that effective as at the date of this Order the name of API shall be changed to "Old API Wind-Down Ltd.".

4. **THIS COURT ORDERS** that effective as at the date of this Order 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 OLD API WIND-DOWN LTD.**

GENERAL

5. **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 Applicant, 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 Applicant 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 Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

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

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

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

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

ORDER

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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.

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

MOTION RECORD OF THE APPLICANT
(Returnable January 30, 2019)
(Re Change of Name and Stay Extension)

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