

## ARALEZ PHARMACEUTICALS INC.

### CHARTER OF THE TRANSACTION COMMITTEE

#### I. Purpose

The purpose of the Transaction Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Aralez Pharmaceuticals Inc. (the "**Company**"), shall be the following (the "**Purpose**");

- A. study, review and evaluate potential strategic business development and licensing transactions (each, a "**Strategic Transaction**") for the Company;
- B. general oversight of Strategic Transactions of the Company;
- C. seek fairness of process with respect to proposed Strategic Transactions;
- D. engage in a determination of whether the terms of any proposed Strategic Transaction are fair and reasonable and in the best interest of the Company;
- E. expedite and facilitate the negotiation and/or consummation of the terms of any proposed Strategic Transaction; and
- F. approve any proposed Strategic Transaction that falls within the scope of the Committee's authority in respect of business development strategy and which the Committee believes to be in the best interest of the Company.

#### II. Composition

- A. Number. The Committee shall consist of at least three (3) members of the Board.
- B. Independence. At least one member of the Committee shall satisfy the independence requirements of The Nasdaq Stock Market and the "non-employee director" standard within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended.
- C. Selection and Removal. The members of the Committee shall be recommended by the Nominating/Corporate Governance Committee and appointed by and serve at the discretion of the Board. Vacancies occurring on the Committee shall be filled by the Board. The Committee's chairperson, if one is specified, shall be designated by the Board.

#### III. Meetings and Minutes

- A. Meetings. The Committee shall hold such regular or special meetings as its members deem necessary or appropriate. Minutes of each meeting of the Committee shall be prepared and distributed to each director of the Company and the Secretary of the Company promptly after each meeting. The Committee shall report to the Board from time to time and whenever requested to do so by the Board.

#### **IV. Authority**

The Committee shall have authority to retain and determine compensation for, at the expense of the Company, special legal, accounting or other advisors or consultants as it deems necessary or appropriate in the performance of its duties, including investment bankers to research, negotiate and advise the Committee on potential transactions. The Committee shall also have authority to cause the Company to pay ordinary administrative expenses that, as determined by the Committee, are necessary or appropriate in carrying out the Committee's duties. Each member of the Committee shall have full access to all books, records, facilities and personnel of the Company as deemed necessary or appropriate by any member of the Committee to discharge his or her responsibilities hereunder. The Committee shall have authority to request that any of the Company's personnel, counsel, accountants (including the Company's auditors) or investment bankers, or any other consultant or advisor to the Company attend any meeting of the Committee or meet with any member of the Committee or any of its special outside legal, accounting or other advisors or consultants. The approval of this Charter by the Board shall be construed as a delegation of authority to the Committee with respect to the responsibilities set forth herein.

#### **V. Responsibilities**

- A.** The Committee will have power and authority (within the scope of the Committee's authority) to carry out any actions or responsibilities or to delegate such power and authority to one or more subcommittees of the Committee in furtherance of the Purpose of the Committee.
- B.** Within the scope of the Committee's authority, the Committee shall have authority and responsibility to authorize potential Strategic Transactions that the Committee determines to fall within the scope of the Company's business development strategy and that are in the best interest of the Company. Within the scope of the Committee's authority, the Committee shall also have the authority and responsibility to reject potential Strategic Transactions, business growth and diversification opportunities that the Committee determines do not fall within the scope of the Company's goals and business development strategy or that are not in the best interest of the Company.

This **Charter of the Transaction Committee** was adopted by the Board on February 1, 2016.

**/s/ Eric L. Trachtenberg**

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**Corporate Secretary of Aralez  
Pharmaceuticals Inc.**