

SUBJECT TO COMPLETION

Proposed Articles Amendments pursuant to CBCA Plan of Arrangement

The articles of the above-named corporation are amended as follows:

Les statuts de la société mentionnée ci-dessus sont modifiés de la façon suivante:

The Corporation amends its articles to (A) provide for (i) a class of Class A special shares; (ii) a class of Class B special shares; (iii) a class of Class C special shares; and (iv) a fixed number of 7 directors; and (B) redesignate the common shares as limited voting shares.

The authorized capital of the Corporation consists of:

- (a) an unlimited number of limited voting shares (the “**Limited Voting Shares**”);
- (b) 1,000 Class A special shares (the “**Class A Special Shares**”);
- (c) 1,000 Class B special shares (the “**Class B Special Shares**”); and
- (d) 2,000 Class C special shares (the “**Class C Special Shares**”).

The rights, privileges, restrictions and conditions attaching to the Limited Voting Shares, the Class A Special Shares, the Class B Special Shares and the Class C Special Shares are set forth in Schedule “A” to these Articles of Arrangement.

SCHEDULE “A” ARTICLES OF ARRANGEMENT

Share Provisions

1. Definitions

In this Schedule “A” the following terms shall have the following meanings:

- (a) “**Act**” means the *Canada Business Corporations Act*, as the same exists or may hereafter be amended from time to time;
- (b) “**Action**” shall mean any action, complaint, petition, suit, arbitration, audit, hearing, litigation, judicial or other proceeding, whether civil, administrative or criminal, at law or in equity, before any Governmental Entity;
- (c) “**Affiliate**” (and, with a correlative meaning, “**affiliated**”) means, with respect to any Person, any direct or indirect Subsidiary of such Person, and any other Person that directly, or through one or more intermediaries, controls or is controlled by or is under common control with such first Person, and includes any account or fund managed by such Person over which such Person has voting or investment discretion, including as investment manager, advisor or subadvisor; provided, that, without limitation to the foregoing, and solely for the purposes of Sections 3.1, 3.9, 4.1 and 4.9, as applicable, (i) an “Affiliate” of a GSO Fund, shall include GSO, any GSO Fund, any of their respective Affiliates and any other Person that,

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at such time, directly or indirectly through one or more intermediaries, is controlled by, or is under common control with a GSO Fund (but not including limited partners or other investors in any such GSO Fund or any portfolio companies of such GSO Fund), and (ii) an “Affiliate” of a Solus Fund, shall include Solus, any Solus Fund, any of their respective Affiliates and any other Person that, at such time, directly or indirectly through one or more intermediaries, is controlled by, or is under common control with a Solus Fund (but not including limited partners or other investors in any such Solus Fund or any portfolio companies of such Solus Fund). The term “control” (including with correlative meanings, “controlled by” and “under common control with”) means possession, directly or indirectly, of power to direct or cause the direction of management or policies or the power to appoint and remove a majority of directors (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise);

- (d) A Person shall be deemed the “beneficial owner” of, and to have “beneficial ownership” of, and to “beneficially own” any security of which such Person has direct or indirect beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act);
- (e) “**Board**” means the board of directors of the Corporation;
- (f) “**Change of Control**” means the occurrence of an acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) of direct or indirect beneficial ownership of 50% or more of the then issued and outstanding Limited Voting Shares (including by way of sale, merger, amalgamation, arrangement, business combination, consolidation, reorganization or other similar transaction);
- (g) “**Consideration**” means the consideration that each holder of Limited Voting Shares is entitled to receive, or entitled to elect to receive, as the case may be, pursuant to an Exchange and Transfer and a Qualifying Purchase Agreement, as applicable;
- (h) “**Corporation**” means Concordia International Corp.;
- (i) “**Debt**” means, with respect to any Person at any time of determination, without duplication, (i) any obligations under any indebtedness for borrowed money (including all obligations for principal, interest premiums, penalties, fees, expenses, breakage costs and bank overdrafts thereunder), (ii) any indebtedness evidenced by any note, bond, debenture or other debt security, (iii) any commitment by which a Person assures a financial institution against loss (including reimbursement obligations with respect to drawn letters of credit), (iv) any off balance sheet financing, (v) all obligations under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and

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accounted for as capital leases on a consolidated balance sheet of such Person and its Subsidiaries in accordance with IFRS, (vi) any payment obligations in respect of banker's acceptances or drawn letters of credit, (vii) any mark-to-market value of swaps, collars, caps and similar hedging obligations, (viii) all obligations for the deferred and unpaid purchase price of property or services (other than trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice), (ix) any indebtedness referred to in clauses (i) through (viii) above of any other Person which is either guaranteed by, or secured by a lien upon such Person referred to in the lead in of this definition or any of its assets and (x) accrued and unpaid interest of any obligation under clauses (i) through (ix);

- (j) “**Dollars**” or “**\$**” refers to U.S. dollars;
- (k) “**Effective Date**” means the date of the Articles of Arrangement providing for, among other things, the creation of the Class A Special Shares, the Class B Special Shares and the Class C Special Shares;
- (l) “**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
- (m) “**Exchange and Transfer**” means the Transfer by all holders of Limited Voting Shares to the Purchaser of Transferred Limited Voting Shares at the Exchange Time for the Consideration to effect a Change of Control in accordance with the terms of and subject to the conditions under the Qualifying Purchase Agreement and Section 6 of these articles;
- (n) “**Exchange Time**” means 8:00 a.m. (Toronto time) on the fifth (5th) Trading Day after all conditions to the completion of the Exchange and Transfer pursuant to the Qualifying Purchase Agreement have been satisfied or waived (other than conditions that can be and will be satisfied at the Exchange Time) or at such other time and/or such earlier or later date as the Corporation and the Purchaser may agree in writing in accordance with the terms of the Qualifying Purchase Agreement;
- (o) “**Governmental Entity**” means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;
- (p) “**GSO**” means GSO Capital Partners LP, a [●] limited partnership;

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- (q) “**GSO Fund**” means any fund managed by or advised by GSO and/or its Affiliates;
- (r) “**IFRS**” means the International Financial Reporting Standards as issued by the International Accounting Standards Board at the relevant time;
- (s) “**Independent Director**” has the meaning set out in the Investor Rights Agreement;
- (t) “**Investor Party**” at any time means a holder of Limited Voting Shares (other than any holder of Class A Special Shares or Class B Special Shares and any of their respective Affiliates) party to the Investor Rights Agreement;
- (u) “**Investor Rights Agreement**” means the agreement dated as of the Effective Date among the Corporation and certain holders of Limited Voting Shares, as amended from time to time;
- (v) “**issued and outstanding Limited Voting Shares**” means, at any time, the number of Limited Voting Shares issued and outstanding as reflected on the share register of the Corporation;
- (w) “**MI 61-101**” means Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, as the same exists or may hereafter be amended from time to time;
- (x) “**Non-Receiving Substitute Plan Sponsor**” means a Substitute Plan Sponsor that does not elect to become a Receiving Substitute Plan Sponsor pursuant to the Investor Rights Agreement;
- (y) “**Objecting Substitute Plan Sponsor**” means a Substitute Plan Sponsor that has objected in writing to a proposed Restricted Transaction pursuant to the Investor Rights Agreement;
- (z) “**Person**” means an individual, a corporation, a partnership, a limited liability company, organization, trustee, executor, administrator, a trust, an unincorporated association, a Governmental Entity or any agency, instrumentality or political subdivision of a Governmental Entity, or any other entity or body;
- (aa) “**Purchaser**” means the purchaser or purchasers, as applicable, of all the Transferred Limited Voting Shares pursuant to the Qualifying Purchase Agreement;
- (bb) “**Qualifying Purchase Agreement**” means an agreement between the Purchaser and the Corporation to effect a Change of Control (i) that would not require a majority of the minority vote of the holders of Limited Voting Shares under MI-61-101, other than a majority of the minority vote required as a result of (A) any senior officer receiving a collateral benefit and such senior officer beneficially

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owns less than ten percent (10%) of the issued and outstanding Limited Voting Shares or (B) a related party receiving a collateral benefit arising from the repayment of any Debt owed by the Corporation or any of its Subsidiaries to such party in accordance with its terms, (ii) which a majority of the Board, including at least one Independent Director, has approved as being in the best interests of the Corporation and fair to the holders of the Limited Voting Shares, and (iii) which has been approved by (A) the holders of a majority of the issued and outstanding Limited Voting Shares by written consent or (B) the majority of the votes cast in person or by proxy at a duly constituted meeting of the holders of Limited Voting Shares called to consider, and if deemed advisable, approve a Change of Control transaction contemplated by the Qualifying Purchase Agreement;

- (cc) **“Receiving Substitute Plan Sponsor”** means a Substitute Plan Sponsor that has given written notice to the Corporation requesting information relating to a proposed Restricted Transaction, pursuant to the terms of the Investor Rights Agreement;
- (dd) **“Related Party Transaction”** means a “related party transaction” as defined in MI 61-101;
- (ee) **“Restricted Transaction”** means any of the following actions by the Corporation or any of its Subsidiaries:
 - (i) any transaction or series of related transactions resulting in the incurrence of any Debt after the Effective Date in excess of \$100 million, other than any drawdown under the Revolving Facility;
 - (ii) any settlement or appeal of any material Action, including, for greater certainty, any settlement or appeal of any Action arising out of or in connection with any UK Competition and Marketing Authority investigation relating to the Corporation or any of its Subsidiaries;
 - (iii) any (i) purchase or acquisition, or (ii) sale, lease, transfer or divestiture, in each case through one transaction or a series of related transactions and whether by merger, consolidation, amalgamation, arrangement, business combination, recapitalization or otherwise, involving a value, proceeds or cost to the Corporation or its Subsidiaries in excess of \$100 million (which for greater certainty shall not include any Change of Control or any internal reorganization solely among the Corporation and/or its Subsidiaries; or
 - (iv) any agreement, understanding, contract or commitment to effect any of the foregoing;

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- (ff) “**Revolving Facility**” means a revolving facility of the Corporation in place from time to time with a total outstanding principal amount not to exceed \$250,000,000;
- (gg) “**Solus**” means Solus Alternative Asset Management LP;
- (hh) “**Solus Fund**” means any fund managed by or advised by Solus and/or its Affiliates;
- (ii) “**Subsidiary**” or “**subsidiary**” means, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (a) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (i) the total combined voting power of all classes of voting securities of such entity, (ii) the total combined equity interests of such entity, or (iii) the capital or profit interests, in the case of a partnership; or (b) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body of such entity;
- (jj) “**Tax**” or “**Taxes**” means any and all national, federal, foreign, state, provincial or local income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, assets, real property, personal property, sales, use, transfer, registration, value added, alternative or add on, minimum, estimated or other tax of any kind whatsoever, including any interest, penalty or addition thereto, whether disputed or not;
- (kk) “**Trading Day**” means the day on which the principal Canadian or United States securities exchange (as determined by the Board) on which the Limited Voting Shares are listed or admitted to trading is open for the transaction of business;
- (ll) “**Transfer**” means, with respect to any security, any sale, assignment, transfer, loan, gift or any other disposition of such security (including (i) through any derivatives transaction which has the effect of transferring all or part of the economic benefits and/or risks of ownership of such security to another Person, or (ii) in connection with or pursuant to the foreclosure of, or other realization upon, any security interest, pledge, encumbrance, or hypothecation on such security), whether voluntarily or by operation of law, whether for consideration or for no consideration;
- (mm) “**Transfer Agent**” means the transfer agent for the Limited Voting Shares from time to time;
- (nn) “**Transferred Limited Voting Shares**” means, in respect of a holder of Limited Voting Shares, a number of such holder’s Limited Voting Shares to be

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Transferred pursuant to Section 6 as determined pursuant to the terms of the applicable Qualifying Purchase Agreement.

2. Limited Voting Shares

The common shares of the Corporation are hereby redesignated as Limited Voting Shares. The Limited Voting Shares shall have attached thereto, as a class, the following rights, privileges, restrictions and conditions:

- 2.1 The holders of the Limited Voting Shares shall be entitled to one vote for each Limited Voting Share on all matters to be voted on at all meetings of shareholders of the Corporation, other than meetings at which only the holders of another class or series of shares are entitled to vote separately as a class or series.
- 2.2 The holders of the Limited Voting Shares shall be entitled to receive, on a ratable basis, any dividend declared by the Corporation in respect of the Limited Voting Shares.
- 2.3 Subject to the rights of the holders of any other class of shares of the Corporation ranking in priority to the Limited Voting Shares, the remaining property and assets of the Corporation available for distribution, after payment of liabilities, upon the voluntary or involuntary liquidation, dissolution or winding-up of the Corporation shall be distributed ratably among the holders of the Limited Voting Shares.

3. Class A Special Shares

The Class A Special Shares shall have attached thereto, the following rights, privileges, restrictions and conditions:

- 3.1 In this Section 3, solely for the purposes of calculating the aggregate beneficial ownership of Limited Voting Shares for the purposes of Sections 3.3, 3.10 and 3.13, the aggregate beneficial ownership of the holders of the Class A Special Shares shall include (without duplication) all Limited Voting Shares which are beneficially owned by all holders of Class A Special Shares and all of their Affiliates; provided that a holder of Class A Special Shares shall not be deemed to beneficially own Limited Voting Shares (i) over which GSO or any of its Affiliates exercises voting control pursuant to a voting trust, proxy or other similar agreement with a Person that is not an Affiliate of GSO or any GSO Fund, or (ii) which are owned by GSO or any GSO Fund but with respect to which all or part of the economic benefits and/or risks of ownership of such Limited Voting Shares are conferred to any Person (other than (x) any other GSO Fund or any of its Affiliates or (y) a limited partner of, or investor in, any GSO Fund in its capacity as such).
- 3.2 The holders of the Class A Special Shares shall be entitled to receive notice of, to attend and speak at any meeting of the holders of Limited Voting Shares. Notwithstanding the foregoing, the holders of the Class A Special Shares shall not be entitled either to vote their Class A Special Shares at any meeting of the holders of Limited Voting Shares or to consent in writing, other than:

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- (a) in respect of the right of the holders of the Class A Special Shares to elect and remove Class A Directors in accordance with this Section 3; and
 - (b) as a separate class (i) pursuant to the rights granted under the Act, or (ii) upon any proposed change to the number of directors pursuant to paragraph 173(1)(m) of the Act.
- 3.3 The holders of the Class A Special Shares shall be entitled to elect such number of directors of the Corporation (each a “**Class A Director**”, and collectively, the “**Class A Directors**”) as set forth below:
- (a) for so long as the holders of the Class A Special Shares beneficially own, in the aggregate, twenty four and nine-tenths percent (24.9%) or more of the issued and outstanding Limited Voting Shares, the holders of the Class A Special Shares shall be entitled to elect to the Board two (2) directors; and
 - (b) for so long as the holders of the Class A Special Shares beneficially own, in the aggregate, less than twenty four and nine-tenths percent (24.9%) but not less than twelve and one half percent (12.5%) of the issued and outstanding Limited Voting Shares, the holders of the Class A Special Shares shall be entitled to elect to the Board one (1) director.
- 3.4
- (a) At least thirty-five (35) days prior to any meeting of the shareholders of the Corporation at which the holders of the Class A Special Shares shall be entitled to elect Class A Directors, the holders of a majority of the Class A Special Shares shall be entitled to submit to the Corporation in writing the nominee Class A Director or Class A Directors, as applicable, that the holders of the Class A Special Shares are entitled to elect pursuant to Sections 3.3 and 3.4. If the holders of a majority of the Class A Special Shares fail to submit to the Corporation the Class A Director nominee or nominees pursuant to the previous sentence, then the holders of the Class A Special Shares shall be deemed to have nominated the incumbent Class A Director or Class A Directors, as applicable, elected to the Board.
 - (b) The election of the Class A Directors may be conducted by a resolution in writing signed by all the holders of the Class A Special Shares, to be effective on the date of the Corporation’s annual meeting of voting shareholders or on such other date as specified in such resolution, or at a meeting of the holders of the Class A Special Shares.
 - (c) Each Class A Director elected pursuant to Sections 3.3 and 3.4 shall hold office until the next annual meeting of shareholders of the Corporation or until his or her removal or resignation in accordance with Sections 3.5 through 3.7.

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- 3.5 Only the holders of the Class A Special Shares will be entitled to remove any Class A Director. The holders of the Class A Special Shares will be entitled at any time, subject to applicable law, to remove any one or more of the Class A Directors and to elect a successor Class A Director who will, promptly upon the removal of the applicable Class A Director, be appointed to the Board as a replacement Class A Director.
- 3.6 The removal of one or more Class A Directors by the holders of the Class A Special Shares may be conducted by a resolution in writing signed by all the holders of the Class A Special Shares, to be effective on the date specified in such resolution, or by the majority of the votes cast in person or by proxy at a duly constituted meeting of the holders of the Class A Special Shares.
- 3.7 If, as a result of death, disability, retirement, resignation, removal (with or without cause) or otherwise, there shall exist or occur any vacancy on the Board with respect to a Class A Director, or for any other reason there are at any time fewer Class A Directors serving on the Board than permitted pursuant to Section 3.3, the resulting vacancy shall be filled by an individual who shall be nominated and elected by the holders of the Class A Special Shares in accordance with Section 3.3. If at any time the holders of the Class A Special Shares cease to beneficially own, in the aggregate, the applicable percentage of issued and outstanding Limited Voting Shares set forth in Section 3.3, then the Class A Director or Class A Directors, as applicable, then in office with the shortest tenure as a director of the Corporation (or, if the holders of a majority of the Class A Special Shares provide written notice to the Corporation, the Class A Director or Directors specified in such notice) shall cease to qualify as a “Class A Director” and shall resign forthwith, and the vacancy or vacancies created by such resignation shall be filled by the vote of a majority of the members of the Board in office following such resignation.
- 3.8 No dividends shall be declared and/or paid by the Corporation on the Class A Special Shares.
- 3.9 Each Class A Special Share that is Transferred to any Person other than GSO or a GSO Fund or any of their respective Affiliates, shall be converted automatically upon such Transfer into one (1) Class C Special Share.
- 3.10 Subject to applicable law, including the Act, each Class A Special Share shall be redeemed by the Corporation for a redemption price of Cdn.\$1.00 per share upon the earliest to occur of:
- (a) subject to compliance by the Corporation with Section ●¹ of the Investor Rights Agreement, upon the holders of the Class A Special Shares ceasing to beneficially own, in the aggregate, at least twelve and one half percent (12.5%) of the issued and outstanding Limited Voting Shares for thirty (30) consecutive days; or

¹ Cross-reference to the pre-emptive rights provision of the IRA to be inserted.

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- (b) the receipt by the Corporation of written demand by any holder of the Class A Special Shares with respect to the redemption of all or any portion of the Class A Special Shares held by such holder.

- 3.11 In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of the Class A Special Shares shall be entitled to receive, before any distribution of any part of the property and assets of the Corporation among the holders of the Limited Voting Shares, and *pari passu* with the holders of Class B Special Shares, Cdn.\$1.00 for each Class A Special Share. Except as provided in the foregoing sentence, the holders of Class A Special Shares shall not be entitled to participate in any other part of the property and assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary.

- 3.12 Without the prior written consent of the holders of a majority of Class A Special Shares, the Corporation shall not, and shall cause its Subsidiaries not to, enter into any agreement or effect any transaction which could reasonably be expected to result in a material Tax liability for any holder of Class A Special Shares or any of such holder's Affiliates that materially disproportionately affects such holder of Class A Special Shares or its Affiliates as compared to the Investor Parties.

- 3.13
 - (a) At least twenty-five (25) days prior to effecting any Restricted Transaction, the Corporation shall deliver written notice in the form set forth in Appendix "A" (the "**Initial Notice**") to each holder of Class A Special Shares and Class B Special Shares, if any, indicating its intent to effect a Restricted Transaction. If, within ten (10) days following delivery of the Initial Notice, one (1) or more holders of Class A Special Shares gives written notice to the Corporation requesting information relating to such proposed Restricted Transaction (each, a "**Receiving Class A Holder**"), the Corporation shall promptly deliver written notice (the "**Second Notice**") to all Receiving Class A Holders, which notice shall include all relevant information relating to the proposed Restricted Transaction. A Receiving Class A Holder that objects in writing to a proposed Restricted Transaction contemplated by the Second Notice within ten (10) days following delivery of the Second Notice is referred to herein as an "**Objecting Class A Holder**". A holder of the Class A Special Shares that does not elect to become a Receiving Class A Holder following the delivery of the Initial Notice is hereafter referred to as a "**Non-Receiving Class A Holder**". Notwithstanding the foregoing, any holder of Class A Special Shares may give written notice to the Corporation at any time to temporarily or permanently waive its right to receive the Initial Notice under this Section 3.13 and be automatically deemed to be a Non-Receiving Class A Holder.

 - (b) The Corporation shall not, and shall cause its Subsidiaries not to, effect the proposed Restricted Transaction contemplated by the Second Notice if:

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- (i) (A) the holders of the Class A Special Shares and the Class B Special Shares beneficially own, in the aggregate, at least thirty percent (30%) of the issued and outstanding Limited Voting Shares and (B) either (1) any Receiving Class A Holder is an Objecting Class A Holder, and (x) any Receiving Class B Holder is an Objecting Class B Holder, or (y) all of the Class B Holders are Non-Receiving Class B Holders, or (2) all of the Class A Holders are Non-Receiving Class A Holders, and any Receiving Class B Holder is an Objecting Class B Holder;
 - (ii) (A) there are no Class B Special Shares issued and outstanding, (B) there is an Investor Party (collectively with its Affiliates, the “**Substitute Plan Sponsors**”) that, collectively with its Affiliates, beneficially owns (x) more Limited Voting Shares than any other Investor Party (collectively with such other Investor Party’s Affiliates) as of the date of the Initial Notice, (y) twelve and one half percent (12.5%) or more of the issued and outstanding Limited Voting Shares, and (z) collectively with the holders of the Class A Special Shares, at least thirty percent (30%) of the issued and outstanding Limited Voting Shares, and (C) either (1) any Receiving Class A Holder is an Objecting Class A Holder, and (x) any Receiving Substitute Plan Sponsor is an Objecting Substitute Plan Sponsor, or (y) all of the Substitute Plan Sponsors are Non-Receiving Substitute Plan Sponsors, or (2) all of the Class A Holders are Non-Receiving Class A Holders, and any Receiving Substitute Plan Sponsor is an Objecting Substitute Plan Sponsor; or
 - (iii) (A) there are no Class B Special Shares issued and outstanding, (B) no Investor Party qualifies as a Substitute Plan Sponsor, (C) the holders of the Class A Special Shares beneficially own, in the aggregate, at least thirty percent (30%) of the issued and outstanding Limited Voting Shares, and (D) any Receiving Class A Holder is an Objecting Class A Holder.
- (c) If the Corporation or any of its Subsidiaries are not prevented from effecting a proposed Restricted Transaction pursuant to Section 3.13(b) or Section 4.13(b) (a “**Permitted Restricted Transaction**”), then the Corporation shall be entitled to consummate, or cause the consummation of, such Restricted Transaction (y) on terms, and subject to conditions, that are substantially the same as those disclosed in the Second Notice, and (z) no later than one hundred and twenty (120) days after the date that is ten (10) days following delivery of the Second Notice to the holders of Class A Special Shares and the Class B Special Shares (the “**Closing Deadline**”); provided, that, if (i) the terms or conditions of a Permitted Restricted Transaction are modified, altered, waived or amended such that they are not substantially the same as those disclosed in the Second Notice, or (ii) the Permitted Restricted Transaction is not consummated by the Closing Deadline, then such proposed Restricted Transaction shall no longer constitute a Permitted Restricted Transaction and the Corporation shall be required to deliver a new Initial Notice in respect of such proposed Restricted Transaction.

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3.14 Notwithstanding anything to the contrary herein or under the Act, the Corporation shall not change the fixed number of seven (7) directors set forth herein or amend the rights, privileges, restrictions and conditions of the Class B Special Shares, or enter into any agreement, commitment, understanding or contract to effect any such change to the fixed number of directors set forth herein or amendment to the rights, privileges, restrictions and conditions of the Class B Special Shares, without the affirmative vote or consent of the holders of a majority of the Class A Special Shares.

4. Class B Special Shares

The Class B Special Shares shall have attached thereto, the following rights, privileges, restrictions and conditions:

- 4.1 In this Section 4, solely for the purposes of calculating the aggregate beneficial ownership of Limited Voting Shares for the purposes of Sections 4.3, 4.10 and 4.13, the aggregate beneficial ownership of the holders of the Class B Special Shares shall include (without duplication) all Limited Voting Shares which are beneficially owned by all holders of Class B Special Shares and all of their Affiliates; provided that a holder of Class B Special Shares shall not be deemed to beneficially own Limited Voting Shares (i) over which Solus or any of its Affiliates exercises voting control pursuant to a voting trust, proxy or other similar agreement with a Person that is not an Affiliate of Solus or any Solus Fund, or (ii) which are owned by Solus or any Solus Fund but with respect to which all or part of the economic benefits and/or risks of ownership of such Limited Voting Shares are conferred to any Person (other than (x) any other Solus Fund or any of its Affiliates or (y) a limited partner of, or investor in, any Solus Fund in its capacity as such).
- 4.2 The holders of the Class B Special Shares shall be entitled to receive notice of, to attend and speak at any meeting of the holders of Limited Voting Shares. Notwithstanding the foregoing, the holders of the Class B Special Shares shall not be entitled either to vote their Class B Special Shares at any meeting of the holders of Limited Voting Shares or to consent in writing, other than:
- (a) in respect of the right of the holders of the Class B Special Shares to elect and remove Class A Directors in accordance with this Section 4; and
 - (b) as a separate class (i) pursuant to the rights granted under the Act, or (ii) upon any proposed change to the number of directors pursuant to paragraph 173(1)(m) of the Act.
- 4.3 The holders of the Class B Special Shares shall be entitled to elect such number of directors of the Corporation (each a “**Class B Director**”, and collectively, the “**Class B Directors**”) as set forth below:
- (a) for so long as the holders of the Class B Special Shares beneficially own, in the aggregate, twenty four and nine-tenths percent (24.9%) or more of the issued and

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outstanding Limited Voting Shares, the holders of the Class B Special Shares shall be entitled to elect to the Board two (2) directors; and

- (b) for so long as the holders of the Class B Special Shares beneficially own, in the aggregate, less than twenty four and nine-tenths percent (24.9%) but not less than twelve and one half percent (12.5%) of the issued and outstanding Limited Voting Shares, the holders of the Class B Special Shares shall be entitled to elect to the Board one (1) director.

4.4

- (a) At least thirty-five (35) days prior to any meeting of the shareholders of the Corporation at which the holders of the Class B Special Shares shall be entitled to elect Class B Directors, the holders of a majority of the Class B Special Shares shall be entitled to submit to the Corporation in writing the nominee Class B Director or Class B Directors, as applicable, that the holders of the Class B Special Shares are entitled to elect pursuant to Sections 4.3 and 4.4. If the holders of a majority of the Class B Special Shares fail to submit to the Corporation the Class B Director nominee or nominees pursuant to the previous sentence, then the holders of the Class B Special Shares shall be deemed to have nominated the incumbent Class B Director or Class B Directors, as applicable, elected to the Board.
- (b) The election of the Class B Directors may be conducted by a resolution in writing signed by all the holders of the Class B Special Shares, to be effective on the date of the Corporation's annual meeting of voting shareholders or on such other date as specified in such resolution, or at a meeting of the holders of the Class B Special Shares.
- (c) Each Class B Director elected pursuant to Sections 4.3 and 4.4 shall hold office until the next annual meeting of shareholders of the Corporation or until his or her removal or resignation in accordance with Sections 4.5 through 4.7.

4.5 Only the holders of the Class B Special Shares will be entitled to remove any Class B Director. The holders of the Class B Special Shares will be entitled at any time, subject to applicable law, to remove any one or more of the Class B Directors and to elect a successor Class B Director who will, promptly upon the removal of the applicable Class B Director, be appointed to the Board as a replacement Class B Director.

4.6 The removal of one or more Class B Directors by the holders of the Class B Special Shares may be conducted by a resolution in writing signed by all the holders of the Class B Special Shares, to be effective on the date specified in such resolution, or by the majority of the votes cast in person or by proxy at a duly constituted meeting of the holders of the Class B Special Shares.

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- 4.7 If, as a result of death, disability, retirement, resignation, removal (with or without cause) or otherwise, there shall exist or occur any vacancy on the Board with respect to a Class B Director, or for any other reason there are at any time fewer Class B Directors serving on the Board than permitted pursuant to Section 4.3, the resulting vacancy shall be filled by an individual who shall be nominated and elected by the holders of the Class B Special Shares in accordance with Section 4.3. If at any time the holders of the Class B Special Shares cease to beneficially own, in the aggregate, the applicable percentage of issued and outstanding Limited Voting Shares set forth in Section 4.3, then the Class B Director or Class B Directors, as applicable, then in office with the shortest tenure as a director of the Corporation (or, if the holders of a majority of the Class B Special Shares provide written notice to the Corporation, the Class B Director or Directors specified in such notice) shall cease to qualify as a “Class B Director” and shall resign forthwith, and the vacancy or vacancies created by such resignation shall be filled by the vote of a majority of the members of the Board in office following such resignation.
- 4.8 No dividends shall be declared and/or paid by the Corporation on the Class B Special Shares.
- 4.9 Each Class B Special Share that is Transferred to any Person other than Solus or a Solus Fund or any of their respective Affiliates, shall be converted automatically upon such Transfer into one (1) Class C Special Share.
- 4.10 Subject to applicable law, including the Act, each Class B Special Share shall be redeemed by the Corporation for a redemption price of Cdn.\$1.00 per share upon the earliest to occur of:
- (a) subject to compliance by the Corporation with Section ●² of the Investor Rights Agreement, upon the holders of the Class B Special Shares ceasing to beneficially own, in the aggregate, at least twelve and one half percent (12.5%) of the issued and outstanding Limited Voting Shares for thirty (30) consecutive days; or
 - (b) the receipt by the Corporation of written demand by any holder of the Class B Special Shares with respect to the redemption of all or any portion of the Class B Special Shares held by such holder.
- 4.11 In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of the Class B Special Shares shall be entitled to receive, before any distribution of any part of the property and assets of the Corporation among the holders of the Limited Voting Shares, and *pari passu* with the holders of Class A Special Shares, Cdn.\$1.00 for each Class B Special Share. Except as provided in the foregoing sentence, the holders of Class B Special Shares shall not be entitled to participate in any other part of the property and assets of the Corporation in the event of

² Cross-reference to the pre-emptive rights provision of the IRA to be inserted.

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the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary.

4.12 Without the prior written consent of the holders of a majority of Class B Special Shares, the Corporation shall not, and shall cause its Subsidiaries not to, enter into any agreement or effect any transaction which could reasonably be expected to result in a material Tax liability for any holder of Class B Special Shares or any of such holder's Affiliates that materially disproportionately affects such holder of Class B Special Shares or its Affiliates as compared to the Investor Parties.

4.13

(a) At least twenty-five (25) days prior to effecting any Restricted Transaction, the Corporation shall deliver the Initial Notice to each holder of Class B Special Shares and Class A Special Shares, if any, indicating its intent to effect a Restricted Transaction. If, within ten (10) days following delivery of the Initial Notice, one (1) or more holders of Class B Special Shares gives written notice to the Corporation requesting information relating to such proposed Restricted Transaction (each, a "**Receiving Class B Holder**"), the Corporation shall promptly deliver the Second Notice to all Receiving Class B Holders, which notice shall include all relevant information relating to the proposed Restricted Transaction. A Receiving Class B Holder that objects in writing to a proposed Restricted Transaction contemplated by the Second Notice within ten (10) days following delivery of the Second Notice is referred to herein as an "**Objecting Class B Holder**". A holder of the Class B Special Shares that does not elect to become a Receiving Class B Holder following the delivery of the Initial Notice is hereafter referred to as a "**Non-Receiving Class B Holder**". Notwithstanding the foregoing, any holder of Class B Special Shares may give written notice to the Corporation at any time to temporarily or permanently waive its right to receive the Initial Notice under this Section 4.13 and be automatically deemed to be a Non-Receiving Class B Holder.

(b) The Corporation shall not, and shall cause its Subsidiaries not to, effect the proposed Restricted Transaction contemplated by the Second Notice if:

(i) (A) the holders of the Class B Special Shares and the Class A Special Shares beneficially own, in the aggregate, at least thirty percent (30%) of the issued and outstanding Limited Voting Shares and (B) either (1) any Receiving Class B Holder is an Objecting Class B Holder, and (x) any Receiving Class A Holder is an Objecting Class A Holder, or (y) all of the Class A Holders are Non-Receiving Class A Holders, or (2) all of the Class B Holders are Non-Receiving Class B Holders, and any Receiving Class A Holder is an Objecting Class A Holder;

(ii) (A) there are no Class A Special Shares issued and outstanding, (B) there is a Substitute Plan Sponsor that, collectively with its Affiliates,

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beneficially owns (x) more Limited Voting Shares than any other Investor Party (collectively with such other Investor Party's Affiliates) as of the date of the Initial Notice, (y) twelve and one half percent (12.5%) or more of the issued and outstanding Limited Voting Shares, and (z) collectively with the holders of the Class B Special Shares, at least thirty percent (30%) of the issued and outstanding Limited Voting Shares, and (C) either (1) any Receiving Class B Holder is an Objecting Class B Holder, and (x) any Receiving Substitute Plan Sponsor is an Objecting Substitute Plan Sponsor, or (y) all of the Substitute Plan Sponsors are Non-Receiving Substitute Plan Sponsors, or (2) all of the Class B Holders are Non-Receiving Class B Holders, and any Receiving Substitute Plan Sponsor is an Objecting Substitute Plan Sponsor; or

(iii) (A) there are no Class A Special Shares issued and outstanding, (B) no Investor Party qualifies as a Substitute Plan Sponsor, (C) the holders of the Class B Special Shares beneficially own, in the aggregate, at least thirty percent (30%) of the issued and outstanding Limited Voting Shares, and (D) any Receiving Class B Holder is an Objecting Class B Holder.

(c) If the Corporation or any of its Subsidiaries are not prevented from effecting a Permitted Restricted Transaction, then the Corporation shall be entitled to consummate, or cause the consummation of, such Restricted Transaction (y) on terms, and subject to conditions, that are substantially the same as those disclosed in the Second Notice, and (z) no later than the Closing Deadline; provided, that, if (i) the terms or conditions of a Permitted Restricted Transaction are modified, altered, waived or amended such that they are not substantially the same as those disclosed in the Second Notice, or (ii) the Permitted Restricted Transaction is not consummated by the Closing Deadline, then such proposed Restricted Transaction shall no longer constitute a Permitted Restricted Transaction and the Corporation shall be required to deliver a new Initial Notice in respect of such proposed Restricted Transaction.

Notwithstanding anything to the contrary herein or under the Act, the Corporation shall not change the fixed number of seven (7) directors set forth herein or amend the rights, privileges, restrictions and conditions of the Class A Special Shares, or enter into any agreement, commitment, understanding or contract to effect any such change to the fixed number of directors set forth herein or amendment to the rights, privileges, restrictions and conditions of the Class A Special Shares, without the affirmative vote or consent of the holders of a majority of the Class B Special Shares.

5. Class C Special Shares

The Class C Special Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

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- 5.1 The holders of the Class C Special Shares shall be entitled to receive notice of, to attend and speak at any meeting of the shareholders of the Corporation. Notwithstanding anything to the contrary, the holders of the Class C Special Shares shall not be entitled to vote at any meeting of the Corporation or to sign a resolution in writing, other than pursuant to the rights granted under the Act.
- 5.2 No dividends shall be declared and/or paid by the Corporation on the Class C Special Shares.
- 5.3 Subject to applicable laws, including the Act, each Class C Special Share shall be automatically redeemed by the Corporation for a redemption price of \$1.00 per share on the first (1st) Trading Day following the issuance of such share.
- 5.4 In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holder of the Class C Special Shares shall not be entitled to receive any part of the property and assets of the Corporation.

6. Change of Control

- 6.1 The Corporation shall, at any time, be entitled to effect a Change of Control pursuant to a Qualifying Purchase Agreement, subject to the applicable terms of this Section 6.
- 6.2 Exchange and Transfer

At the Exchange Time, upon the delivery to the Transfer Agent of a joint notice of transfer signed by the Corporation and the Purchaser in the form set forth in Appendix "B", each holder of Transferred Limited Voting Shares (other than the Purchaser, to the extent applicable) immediately prior to the Exchange Time shall transfer, and shall be deemed to have transferred, to the Purchaser, all of such person's right, title and interest in and to the Transferred Limited Voting Shares and the Purchaser shall acquire, and shall be deemed to have acquired, from each such holder of Transferred Limited Voting Shares all, but not less than all, of the Transferred Limited Voting Shares held by each such holder (which transfer and acquisition are referred to herein as an "**Exchange and Transfer**") and, at the Exchange Time, each holder of Transferred Limited Voting Shares immediately prior to the Exchange Time shall cease to be a holder of its Transferred Limited Voting Shares and shall not be entitled to exercise any of the rights of a holder of Transferred Limited Voting Shares in respect of the Transferred Limited Voting Shares other than the right to receive the Consideration for the Transferred Limited Voting Shares and the holders of the Transferred Limited Voting Shares immediately prior to the Exchange Time shall not be entitled as such thereafter to receive notice of or to attend any meeting of shareholders of the Corporation in respect of such Transferred Limited Voting Shares and the Purchaser (or as the Purchaser may direct) shall be entered on the share register of the Corporation as the holder of all outstanding Transferred Limited Voting Shares. The Purchaser shall, at or prior to the Exchange Time, deposit with or otherwise cause to be deposited with the Transfer Agent of the Corporation the Consideration and at the Exchange Time, such deposit shall constitute a full and complete discharge of the Purchaser's obligation to pay the Consideration to the holders of the Transferred Limited Voting Shares. On and after the

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Exchange Time, any such money, securities or other consideration deposited with the Transfer Agent shall be held by the Transfer Agent as agent for the holders of the Transferred Limited Voting Shares immediately before the Exchange Time and receipt of such payment shall be deemed to constitute receipt of payment of the Consideration by all holders of Transferred Limited Voting Shares immediately prior to the Exchange Time. All interest on funds provided to and held by the Transfer Agent shall accrue for the benefit of the Purchaser. For the avoidance of doubt, no dissent rights shall be available to any holder of Transferred Limited Voting Shares if the Exchange and Transfer occurs pursuant to the provisions of this Section 6.2.

6.3 Delivery of Consideration

The holders of the Limited Voting Shares transferred pursuant to the Exchange and Transfer shall be entitled to receive the Consideration, without interest, for each Limited Voting Share so transferred, (i) on presentation and surrender of the certificate or certificates representing all Limited Voting Shares held by such holder (or, in respect of any such certificate or certificates which have been lost, destroyed or wrongfully taken, an indemnity bond together with an affidavit confirming ownership, each in a form satisfactory to the Purchaser, acting reasonably) or any other evidence of ownership, with respect to the Limited Voting Shares which is satisfactory to the Purchaser, acting reasonably, and (ii) on presentation of a fully completed and duly executed letter of transmittal in a form acceptable to the Purchaser and the Transfer Agent, acting reasonably. Should any holder of any Limited Voting Shares transferred pursuant to the Exchange and Transfer fail to present and surrender the above mentioned documentation, or other consideration the Purchaser shall have the right, after three years from the Exchange Time, to have all remaining funds or other consideration deposited with the Transfer Agent returned to the Purchaser and the Purchaser shall thereafter be responsible for payment of the consideration to any former holder of a Limited Voting Share upon presentation and surrender of such documentation as the Purchaser may require.

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APPENDIX "A"

NOTICE OF RESTRICTED TRANSACTION

TO: [Holder of Class A/B Special Shares] (the "Shareholder")
[insert address]

FROM: Concordia International Corp. (the "Corporation")
[insert address]

DATE: [insert date]

All capitalized terms in this notice that are not defined herein have the meaning ascribed to such terms in the articles of Concordia International Corp.

In accordance with the articles of the Corporation, the Corporation hereby informs the Shareholder that the Corporation is considering effecting a Restricted Transaction.

The Shareholder may, within ten (10) days following delivery of this notice, give written notice to the Corporation requesting information relating to such proposed Restricted Transaction in order to exercise the Shareholder's rights under [Section 3.13][Section 4.13] of the articles of the Corporation.

CONCORDIA INTERNATIONAL CORP.

Per: _____

Name: [●]

Title: [●]

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APPENDIX "B"

TRANSFER NOTICE

TO: [Transfer Agent]
[insert address]

COPY TO: [insert address]

FROM: Concordia International Corp. and [The Purchaser]

DATE: [insert date]

All capitalized terms in this Transfer Notice that are not defined herein have the meaning ascribed to such terms in the articles of Concordia International Corp.

In accordance with the share provisions attaching to the Limited Voting Shares, Concordia International Corp. and [the Purchaser] hereby gives notice to [Transfer Agent] of the Exchange and Transfer.

CONCORDIA INTERNATIONAL CORP.

Per: _____
Name: [●]
Title: [●]

[THE PURCHASER]

Per: _____
Name: [●]
Title: [●]

Date on which this Transfer Notice is delivered to [●] Trust Company:

Time on the Transfer Date this Transfer Notice is delivered to [●] Trust Company:
