

PLAN OF ALLOCATION

THE DEFINED TERMS

1. The definitions set out in the settlement agreement reached between the Plaintiffs and Defendants dated July 30, 2018 (“**Agreement**”), except as modified or defined herein, apply to and are incorporated into this Plan of Allocation:
 - (a) “**Acquisition Expense**” means the total monies paid by the Claimant (including brokerage commissions) to acquire Qualified Shares;
 - (b) “**Authorized Claimant**” means a Class Member who: (i) submitted a properly completed Claim Form and all required supporting documentation to the Administrator prior to the Claims Bar Deadline; and (ii) is eligible to receive a Distribution from the Compensation Fund;
 - (c) “**Claimant**” means a Class Member who submits a properly completed Claim Form and all required supporting documentation to the Administrator, on or before the Claims Bar Deadline;
 - (d) “**Class Period**” means the period from November 12, 2015 to and including August 11, 2016;
 - (e) “**Compensation Fund**” means the Settlement Amount less Class Counsel Fees, Administration Expenses and Honoraria;
 - (f) “**Concordia**” means Concordia International Corp., known as Concordia Healthcare Corp. prior to June 27, 2016 and, as the context may require, includes its subsidiaries and affiliates;
 - (g) “**Court(s)**” means the Ontario Superior Court of Justice and/or the Superior Court of Quebec, as the context may indicate;

- (h) “**Database**” means the web-based database in which the Administrator stores information received from the Claimants and/or acquired through the claims process;
- (i) “**Distribution**” means payment to Authorized Claimants in accordance with this Plan of Allocation, the Agreement and any order of the Courts;
- (j) “**Distribution List**” means a list containing the name and address of each Authorized Claimant, the calculation of his/her/its net loss and the calculation of the Authorized Claimant’s *pro rata* share of the Compensation Fund;
- (k) “**Escrow Account**” means the trust account holding the Compensation Fund and used by the Administrator to make the Distribution in accordance with this Plan of Allocation;
- (l) “**Fonds d’aide**” means the Fonds d’aide aux actions collectives;
- (m) “**Honoraria**” means one-time payments of \$10,000 from the Compensation Fund to each of the representative plaintiffs (Ronald J. Valliere, Shauntelle Paul and Robert Landry), subject to the approval of the applicable Court;
- (n) “**LIFO**” means the principle of last-in first-out, wherein securities are deemed to be sold in the opposite order that they were purchased (i.e. the last securities purchased are deemed to be the first sold);
- (o) “**Maximum Entitlement**” means an Authorized Claimant’s actual loss on Qualified Shares, as calculated pursuant to the formula set forth in paragraph 8 herein;
- (p) “**Pro Rata Distribution**” means the Distribution per Qualified Share;

- (q) “**Qualified Shares**” means Shares purchased or acquired during the Class Period and held until after August 12, 2016. For the purposes of determining whether or not Shares purchased or acquired during the Class Period were held until after August 12, 2016, LIFO will be used;
- (r) “**Reference**” means the procedure by which a Claimant who disagrees with the Administrator’s decision relating to eligibility for compensation, the determination of the number of Qualified Shares, or the amount of the Distribution, may appeal the Administrator’s decision and have it reviewed by the Referee;
- (s) “**Settlement Amount**” means \$13,900,000 U.S. dollars, inclusive of the Administration Expenses, Class Counsel Fees, interest, taxes and any other costs or expenses related to the Actions or the Settlement;
- (t) “**Shares**” means securities of Concordia that are or were listed for trading on the TSX or on alternative trading platforms in Canada; and
- (u) “**Website**” means the website at www.concordiasettlement.com.

THE OVERVIEW

2. This Plan of Allocation contemplates a determination of eligibility and an allocation and Distribution to each Authorized Claimant of a share of the Compensation Fund calculated on the basis of the calculation set forth herein, up to the Maximum Entitlement for each Authorized Claimant.

CALCULATION OF THE DISTRIBUTION AND MAXIMUM ENTITLEMENT

3. The date of sale or disposition shall be the trade date, as opposed to the settlement date, of the transaction. The Administrator will use this date in the calculation of an Authorized Claimant's Distribution according to the formulae listed below.
4. No Distributions shall be available for any Qualified Shares disposed of prior to the corrective disclosure, that is, prior to the close of trading on August 11, 2016.
5. The Distribution for each Authorized Claimant will be calculated by the Administrator by dividing the Compensation Fund by the total number of Qualified Shares for all Authorized Claimants to arrive at a per Qualified Share distribution amount defined herein as the "*Pro Rata* Distribution";
6. The Administrator will then multiply the *Pro Rata* Distribution by the number of Qualified Shares held by an Authorized Claimant to arrive at the Distribution to be paid to each Authorized Claimant;
7. In no event shall an Authorized Claimant receive a Distribution greater than his/her/its Maximum Entitlement;
8. The Maximum Entitlement shall be calculated as follows:
 - (a) For Qualified Shares disposed of on or before the 10th trading day after the public correction (August 25, 2016), the difference between the average price paid for those Qualified Shares (including any commissions paid in respect thereof) and the price received upon the disposition of those Qualified Shares (without deducting any commissions paid in respect of the disposition);
 - (b) For Qualified Shares not disposed of on or before the 10th trading day after the public correction (August 25, 2016), the lesser of:

- i. An amount equal to the difference between the average price paid for those Qualified Shares (including any commissions paid in respect thereof) and the price received upon the disposition of those Qualified Shares (without deducting any commissions paid in respect of the disposition); and
- ii. An amount equal to the number of Qualified Shares disposed of by an Authorized Claimant, multiplied by the difference between the average price paid for those Qualified Shares (including any commissions paid in respect thereof determined on a per security basis) and the ten-day volume-weighted average trading price for those Qualified Shares following the public correction on August 12, 2016.

GENERAL PRINCIPLES OF THE ADMINISTRATION OF THE SETTLEMENT

9. The administration process to be established shall:
 - (a) implement and conform to the Plan of Allocation;
 - (b) employ secure, paperless, web-based systems with electronic registration and record keeping, wherever practical; and
 - (c) be bilingual (English, French) in all respects and include a bilingual website and a bilingual toll-free telephone helpline.

THE ADMINISTRATOR

10. The Administrator shall have such powers and rights reasonably necessary to discharge its duties and obligations to implement and administer the Escrow Account and the Plan of Allocation in accordance with their terms, subject to the direction of the Courts.

THE ADMINISTRATOR'S DUTIES AND RESPONSIBILITIES

11. The Administrator shall administer the Plan of Allocation under the oversight and direction of the Courts and act as trustee in respect of the monies held within the Escrow Account upon receipt from Class Counsel.
12. The Administrator shall, wherever practical, develop, implement and operate an administration system utilizing web-based technology and other electronic systems for the following:
 - (a) receipt of information from Computershare and/or TMX Equity Transfer Services or Broadridge Financial Solutions Inc. concerning the identity and contact information of registered holders or beneficial owners of Shares, respectively;
 - (b) Class notification, as required;
 - (c) claim filing and document collection;
 - (d) claim evaluation, analysis, and Reference procedures;
 - (e) distribution analysis and Distributions;
 - (f) cy près award distribution, if any, and reporting thereon;
 - (g) Administration Expense payments; and
 - (h) cash management, audit control and reporting thereon.

13. The Administrator's duties and responsibilities shall include the following:
- (a) receiving the monies in the Escrow Account from Strosberg Sasso Sutts LLP and investing them in trust in accordance with the Agreement;
 - (b) paying the levy to the Fonds d'aide based on the applicable regulation;
 - (c) preparing any protocols required for submission to and approval of the Courts;
 - (d) providing notice of (i) the Second Motion, namely that the action has been certified for settlement purposes and the Settlement was approved, and (ii) details of how, where, and by when to submit completed Claim Forms;
 - (e) providing the hardware, software solutions and other resources necessary for an electronic web-based bilingual claims processing centre to function in a commercially-reasonable manner;
 - (f) providing, training and instructing personnel in such reasonable numbers as are required for the performance of its duties in the most expedient, commercially reasonable manner;
 - (g) developing, implementing and operating electronic web-based systems and procedures for receiving, processing, evaluating and decision-making respecting the claims of Class Members, including making all necessary inquiries to determine the validity of such claims;
 - (h) if practicable, providing any Claimant whose Claim Form is not properly completed or does not include some of the required supporting documentation, an opportunity to remedy the deficiency as stipulated in the Agreement;
 - (i) making timely assessments of eligibility for compensation and providing prompt notice thereof;

- (j) paying all taxes accruing on the interest earned in the Escrow Account and adding that interest (net of taxes) to the Compensation Fund;
 - (k) making Distributions from the Compensation Fund in a timely fashion;
 - (l) dedicating sufficient personnel to communicate with a Claimant in English or French as the Claimant elects;
 - (m) using its best efforts to ensure that its personnel provide timely, helpful and supportive assistance to Claimants in completing the claims application process and in responding to inquiries respecting claims;
 - (n) preparing for, attending and defending its decisions at all References;
 - (o) distributing and reporting on any cy près awards;
 - (p) making payments of Administration Expenses;
 - (q) maintaining a Database with all information necessary to permit the Courts to evaluate the progress of the administration, as may, from time to time, be required;
 - (r) reporting to the Courts respecting claims received and administered, and Administration Expenses; and
 - (s) preparing such financial statements, reports and records as directed by the Courts.
14. The Administrator shall pay the levy to the Fonds d'aide based on applicable regulation and on the basis that the Quebec class represents 23% of Class Members.
15. The Administrator shall pay all of the costs and expenses reasonably and actually incurred in connection with the provision of notices, locating Class Members for the sole purpose of providing notice to them, soliciting Class Members to submit a Claim Form, including the notice expenses reasonably and actually incurred by the Administrator and

brokerage firms in connection with the provision of notice of this Settlement to Class Members (provided, however, that the Administrator shall not pay in excess CAD\$30,000.00 in the aggregate to all brokerage firms and, if the aggregate amount claimed by such brokerage firms exceeds CAD\$30,000.00, then the Administrator shall distribute the sum of CAD\$10,000.00 to such brokerage firms on a pro rata basis).

16. The Administrator shall cause the information in the Database to be secured and accessible from the Website to an individual with a user identification name and password.
17. Information in the Database concerning a claim shall be accessible to the Claimant electronically. Each Claimant shall use a unique personal user identification name and personal password that will permit the Claimant to access only his/her/its own information in the Database.
18. Once a Claim Form and required supporting documentation is received by the Administrator, the Administrator shall:
 - (a) determine the number of Qualified Shares;
 - (b) decide whether the Claimant is eligible to participate in the Distribution;
 - (c) calculate the Pro Rata Distribution; and
 - (d) calculate the Maximum Entitlement for each Authorized Claimant.
19. Once the Administrator determines a Claimant's Authorized Claimant status, the respective number of his, her or its Qualified Shares and his, her or its *Pro Rata* Distribution from the Compensation Fund, the Administrator shall advise the Claimant of the Administrator's decision by posting it on the Claimant's online claim file.

20. The Administrator may deal with Claimants in a manner that is not through an electronic medium, as and when it determines that such a step is feasible and/or necessary.
However, in all cases the information acquired concerning Claimants shall be entered into the Database.
21. A decision of the Administrator in respect of a claim and any Claimant's entitlement to participate in or receive a share of the Distribution, subject to the Claimant's right to elect to refer the decision to the Referee for review, will be final and binding upon the Claimant and the Administrator.

THE REFEREE

22. The Referee shall have such powers and rights as are reasonably necessary to discharge his or her duties and obligations.
23. The Referee shall establish and employ a summary procedure to review any disputes arising from a decision of the Administrator, and may enter into such mediation and arbitration proceedings as the Referee may deem necessary.
24. All decisions of the Referee shall be in writing and shall be final and conclusive and there shall be no appeal therefrom whatsoever.

THE PROCEDURE FOR REFERENCE

25. If a Claimant disagrees with the Administrator's decision relating to eligibility to share in the Distribution, the determination of the number of Qualified Shares, or the amount of his/her/its Maximum Entitlement, a Claimant may elect a Reference by the Referee by delivering a written election for review to the Administrator within fifteen (15) days of receipt of the Administrator's decision.

26. The election for a Reference must set out the basis for the disagreement with the Administrator's decision and attach all documents relevant to the review which have not previously been delivered to the Administrator. This election for a Reference must be accompanied by a certified cheque or money order, payable to the Administrator, in the amount of \$150.
27. Upon receipt of an election for a Reference, the Administrator shall provide the Referee with online access to a copy of:
 - (a) the election for a Reference and accompanying documents;
 - (b) the Administrator's decision on eligibility, the number of Qualified Shares and its calculation of the Maximum Entitlement, as applicable; and
 - (c) the Claim Form and supporting documents.
28. The Referee will carry out the Reference in an inexpensive, summary manner. The Referee will provide all necessary procedural directions and the review will be in writing unless the Referee provides otherwise.
29. The Administrator shall participate in the process established by the Referee to the extent directed by the Referee.
30. The Referee shall deliver a written decision to the Claimant and the Administrator. If the Referee disturbs the Administrator's decision relating to eligibility to share in the Distribution, the number of Qualified Shares or his/her/its Maximum Entitlement, the Administrator shall return the \$150 deposit to the Claimant. If the Referee does not disturb the Administrator's decision, the Administrator shall add the \$150 to the Compensation Fund.

ADMINISTRATION EXPENSES

31. The Administrator shall pay the fees, disbursements, taxes, levies, and other costs of:

- (a) the Administrator;
- (b) the Referee;
- (c) the Fonds d'aide; and
- (d) such other persons at the direction of the Courts.

out of the Settlement Amount in accordance with the provisions of the Agreement, the Second Order and any other orders of the Courts.

32. The costs of giving the notices required pursuant to the Second Order and the Plan of Allocation are not to be paid by the Administrator from its fee.

DISTRIBUTION TO AUTHORIZED CLAIMANTS

33. As soon as practicable after the completion of the claims submission and election for review process, the Administrator will bring a motion to the Courts for authorization to make Distributions from the Compensation Fund. In support of this motion, the Administrator will file the Distribution List with the Courts in a manner that protects the privacy of persons on the Distribution List.

34. No Distribution shall be made by the Administrator until authorized by the Courts.

35. No Distribution shall be made by the Administrator in respect of any amount under \$5, and the name(s) of the Authorized Claimant(s) with claims under this amount shall be excluded from the Distribution List in respect of such claims.

36. The Administrator may make interim Distributions if authorized by the Courts.

37. Each Authorized Claimant whose name appears on the Distribution List shall comply with any condition precedent to Distribution that the Courts may impose.

38. The Administrator shall make Distributions from the Compensation Fund forthwith after receipt of authorization from the Courts to make Distributions to the Authorized Claimants whose names are on the Distribution List.
39. If the Escrow Account is in a positive balance (whether by reason of tax refunds, uncashed cheques or otherwise) in an amount greater than 10% of the net Settlement Amount after one hundred eighty (180) days from the date of Distribution of the Compensation Fund to the Authorized Claimants, the Administrator shall allocate such balance among Authorized Claimants whose names are on the Distribution List in an equitable fashion up to the limit of each person's actual loss. The Administrator may wait until a CRA T-5 tax slip for investment income is issued by the Schedule One bank in respect of the Escrow Account before making this second distribution. If there is a balance in the Escrow Account after each Authorized Claimant is paid up to his/her/its actual loss, the remaining funds shall be paid *cy près* to a recipient selected by Class Counsel and approved by the applicable Court or Courts, after the levy to the Fonds d'aide is paid based on applicable regulation and on the basis that the Quebec class represents 23% of Class Members.

RESTRICTION ON CLAIMS

40. Any Class Member who does not submit a Claim Form and required supporting documentation with the Administrator on or before the Claims Bar Deadline, will not be permitted to participate in the Distribution without permission of the applicable Court. The Administrator will not accept or process any Claim Form received after the Claims Bar Deadline unless directed to do so by the applicable Court.

NO ASSIGNMENT

41. No amount payable under this Plan of Allocation may be assigned without the written consent of the Administrator.

ADMINISTRATOR'S FINAL REPORT TO THE COURTS

42. Upon the conclusion of the administration, or at such other time as the Courts direct, the Administrator shall report to the Courts on the administration and shall account for all monies it has received, administered and disbursed by Distribution or otherwise, and may obtain an order from the Courts discharging it as Administrator.