ADMINISTRATIVE POLICY & PROCEDURE
Effective Date: February 1, 2016
Title: Insider Trading Policy

In the course of your employment with or engagement by Aralez Pharmaceuticals Inc., or any of its affiliated entities (the "Company"), you are likely to use or have access to information about the Company that is not generally available to the public. Because of your relationship with the Company, you have certain responsibilities under the federal securities laws with respect to inside information and the trading of securities that you own. The purpose of this Policy Statement is to reaffirm the Company's policies regarding the protection of material, non-public and other confidential information, the stringent ethical and legal prohibitions against insider trading and tipping, and the expected standards of conduct of Company employees, officers, directors, consultants and other advisors with respect to these highly sensitive matters. The Policy Statement explains your obligations under the law and the Company's policies. Every employee, officer, director, consultant and other advisor should read this Policy Statement carefully and comply with the policy at all times.

I. SUMMARY OF POLICY STATEMENT

To avoid the appearance of impropriety, all rules set forth in this Policy Statement will apply not only to the employees, officers, directors, consultants and other advisors of the Company, but also to all members of his or her family who reside in the same household. *Thus, for purposes of this Policy Statement, "you" shall mean each employee, officer, director, consultant and advisor of the Company, as well as any family member of such employee, officer, director, consultant or advisor residing in the same household.*

The Company's policy regarding securities trading can be summarized by six important rules:

- You may not trade in securities of the Company (or any other entity, such as a customer, supplier, possible acquisition target, or competitor) at any time that you are aware of material, non-public (what is described below as "inside") information about the Company (or about such other entity).

- You may not convey to any other person ("tip") inside information regarding the Company (or any other entity, such as a customer, supplier, possible acquisition target, or competitor).

- Assuming that you are not aware of inside information concerning the Company, if you are a member of the Board of Directors of the Company, an employee of the Company or a key advisor to the Company who has been informed by the Company in writing of his or her status as such (all members of this group together, the "Restricted Persons"), you may trade in securities of the Company *only* (a) during the period beginning forty-eight (48) hours after the public release of the Company's quarterly and annual earnings and ending on the 16th day of the last month of the then-current fiscal quarter (the "trading window"), and (b) after you have obtained prior approval from the Company's Chief Financial Officer or Vice President, Finance and Administration, for such transaction.

- In limited circumstances, the Company in its sole discretion may agree to your entering into an arrangement relating to your purchase or sale of securities of the Company under circumstances where you have no control over the timing of the transaction. If such an arrangement is established, and you entered into the arrangement with the prior approval of the Company and when you were not aware of material, non-public information, you may purchase or sell securities pursuant to such arrangement without regard to your awareness of inside information at the time of the purchase or sale and without first obtaining approval of such transaction.

- Assuming that you do not possess inside information concerning the Company, if you are a Restricted Person, you may make an election to acquire securities of the Company pursuant to a Company employee benefit plan (such as a 401(k) Plan or an employee stock purchase plan), increase or decrease the amount of securities of the Company that you acquire through such a benefit plan, or make a discretionary change as to the securities of the Company you hold through any such benefit plan only (a) during the trading window; and (b) after you have obtained prior approval from the Chief Financial Officer or Vice President, Finance and Administration, for such transaction.

- Notwithstanding any of the above paragraphs, if you are a member of the Board of Directors of the Company or an executive officer of the Company (a "Section 16 Person"), you may only purchase securities of the Company at least six months after your most recent sale of securities of the Company, or sell securities of the Company at least six months after your most recent purchase of securities of the Company, unless such trade is an exempt transaction, as defined by Rule 16b-3.

The foregoing rules are only a summary. You must comply with all of the policies set forth below in Section III, which contains the Company's complete Policy Statement on inside information and insider trading.

II. INSIDE INFORMATION

A. *What is Inside Information?*

"Inside" information is material information about the Company (or any other entity, such as a customer, supplier, possible acquisition target, or competitor) that is not available to the public. Information generally becomes available to the public when it has been disclosed by the Company or third parties in a press release or other public disclosure, including any filing with the Securities and Exchange Commission (the "SEC") or Canadian securities regulators. In general, information is considered to have been made available to the public 48 hours after the formal release of the information. In other words, there is a presumption that the public needs 48 hours to receive and absorb such information.

B. *What is Material Information?*

As a general rule, information about the Company (including material facts or material changes) is material if it could reasonably be expected to affect someone's decision to buy, hold or sell the Company's securities. For example, information generally is considered "material" if its disclosure to the public would be reasonably likely to affect (1) an investor's decision to buy or sell the securities of the company to which the information relates or (2) the market price of that company's securities. While it is not possible to identify in advance all of the information that will be deemed to be material, some illustrations of such information include the following: (a) the negotiation by the Company of a merger, acquisition or a strategic partnership, licensing or other significant arrangement; (b) information regarding the Company's revenues or earnings; (c) possible regulatory action or major litigation concerning the Company; (d) various matters affecting the Company's securities, e.g. defaults on senior securities, calls of securities for redemption, repurchase plans, stock splits or changes in dividends, changes to the rights of security holders, or public or private sales of additional securities of the Company; (e) the consideration of a tender offer by the Company for another company's securities or by a third party for the Company's securities; (f) the consideration of major management changes or changes in control; (g) major new products or marketing changes or developments regarding customers or suppliers (e.g. the acquisition or loss of a contract); (h) information about interim and final results from the Company's preclinical studies and clinical trials that have not otherwise been disclosed by the Company to the general public, including any information regarding the progress and development of such product candidates as well as any other information relating to the Company's preclinical and clinical programs; (i) bankruptcies or receiverships; (i) a change in auditors or auditor notification that the Company may no longer rely on the auditor's results; and (j) any decision by a board of directors to implement a material change, as well as any decision made to implement such a change by senior management, if board of director approval is probable.

It can sometimes be difficult to know whether information would be considered "material." The determination of whether information is material is almost always clearer after the fact, when the effect of that information on the market can be quantified. Although you may

have information about the Company that you do not consider to be material, federal and provincial regulators and others may conclude (with the benefit of hindsight) that such information was material. Therefore, trading in the Company's securities when you are aware of non-public information about the Company can be risky. When doubt exists, the information should be presumed to be material. If you are unsure whether information of which you are aware is material or non-public, you should consult with the Company's Chief Financial Officer or Vice President, Finance and Administration. Under Canadian securities laws, a material change is specifically defined to include any decision by a board of directors to implement a material change, as well as any decision made to implement such a change by senior management, if board of director approval is probable.

C. *What are the Reasons for Maintaining Confidentiality?*

The Company has ethical and legal responsibilities to maintain the confidence of its stockholders and of the public securities markets generally, to protect as valuable assets confidential information developed by or entrusted to the Company, and to ensure that Company employees and other Restricted Persons do not derive improper benefits through the misuse of Company assets. Although the Company respects the right of each of its employees to engage in investment activities and encourages employees and other Restricted Persons to become and remain stockholders of the Company, it is important that such activities avoid any appearance of impropriety and remain in full compliance with the law.

The federal securities laws strictly prohibit any person who obtains material inside information and has a duty not to disclose it from using such information in connection with the purchase or sale of securities. Every Company employee, director, consultant and advisor has three significant duties under the federal securities laws related to trading: (1) a duty not to place or execute trades in securities of the Company while you are aware of material, non-public information regarding the Company; (2) a duty not to place or execute trades in securities of other companies while you are aware of material, non-public information regarding those companies that comes to your attention as a result of business dealings between the Company and such companies; and (3) a duty not to communicate such information to anyone outside the Company (what is commonly referred to as "tipping") and to take steps to prevent the inadvertent disclosure of such information to outsiders.

Whether information is obtained in the course of employment, from friends, relatives, acquaintances or strangers, or from overhearing the conversations of others, trading based on inside information is prohibited and violates the law. Congress enacted this prohibition because the integrity of the securities markets would be seriously undermined if the "deck were stacked" against persons not aware of such information. Moreover, your failure to maintain the confidentiality of material, non-public information about the Company could damage the Company's reputation and greatly harm the Company's ability to conduct and grow its business. You could be fired or your engagement with the Company terminated for disclosing or trading on material, nonpublic information. In addition, as discussed below, you and the Company also could be exposed to significant civil penalties and criminal charges.

D. *What is the Penalty for Insider Trading?*

The Company is subject to both United Stated and Canadian laws and regulations. In each case trading on inside information is a crime.

With respect to the United Stated, penalties for insider trading include fines of up to $1,000,000 and ten (10) years in jail for individuals. In addition, the SEC may seek the imposition of a civil penalty of up to three times the profits made or losses avoided from trading on inside information. Those who trade on inside information also must return any profits made, and they are often subject to an injunction against future violations. Finally, under some circumstances, people who trade on inside information may be subjected to civil liability in private lawsuits.

With respect to Canadian jurisdictions, penalties for a breach of this prohibition vary among jurisdictions, however a breach may render you personally liable to prosecution and, upon conviction, to a fine not exceeding one million dollars or two years in jail, or both. Further, you may be subject to civil actions at the instance of certain security holders, the companies whose securities were traded, various securities commissions, or any of these.

Employers and other controlling persons (including supervisory personnel and the employers' directors and officers) also are at risk under federal law. Controlling persons may, among other things, face penalties equal to the greater of $1,000,000 or three times the profits made or losses avoided by the trader if they recklessly fail to take preventive steps to control insider trading.

The SEC, Canadian securities regulators, the Department of Justice, the securities exchanges, and the National Association of Securities Dealers have committed large staffs, computer investigative techniques and other resources to the detection and prosecution of insider trading cases. Criminal prosecution and the imposition of fines and/or imprisonment is commonplace.

For all of these reasons, both you and the Company have a significant interest in ensuring that insider trading is scrupulously avoided.

E. *How Should Material Information be Safeguarded?*

Before material information relating to the Company or its business has been disclosed to the general public, it must be kept in strict confidence. Such information should be discussed only with persons who are employed by or represent the Company and have a "need to know" and should be confined to as small a group as possible. The utmost care and circumspection must be exercised at all times. Therefore, conversations in public places, such as elevators, restaurants and airplanes, as well as conversations on mobile phones, should be limited to matters that do not involve information of a sensitive or confidential nature. In addition, you should not transmit confidential information through the Internet or any e-mail system that is not secure.

To ensure that Company confidences are protected to the maximum extent possible, no individuals other than specifically authorized personnel may release material information to the public or respond to inquiries from the media, analysts or others outside the Company. Only the following officers of the Company are authorized to speak to any member of the media, analyst, or stockholder on behalf of the Company: Chief Executive Officer, President, Chief Financial Officer and Head of Investor Relations. If you are contacted by the media or by an analyst, or stockholder seeking information about the Company, you should refer the call to one of such authorized persons.

In addition, to avoid improper conduct, or the appearance of impropriety, Restricted Employees will be prohibited by the Company from buying or selling the Company's securities during times when the Company is most likely to have material, non-public information because these persons generally have access to a range of financial and other sensitive information about the Company. Finally, as and when circumstances require, the Chief Financial Officer or Vice President, Finance and Administration, will implement additional restrictions on those employees and other persons who are asked to work on sensitive projects or transactions, or who gain access to material, non-public information in connection with a specific project or transaction.

On occasion, it may be necessary for legitimate business reasons to disclose material non-public information to persons outside the Company. This might include, for example, commercial bankers, investment bankers or other companies seeking to engage in a joint venture, merger, common investment or other joint goal. In such circumstances, the information should not be conveyed until an express written understanding has been reached that such information is not to be used for trading purposes and may not be further disclosed other than for legitimate business reasons.

III. STATEMENT OF POLICY

1. For purposes of this Policy Statement, all references to "you" shall mean each employee, officer, director, consultant and other advisor of the Company and any subsidiary, as well as any family member of such employee, officer, director, consultant or advisor residing in the same household.

2. You may not buy or sell the securities of the Company (or any other company, such as a customer, supplier, possible acquisition target, or competitor) when you are aware of material, non-public information concerning the Company (or such other company). The insider trading rules apply both to securities purchases (to make a profit based on good news) and securities sales (to avoid a loss based on bad news), regardless of how or from whom the material, non-public information has been obtained.

3. The Company in its sole discretion may agree to your entering into an arrangement relating to the purchase or sale of securities of the Company under circumstances where you have no control over the timing of the transaction. If such an arrangement is established, and you entered into the arrangement with

the prior approval of the Company and when you were not aware of material, nonpublic information, you may purchase or sell securities pursuant to such arrangement without regard to whether you are aware of material, non-public information and without requiring prior approval of such transaction. Specifically, you may purchase or sell securities pursuant to such a binding contract or plan, or irrevocable instructions to purchase or sell securities on a future date, if all of the following conditions are met:

- You were not aware of material, non-public information when you entered into a binding contract to purchase or sell the security, provided written instructions to another person to execute the trade for your account, or adopted a written plan for trading securities.

- The contract, instructions or plan (1) expressly specifies the amount and price of the securities to be bought or sold and the date of the transaction; (2) provides a written formula or algorithm, or computer program, for determining the amount, price, and date for the transaction; or (3) does not permit you to exercise any subsequent influence over how, when, or whether to effect purchases or sales; provided, in addition, that any other person who did exercise such influence was not aware of material non-public information when doing so.

- The purchase or sale that occurs is pursuant to the prior contract, instruction or plan. A purchase or sale is not pursuant to a contract, instruction or plan if, among other things, you altered or deviated from the contract, instruction or plan or entered into or altered a corresponding or hedging transaction or position with respect to those securities, or the contract, instruction or plan to purchase or sell securities was given or entered into other than in good faith or as a part of a plan or scheme to evade the prohibition on insider trading.

4. If you are a Restricted Person, you may trade in securities of the Company and make elections to participate in or make changes in such elections relating to employee benefit plans that involve the purchase or sale of securities of the Company *only* (a) during the trading window which begins forty-eight (48) hours after the public release of the Company's quarterly and annual earnings and ending on the 16th day of the last month of the then-current fiscal quarter and (b) after you have obtained prior approval from either the Company's Chief Financial Officer or Vice President, Finance and Administration, for such transaction. *You may make such trades only so long as you are not trading in violation of the policy set forth in paragraph 2 above.* If you are a Restricted Person and have made an election to purchase or sell securities of the Company through any of the Company's employee benefit plans (e.g., a 401(k) Plan that includes Company stock as one of its investment options) in accordance with these guidelines, you are not required to revoke such an election despite your awareness of inside information.

Notwithstanding the above, you may exercise options with cash at any time**.** You may not sell securities in connection with the exercise, however, either as a result of a cashless exercise through a broker or the withholding of shares by the Company for the payment of taxes, unless (a) you are not aware of inside information concerning the Company; (b) the cashless exercise or the withholding of securities for the payment of taxes is being made during a trading window; and (c) you have obtained prior approval of the transaction from either the Chief Financial Officer or Vice President, Finance and Administration.

5. If you are a member of the Board of Directors of the Company or an executive officer of the Company (a "Section 16 Person"), in addition to the provisions of paragraph 4 and the other paragraphs of this Section III, you may only purchase securities of the Company at least six months after your most recent sale of securities of the Company, or sell securities of the Company at least six months after your most recent purchase of securities of the Company, unless such trade is exempt pursuant to Rule 16b-3. You must also report each transaction in securities of the Company to the Chief Financial Officer or Vice President, Finance and Administration within five days after such transaction. You will be notified if you are a Section 16 Person.

6. You may not convey (or "tip") material, non-public information to any other person by providing them with material, non-public information regarding the Company or assisting them in any way. The concept of unlawful tipping includes passing on such information to friends, family members or acquaintances under circumstances that suggest that you were trying to help them make a profit or avoid a loss. You may, of course, provide such information to other Company employees or representatives on a "need to know" basis in the course of performing your job or assignment with the Company.

7. To ensure that Company confidences are protected to the maximum extent possible, no individuals other than specifically authorized personnel may release material information to the public or respond to inquiries from the media, analysts or others outside the Company. Only the following officers of the Company are authorized to speak to any member of the media, analyst, or stockholder on behalf of the Company: President and Chief Financial Officer. If you are contacted by the media or by an analyst, or stockholder seeking information about the Company, you should refer the call to one of such authorized persons.

8. The foregoing restrictions also apply to trading in call or put options involving the Company's securities (including those options granted under the Company's employee stock option and equity compensation plans), or other derivative securities, as well as "short sales" of the Company's securities. Because of the complexity of reporting puts, calls, derivatives, and shorts as well as the difficulty of ensuring that these types of transactions are managed in accordance with applicable securities laws and this Policy Statement, no Restricted Person may engage in these types of transactions involving the Company's securities without the prior approval of either the Company's Chief Financial Officer or Vice President, Finance and Administration. Notwithstanding the foregoing prohibitions, specific additional restrictions apply to the members of the

Company's Board of Directors and the Company's executive officers, as more fully described in Article IV below.

9. Because of the risk that a forced sale could occur when you are aware of material, nonpublic information or other than during a trading window, no Restricted Person may hold stock of the Company in a margin account or purchase stock of the Company on margin (where money is borrowed to make the purchase). Notwithstanding the foregoing prohibitions, specific additional restrictions apply to the members of the Company's Board of Directors and the Company's executive officers, as more fully described in Article IV below.

10. All officers, employees, directors, consultants and other advisors of the Company will at all times observe the foregoing policies and procedures. *Your failure to do so will be grounds for dismissal or other disciplinary action.*

11. You must promptly report to the Company's Chief Financial Officer or Vice President, Finance and Administration any trading in the Company's securities by Company personnel or disclosure of material, non-public information by Company personnel that you have reason to believe may violate this Policy Statement or the securities laws of the United States.

IV. ANTI-PLEDGING, ANTI-HEDGING GUIDELINES FOR DIRECTORS AND EXECUTIVE OFFICERS

Certain short-term or speculative transactions in the Company's securities by members of the Board of Directors and executive officers create the potential for heightened legal risk and/or the appearance of improper or inappropriate conduct involving the Company's securities. As a result, the Board of Directors has established the following specific anti-pledging, anti-hedging guidelines with the following objectives: (1) to prohibit members of the Company's Board of Directors and the Company's executive officers from directly or indirectly engaging in hedging or monetization transactions, through transactions in the Company's securities or through the use of financial instruments designed for such purpose; and (2) to prohibit members of the Company's Board of Directors and the Company's executive officers from engaging in short-term or speculative transactions in the Company's securities that could create heightened legal risk and/or the appearance of improper or inappropriate conduct by the Company's employees, officers or directors. Specifically,

1. *Hedging and Short Sales*. Members of the Company's Board of Directors and the Company's executive officers may not engage in any hedging or similar transactions with respect to the Company's securities, including, but not limited to, through the use of financial instruments such as exchange funds, prepaid variable forwards, equity swaps, puts, calls, collars, forwards and other derivative instruments, or through the establishment of a short position in the Company's securities. Further, members of the Company's Board of Directors and the Company's executive officers may not engage in short-term or speculative

transactions in the Company's securities that could create heightened legal risk and/or the appearance of improper or inappropriate conduct. Short sales of the Company's securities (*i.e.*, the sale of a security that the seller does not own) may evidence an expectation on the part of the seller that the securities will decline in value, and therefore have the potential to signal to the market that the seller lacks confidence in the Company's prospects. In addition, short sales may reduce a seller's incentive to seek to improve the Company's performance. For these reasons, short sales of the Company's securities by members of the Company's Board of Directors or the Company's executive officers are prohibited.

2. *Margin Accounts and Pledged Securities.* Securities held in a margin account as collateral for a margin loan may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material nonpublic information or otherwise is not permitted to trade in the Company's securities, Members of the Company's Board of Directors and the Company's executive officers are prohibited from holding the Company's securities in a margin account or otherwise pledging the Company's securities as collateral for a loan.

V. CERTIFICATION

You must sign, date, and return the attached Certification stating that you received the Company's Policy Statement regarding insider trading and the preservation of the confidentiality of material non-public information and related procedures, and you agree to comply with it. *Please note that you are bound by the Policy Statement whether or not you sign the Certification*. You will be required to confirm your compliance with the Policy Statement by signing and returning a copy of the Certification on an annual basis.

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CERTIFICATION

I hereby certify that I:

a. have read and understand the Policy Statement on Inside Information and Insider Trading and related procedures, a copy of which was distributed with this certificate;

b. have complied with the foregoing policy and procedures;

c. will continue to comply with the policy and procedures set forth in the Policy Statement;

d. will request prior approval of all proposed sales or acquisitions of securities of the Company on the form attached hereto as Exhibit I, if I am a Restricted Person, as defined in the Policy Statement, unless not required pursuant to this Policy Statement; and

e. will report all transactions in securities of the Company if I am a Section 16 Person, as defined in the Policy Statement or subject to public insider trading reporting requirements in Canada.

Signature:_____

Name:_____
(please print)

Department or Title:_____

Date: _____

EXHIBIT I

ARALEZ PHARMACEUTICALS INC.
CONFIDENTIAL MEMORANDUM

To: Aralez Pharmaceuticals Inc. - Chief Financial Officer

From:

Date:

Subject: Request for Prior Approval of Stock Trading

The undersigned proposes to engage in a transaction involving the following securities:

_____ Aralez Common Shares

_____ Other:
(Identification of Security)

The transaction proposed is an:

_____ Open-Market Purchase
_____ Open-Market Sale
_____ Other, please explain:

The transaction is proposed to be effective on
(Date)

Copies of broker's confirmation of effected transactions must be forwarded to the Chief Financial Officer of Aralez for record keeping purposes within five (5) days of the transaction.

_____
[signature]

_____
[Print Name, Title and Department]

Date:

_____ Transaction may be effected
_____ Transaction may not be effected

This authorization extends to

(Date)

Authorized By:

_____
[Name]

_____
[Title]

_____
[Date]