LONG-TERM INCENTIVE PLAN

This prospectus relates to the offer and sale from time to time of common shares (the “Common Shares”) in the capital of Concordia International Corp. (the “Corporation”), or awards based on Common Shares, to eligible employees of the Corporation and its subsidiaries pursuant to the Corporation’s Long-Term Incentive Plan (the “LTIP”). Our Common Shares are listed on the Toronto Stock Exchange and NASDAQ under the symbols “CXR” and “CXRX,” respectively.

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This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933. These securities have not been approved or disapproved by the Securities and Exchange Commission (the “Commission”) nor has the Commission passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

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You should rely only on the information contained in this prospectus together with any supplement or addendum that may be provided to you. We have not authorized anyone to provide you with additional or different information. We are making offers to sell, and seeking offers to buy, Common Shares only in jurisdictions where such offers and sales are permitted. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the securities offered by this prospectus. The information in this prospectus and any supplement or addendum is accurate only as of the dates hereof and thereof, regardless of the time of delivery of this prospectus or any such supplement or addendum or the time of any sale of Common Shares.

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The date of this prospectus is June 9, 2017.
GENERAL INFORMATION REGARDING THE LONG TERM INCENTIVE PLAN

Overview

On June 27, 2014, shareholders of the Corporation (the “Shareholders”) approved the LTIP, pursuant to which the Corporation’s board of directors (the “Board”) or, if authorized by the Board, the Human Resources and Compensation Committee may grant units (“Units”), which may be either restricted share units (“RSUs”) or deferred share units (“DSUs”) to officers, directors, employees or consultants of the Corporation. On June 9, 2017, Shareholders re-approved the LTIP.

The purpose of the LTIP is to advance the interests of the Corporation: (a) through the motivation, attraction and retention of key employees and directors of the Corporation; (b) by aligning the interests of eligible participants with the interests of Shareholders generally; and (c) by furnishing eligible participants with an additional incentive in their efforts on behalf of the Corporation.

The following is a summary of the principal provisions of the LTIP and is qualified in its entirety by the full text of the LTIP, a copy of which has been provided to each LTIP participant. In addition, a copy of the LTIP is attached as Appendix “C” to the Corporation’s management information circular dated May 8, 2017, filed on the Corporation’s profile on the System for Electronic Document Analysis and Retrieval (“SEDAR”), available online at www.sedar.com and on the Electronic Data Gathering, Analysis, and Retrieval system (“EDGAR”) available online at www.sec.gov/edgar.

Additional information about the LTIP may be requested from:

Chief Legal Officer & Secretary
Concordia International Corp.
277 Lakeshore Road East, Suite 302
Oakville, Ontario, L6J 1H9
Tel: (905) 842-5150 | Fax: (905) 842-5154

Participation

Under the LTIP, each Unit represents the right to receive one Common Share. Participation in the LTIP is voluntary and, if an eligible participant agrees to participate, the grant of Units is evidenced by an agreement between the Corporation and the participant (an “Award Agreement”).

Shares Authorized for Issuance; Plan Limits; Adjustment

The maximum number of Common Shares which may be reserved and set aside for issue under the LTIP in respect of awards of DSUs to DSU Participants (as defined below) and for payments in respect of awards of RSUs to RSU Participants (as defined below), shall not exceed 10% of the Common Shares issued and outstanding from time to time on a non-diluted basis, provided that the Board shall have the right, from time to time, to increase such percentage subject to the approval of Shareholders and such regulatory authorities, stock exchanges or over-the-counter markets having jurisdiction over the affairs of the Corporation. For purposes of clarity, the maximum number of Common Shares reserved and set aside for issue under the LTIP shall be inclusive of any Common Shares reserved for issuance pursuant to any other security-based compensation arrangement of the Corporation, including the Corporation’s Stock Option Plan. Common Shares that were the subject of awards that have expired, been surrendered, lapsed, cancelled or terminated shall thereupon no longer be in reserve and may once again be subject to an award granted under the LTIP, effectively resulting in a re-loading of the number of RSUs and DSUs available for awards under the LTIP.
The LTIP, together with all other previously established or proposed security-based compensation arrangements of the Corporation, including the Stock Option Plan, may not result in:

(i) the number of Common Shares reserved for issuance to insiders at any time exceeding 10% of the outstanding issue;

(ii) the issuance to insiders of the Corporation of a number of Common Shares exceeding, within a one-year period, 10% of the outstanding issue; or

(iii) the issuance to any one insider of the Corporation, within a one-year period, of a number of Common Shares exceeding 5% of the outstanding issue.

Restricted Share Units

An “RSU Participant” is any officer, director, employee or consultant of the Corporation who has been designated by the Corporation for participation in the LTIP and who agrees to participate in the LTIP.

Unless otherwise approved by the Board, an RSU will vest as to 33⅓% on each of the first, second and third anniversary dates of the grant date. In the event that a vesting date occurs within a blackout period or within five business days thereafter, the vesting date shall be 10 business days after the blackout period ends (the “Extension Period”). If an additional blackout period is subsequently imposed during the Extension Period, then the Extension Period will commence following the end of such additional blackout period. However, under no circumstances will a vesting date be extended beyond December 31 of the calendar year which is three years following the calendar year in which the service was performed in respect of which the particular award was made.

On each RSU vesting date, the Corporation will decide, in its sole discretion, whether to make all payments in respect of vested RSUs to the RSU Participant in cash, Common Shares issued from treasury or a combination thereof based on the fair market value of the Common Shares on such vesting date. For purposes of the LTIP, the fair market value of a Common Share is the weighted average trading price of the Common Shares on the Toronto Stock Exchange (“TSX”) for the five trading days immediately preceding the vesting date of the RSU.

If an RSU Participant is no longer eligible under the LTIP due to termination by the Corporation with cause or voluntary termination by the RSU Participant, all unvested RSUs previously credited to the participant’s account are terminated and forfeited as of the termination date. If an RSU Participant is no longer eligible under the LTIP due to termination by the Corporation without cause, death, total or permanent long-term disability or retirement, any unvested RSUs previously credited to the participant’s account will continue to vest in accordance with their terms or, at the discretion of the Board, be terminated and forfeited as of the termination date.

In the event the Corporation pays a dividend on the Common Shares subsequent to the granting of an RSU award, the number of RSUs relating to such award shall be increased to reflect the amount of the dividend.

Deferred Share Units

A “DSU Participant” is any director of the Corporation who has been designated by the Corporation for participation in the LTIP and who agrees to participate in the LTIP.

All DSUs awarded to a DSU Participant vest on the date on which the DSU Participant ceases to be a director of the Corporation.
On each DSU vesting date, the Corporation will decide, in its sole discretion, whether to make all payments in respect of vested DSUs to the DSU Participant in cash, Common Shares issued from treasury or a combination thereof based on the fair market value of the Common Shares as on such vesting date. For purposes of the LTIP, the fair market value of a Common Share is the weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding the vesting date of the DSU.

In the event the Corporation pays a dividend on the Common Shares subsequent to the granting of a DSU award, the number of DSUs relating to such award shall be increased to reflect the amount of the dividend.

Change of Control of the Corporation

In the event of a change of control of the Corporation, the Board will determine, in its sole discretion, the manner in which unvested Units granted under the LTIP will be treated. Without limiting the generality of the preceding sentence, the Board may, among other things, provide for (i) accelerated vesting of unvested Units, (ii) conversion of unvested Units into substitute awards for securities of any acquiror of the Corporation, or (iii) redemption of unvested Units for cash in an amount equal to the price per Common Share received by the Corporation’s shareholders in the event of a change of control.

Under the LTIP, a change of control may generally be triggered upon the occurrence of any one or more of the following events:

i any merger, business combination, consolidation, amalgamation, arrangement or similar transaction in which voting securities of the Corporation possessing more than fifty percent (50%) of the total combined voting power of the Corporation’s outstanding voting securities are transferred to a person or group of persons acting jointly or in concert different from the persons holding those securities immediately prior to such transaction;

ii any acquisition, directly or indirectly, by a person or group of persons acting jointly or in concert of beneficial ownership of voting securities of the Corporation possessing more than fifty percent (50%) of the total combined voting power of the Corporation’s outstanding securities;(iii) a transaction or event that results in the directors of the Corporation immediately prior to such transaction or event ceasing to constitute a majority of the Board following such transaction or event;

(iv) any sale, transfer or other disposition of all or substantially all of the assets of the Corporation in one or a series of related transactions;

(v) a liquidation, dissolution or winding-up of the Corporation; or

(vi) any transaction or series of transactions involving the Corporation or any of its affiliates that the Board in its discretion deems to be a change of control;

provided however, that a change of control shall not be deemed to have occurred if such change of control results solely from the issuance, in connection with a bona fide financing or series of financings by the Corporation, of voting securities of the Corporation or any rights or entitlements to acquire voting securities of the Corporation which are convertible into or exchangeable for voting securities. Notwithstanding the foregoing, the determination of “change of control” under any employment agreement between a LTIP participant and the Corporation shall be determined and administered separately from the LTIP.

Amendment, Modification, Suspension, and Termination
The Corporation may, without the approval of Shareholders:

(i) amend the LTIP or any RSUs or DSUs to:

   a) make amendments of a grammatical, typographical, clerical and administrative nature and any amendments required by a regulatory authority or to comply or conform with applicable laws;

   b) change vesting provisions of the LTIP or any Restricted Share Units or Deferred Share Units;

   c) make any other amendments of a non-material nature;

   d) make amendments to the definition of “DSU Participant” and/or “RSU Participant” or the eligibility requirements of participating in the LTIP, where such amendment would not have the potential of broadening or increasing insider participation;

   e) make amendments to the manner in which eligible participants may elect to participate in the LTIP;

   f) make any amendments to the provisions concerning the effect of the termination of a participant’s employment or services on such participant’s status under the LTIP; or

   g) make any amendment which is intended to facilitate the administration of the LTIP; or

(ii) suspend, terminate or discontinue the terms and conditions of the LTIP and the Restricted Share Units and Deferred Share Units granted under the LTIP by resolution of the Board, provided that:

   a) no such amendment to the LTIP shall cause the LTIP in respect of Restricted Share Units to cease to be a plan described in paragraph (k) of the definition of “salary deferral arrangement” in subsection 248(1) of the Income Tax Act (Canada) (the “ITA”) or any successor to such provision;

   b) no such amendment to the LTIP shall cause the LTIP in respect of Deferred Share Units to cease to be a plan described in regulation 6801(d) of the ITA or any successor to such provision; and

   c) any amendment shall be subject to the prior consent of any applicable regulatory bodies, including the TSX, as may be required.

Any amendment to the LTIP other than as described above shall require the approval of shareholders given by the affirmative vote of a simple majority of the Common Shares (or, where required, “disinterested” Shareholder approval) represented at a meeting of Shareholders at which a motion to approve the LTIP or an amendment to the LTIP is presented. Specific amendments requiring shareholder approval include:

(i) to increase the number of Common Shares reserved under the LTIP;
(ii) to change the definition of RSU Participants or DSU Participants or the eligibility requirements of participating in the LTIP, where such amendment would have the potential of broadening or increasing insider participation;

(iii) the extension of any right of a participant under the LTIP beyond the date on which such right would originally have expired;

(iv) to permit RSUs or DSUs to be transferred other than by testamentary disposition or in accordance with the laws governing the devolution of property in the event of death;

(v) to permit awards other than RSUs and DSUs under the LTIP; and

(vi) to amend the amendment provisions of the LTIP so as to increase the ability of the Board to amend the LTIP without shareholder approval.

Any amendment to the LTIP which changes the vesting provisions of the LTIP or any RSUs or DSUs, or any suspension, termination or discontinuance of the terms and conditions of the LTIP and the Restricted Share Units and Deferred Share Units granted under the LTIP, shall take effect only with respect to awards granted after the effective date of such amendment, provided that it may apply to any outstanding award with the mutual consent of the Corporation and the participants to whom such awards have been granted.

**TRANSFER RESTRICTIONS**

This prospectus does not cover the resale of Common Shares or awards acquired by participants under the LTIP. Executive officers of the Corporation (and owners of 10% or more of the Common Shares, or those otherwise in a position of control) may be deemed “affiliates” of the Corporation pursuant to Rule 144 under the Securities Act of 1933, as amended (the “Securities Act”). As such, such persons may resell shares and awards they receive under the LTIP only (i) pursuant to an effective registration statement and reoffer prospectus, (ii) subject to the limitations of Rule 144, or (iii) in a private transaction in compliance with the Securities Act. Any sale of Common Shares or awards is also subject to the additional restrictions discussed below.

**Restrictions Under the LTIP**

The interest of any participant in any Unit may not be transferred or assigned except by testamentary disposition or in accordance with the laws governing the devolution of property upon death.

**Restrictions Under the Corporation’s Insider Trading Policy**

Transactions by officers of the Corporation in Common Shares, whether the Common Shares were purchased or received by a grant from the Corporation, are subject to the Corporation’s insider trading policy. Participants should consult with counsel for the Corporation for more information about this policy.
MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of the U.S. federal income tax consequences of participating in the LTIP. This discussion does not address all aspects of the U.S. federal income tax consequences of participating in the LTIP that may be relevant to participants in light of their personal investment or tax circumstances and does not discuss any state, local or foreign tax consequences of participating in the LTIP. This section is based on the Internal Revenue Code (the “Code”), its legislative history, existing and proposed regulations under the Code, and published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis. Participants should consult their own tax advisors concerning the application of the U.S. federal income tax laws to their particular situations, as well as the applicability and effect of any state, local or foreign tax laws before taking any actions with respect to the following awards.

Restricted Share Units and Deferred Share Units

A participant generally will not be subject to tax upon the grant of an RSU or DSU. Upon vesting of the RSUs and DSUs, the fair market value of the Common Share covered by the award on the vesting date will be subject to employment taxes. Upon distribution of the cash and/or shares underlying the RSUs and DSUs, a participant will recognize as ordinary income an amount equal to the cash and/or fair market value (measured on the distribution date) of the shares received, and such amount is generally deductible by the Corporation. This amount of income will generally be subject to income tax withholding on the date of distribution. A participant’s basis in any Common Shares received will be equal to the fair market value of the shares on the date of distribution, and the participant’s holding period in such shares will begin on the day following the date of distribution.

Disposition of Plan Shares

Unless stated otherwise above, upon the subsequent disposition of Common Shares acquired under any of the preceding awards, a participant will recognize capital gain or loss based upon the difference between the amount realized on such disposition and a participant’s basis in the shares, and such amount will be long-term capital gain or loss if such shares were held for more than one year. Long-term capital gain is generally taxed at preferential rates.

Additional Medicare Tax

For taxable years beginning after December 31, 2012, a participant will also be subject to a 3.8% tax on the lesser of (i) the participant’s “net investment income” for the relevant taxable year and (ii) the excess of the participant’s modified adjusted gross income for the taxable year over a certain threshold (between $125,000 and $250,000, depending on the participant’s circumstances). Net investment income generally includes net gains from the disposition of Common Shares. Participants should consult their tax advisors regarding the applicability of this Medicare tax to their income and gains in respect of their investments in the Common Shares.
WHERE YOU CAN FIND MORE INFORMATION

We file with the securities commission or authority in each of the provinces of Canada, annual and quarterly reports, material change reports, and other information. You may access any of these filings electronically through the Canadian System for Electronic Document Analysis and Retrieval, available at http://www.sedar.com. The information on this website is not a part of this document.

We are subject to the information requirements of the Exchange Act, and, in accordance with the Exchange Act, we also file reports with and furnish other information to the Commission. Under the multijurisdictional disclosure system adopted by the United States, these reports and other information (including financial information) may be prepared, in part, in accordance with the disclosure requirements of Canada, which differ from those in the United States. You may read and copy any document we file at the Commission’s Public Reference Room at 100 F Street, N.E., Washington, D.C. Please call the Commission at 1-800-SEC-0330 for further information on the Public Reference Room. The Commission also maintains an Internet website that contains reports, proxy statements and other information about issuers, like the Corporation, that file electronically with the Commission. The address of that site is http://www.sec.gov. The Corporation’s Internet address is http://www.concordiarx.com. The information on these websites is not a part of this document.

INFORMATION INCORPORATED BY REFERENCE

In this prospectus, as permitted by law, we “incorporate by reference” information from other documents that we file with the Commission. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus and should be read with the same care. When we update the information contained in documents that have been incorporated by reference by making future filings with the Commission, the information incorporated by reference in this prospectus is considered to be automatically updated and superseded. In other words, in case of a conflict or inconsistency between information contained in this prospectus and information incorporated by reference into this prospectus, you should rely on the information contained in the document that was filed later.

We incorporate by reference in this prospectus the following information:

- our Registration Statement on Form 40-F, filed with the Commission on June 1, 2015, and as amended on June 23, 2015 (the “Form 40-F”); and

- the description of our securities contained in the Form 40-F filed with the Commission under Section 12(b) of the Exchange Act, including any amendment or report filed for the purposes of updating such description.

We also incorporate by reference each of the documents that we file with the Commission under Section 13(a), 13(c), 14, or 15(d) of the Exchange Act, and to the extent, if at all, designated therein, certain reports on Form 6-K furnished prior to the filing of a post-effective amendment to the Registration Statement on Form S-8 (of which this prospectus is a part), filed on February 12, 2016 (the “Form S-8”) that indicates that all securities offered under the Form S-8 have been sold or that deregisters all securities then remaining unsold.

You may request a copy of any of these filings, other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing, and copies of other documents required to be delivered to employees pursuant to Rule 428(b), at no cost, by writing to or telephoning us as follows:
LONG-TERM INCENTIVE PLAN

CONCORDIA HEALTHCARE CORP.
LONG TERM INCENTIVE PLAN

ARTICLE 1

1.1 Purpose, Plan Definitions and Interpretation

1.1.1 The purpose of this Plan (as defined below) is to advance the interests of Concordia (as defined below): (a) through the motivation, attraction and retention of key employees and directors of Concordia; (b) by aligning the interests of Participants (as defined below) with the interests of the shareholders of Concordia generally; and (c) by furnishing Participants with an additional incentive in their efforts on behalf of Concordia.

1.1.2 In this Plan, the following terms have the following meanings:

(a) “Account” means a Deferred Share Unit Account or a Restricted Share Unit Account, as applicable;

(b) “Applicable Law” includes, without limitation, all applicable securities, corporate, tax and other laws, rules, regulations, instruments, notices, blanket orders, decision documents, statements, circulars, procedures and policies including, without limitation, the policies, rules and by-laws of the Exchange;

(c) “Applicable Withholding Taxes” means any and all taxes and other source deductions or other amounts which Concordia is required by Applicable Law to withhold from any amounts paid or credited to a Participant under the Plan;

(d) “Award” means an award of Deferred Share Units and/or Restricted Share Units under this Plan;

(e) “Award Agreement” means the agreement in writing between Concordia and a Participant evidencing the terms and conditions under which an Award has been granted under this Plan;

(f) “Beneficiary” means, subject to Applicable Law, any person designated by a Participant to receive any amount payable under the Plan in the event of a Participant’s death or, failing designation, the Participant’s estate;

(g) “Blackout Period” means the period during which the relevant Participant is prohibited from trading in any securities of Concordia due to trading restrictions imposed by Concordia in accordance with its securities trading policies;

(h) “Board” means the board of directors of Concordia;

(i) “Change of Control” means the occurrence of any one or more of the following events:

(i) any merger, business combination, consolidation, amalgamation, arrangement or similar transaction in which voting securities of Concordia possessing more than fifty percent (50%) of the total combined voting power of Concordia’s outstanding voting securities are transferred to a person or group of persons acting jointly or in concert different from the persons holding those securities immediately prior to such transaction;

(ii) any acquisition, directly or indirectly, by a person or group of persons acting jointly or in concert of beneficial ownership of voting securities of Concordia possessing more than fifty percent (50%) of the total combined voting power of Concordia’s outstanding securities;
(iii) a transaction or event that results in the directors of Concordia immediately prior to such
transaction or event ceasing to constitute a majority of the Board following such
transaction or event;
(iv) any sale, transfer or other disposition of all or substantially all of the assets of Concordia
in one or a series of related transactions;
(v) a liquidation, dissolution or winding-up of Concordia; or
(vi) any transaction or series of transactions involving Concordia or any of its affiliates that
the Board in its discretion deems to be a Change of Control;

provided however, that a Change of Control shall not be deemed to have occurred if such Change
of Control results solely from the issuance, in connection with a bona fide financing or series of
financings by Concordia, of voting securities of Concordia or any rights or entitlements to acquire
voting securities of Concordia which are convertible into or exchangeable for voting securities.
Notwithstanding the foregoing, the determination of “Change of Control” under any employment
agreement between a Participant and Concordia shall be determined and administered separately
from this Plan;

“Compensation Committee” means the Human Resources and Compensation Committee or
similar committee of the Board;

“Concordia” means Concordia International Corp. and, where the context requires it, includes
its subsidiaries, affiliates, successors and assigns;

“Consultant” means a “service provider” as defined in the policies of the Exchange;

“Date of Grant” of a Unit means the date such Unit is granted to a Participant under the Plan, as
evidenced by an Award Agreement between Concordia and the Participant;

“Deferred Share Unit” or “DSU” means a unit designated as a “Deferred Share Unit”
representing the right to receive one Share in accordance with the terms set forth in the Plan;

“Deferred Share Unit Account” has the meaning set forth in Section 4.1.1;

“Disability” means, in respect of any Participant, the Participant’s inability, due to debilitating
physical incapacity, to substantially perform his or her duties and responsibilities as an employee
or director of the Corporation for 90 consecutive days or a total of 180 days in any consecutive 12-
month period;

“DSU Final Payment Date” means, with respect to a Deferred Share Unit granted to a DSU
Participant, December 31 of the calendar year following the calendar year in which the DSU
Termination Date occurred;

“DSU Gross Payment” has the meaning set forth in Section 4.3.2(b)(i);

“DSU Participant” means a Director of Concordia who has been designated by Concordia for
participation in the Plan and who has agreed to participate in the Plan and to whom Deferred Share
Units have or will be granted hereunder;

“DSU Termination Date” of a DSU Participant means, the day that the DSU Participant ceases to
be a director of Concordia for any reason including, without limiting the generality of the
foregoing, as a result of Retirement, death, voluntary or involuntary termination without cause, or
permanent disability;

“DSU Whole Shares” has the meaning set forth in Section 4.3.2(c)(i);

“Eligible Person” means an officer, director, employee or Consultant of Concordia;
“Exchange” means the Toronto Stock Exchange or, if the Shares are not then listed and posted for trading on the Toronto Stock Exchange, on such stock exchange in Canada or the United States on which such Shares are listed and posted for trading as may be selected for such purpose by the Board;

“Extension Period” has the meaning set forth in Section 3.2.2;

“Fair Market Value” means, with respect to a Share on any date, the weighted average trading price of the Shares on the Exchange for the five days on which Shares were traded immediately preceding that date; provided that if the Shares are not listed for trading on a stock exchange on such date, the Fair Market Value shall be the price per Share as the Board, acting in good faith, may determine;

“Insider” has the meaning given to that term in the Securities Act (Ontario), as amended from time to time, and shall include associates and affiliates of the Insider;

“ITA” means the Income Tax Act (Canada), R.S.C. 1985, c.1 (5th Supp.), including the regulations promulgated thereunder, as amended from time to time;

“Leave of Absence” means any period during which, pursuant to the prior written approval of Concordia or by reason of Disability, the Participant is considered to be on an approved leave of absence or on Disability and does not provide any services to Concordia;

“Outstanding Issue” is determined on the basis of the number of Shares that are outstanding immediately prior to the Share issuance in question;

“Participant” means a RSU Participant or a DSU Participant, as applicable;

“Participant Information” has the meaning set forth in Section 6.6.4(b);

“Plan” means this Long Term Incentive Plan, as the same may be amended or varied from time to time;

“Restricted Share Unit” or “RSU” means a unit designated as a “Restricted Share Unit” representing the right to receive one Share in accordance with the terms set forth in the Plan;

“Restricted Share Unit Account” has the meaning set forth in Section 3.1.1;

“Retirement” means the normal retirement of the Participant from employment with or from appointment as a director of Concordia or the early retirement of the Participant pursuant to any applicable retirement plan of Concordia, all as determined by the Board, acting reasonably;

“RSU Final Vesting Date” means, with respect to a Restricted Share Unit granted to a RSU Participant, December 31 of the calendar year which is three (3) years after the calendar year in which the service was performed in respect of which the particular Award was made;

“RSU Gross Payment” has the meaning set forth in Section 3.3.2(b)(i);

“RSU Participant” means an Eligible Person who has been designated by Concordia for participation in the Plan and who has agreed to participate in the Plan and to whom Restricted Share Units have or will be granted hereunder;

“RSU Participant Termination Date” of a RSU Participant means, where the Participant’s employment with or service to Concordia has been terminated, the Participant’s last day of active employment with or service to Concordia, regardless of the reason for the termination of employment or termination of services;

“RSU Vesting Date” means, with respect to a Restricted Share Unit granted to a RSU Participant, the date determined in accordance with Section 3.2;
In this Plan, unless the context requires otherwise, words importing the singular number may be construed to extend to and include the plural number, and words importing the plural number may be construed to extend to and include the singular number.

ARTICLE 2
GRANT OF UNITS

2.1 Grant of Units

2.1.1 Subject to the terms of the Plan, the Board may make grants of Deferred Share Units to DSU Participants and Restricted Share Units to RSU Participants in such number, at such times and on such terms and conditions, as the Board may, in its sole discretion, determine and thereafter Concordia shall provide an Award Agreement to each Participant; provided that:

(a) The maximum number of Shares which may be reserved and set aside for issue under this Plan in respect of Awards of Deferred Share Units to DSU Participants and for payments in respect of Awards of Restricted Share Units to RSU Participants shall not exceed 10% of the Shares issued and outstanding from time to time on a non-diluted basis, provided that the Board shall have the right, from time to time, to increase such percentage subject to the approval of shareholders of the Corporation and such regulatory authorities, stock exchanges or over-the-counter markets having jurisdiction over the affairs of the Corporation. For purposes of clarity, the maximum number of Shares reserved and set aside for issue under this Plan shall be inclusive of any Shares reserved for issuance pursuant to any other security based compensation arrangement of Concordia, including Concordia’s stock option plan;

(b) Shares that were the subject of Awards that have expired, been surrendered, lapsed, cancelled or terminated shall thereupon no longer be in reserve and may once again be subject to an Award granted under this Plan; and

(c) under no circumstances shall this Plan, together with all of Concordia’s other previously established or proposed stock options, restricted share units, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, result, at any time, in:
(i) the number of Shares reserved for issuance to Insiders at any time exceeding 10% of the Outstanding Issue;

(ii) the issuance to Insiders, within a one year period, of a number of Shares exceeding 10% of the Outstanding Issue; or

(iii) the issuance to any one Insider, within a one year period, of a number of Shares exceeding 5% of the Outstanding Issue.

2.1.2 Awards that are Restricted Share Units may only be granted to RSU Participants and Awards that are Deferred Share Units may only be granted to DSU Participants; provided that the participation in the Plan is voluntary. In determining the Participants to whom Awards may be granted and the number of Restricted Share Units and Deferred Share Units to be awarded pursuant to each Award, the Board may (but is not required to) take into account the following factors, as applicable:

(a) compensation data for comparable benchmark positions among Concordia’s competitors;

(b) the duties and seniority of the Participant;

(c) the performance of the Participant in the prior year relative to the performance measures of Concordia for the relevant performance period;

(d) individual and/or departmental contributions and potential contributions to the success of Concordia; and

(e) such other factors as the Board shall deem relevant in connection with accomplishing the purposes of the Plan.

2.1.3 The Board may at any time appoint the Compensation Committee to, among other things, interpret, administer and implement this Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. The Board will take such steps that in its opinion are required to ensure that the Compensation Committee has the necessary authority to fulfill its functions under this Plan.

2.1.4 All grants of Deferred Share Units and Restricted Share Units under this Plan will be evidenced by Award Agreements. Any one executive officer of Concordia is authorized and empowered to execute and deliver, for and on behalf of Concordia, an Award Agreement to each Participant.

2.2 Forfeited Units

2.2.1 For greater certainty, no Participant shall have any entitlement to receive any payment (whether in cash, Shares or otherwise) in respect of any Units which have been forfeited under this Plan, by way of damages, payment in lieu or otherwise.

ARTICLE 3
RESTRICTED SHARE UNITS

3.1 Restricted Share Unit Grants and Accounts

3.1.1 An Account, to be known as a “Restricted Share Unit Account”, shall be maintained by Concordia for each RSU Participant that has been granted Restricted Share Units. On each Date of Grant, the Restricted Share Unit Account will be credited with the Restricted Share Units granted to a RSU Participant on that date.

3.1.2 The establishment of the Plan in respect of Restricted Share Units shall be an unfunded obligation of Concordia. Neither the establishment of the Plan in respect of Restricted Share Units nor the grant of any Restricted Share Units or the setting aside of any funds by Concordia (if, in its sole discretion, it chooses to do so) shall be deemed to create a trust. Legal and equitable title to any funds set aside for the purposes of the Plan in respect of Restricted Share Units shall remain in Concordia and no RSU Participant shall have
any security or other interest in such funds. Any funds so set aside shall remain subject to the claims of creditors of Concordia present or future. Amounts payable to any RSU Participant under the Plan in respect of Restricted Share Units shall be a general, unsecured obligation of Concordia. The right of the RSU Participant or Beneficiary to receive payment pursuant to the Plan in respect of Restricted Share Units shall be no greater than the right of other unsecured creditors of Concordia.

3.2 Vesting

3.2.1 Subject to Sections 3.2.2 and 3.2.3 and unless otherwise approved by the Board and set forth in the applicable Award Agreement, a Restricted Share Unit granted under this Plan shall vest as follows:

(a) as to 33\(\frac{1}{3}\)% of the Restricted Share Units with respect to such Award, on the first anniversary of the Date of Grant;

(b) as to 33\(\frac{1}{3}\)% of the Restricted Share Units with respect to such Award, on the second anniversary of the Date of Grant;

(c) as to 33\(\frac{1}{3}\)% of the Restricted Share Units with respect to such Award, on the third anniversary of the Date of Grant;

provided; however, that all Restricted Share Units granted under a particular Award shall vest on or before the RSU Final Vesting Date for such Restricted Share Units.

3.2.2 Subject to Section 3.2.3, in the event that a RSU Vesting Date for a Restricted Share Unit granted under this Plan occurs within a Blackout Period or within five business days after a Blackout Period, the RSU Vesting Date for such Restricted Share Unit shall be ten business days after the date the Blackout Period ends (the “Extension Period”); provided that if an additional Blackout Period is subsequently imposed by Concordia during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Blackout Period to enable the RSU Vesting Date for such Restricted Share Unit to be ten business days after the end of the last imposed Blackout Period.

3.2.3 If any Applicable Law, including any law in respect of a Blackout Period, would apply at any particular time to prevent payment in respect of a Restricted Share Unit pursuant to Section 3.3.1 to be made on or before the RSU Final Vesting Date for such Restricted Share Unit, then the RSU Vesting Date for such Restricted Share Unit will be accelerated by the Board to ensure that such payment is made on or before the RSU Final Vesting Date for such Restricted Share Unit.

3.2.4 All Restricted Share Units recorded in a RSU Participant’s Restricted Share Unit Account which have vested in accordance with this Plan and which have not been forfeited hereunder by the Participant on the RSU Participant Termination Date are referred to herein as “Vested Restricted Share Units”.

3.2.5 For greater certainty, no RSU Participant nor any Beneficiary or other person claiming through a RSU Participant shall be entitled to any benefit hereunder in respect of any Restricted Share Units that are not Vested Restricted Share Units.

3.2.6 Notwithstanding anything else herein contained, Concordia may, in its discretion, at any time permit the acceleration of vesting of any or all Restricted Share Units, all in the manner and on the terms as may be authorized by the Board.

3.3 Payment in Respect of Restricted Share Units

3.3.1 Payment in respect of an Award of a Restricted Share Unit granted to a RSU Participant shall become payable on each RSU Vesting Date for such Restricted Share Unit in accordance with Section 3.3.2; provided, however that all payments under a particular Award shall be made on or before the RSU Final Vesting Date for such Restricted Share Unit.

3.3.2 On each RSU Vesting Date in respect of an Award of Restricted Share Units granted to a RSU Participant:
Concordia shall decide, in its sole discretion, to make all payments in respect of an Award of a Restricted Share Unit to a RSU Participant in cash, in Shares issued from treasury, or in a combination of cash and Shares issued from treasury, in the manner described in this Section 3.3.2;

where Concordia decides to make all payments in respect of an Award of a Restricted Share Unit to a RSU Participant in cash, Concordia shall pay to the RSU Participant a cash amount equal to the amount by which:

(i) the product that results by multiplying: (A) the number of Restricted Share Units credited to the RSU Participant’s Restricted Share Unit Account as at the RSU Vesting Date that are Vested Restricted Share Units; by (B) the Fair Market Value of a Share on the RSU Vesting Date (such amount referred to as the “RSU Gross Payment”); exceeds

(ii) all Applicable Withholding Taxes in respect of such payment;

where Concordia decides to make all payments in respect of an Award of a Restricted Share Unit to a RSU Participant in Shares issued from treasury, Concordia shall:

(i) determine the number of whole Shares that the RSU Participant has the right to receive under such Award (the “RSU Whole Shares”) as the quotient (rounded down to the nearest whole number) obtained by dividing: (A) the RSU Gross Payment; by (B) the Fair Market Value of a Share determined on the date of issuance; and

(ii) subject to Section 3.3.2(e), issue that number of Shares from treasury that is equal to the number of RSU Whole Shares determined under Section 3.3.2(c)(i);

where Concordia decides to make payments in respect of an Award of a Restricted Share Unit to a RSU Participant in a combination of cash and Shares issued from treasury, Concordia shall:

(i) issue from treasury a number of Shares not to exceed the number that would be issued if Section 3.3.2(c) applied; and

(ii) pay to the RSU Participant a cash amount equal to the amount by which the RSU Gross Payment exceeds the aggregate Fair Market Value on the date of issuance of the Shares issued from treasury, net of any Applicable Withholding Taxes; and

where Concordia decides to make any payments in respect of an Award of a Restricted Share Unit to a RSU Participant in Shares issued from treasury, Concordia shall have the right to withhold, or to require the RSU Participant to remit to Concordia in advance of the issue of such Shares, an amount sufficient to satisfy any Applicable Withholding Taxes. For greater certainty, Concordia may decide in its sole discretion to satisfy any Applicable Withholding Taxes by withholding from the Shares otherwise deliverable to the RSU Participant such number of Shares having a value, determined as of the date that the withholding tax obligation arises, equal to the amount of the total withholding tax obligation.

In the event of the acceleration of an Award of Restricted Share Units pursuant to Section 5.2.1(d), the payment provisions of this Section 3.3 shall apply.

**3.4 Dividends Paid on Shares**

Subject to Section 3.4.2, in the event Concordia pays a dividend on the Shares subsequent to the granting of an Award, the number of Restricted Share Units relating to such Award (that are not Vested Restricted Share Units) (the “Original RSU”) shall be increased by an amount equal to:

(a) the product of: (i) the aggregate number of Original RSUs held by the RSU Participant on the record date for such dividend; and (ii) the per Share amount of such dividend (or, in the case of
any dividend payable in property other than cash, the per Share fair market value of such property as determined by the Board), divided by

(b) the Fair Market Value of a Share calculated as of the date that is three days prior to the record date for the dividend.

3.4.2 In the event that Concordia pays a dividend on the Shares in additional Shares, the number of Original RSUs shall be increased by a number equal to the product of: (a) the aggregate number of Original RSUs held by the RSU Participant on the record date of such dividend; and (b) the number of Shares (including any fraction thereof) payable as a dividend on one Share, and in such circumstance the Participant’s Restricted Share Unit Account shall be credited to reflect such increase.

3.5 Termination of Employment or Leave of Absence

3.5.1 Subject to Section 3.2.1 and the provisions of any applicable Award Agreement, upon the RSU Participant ceasing to be an Eligible Person due to involuntary termination with cause or voluntary termination by the RSU Participant, all Restricted Share Units previously credited to such RSU Participant’s Restricted Share Unit Account which did not become Vested Restricted Share Units on or prior to the RSU Participant Termination Date shall be terminated and forfeited as of the RSU Participant Termination Date.

3.5.2 Upon the RSU Participant ceasing to be an Eligible Person by reason of involuntary termination without cause, death, total or permanent long-term disability (as reasonably determined by the Board) or Retirement of the RSU Participant, any Restricted Share Units previously credited to such RSU Participant’s Restricted Share Unit Account which did not become Vested Restricted Share Units on or prior to the RSU Participant Termination Date, shall continue to vest in accordance with their terms and pursuant to Section 3.2.1 or, at the discretion of the Board, be terminated and forfeited as of the RSU Participant Termination Date.

3.5.3 Upon a RSU Participant commencing a Leave of Absence, unless otherwise determined by the Board in its sole discretion, any Restricted Share Units previously credited to such RSU Participant’s Restricted Share Unit Account shall continue to vest in accordance with their terms pursuant to Section 3.2.1.

3.5.4 If the relationship of the RSU Participant with Concordia is terminated for any reason prior to the vesting of the Restricted Share Units, whether or not such termination is with or without notice, adequate notice or legal notice or is with or without legal or just cause, the RSU Participant’s rights shall be strictly limited to those provided for in this Section 3.5, or as otherwise provided in the applicable Award Agreement between the RSU Participant and Concordia. Unless otherwise specifically agreed to in writing by Concordia, the RSU Participant shall have no claim to, or in respect of, any Restricted Share Units which may have or would have vested had due notice of termination of employment been given, nor shall the RSU Participant have any entitlement to damages or other compensation or any claim for wrongful termination or dismissal in respect of any Restricted Share Units or loss of profit or opportunity which may have or would have vested or accrued to the RSU Participant if such wrongful termination or dismissal had not occurred or if due notice of termination had been given. This provision shall be without prejudice to the RSU Participant’s rights to seek compensation for lost employment income or lost employment benefits (other than those accruing under or in respect of the Plan and any Restricted Share Units) in the event of any alleged wrongful termination or dismissal.

ARTICLE 4
DEFERRED SHARE UNITS

4.1 Deferred Share Unit Grants and Accounts

4.1.1 An Account, to be known as a “Deferred Share Unit Account”, shall be maintained by Concordia for each DSU Participant that has been granted Deferred Share Units. On each Date of Grant, the Deferred Share Unit Account will be credited with the Deferred Share Units granted to a DSU Participant on that date.

4.1.2 The establishment of the Plan in respect of Deferred Share Units shall be an unfunded obligation of Concordia. Neither the establishment of the Plan in respect of Deferred Share Units nor the grant of any Deferred Share Units or the setting aside of any funds by Concordia (if, in its sole discretion, it chooses to
do so) shall be deemed to create a trust. Legal and equitable title to any funds set aside for the purposes of
the Plan in respect of Deferred Share Units shall remain in Concordia and no DSU Participant shall have
any security or other interest in such funds. Any funds so set aside shall remain subject to the claims of
creditors of Concordia present or future. Amounts payable to any DSU Participant under the Plan in respect
of Deferred Share Units shall be a general, unsecured obligation of Concordia. The right of the DSU
Participant or Beneficiary to receive payment pursuant to the Plan in respect of Deferred Share Units shall
be no greater than the right of other unsecured creditors of Concordia.

4.2 Vesting

4.2.1 All Deferred Share Units recorded in a DSU Participant’s Deferred Share Unit Account shall vest on the
DSU Participant’s DSU Termination Date and shall be referred to herein as “Vested Deferred Share
Units” as of that date, unless otherwise determined by the Board in its sole discretion.

4.2.2 DSU Participants will not have any right to receive any benefit under the Plan in respect of a Deferred
Share Unit until the DSU Termination Date.

4.3 Payment in Respect of Deferred Share Units

4.3.1 Payment in respect of an Award of a Deferred Share Unit granted to a DSU Participant shall become
payable on the DSU Termination Date of the DSU Participant in the amount and in the manner referred to
in Section 4.3.2. All payments to be made by Concordia in respect of a Deferred Share Unit in Shares
issued from treasury shall occur on the DSU Termination Date and all payments to be made by Concordia
in respect of a Deferred Share Unit in cash shall occur on or before the DSU Final Payment Date for such
Deferred Share Unit. Notwithstanding the foregoing, any payment in cash in respect to an award of a
Deferred Share Unit granted to a U.S. Participant shall be paid as soon as practicable following the DSU
Termination Date, but in no case later than the DSU Final Payment Date (which in such cases the definition
of DSU Final Payment Date shall be read to substitute “December 31” with “March 15”).

4.3.2 On the DSU Termination Date in respect of an Award of Deferred Share Units granted to a DSU
Participant:

(a) Concordia shall decide, in its sole discretion, to make all payments in respect of an Award of a
Deferred Share Unit to a DSU Participant in cash, in Shares issued from treasury, or in a
combination of cash and Shares issued from treasury, in the manner described in this Section
4.3.2;

(b) where Concordia decides to make all payments in respect of an Award of a Deferred Share Unit to
a DSU Participant in cash, Concordia shall pay to the DSU Participant a cash amount equal to the
amount by which:

(i) the product that results by multiplying: (A) the number of Deferred Share Units credited
to the DSU Participant’s Deferred Share Unit Account as at the DSU Termination Date
that are Vested Deferred Share Units; by (B) the Fair Market Value of a Share on the
DSU Termination Date (such amount referred to as the “DSU Gross Payment”); exceeds

(ii) all Applicable Withholding Taxes in respect of such payment;

(c) where Concordia decides to make all payments in respect of an Award of a Deferred Share Unit to
a DSU Participant in Shares issued from treasury, Concordia shall:

(i) determine the number of whole Shares that the DSU Participant has the right to receive
under such Award (the “DSU Whole Shares”) as the quotient (rounded down to the
nearest whole number) obtained by dividing: (A) the DSU Gross Payment; by (B) the
Fair Market Value of a Share determined on the date of issuance; and

(ii) subject to Section 4.3.2(e), issue that number of Shares from treasury that is equal to the
number of DSU Whole Shares determined under Section 4.3.2(c)(i);
(d) where Concordia decides to make payments in respect of an Award of a Deferred Share Unit to a DSU Participant in a combination of cash and Shares issued from treasury, Concordia shall:

(i) issue from treasury a number of Shares not to exceed the number that would be issued if Section 4.3.2(c) applied; and

(ii) pay to the DSU Participant a cash amount equal to the amount by which the DSU Gross Payment exceeds the aggregate Fair Market Value on the date of issuance of the Shares issued from treasury, net of any Applicable Withholding Taxes; and

(e) where Concordia decides to make any payments in respect of an Award of a Deferred Share Unit to a DSU Participant in Shares issued from treasury, Concordia shall have the right to withhold, or to require the DSU Participant to remit to Concordia in advance of the issuance of such Shares, an amount sufficient to satisfy any Applicable Withholding Taxes. For greater certainty, Concordia may decide in its sole discretion to satisfy any Applicable Withholding Taxes by withholding from the Shares otherwise deliverable to the DSU Participant such number of Shares having a value, determined as of the date that the withholding tax obligation arises, equal to the amount of the total withholding tax obligation.

4.3.3 In the event of the acceleration of an Award of Deferred Share Units pursuant to Section 5.2.1(d), the payment provisions of this Section 4.3 shall apply.

4.3.4 For greater certainty, no amount will be paid to, or in respect of, a DSU Participant under the Plan or pursuant to any other arrangement, and no other Deferred Share Units will be granted to such DSU Participant to compensate for a reduction in the fair market value of a Share, nor will any other form of benefit be conferred upon, or in respect of, a DSU Participant for such purpose.

4.4 Dividends Paid on Shares

4.4.1 Subject to Section 4.4.2, in the event Concordia pays a dividend on the Shares subsequent to the granting of an Award, the number of Deferred Share Units relating to such Award (that are not Vested Deferred Share Units) (the “Original DSU”) shall be increased by an amount equal to:

(a) the product of: (i) the aggregate number of Original DSUs held by the DSU Participant on the record date for such dividend; and (ii) the per Share amount of such dividend (or, in the case of any dividend payable in property other than cash, the per Share fair market value of such property as determined by the Board); divided by

(b) the Fair Market Value of a Share calculated as of the date that is three days prior to the record date for the dividend.

4.4.2 In the event that Concordia pays a dividend on the Shares in additional Shares, the number of Original DSUs shall be increased by a number equal to the product of: (a) the aggregate number of Original DSUs held by the DSU Participant on the record date of such dividend; and (b) the number of Shares (including any fraction thereof) payable as a dividend on one Share, and in such circumstance the Participant’s Deferred Share Unit Account shall be credited to reflect such increase.

ARTICLE 5
ADJUSTMENTS AND CHANGE OF CONTROL

5.1 Adjustments

5.1.1 Appropriate adjustments to this Plan and to Awards shall be made, and shall be conclusively determined, by the Board to give effect to adjustments in the number of Shares resulting from subdivisions, consolidations, substitutions, reorganizations or reclassifications of the Shares, or changes in the capital of Concordia (including any such changes resulting from a Change of Control). Any dispute that arises at any time with respect to any such adjustment will be conclusively determined by the Board, and any such determination will be binding on Concordia, the Participant and all other affected parties.
5.2 Change of Control

5.2.1 In the event of a Change of Control or proposed Change of Control:

(a) the Board shall, in an appropriate and equitable manner, determine any adjustment to the number and type of Shares (or other securities or other property) that thereafter shall be made the subject of and issuable as payment under Awards;

(b) the Board shall, in an appropriate and equitable manner, determine the number and type of Shares (or other securities or other property) subject to and issuable as payment under outstanding Awards;

(c) the Board shall, in an appropriate and equitable manner, determine the acquisition price with respect to settlement or payment of any Award; provided, however, that the number of Shares covered by any Award or to which such Award relates shall always be a whole number;

(d) the Board shall, in its sole discretion, determine the manner in which all unvested Awards granted under this Plan will be treated including, without limitation, requiring the acceleration of the time for the vesting of such Awards by the Participants and the time for the expiry of such Awards;

(e) the Board or any company which is or would be the successor to Concordia or which may issue securities in exchange for Shares upon the occurrence of a Change of Control may offer any Participant the opportunity to obtain a new or replacement award for securities into which the Shares are changed or are convertible or exchangeable, on a basis proportionate to the number of Shares issuable under the Award (and otherwise substantially upon the terms of the Award being replaced, or upon terms no less favourable to the Participant) including, without limitation, the periods during which the Award may be exercised and expiry dates; and in such event, the Participant shall, if he or she accepts such offer, be deemed to have released his or her Award and such Award shall be deemed to have lapsed and be cancelled; and

(f) the Board may convert or exchange for or into any other security or any other property or cash, any Award that is still capable of being exercised, upon giving to the Participant to whom such Award has been granted at least 30 days’ written notice of its intention to convert or exchange such Award, and during such period of notice, the Award, to the extent it has not been exercised, may be exercised by the Participant without regard to any vesting conditions attached thereto, and on the expiry of such period of notice, the unexercised portion of the Award shall lapse and be cancelled.

Subsections (a) through (f) of this Section 5.2.1 may be utilized independently of, successively with, or in combination with each other and Section 5.1.1 and nothing therein contained shall be construed as limiting or affecting the ability of the Board to deal with Awards in any other manner. All determinations by the Board under this Article 5 will be final, binding and conclusive for all purposes.

5.2.2 The Board may, in its sole discretion, cancel any or all outstanding Awards and pay to the holders of any such Awards, in cash, the value of such Awards based upon the price per Share received or to be received by other shareholders of the Concordia in the event of a Change of Control.

5.2.3 The grant of any Awards under this Plan will in no way affect Concordia’s right to adjust, reclassify, reorganize or otherwise change or exchange its capital or change its business structure, to complete a Change of Control or to merge, amalgamate, reorganize, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets or engage in any like transaction.

5.2.4 No adjustment or substitution provided for in this Article 5 will require Concordia to issue a fractional share in respect of any Awards and the total substitution or adjustment with respect to each Award will be limited accordingly.
ARTICLE 6
ADMINISTRATION

6.1 Administration

6.1.1 The Plan shall be administered by Concordia in accordance with the provisions hereof. All costs and expenses of administering the Plan will be paid by Concordia. Concordia may, from time to time, establish administrative rules and regulations and prescribe forms or documents relating to the operation of the Plan as it may deem necessary to implement or further the purpose of the Plan and amend or repeal such rules and regulations or forms or documents. In administering the Plan, the Board or the Compensation Committee may seek recommendations from the Chairman, Chief Executive Officer or Chief Financial Officer of Concordia or such other advisors as they deem appropriate. The Board may also delegate to the Compensation Committee or any director, officer or employee of Concordia such duties and powers relating to the Plan as it may see fit. Concordia may also appoint or engage a trustee, custodian or administrator to administer or implement the Plan.

6.1.2 Concordia shall keep or cause to be kept such records and accounts as may be necessary or appropriate in connection with the administration of the Plan and the discharge of its duties. At such times as Concordia shall determine, Concordia shall furnish the Participant with a statement setting forth the details of his or her Units including Date of Grant and the Vested Units held by each Participant.

6.1.3 (a) Any notice, statement, certificate or other instrument required or permitted to be given to a Participant or any person claiming or deriving any rights through him or her shall be given by:

(i) delivering it personally to the Participant or to the person claiming or deriving rights through him or her, as the case may be;

(ii) other than in the case of a delivery of Shares, sending it to the Participant via facsimile or similar means of electronic transmission to the facsimile or e-mail address which is maintained for the Participant in Concordia’s personnel records; or

(iii) mailing it postage paid (provided that the postal service is then in operation) or delivering it to the address which is maintained for the Participant in Concordia’s personnel records.

(b) Any notice, statement, certificate or other instrument required or permitted to be given to Concordia shall be given by mailing it postage paid (provided that the postal service is then in operation), delivering it to Concordia at its principal address, or (other than in the case of a payment) sending it by means of facsimile or similar means of electronic transmission, to the attention of the Chief Financial Officer of Concordia.

(c) Any notice, statement, certificate or other instrument referred to in Section 6.1.3(a) or 6.1.3(b), if delivered, shall be deemed to have been given or delivered on the date on which it was delivered, if mailed (provided that the postal service is then in operation), shall be deemed to have been given or delivered on the third business day following the date on which it was mailed and if by facsimile or similar means of electronic transmission, on the next business day following transmission.

6.2 Amendments

6.2.1 Concordia retains the right without shareholder approval (i) to amend the Plan or any Restricted Share Units or Deferred Share Units from time to time to (A) make amendments of a grammatical, typographical, clerical and administrative nature and any amendments required by a regulatory authority or to comply or conform with Applicable Laws, (B) change vesting provisions of the Plan or any Restricted Share Units or Deferred Share Units, (C) make any other amendments of a non-material nature, (D) make amendments to the definition of “DSU Participant” and/or “RSU Participant” or the eligibility requirements of participating in this Plan, where such amendment would not have the potential of broadening or increasing Insider participation, (E) make amendments to the manner in which Participants may elect to participate in the Plan, (F) make any amendments to the provisions concerning the effect of the termination of a Participant’s
employment or services on such Participant’s status under this Plan, or (G) make any amendment which is intended to facilitate the administration of this Plan; or (ii) to suspend, terminate or discontinue the terms and conditions of the Plan and the Restricted Share Units and Deferred Share Units granted hereunder by resolution of the Board, provided that:

(a) no such amendment to the Plan shall cause the Plan in respect of Restricted Share Units to cease to be a plan described in paragraph (k) of the definition of “salary deferral arrangement” in subsection 248(1) of the ITA or any successor to such provision;

(b) no such amendment to the Plan shall cause the Plan in respect of Deferred Share Units to cease to be a plan described in regulation 6801(d) of the ITA or any successor to such provision; and

(c) any amendment shall be subject to the prior consent of any applicable regulatory bodies, including the Exchange, as may be required.

6.2.2 Any amendment to the Plan made in accordance with Section 6.2.1(i)(B) or 6.2.1(ii) shall take effect only with respect to Awards granted after the effective date of such amendment, provided that it may apply to any outstanding Award with the mutual consent of Concordia and the Participants to whom such Awards have been granted.

6.2.3 Any amendment to the Plan other than as described in Section 6.2.1 shall require the approval of the shareholders of Concordia given by the affirmative vote of a simple majority of the common shares (or, where required, “disinterested” shareholder approval) represented at a meeting of the shareholders of Concordia at which a motion to approve the Plan or an amendment to the Plan is presented. Specific amendments requiring shareholder approval include:

(a) to increase the number of Shares reserved under the Plan;

(b) to change the definition of RSU Participants or DSU Participants or the eligibility requirements of participating in this Plan, where such amendment would have the potential of broadening or increasing Insider participation;

(c) the extension of any right of a Participant under this Plan beyond the date on which such right would originally have expired;

(d) to permit RSUs or DSUs to be transferred other than by testamentary disposition or in accordance with the laws governing the devolution of property in the event of death;

(e) to permit awards other than RSUs and DSUs under the Plan; and

(f) to amend this Section 6.2.3 so as to increase the ability of the Board to amend the Plan without shareholder approval.

6.3 Currency

6.3.1 All payments and benefits under the Plan shall be determined and paid in the lawful currency of Canada.

6.4 Beneficiaries and Claims for Benefits

6.4.1 Subject to the requirements of Applicable Law, a Participant shall designate in writing a Beneficiary to receive any benefits that are payable under the Plan upon the death of such Participant. The Participant may, subject to Applicable Law, change such designation from time to time. Such designation or change shall be in such form and executed and filed in such manner as the Board may from time to time determine.

6.5 Representations and Covenants of Participants

6.5.1 Each Award Agreement will contain representations and covenants of the Participant that:

(a) in respect of a RSU Participant, the RSU Participant is an Eligible Person;
in respect of a DSU Participant, the DSU Participant is a Director;

(c) the Participant has not been induced to enter into such Award Agreement by the expectation of employment or continued employment or appointment or continued appointment with Concordia;

(d) the Participant is aware that the grant of the Award is exempt from the obligation under applicable securities laws to file a prospectus or other registration document qualifying the distribution of the Shares to be distributed thereunder under any applicable securities laws and that any Shares issued under the Plan or an Award may contain required restrictive legends; and

(e) upon vesting of an Award which is settled in Shares, the Participant or their legal representative, as the case may be, will prior to and upon any sale or disposition of any Shares received pursuant to an Award, comply with all Applicable Law.

6.6 General

6.6.1 The transfer of an employee within Concordia shall not be considered a termination of employment for the purposes of the Plan, so long as such Participant continues to be a director or employee of Concordia.

6.6.2 The determination by the Board of any question which may arise as to the interpretation or implementation of the Plan or any of the Units granted hereunder shall be final and binding on all Participants and other persons claiming or deriving rights through any of them.

6.6.3 The Plan shall enure to the benefit of and be binding upon Concordia and its successors and assigns. The interest of any Participant under the Plan in any Unit shall not be transferable or alienable by the Participant either by pledge, assignment or in any other manner whatsoever, otherwise than by testamentary disposition or in accordance with the laws governing the devolution of property in the event of death; and after the Participant’s lifetime shall enure to the benefit of and be binding upon the Participant’s Beneficiary.

6.6.4

(a) Concordia’s grant of any Units hereunder is subject to compliance with Applicable Law.

(b) As a condition of participating in the Plan, each Participant agrees to comply with all such Applicable Law and agrees to furnish to Concordia all information and undertakings as may be required to permit compliance with such Applicable Law. Each Participant shall provide the Board with all information (including personal information) the Board requires in order to administer the Plan (the “Participant Information”).

(c) Concordia may, without amending the Plan, modify the terms of Restricted Share Units and Deferred Share Units granted to Participants who provide services to Concordia from outside of Canada in order to comply with the Applicable Law of such foreign jurisdictions. Any such modification to the terms of Restricted Share Units or Deferred Share Units with respect to a particular Participant shall be reflected in the Award Agreement for such Participant.

(d) The terms of the Plan and Restricted Share Units and Deferred Share Units granted hereunder to Participants subject to taxation on employment income under the United States Internal Revenue Code of 1986, as amended, shall be determined by taking into consideration the provisions applicable to such persons as set forth in Schedule “A” hereto.

(e) The Board may from time to time transfer or provide access to Participant Information to a third party service provider for purposes of the administration of the Plan provided that such service providers will be provided with such information for the sole purpose of providing services to the Board in connection with the operation and administration of the Plan. The Board may also transfer and provide access to Participant Information to Concordia for purposes of preparing financial statements or other necessary reports and facilitating payment or reimbursement of Plan expenses. By participating in the Plan, each Participant acknowledges that Participant Information
may be so provided and agrees and consents to its provision on the terms set forth herein. Concordia shall not disclose Participant Information except (i) as contemplated above in this Section 6.6.4(e) and in Section 6.6.8, (ii) in response to regulatory filings or other requirements for the information by a governmental authority or regulatory body, or (iii) for the purpose of complying with a subpoena, warrant or other order by a court, person or body having jurisdiction over Concordia to compel production of the information.

6.6.5 Nothing herein or otherwise shall be construed so as to confer on any Participant any rights as a shareholder of Concordia with respect to any Shares reserved for the purpose of any Award, including for greater certainty, no Award shall confer any entitlement as to dividends (except as set forth herein) or voting rights on a Participant.

6.6.6 Neither designation as a Participant nor the grant of any Units to any Participant entitles any Participant to any additional grant of any Units under the Plan. Neither the Plan nor any action taken hereunder shall interfere with the right of Concordia to terminate a Participant’s employment, if applicable, at any time. Neither any period of notice, if any, nor any payment in lieu thereof, upon termination of employment shall be considered as extending the period of employment for the purposes of the Plan.

6.6.7 Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect any person’s relationship with Concordia.

6.6.8 By participating in the Plan, the Participant agrees, acknowledges and consents to:

(a) the disclosure to Concordia and applicable directors, officers, employees, Consultants, representatives and agents of Concordia, the Exchange and all tax, securities and other regulatory authorities of all Participant Information; and

(b) the collection, use and disclosure of such personal information by the persons described in (a) above of all Participant Information in accordance with their requirements, including the provision to third party service providers, from time to time.

6.6.9 Nothing contained in this Plan will restrict or limit or be deemed to restrict or limit the right or power of the Board in connection with any allotment and issuance of Shares which are not allotted and issued under this Plan including, without limitation, with respect to other compensation or incentive arrangements.

6.6.10 This Plan is established under the laws of the Province of Ontario and the rights of all parties and the construction of each and every provision of the Plan and any Units granted hereunder shall be construed according to the laws of the Province of Ontario.

ARTICLE 7
UNITED STATES SECURITIES LAWS
(U.S. PARTICIPANTS)

7.1.1 Neither the Units, which may be granted pursuant to the provisions of the Plan, nor the Shares which may be received pursuant to the vesting of Units have been registered under the U.S. Securities Act or under any securities law of any state of the United States, unless Concordia has made a determination to register such Shares or Units. Accordingly, any Participant who is or becomes a U.S. Participant, who is granted Units in the United States, who is a resident of the United States or who is otherwise subject to the U.S. Securities Act or the securities laws of any state of the United States shall by acceptance of the Units be deemed to represent, warrant, acknowledge and agree that:

(a) the Participant is receiving the Units and any Shares upon the vesting of such Units as principal and for the account of the Participant;

(b) in granting the Units and issuing the Shares to the Participant upon the vesting of such Units, Concordia is relying on the representations and warranties of the Participant contained in this Plan relating to the Units to support the conclusion of Concordia that the granting of the Units and the
issue of Shares upon the vesting of such Units do not require registration under the U.S. Securities Act or to be qualified under the securities laws of any state of the United States;

(c) each certificate representing shares issued upon the vesting of such Units to a U.S. Participant shall bear the following legends:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE COMPANY. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”

provided that if such Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act the foregoing legends may be removed by providing a written declaration by the holder to the registrar and transfer agent for the Shares to the following effect:

“[The undersigned (A) acknowledges that the sale of common shares represented by Certificate Number(s) , to which this declaration relates, is being made in reliance on Rule 904 of Regulation S (“Regulation S”) under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), and (B) certifies that (1) the undersigned is not an “affiliate” (as defined in Rule 405 under the U.S. Securities Act) of the Company or a “distributor”, as defined in Regulation S, or an affiliate of a “distributor”; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of a “designated offshore securities market” within the meaning of Rule 902(b) of Regulation S under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any person acting on its behalf engaged in any directed selling efforts in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of “washing off” the resale restrictions imposed because the securities are “restricted securities” (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S under the U.S. Securities Act with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or a scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings as used in Regulation S.”;

(d) other than as contemplated by subsection (c) of this Section 7.1.1, prior to making any disposition of any Shares acquired pursuant to the vesting of such Units which might be subject to the requirements of the U.S. Securities Act, the U.S. Participant shall give written notice to Concordia describing the manner of the proposed disposition and containing such other information as is necessary to enable counsel for Concordia to determine whether registration under the U.S. Securities Act or qualification under any securities laws of any state of the United States is
required in connection with the proposed disposition and whether the proposed disposition is otherwise in compliance with such legislation and the regulations thereto;

(e) other than as contemplated by subsection (c) of this Section 7.1.1, the U.S. Participant will not attempt to effect any disposition of the Shares owned by the U.S. Participant and acquired pursuant to the vesting of such Units or of any interest therein which might be subject to the requirements of the U.S. Securities Act in the absence of an effective registration statement relating thereto under the U.S. Securities Act or an opinion of counsel satisfactory in form and substance to counsel for Concordia that such disposition would not constitute a violation of the U.S. Securities Act or any securities laws of any state of the United States and then will only dispose of such Shares in the manner so proposed;

(f) Concordia may place a notation on the records of Concordia to the effect that none of the Shares received by the U.S. Participant pursuant to the vesting of such Units shall be transferred unless the provisions of the Plan have been complied with; and

(g) the effect of these restrictions on the disposition of the Shares received by the U.S. Participant pursuant to the vesting of such Units is such that the U.S. Participant may not be able to sell or otherwise dispose of such Shares for a considerable length of time in a transaction which is subject to the provisions of the U.S. Securities Act other than as contemplated by subsection (c) of this Section 7.1.1.
Schedule A
Special Provisions Applicable to Participants Subject to Section 409A of the United States Internal Revenue Code

This schedule sets forth special provisions of the Plan that apply to Participants subject to section 409A of the United States Internal Revenue Code of 1986, as amended. Terms defined in the Plan and used herein shall have the meanings set forth in the Plan, as amended from time to time.

1. Definitions

1.1 In this Schedule, the following terms have the following meanings:

(a) "Code" means the United States Internal Revenue Code of 1986, as amended, and any applicable United States Treasury Regulations and other binding regulatory guidance thereunder;

(b) "Section 409A" means section 409A of the Code;

(c) "Separation From Service" shall mean the separation from service with Concordia within the meaning of U.S. Treas. Regs. § 1.409A-1(h). Whether a Separation From Service has occurred is determined based on whether the facts and circumstances indicate that Concordia and the Participant reasonably anticipated that no further services would be performed after a certain date or that the level of bona fide services the Participant would perform after such date (whether as an employee or independent contractor) would permanently decrease to no more than twenty percent (20%) of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding thirty six (36) month period (or the full period of services to Concordia if the Participant has been providing services to Concordia less than thirty six (36) months). Separation from service shall not be deemed to occur while the Participant is on military leave, sick leave or other bona fide leave of absence if the period does not exceed six (6) months or, if longer, so long as the Participant retains a right to reemployment with Concordia under an applicable statute or by contract. For this purpose, a leave is bona fide only if, and so long as, there is a reasonable expectation that the Participant will return to perform services for Concordia. Notwithstanding the foregoing, a twenty-nine (29) month period of absence will be substituted for such six (6) month period if the leave is due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of no less than six (6) months and that causes the Participant to be unable to perform the duties of his or her position of employment. For this purpose, “Concordia” includes all entities that would be considered a single employer for purposes of U.S. Treasury Regulations; provided that, in applying those regulations, the language “at least 50 percent” shall be used instead of “at least 80 percent” each place it appears therein. A director may have a Separation From Service upon resignation as a director even if the director then becomes an officer or employee of Concordia;

(d) "Specified Employee" means a US Taxpayer who meets the definition of “specified employee” as defined in Section 409A(a)(2)(B)(i) of the Code; and

(e) "US Taxpayer" means a Participant whose compensation from Concordia is subject to Section 409A.

2. Compliance with Section 409A

2.1 Notwithstanding any provision of the Plan to the contrary, it is intended that any payments under the Plan either be exempt from or comply with Section 409A, and all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Each payment made in respect of Restricted Share Units and Deferred Share Units shall be deemed to be a separate payment for purposes of Section 409A. Each US Taxpayer is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such US Taxpayer in connection with the Plan (including any taxes and penalties under Section 409A), and neither
Concordia nor any of its subsidiaries shall have any obligation to indemnify or otherwise hold such US Taxpayer (or any beneficiary) harmless from any or all of such taxes or penalties.

2.2 Solely to the extent required by Section 409A, any payment which is subject to Section 409A shall comply with the following:

(a) a payment which becomes payable on account of a DSU Termination Date or an RSU Participant Termination Date (for any reason, whether or not such termination is voluntary or involuntary, with or without notice, adequate notice or legal notice or is with or without legal or just cause or on account of Retirement, death or permanent disability) shall be payable by reason of such circumstance only if the circumstance is a Separation From Service; and if such payment has become payable on account of a Separation From Service to any employee who is determined to be a Specified Employee, such payment shall not be paid before the date which is six months after such Specified Employee’s Separation From Service (or, if earlier, the date of death of such Specified Employee). Following any applicable six month delay of payment, all such delayed payments shall be made to the Specified Employee in a lump sum on the earliest possible payment date;

(b) a payment which becomes payable on account of a Change of Control shall not be payable by reason of such circumstance unless the circumstance is a “change in ownership,” change in effective control,” or “change in ownership of a substantial portion of assets” as defined under Section 409A (hereinafter, a “409A Change of Control”); and

(c) a payment which is scheduled to become payable on account of an RSU Vesting Date or other specified date shall not be accelerated on account of accelerated vesting or other intervening payment event unless such event itself qualifies as a Separation From Service, a 409A Change of Control or other payment event expressly permitted under Section 409A.

2.3 A US Taxpayer shall be required to pay to Concordia, and Concordia shall have the right and is hereby authorized to withhold, from any cash or other compensation payable under the Plan, or from any other compensation or amounts owing to the US Taxpayer, the amount of any required Applicable Withholding Taxes in respect of amounts paid under the Plan and to take such other action as may be necessary in the opinion of Concordia to satisfy all obligations for the payment of such withholding and taxes.

3. Amendment of Schedule

3.1 Notwithstanding Section 6.2 of the Plan, the Board shall retain the power and authority to amend or modify this schedule to the extent the Board in its sole discretion deems necessary or advisable to comply with any guidance issued under Section 409A. Such amendments may be made without the approval of any US Taxpayer.
STOCK OPTION PLAN

This prospectus relates to the offer and sale from time to time of common shares (the “Common Shares”) in the capital of Concordia International Corp. (the “Corporation”), or options to purchase Common Shares (“Options”), to eligible employees of the Corporation and its subsidiaries pursuant to the Corporation’s Stock Option Plan (the “Stock Option Plan”). Our Common Shares are listed on the Toronto Stock Exchange and NASDAQ under the symbols “CXR” and “CXRX,” respectively.

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This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933. These securities have not been approved or disapproved by the Securities and Exchange Commission (the “Commission”) nor has the Commission passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

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You should rely only on the information contained in this prospectus together with any supplement or addendum that may be provided to you. We have not authorized anyone to provide you with additional or different information. We are making offers to sell, and seeking offers to buy, Common Shares only in jurisdictions where such offers and sales are permitted. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the securities offered by this prospectus. The information in this prospectus and any supplement or addendum is accurate only as of the dates hereof and thereof, regardless of the time of delivery of this prospectus or any such supplement or addendum or the time of any sale of Common Shares.

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The date of this prospectus is June 9, 2017.
GENERAL INFORMATION REGARDING THE STOCK OPTION PLAN

Overview

The Stock Option Plan was approved by the shareholders of the Corporation (the “Shareholders”) at the special meeting of Shareholders held on December 16, 2013. As part of an ongoing review of the Corporation’s compensation strategies, on May 22, 2014, the Corporation’s board of directors (the “Board”) approved certain amendments to the Stock Option Plan. The Shareholders approved these amendments at the annual general and special meeting of Shareholders held on June 27, 2014. On November 13, 2014, the Board approved further amendments to the Stock Option Plan that clarified the sections of the Stock Option Plan relating to the cashless exercise of options. The amendments approved on November 13, 2014, were of a housekeeping nature and did not require Shareholder approval. On June 9, 2017, Shareholders re-approved the Stock Option Plan, together with certain amendments thereto as further described in the Corporation's management information circular dated May 8, 2017.

The purposes of the Stock Option Plan are (i) to allow the Corporation’s or its subsidiaries’ directors, officers, and employees to participate, through share ownership, in the growth of the Corporation’s business, and (ii) to enhance the Corporation’s ability to attract, retain, and motivate key personnel and reward significant performance achievements.

The following is a summary of the principal provisions of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan, a copy of which has been provided to each Stock Option Plan participant. In addition, a copy of the Stock Option Plan is attached as Appendix “A” to the Corporation’s management information circular dated May 8, 2017, filed on the Corporation’s profile on the System for Electronic Document Analysis and Retrieval (“SEDAR”), available online at www.sedar.com and on the Electronic Data Gathering, Analysis, and Retrieval system (“EDGAR”) available online at www.sec.gov/edgar.

Additional information about the Stock Option Plan may be requested from:

Chief Legal Officer & Secretary
Concordia International Corp.
277 Lakeshore Road East, Suite 302
Oakville, Ontario, L6J 1H9
Tel: (905) 842-5150 | Fax: (905) 842-5154

Participation

The Stock Option Plan provides that the Board may, from time to time, in its discretion, grant non-transferable Options to the Corporation’s or its subsidiaries’ directors, officers, and employees, as well as to consultants or any other person or entity engaged to provide ongoing services to the Corporation or its subsidiaries.

Shares Authorized for Issuance; Plan Limits; Adjustment

The Stock Option Plan is currently constituted as a “rolling” stock option plan, whereby the maximum number of Common Shares which may be reserved and set aside for issue under the Stock Option Plan is a maximum of 10% of the Common Shares issued and outstanding from time to time on a non-diluted basis, inclusive of any Common Shares reserved for issuance pursuant to any other security-based compensation arrangement of the Corporation, including the Corporation’s Long Term Incentive Plan (which percentage may be increased by the Board from time to time subject to the approval of the Shareholders and such regulatory authorities, stock exchanges or over-the-counter markets having jurisdiction over the affairs of the Corporation). Any increase in the issued and outstanding Common Shares will result in an increase in the available number of Common Shares issuable under the Stock Option Plan and any exercises of Options.
will make new grants available under the Plan, effectively resulting in a re-loading of the number of Options available for grant under the Stock Option Plan. The Stock Option Plan will be in effect until such time that the Board decides, in its sole discretion, to terminate the Stock Option Plan.

Under the Stock Option Plan, the number of Common Shares reserved for issuance to any one person shall not exceed 5% of the issued and outstanding Common Shares. The aggregate number of Common Shares issued to insiders of the Corporation within any 12-month period, or issuable to insiders of the Corporation at any time, under the Stock Option Plan and any other security-based compensation arrangement of the Corporation, may not exceed 10% of the total number of issued and outstanding Common Shares of the Corporation at such time. The aggregate number of Common Shares reserved for issue to any one service provider of the Corporation upon the exercise of Options shall not exceed 2% of the total number of issued and outstanding Common Shares of the Corporation.

Vesting; Pricing; Exercise; Restrictions

The Board shall have the power, where consistent with the general purpose and intent of the Stock Option Plan, to determine the terms upon which Options will vest (including vesting schedules, if any) and be exercisable.

The exercise price of an Option shall not be less than the lesser of: (i) the closing trading price of the Common Shares on the Toronto Stock Exchange ("TSX") or, if not listed on the TSX, then such other principal market on which the Common Shares trade as designated by the Board, on the date the Option is granted; and (ii) the Market Price of the Common Shares on the date the Option is granted. For the purposes of the Stock Option Plan, “Market Price” means the volume-weighted average price of the Common Shares on the stock exchange where the majority of trading volume and value of the Common Shares occurs, for the five trading days immediately preceding the relevant date on which the Market Price is to be determined. In the event that the Common Shares are not listed for trading on a stock exchange, the Market Price shall be the fair market value of the Common Shares as determined by the Board.

The Stock Option Plan also provides that:

(a) Common Shares that were the subject of Options that have been exercised, surrendered, lapsed, cancelled or terminated shall thereupon no longer be in reserve and may once again be subject to an Option;

(b) a holder of an Option may exercise the Option by paying to the Corporation the exercise price in respect of the Common Share to be purchased, or, alternatively, elect a cashless exercise of the Option;

(c) the expiry date for an Option shall not in any circumstance be later than the lesser of the 10th anniversary of the date an Option is granted and the maximum period of time allowed by the Stock Exchange (as defined in the Stock Option Plan); and

(d) subject to certain exceptions outlined in the Stock Option Plan, all Options held by an officer or employee of the Corporation shall expire and terminate, and such employee option-holder shall cease to be an eligible person, immediately upon the termination date of such employee option-holder or the date of such employee option-holder’s death, disability or retirement.

Change of Control of the Corporation

In the event of a change of control of the Corporation, the Board will, in its sole discretion, determine whether to (i) exchange employee-held Options for substantially similar options to purchase shares in the Corporation’s acquiror or successor, or (ii) redeem employee-held Options for cash, or non-cash
consideration in an amount equal to the greater of the Market Price and the per share consideration paid by the third party, less the exercise price of the existing Options.

If such an exchange or redemption of any employee-held Options cannot be completed due to a conflict with applicable law or stock exchange rules, as determined by the Board in its sole discretion, the Board may accelerate the vesting of such employee-held Options and provide that such employee-held Options may be exercised at any time prior to the completion of the change of control but will immediately terminate upon the completion of the change of control.

Under the Stock Option Plan, a change of control is generally triggered if the Corporation merges or consolidates with, or sells all or substantially all of its assets to, a third party or any third party offers to acquire all of the outstanding shares of the Corporation.

Amendment, Modification, Suspension, and Termination

The Board may amend, suspend, or terminate the Stock Option Plan from time to time, without notice to or approval from any option-holder, and without Shareholder approval except for amendments relating to:

(a) the maximum number of Common Shares reserved for issuance under the Stock Option Plan;
(b) a reduction in the exercise price for options held by insiders of the Corporation;
(c) an extension to the term of any option held by insiders of the Corporation;
(d) an increase in any limit on grants of options to insiders of the Corporation;
(e) any amendment to the provisions of the Stock Option Plan that would permit options to be transferred or assigned other than as set forth in the Stock Option Plan;
(f) any amendments to the provisions restricting the size of grants to independent directors; and
(g) any amendment that is not (a) determined to be necessary or desirable to ensure continuing compliance with applicable laws, regulations, requirements, rules or policies of any governmental authority or stock exchange; or (b) of a “housekeeping” nature, which includes amendments to eliminate any ambiguity or correct or supplement any provision contained in the Stock Option Plan which may be incorrect or incompatible with any other provision of the Stock Option Plan.

TRANSFER RESTRICTIONS

This prospectus does not cover the resale of Common Shares or options acquired by participants under the Stock Option Plan. Executive officers of the Corporation (and owners of 10% or more of the Common Shares, or those otherwise in a position of control) may be deemed “affiliates” of the Corporation pursuant to Rule 144 under the Securities Act of 1933, as amended (the “Securities Act”). As such, such persons may resell shares and options they receive under the Stock Option Plan only (i) pursuant to an effective registration statement and reoffer prospectus, (ii) subject to the limitations of Rule 144, or (iii) in a private transaction in compliance with the Securities Act. Any sale of Common Shares or stock options is also subject to the additional restrictions discussed below.

Restrictions Under the Stock Option Plan

The Stock Option Plan provides that Options may not be transferred other than by will or by the laws of descent and distribution, except as the Board otherwise expressly determines. During an option-holder’s lifetime, an Option may be exercised only by the recipient.
Restrictions Under the Corporation’s Insider Trading Policy

Transactions by officers of the Corporation in Common Shares, whether the Common Shares were purchased or received by a grant from the Corporation, are subject to the Corporation’s insider trading policy. Participants should consult with counsel for the Corporation for more information about this policy.

Material U.S. Federal Income Tax Consequences

The following is a summary of the U.S. federal income tax consequences of participating in the Stock Option Plan. This discussion does not address all aspects of the U.S. federal tax income tax consequences of participating in the Stock Option Plan that may be relevant to participants in light of their personal investment or tax circumstances and does not discuss any state, local or foreign tax consequences of participating in the Stock Option Plan. This section is based on the Internal Revenue Code (the “Code”), its legislative history, existing and proposed regulations under the Code, and published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis. Participants should consult their own tax advisor concerning the application of the U.S. federal income tax laws to their particular situations, as well as the applicability and effect of any state, local or foreign tax laws before taking any actions with respect to the following awards.

Nonstatutory Stock Options

A participant will not be subject to tax upon the grant of an Option which is not intended to be (or does not qualify as) an incentive stock option (a “Nonstatutory Stock Option”). Upon exercise of a Nonstatutory Stock Option, an amount equal to the excess of the fair market value of the Common Shares acquired on the date of exercise over the exercise price paid is taxable to the participant as ordinary income, and such amount is generally deductible by the Corporation or one of its subsidiaries. This amount of income will be subject to income tax withholding and employment taxes. A participant’s basis in the Common Shares received will equal the fair market value of the Common Shares on the date of exercise, and the participant’s holding period in such Common Shares will begin on the day following the date of exercise.

Disposition of Plan Shares

Unless stated otherwise above, upon the subsequent disposition of Common Shares acquired under an Option, a participant will recognize capital gain or loss based upon the difference between the amount realized on such disposition and the participant’s basis in the shares, and such amount will be long-term capital gain or loss if such shares were held for more than one year. Long-term capital gain is generally taxed at preferential rates.

Additional Medicare Tax

For taxable years beginning after December 31, 2012, a participant will also be subject to a 3.8% tax on the lesser of (i) the participant’s “net investment income” for the relevant taxable year and (ii) the excess of the participant’s modified adjusted gross income for the taxable year over a certain threshold (between $125,000 and $250,000, depending on their circumstances). Net investment income generally includes net gains from the disposition of Common Shares. Participants should consult their tax advisors regarding the applicability of this Medicare tax to their income and gains in respect of their investments in the Common Shares.
WHERE YOU CAN FIND MORE INFORMATION

We file with the securities commission or authority in each of the provinces of Canada, annual and quarterly reports, material change reports, and other information. You may access any of these filings electronically through the Canadian System for Electronic Document Analysis and Retrieval, available at http://www.sedar.com. The information on this web site is not a part of this document.

We are subject to the information requirements of the Exchange Act, and, in accordance with the Exchange Act, we also file reports with and furnish other information to the Commission. Under the multijurisdictional disclosure system adopted by the United States, these reports and other information (including financial information) may be prepared, in part, in accordance with the disclosure requirements of Canada, which differ from those in the United States. You may read and copy any document we file at the Commission’s Public Reference Room at 100 F Street, N.E., Washington, D.C. Please call the Commission at 1-800-SEC-0330 for further information on the Public Reference Room. The Commission also maintains an Internet website that contains reports, proxy statements and other information about issuers, like the Corporation, that file electronically with the Commission. The address of that site is http://www.sec.gov. The Corporation’s Internet address is http://www.concordiarx.com. The information on these web sites is not a part of this document.

INFORMATION INCORPORATED BY REFERENCE

In this prospectus, as permitted by law, we “incorporate by reference” information from other documents that we file with the Commission. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus and should be read with the same care. When we update the information contained in documents that have been incorporated by reference by making future filings with the Commission, the information incorporated by reference in this prospectus is considered to be automatically updated and superseded. In other words, in case of a conflict or inconsistency between information contained in this prospectus and information incorporated by reference into this prospectus, you should rely on the information contained in the document that was filed later.

We incorporate by reference in this prospectus the following information:

- our Registration Statement on Form 40-F, filed with the Commission on June 1, 2015, and as amended on June 23, 2015 (the “Form 40-F”); and

- the description of our securities contained in the Form 40-F filed with the Commission under Section 12(b) of the Exchange Act, including any amendment or report filed for the purposes of updating such description.

We also incorporate by reference each of the documents that we file with the Commission under Section 13(a), 13(c), 14, or 15(d) of the Exchange Act, and to the extent, if at all, designated therein, certain reports on Form 6-K furnished prior to the filing of a post-effective amendment to the Registration Statement on Form S-8 (of which this prospectus is a part), filed on February 12, 2016 (the “Form S-8”) that indicates that all securities offered under the Form S-8 have been sold or that deregisters all securities then remaining unsold.

You may request a copy of any of these filings, other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing, and copies of other documents required to be delivered to employees pursuant to Rule 428(b), at no cost, by writing to or telephoning us as follows:
Chief Legal Officer & Secretary
Concordia International Corp.
277 Lakeshore Road East, Suite 302
Oakville, Ontario, L6J 1H9
Tel: (905) 842-5150 | Fax: (905) 842-5154
1.1 Purpose of Plan

The purpose of this Plan (as defined below) is to allow full-time and salaried officers and employees of Concordia International Corp. ("Concordia" or the "Corporation") or its Subsidiaries (as defined below), directors of Concordia and certain other persons as may be determined by the Board (as defined below) from time to time to participate, through share ownership, in the growth of the business of Concordia and also to enhance Concordia’s ability to attract, retain and motivate key personnel and reward significant performance achievements.

1.2 Defined Terms

The following terms shall have the meanings set out below and grammatical variations of such terms shall have the corresponding meanings:

“affiliate” has the same meaning as “affiliated companies” in the Securities Act (Ontario), as amended from time to time, and shall also include those issuers that are similarly related, whether or not any of the issuers are corporations, companies, partnerships, limited partnerships, trusts, income trusts or investment trusts or any other organized entity issuing securities;

“associate” has the meaning given to that term in the Securities Act (Ontario), as amended from time to time;

“arm’s length” has the meaning given to that term in the Income Tax Act (Canada), as now in effect;

“Black-Out Period” means any period during which a policy of Concordia prevents an Insider of Concordia from trading in the Shares;

“Board” means the board of directors of Concordia at the applicable time;

“Business Day” means any day, other than a Saturday or a Sunday, or a day observed as a statutory or civic holiday in Toronto, Ontario;

“Committee” shall have the meaning attributed thereto in Section 2.1(c);

“Continuing Employee Optionee” shall have the meaning attributed thereto in Section 6.1(b);

“control” means, in respect of any person, such person’s power or authority to direct, or cause the direction of, directly or indirectly, the management, policies or actions of any other person, whether through the ownership of voting securities or by contract or otherwise. Without limiting the foregoing, a person (the “first person”) will be conclusively deemed to control another where the first person beneficially owns, directly or through intermediaries, more than 50% of the voting securities of the other;

“Date of Employment” shall mean the date of the employment agreement between an Employee Optionee and Concordia or a Subsidiary, as applicable, or, if no such employment agreement exists, the date on which the Employee Optionee commenced his or her employment with Concordia or a Subsidiary, as applicable, as determined by the Board in its discretion;

“Date of Grant” means, for any Option, the date the Option was granted by the Board;

“Disability” means, in respect of any Optionee, the Optionee’s inability, due to debilitating physical incapacity, to substantially perform his or her duties and responsibilities as an employee or director of Concordia or a Subsidiary, as applicable, for 90 consecutive days or a total of 180 days in any consecutive 12-month period;

“Effective Date” means December 20, 2013;

“Eligible Person” means, subject to all applicable laws, any employee, officer or director of the Corporation or any Subsidiary or any other person or entity engaged to provide ongoing services to the Corporation or any Subsidiary pursuant to a written contract with the Corporation or any Subsidiary where such person or entity spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or any Subsidiary and any other person who is designated by the Board as an Eligible Person;

“Employee Optionee” shall have the meaning attributed thereto in Section 4.1;

“Employee Termination Date” shall have the meaning attributed thereto in Section 4.2(a);
“Exercise Notice” means the notice respecting the exercise of an Option, substantially in the form annexed hereto as Schedule B, as may be amended from time to time, signed by an Optionee and stating the Optionee’s intention to exercise all or a portion of a particular Option;

“Exercise Price” means the price per share at which a Share may be purchased under any Option, as the same may be adjusted from time to time in accordance with Section 3.5;

“Expiry Date” shall mean the date on which an Option expires, following which it shall immediately terminate and be cancelled without any further act or formality;

“Independent Director” means any director of the Corporation who would be considered “independent” for the purposes of National Instrument 52-110 - Audit Committees;

“Insider” has the meaning given to that term in the Securities Act (Ontario), as amended from time to time, and shall include associates and affiliates of the Insider;

“Liquidity Event” shall have the meaning attributed thereto in Article 6;

“Market Price” means the volume-weighted average price of the Shares on a Stock Exchange where the majority of the trading volume and value of the Shares occurs, for the five trading days immediately preceding the relevant date on which Market Price is to be determined. If the Shares are not listed for trading on a Stock Exchange, the Market Price shall be the fair market value of the Shares as determined by the Board of Directors of the Corporation;

“Non-Continuing Employee Optionee” shall have the meaning attributed thereto in Section 6.1(b);

“Option” means an option to purchase one Share at a specified Exercise Price granted on the Date of Grant under this Plan;

“Option Agreement” means, with respect to any Option, the agreement entered into between Concordia and the Optionee setting out the terms and conditions of such Option, as the same may be amended, supplemented or replaced from time to time;

“Optionee” means a person to whom an Option has been granted;

“Plan” means this Stock Option Plan of Concordia, as amended, as the same may be further amended, supplemented or replaced from time to time;

“Retirement” means the normal retirement of the Employee Optionee from employment with, or from appointment as a director of, Concordia or the early retirement of the Employee Optionee pursuant to any applicable retirement plan of Concordia, all as determined by the Board, acting reasonably;

“Share Compensation Arrangement” means any compensation or incentive arrangement which involves the issuance, or potential issuance, from treasury of securities of the Corporation;

“Shares” means the common shares of Concordia or, in the event of an adjustment contemplated by Section 3.5, such other shares or securities to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment;

“Stock Exchange” means the Toronto Stock Exchange, or, if the Shares are not listed on the Toronto Stock Exchange, the TSX Venture Exchange, or if the Shares are not listed on either the Toronto Stock Exchange or the TSX Venture Exchange, such other principal market upon which the Shares are traded as designated by the Board or the Committee from time to time;

“Subsidiary” means a person, other than a natural person, that is controlled by Concordia; and

“Third Party” means, in relation to Concordia, a person with whom it deals at arm’s length.

1.3 Interpretation

(a) As used herein, the terms “Article” and “Section” mean and refer to the specified Article and Section of this Plan, respectively.

(b) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.

(c) Unless otherwise specified, all references to money amounts are to Canadian currency.

(d) Any time period referred to in this Plan shall be calculated excluding the day on which the period commences and including the day on which the period ends.
Whenever any payment is required to be made, event is to occur, action is required to be taken or period of time is to expire on a day other than a Business Day, such payment shall be made, event is to occur, action shall be taken or period of time shall expire on the next following Business Day.

1.4 Schedules

The following are the Schedules annexed hereto and incorporated by reference and deemed to be part of this Plan:

- Schedule A - Form of Option Agreement
- Schedule B - Form of Exercise Notice

ARTICLE 2
ADMINISTRATION OF THE PLAN

2.1 Administration

(a) This Plan will be administered by the Board.

(b) The Board shall have the power, where consistent with the general purpose and intent of this Plan to do as follows:

(i) establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of this Plan;
(ii) interpret and construe this Plan and to determine all questions arising out of this Plan and any Options granted pursuant to this Plan;
(iii) designate persons or entities engaged to provide ongoing services to the Corporation or any Subsidiary as Eligible Persons;
(iv) determine the Eligible Persons to whom Options are to be granted and to grant Options;
(v) approve the assignment of Options in accordance with Section 3.7;
(vi) determine the number of Shares subject to each grant of Options and to reserve such Shares for issuance;
(vii) determine for each Option the Exercise Price;
(viii) determine the time or times when Options will be granted and the terms upon which Options will vest and be exercisable;
(ix) determine if the Shares which are subject to Options will be subject to any restrictions upon the exercise of such Options;
(x) prescribe the form of the instruments relating to the grant, exercise and other terms of Options; and
(xi) make all other reasonable determinations and take all other reasonable actions, necessary or advisable for the implementation and administration of this Plan.

Any interpretation, construction or determination made by the Board in accordance with this Section shall be final, binding and conclusive for all purposes.

(c) To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee (the “Committee”) of the Board or to the Chief Executive Officer of Concordia, all or any of the powers conferred on the Board under this Plan. In such event, the Committee or the Chief Executive Officer of Concordia, as applicable, will exercise the powers delegated to it by the Board in the manner and on the terms authorized by the Board. Any decision made or action
taken by the Committee or the Chief Executive Officer of Concordia arising out of or in connection with the administration or interpretation of this Plan in this context is final and conclusive.

(d) The day-to-day administration of this Plan may be delegated to such officers and employees of Concordia as the Board determines.

2.2 **Total Shares Subject to Options**

(a) The maximum number of Shares which may be reserved and set aside for issue under this Plan shall not exceed 10% of the Shares issued and outstanding from time to time on a non-diluted basis, provided that the Board shall have the right, from time to time, to increase such percentage subject to the approval of shareholders of the Corporation and such regulatory authorities, stock exchanges or over-the-counter markets having jurisdiction over the affairs of the Corporation. For purposes of clarity, the maximum number of Shares reserved and set aside for issue under this Plan shall be inclusive of any Shares reserved for issuance pursuant to any other security based compensation arrangement of Concordia, including Concordia’s long term incentive plan. In addition:

(i) Options granted under this Plan shall not result, at any time, in the number of Shares reserved for issuance to any one person exceeding 5% of the outstanding issue of Shares;

(ii) the aggregate number of Shares issued to Insiders of Concordia within any 12-month period, or issuable to Insiders of Concordia at any time, under this Plan and any other security-based compensation arrangement of Concordia, may not exceed 10% of the total number of issued and outstanding Shares of Concordia at such time; and

(iii) the aggregate number of Shares reserved for issue to any one “service provider” (within the meaning of the applicable requirements of the Stock Exchange) of Concordia upon the exercise of Options shall not exceed 2% of the total number of Shares then outstanding, excluding Shares issued to such “service provider” upon the exercise of Options over the preceding 12 month period.

(b) For purposes of this Section 2.2, the number of Shares then outstanding shall mean the number of Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Option.

(c) Shares that were the subject of Options that have been exercised, surrendered, lapsed, cancelled or terminated shall thereupon no longer be in reserve and may once again be subject to an Option granted under this Plan.

2.3 **Option Agreements**

(a) Execution and Delivery of Option Agreement - Each grant of Options under Section 3.1 of this Plan shall be evidenced by an Option Agreement and it shall be a condition of the grant of any Option that the applicable Optionee executes and delivers to Concordia an Option Agreement. Such Option Agreements will be substantially in the form of the Option Agreement set out in Schedule A hereto and will contain such provisions or changes, including changes to the terms of this Plan, that the Board may direct. Any one officer or director of Concordia is authorized and empowered to execute and deliver, for and on behalf of Concordia, an Option Agreement to each Optionee.

(b) Optionee’s Agreement to be Bound - Execution of an Option Agreement by an Optionee shall be construed as acceptance by the Optionee of the terms and conditions of this Plan and all policies, rules, regulations and procedures adopted hereunder, as such may be amended from time to time.

**ARTICLE 3**

**GRANT OF OPTIONS**

3.1 **Grant of Options**

(a) Options Granted at the Discretion of the Board - Options may be granted to Eligible Persons from time to time at the discretion of the Board provided that at no time will the number of Options granted under this Plan exceed the aggregate number of Shares reserved under Section 2.2, and in the case of Independent Directors, Section 3.1(b).
(b) The grant date fair value of Options granted to Independent Directors under the Plan shall not exceed $100,000 to each Independent Director per year. Notwithstanding any other provision hereunder, the equity award value of Options may not, when combined with any Shares issuable to such Independent Director under any other Share Compensation Arrangement, have an aggregate equity award value in excess of $150,000.

(c) Terms and Conditions of Options - Subject to this Article 3, the Board shall determine the following in its sole discretion with respect to each Option;

(i) the number of Shares issuable on the exercise of such Option;
(ii) the Exercise Price,
(iii) the Expiry Date;
(iv) the vesting schedule, if any; and
(v) such other terms and conditions as the Board may consider appropriate in its sole discretion.

3.2 Exercise Price

The Exercise Price at which any Option may be exercised to acquire a Share shall be determined by the Committee on the Date of Grant, provided that such price shall be not less than the lesser of (i) the closing trading price of the Shares on the Stock Exchange on the Date of Grant and (ii) the Market Price of the Shares on the Date of Grant of the Option.

3.3 Expiry Date

(a) The Expiry Date for an Option granted under this Plan shall not in any circumstance be later than the lesser of the 10th anniversary of the Date of Grant of such Option and such maximum period of time as may be allowed by the Stock Exchange.

(b) Notwithstanding anything contained in this Plan or an Option Agreement, if the date on which an Option expires occurs during, or within 10 days of the last day of, a Black-Out Period or other trading restriction imposed by Concordia, the date of termination or expiry for the Option will be the last day of the 10-day period.

3.4 Exercise of Option

(a) Delivery of Exercise Notice by Optionee - An Optionee may exercise any Option which has vested by delivering to Concordia an Exercise Notice accompanied by payment of the Exercise Price in respect of the Shares to be purchased. The Exercise Price must be fully paid by certified cheque, bank draft or wire transfer of immediately available funds payable to Concordia. No Shares will be issued or transferred until full payment therefor has been received by Concordia.

(b) Cashless Exercise - As an alternative to Section 3.4(a), an Optionee may elect a “cashless” exercise of any Options in an Exercise Notice. In such case, Concordia will make arrangements which may include arranging a broker to advance an amount equal to the Exercise Price to the Optionee for payment to Concordia of the Exercise Price in which case the Optionee will provide a direction to the broker to immediately sell at least a sufficient number of the Shares received upon exercise of the Option for proceeds in an amount sufficient to satisfy repayment of the advance, payment of applicable withholding taxes and any broker fees.

(c) Delivery of Share Certificates by Concordia - As soon as practicable after receipt of any Exercise Notice and full payment, Concordia will deliver to the Optionee a certificate or certificates representing the acquired Shares, provided that Concordia shall not be required to issue or deliver any certificate or certificates for Shares prior to the obtaining of approval or other clearance from any governmental agency which the Board in its sole discretion determines to be necessary or advisable.

3.5 Other Adjustments

Appropriate adjustments, in the number of Shares optioned and the Exercise Price of any outstanding Option shall automatically take effect upon any adjustments in the number of Shares resulting from any subdivision, consolidation or reclassification of the Shares, the payment of any stock dividend by Concordia (other than dividends in the ordinary course)
or other relevant changes in the capital stock of Concordia and the Board shall determine the resulting Shares subject to any grant of Options and the Exercise Price thereof and such determination, absent manifest error, shall be binding on all parties.

3.6 Withholding and Tax Consequences Generally

(a) Tax Payment or Withholding - The exercise of each Option granted under this Plan is subject to the condition that if, at any time, Concordia determines, in its discretion, that the satisfaction of taxes, including withholding tax, or other withholding liabilities is necessary or desirable in respect of the exercise of any Optionee’s Option, the exercise of the Option is not effective unless such taxes have been paid or withholdings made or arranged to the satisfaction of the Board. Concordia may require an Optionee to pay to Concordia, in addition to the Exercise Price, any amount that Concordia is obliged to remit to the relevant taxing authority in respect of the exercise of the Option. Any such additional payment is due no later than the date on which any amount with respect to the Option exercised is required to be remitted by Concordia.

(b) Tax Returns - It is the responsibility of the Optionee to complete and file any tax returns which may be required of the Optionee under any applicable tax laws within the period prescribed by such laws.

3.7 Transfer of Options

(a) Options Not Transferable - An Option is personal to the Optionee and, except as otherwise set out in the Option Agreement relating to the grant of an Option or as determined by the Board or the Committee in its sole discretion, is non-assignable. Except as set out in the Option Agreement relating to the grant of an Option and this Section 3.7, during the lifetime of an Optionee that is an individual, an Option shall be exercisable only by the Optionee and, upon the death of an Optionee, by the legal personal representative(s) of the estate of the Optionee in accordance with Section 4.2(b)(i). No Options shall entitle the holder to any rights or privileges as a shareholder of Concordia until all conditions of exercise have been complied with in accordance with this Plan. In the case of an Optionee that is not an individual, any change of control of such Optionee or a change in control of such Optionee’s parent entity (direct or indirect) shall constitute a transfer for the purposes of this Plan.

(b) RRSPs and Holding Companies - Subject to the approval of the Board or the Committee, an Optionee that is an individual may elect, at any time, to participate in this Plan by holding or transferring any Options granted under this Plan in or to a registered retirement savings plan established by such Optionee for the sole benefit of such Optionee or in a personal holding company controlled by such Optionee. For the purposes of this Section 3.7(b), a personal holding corporation shall be deemed to be controlled by an Optionee if: (i) voting securities carrying more than 50% of the votes for the election of directors of such corporation are held, otherwise than by way of security only, by or for the benefit of such Optionee and the votes carried by such voting securities are entitled, if exercised, to elect a majority of the board of directors of such corporation; and (ii) all of the equity securities of such corporation are directly or indirectly held, otherwise than by way of security only, by or for the benefit of such Optionee and/or his or her spouse, children or grandchildren. In the event that an Optionee elects to hold the Options granted under this Plan in a registered retirement savings plan or personal holding corporation, the provisions of this Plan shall continue to apply as if the Optionee held such Options directly.

(c) Pledge of Options - An Optionee may pledge or otherwise grant a security interest in all or part of the Options held thereby from time to time in favour of a bank listed in a Schedule to the Bank Act (Canada) or other similar financial institution to secure bona fide indebtedness of the applicable Optionee.

(d) Law Requiring Transfer - If an Option becomes transferable by operation of law contrary to the provisions of this Plan, then such Option shall expire and become unexercisable immediately prior to such transfer.

ARTICLE 4
TERMINATION OF EMPLOYMENT

4.1 Employment Requirement

Subject to Section 4.2 and to any resolution passed by the Board providing otherwise, all Options held by an officer or employee of the Corporation or any Subsidiary (an “Employee Optionee”) shall expire and terminate, and any such Employee Optionee shall cease to be an Eligible Person, immediately upon the Employee Termination Date for such Employee Optionee or the date of such Employee Optionee’s death, Disability or Retirement.

4.2 Termination of Employment

(a) Application of this Section 4.2 - If the employment of an Employee Optionee terminates before the expiry
of an Option held by that Employee Optionee in accordance with the terms thereof, then the provisions of Section 4.2(b) shall apply to:

(i) Options that are exercisable upon the effective date of termination of such Employee Optionee’s employment (the “Employee Termination Date”) regardless of the reason for such termination; and

(ii) Options that become exercisable in the one year period following the Employment Termination Date, if the termination arose as a result of the Employee Optionee’s death, Disability or Retirement.

(b) Exercise of Options Following Termination – Options referred to in Section 4.2(a) may be exercised as follows:

(i) if the Employee Optionee is deceased, by the legal personal representative(s) of the estate of the Employee Optionee at any time during the one year period following the death of the Employee Optionee;

(ii) if the termination of the employment of the Employee Optionee arises as a result of the Disability or Retirement of the Employee Optionee, by the Employee Optionee at any time during the one year period following the Employment Termination Date;

(iii) if the termination of the employment of the Employee Optionee arises as a result of a termination for cause or resignation of the Employee Optionee without good reason, by the Employee Optionee at any time during the 10-day period following the Employee Termination Date; or

(iv) in all other cases, by the Employee Optionee at any time during the 90-day period following the Employee Termination Date.

(c) When Employment Terminates - For purposes of this Plan, an Employee Optionee shall be deemed to have ceased to be employed by Concordia or any Subsidiary on the earlier of the effective date the Employee Optionee is formally terminated or ceases to perform services for Concordia or such Subsidiary, as the case may be, without regard to:

(i) whether such Employee Optionee continues thereafter to receive any payment from Concordia or such Subsidiary, as the case may be, in respect of the termination of such Employee Optionee’s employment, including without limitation any continuation of salary or other compensation in lieu of notice of such termination; or

(ii) whether such Employee Optionee is entitled or claims to be entitled at law to greater notice of such termination or compensation in lieu thereof than has been received by such Employee Optionee.

(d) Meaning of “For Cause” and “Without Good Reason” - For purposes of Section 4.2, a termination shall be deemed to have been “for cause”, or a resignation deemed to have been “without good reason”, in any circumstances where such termination or resignation, as applicable, arises in connection with: (i) the Employee Optionee’s conviction in a court of law or entering a plea of guilty to any offence under the Criminal Code (Canada) or any similar legislation of any jurisdiction punishable by imprisonment, unless such conviction or plea is in respect of behaviour that could not reasonably be considered as related to the Employee Optionee’s employment or damaging to the reputation of Concordia or its Subsidiaries; or (ii) any moral turpitude whatsoever or any act or omission by the Employee Optionee that constitutes fraud, dishonesty, breach of trust or theft involving the funds, property, business or affairs of Concordia or any of its Subsidiaries.

4.3 Unexercisable Options

Except in connection with the death, Disability or Retirement of an Employee Optionee as provided for in Section 4.2(a)(ii), any Options held by the Optionee that were not exercisable at the Employee Termination Date shall immediately expire and be cancelled on such date.

4.4 Leaves of Absence

For purposes of this Plan, an Optionee who is granted in writing a leave of absence or who is entitled to a statutory leave of absence shall be deemed to have remained in the employ of Concordia or a Subsidiary, as applicable, during such leave of absence.
4.5 Change of Status

Notwithstanding Section 4.1, unless the Board, in its discretion, otherwise determines, at any time and from time to time, Options held by an Employee Optionee are not affected by a change of employment within or among Concordia and one or more of its Subsidiaries for so long as the Optionee continues to be an Employee Optionee.

4.6 Discretion to Permit Exercise

Notwithstanding the provisions of Section 4.1, the Board may, in its sole discretion, at any time prior to or following the events contemplated in this Article 4, permit the exercise of any or all Options held by the Optionee in the manner and on the terms authorized by the Board.

ARTICLE 5
AMENDMENT OR DISCONTINUANCE OF PLAN

5.1 Amendment, Suspension and Termination

(a) Right of the Board to Amend, etc. - In addition to any other rights provided in this Plan, but subject to Section 5.1(b), 5.1(c) and 5.1(d) the Board may:

(i) amend, suspend or terminate this Plan or any portion thereof at any time and without notice to or approval from any Optionee; or

(ii) amend or modify any outstanding Option in any manner to the extent that the Board would have had the initial authority to grant the Option as so modified or amended,

whereupon this Plan shall be amended or discontinued, as appropriate, in the manner and to the extent required by applicable laws and other rules and regulations.

(b) Restrictions on Amendments etc. – The Board shall not take any action pursuant to Section 5.1(a) that would adversely affect the rights of an Optionee in a material manner in connection with any Option, unless:

(i) such action is permitted by this Plan or the Option Agreement relating to such Option; or

(ii) the prior consent of the affected Optionee is obtained, and provided that such action is taken in accordance with applicable legislation, and subject to any required regulatory or shareholder approval.

(c) Amendments Requiring Shareholder Approval. - Notwithstanding anything to the contrary in Sections 5.1(a) or 5.1(b), the Board may not make any amendments, modifications and changes to this Plan or to any Option granted under this Plan with respect to the following matters without the approval of the shareholders of Concordia, in accordance with the applicable rules and regulations of the Stock Exchange:

(i) the maximum number of Shares reserved for issuance under this Plan;

(ii) a reduction in the exercise price for Options (including Options held by Insiders);

(iii) an extension to the term of any Option (including Options held by Insiders);

(iv) an increase in any limit on grants of Options (including Options held by Insiders) set out in this Plan;

(v) any amendment to the provisions of the Plan that would permit Options to be transferred or assigned other than as set forth in Section 3.7 of this Plan;

(vi) any amendments to the provisions contained in Section 3.1(b); and

(vii) any amendment to this Section 5.1 which is not within the nature of Section 5.1(d).
Amendments Not Requiring Shareholder Approval. The Board make any amendments to the Plan that it
determines (i) to be necessary or desirable to ensure continuing compliance with applicable laws,
regulations, requirements, rules or policies of any governmental authority or Stock Exchange; or (ii) of a
“housekeeping” nature, which includes amendments to eliminate any ambiguity or correct or supplement
any provision contained herein which may be incorrect or incompatible with any other provision hereof.

5.2 Effect of Termination of Plan

If this Plan is terminated, the provisions of this Plan and any administrative guidelines, and other rules and
regulations adopted by the Board and in force at the time of this Plan, will continue in effect as long as any Options or any
rights pursuant thereto remain outstanding. Any rights to purchase Shares predating this Plan pursuant to the option plans of
Concordia or its Subsidiary shall hereafter be governed and subject to this Plan except for the purpose of the calculations
necessary under Sections 2.2 and 3.1(a).

ARTICLE 6
LIQUIDITY EVENTS

6.1 Consequences of Liquidity Event

(a) Application of Section 6.1 - If Concordia proposes to amalgamate, merge or consolidate with any other
Third Party, or in connection with any proposed sale or conveyance of all or substantially all of the property or assets of
Concordia to a Third Party or any proposed offer to acquire all of the outstanding Shares of Concordia by a Third Party (in
each case, a “Liquidity Event”), the terms and conditions of this Section 6.1 shall apply.

(b) Determination of Continuing Employees - In connection with any Liquidity Event, the Board (in
consultation with any counterparty to a transaction which constitutes such Liquidity Event), shall determine which Employee
Optionees will, as applicable, have their employment with Concordia, its Subsidiaries or their successors terminated or to
whom an offer of employment with the acquirer will not be extended. Such Employee Optionees are referred to under this
Plan as “Non-Continuing Employee Optionees”. All other Employee Optionees are referred to under this Plan as
“Continuing Employee Optionees”.

(c) Effect of Liquidity Event - In connection with a Liquidity Event, at the discretion of the Board, the Board
may declare Options held by Non-Continuing Employee Optionees and/or the Options held by Continuing Employee
Optionees to either of the below:

(i) All or a portion of such Options shall be exchanged immediately prior to the completion of the
Liquidity Event for options (of substantially similar terms and value) to purchase shares in the
capital of the acquiror or any corporation which results from an amalgamation, merger or similar
transaction involving Concordia in connection with the Liquidity Event, whereupon all rights
associated with the affected Options to purchase the Shares underlying such Options or to
exercise such Options shall terminate and all such outstanding Options shall immediately expire
and cease to have any further force or effect; or

(ii) For all such Options there shall be paid or delivered by Concordia, or Concordia shall cause to be
paid or delivered, an amount of cash or non-cash consideration per Share, as applicable, in
respect of each of the Shares underlying all such vested Options immediately prior to the
completion of the Liquidity Event equal in value (as determined by the Board in its discretion,
acting reasonably) to the positive difference between the price per Share equal to the greater of
the Market Price and the price paid by any third party purchaser (in the case of an acquisition
of all of the Shares of Concordia) and the applicable Exercise Price, whereupon all rights of the
affected Options and the rights of the holder thereof to exercise such Options shall terminate
and all such outstanding Options shall immediately expire and cease to have any further force or effect.

6.2 Alternative Consequences

(a) If the actions set out in Sections 6.1 (or some combination thereof) cannot, as determined by the Board in
its sole discretion, be completed by reason of conflict with applicable laws or the regulations of a Stock Exchange with
respect to any of the Options held by a Continuing Employee Optionee or Non-Continuing Employee Optionee, as applicable,
the vesting of all Options held by such Continuing Employee Optionee or Non-Continuing Employee Optionee, as applicable, may be accelerated by resolution of the Board and shall thereafter not be affected by any action completed in accordance with Section 6.1 (other than being cancelled after the Liquidity Event), as applicable, to permit the exercise of such Options at any time prior to the completion of the Liquidity Event, and upon completion of the Liquidity Event all rights of the affected Continuing Employee Optionee or Non-Continuing Employee Optionee to purchase the Shares underlying such Options or to exercise such Options shall terminate and all such outstanding Options shall immediately expire and cease to have any further force or effect.

(b) The Board may exercise any of its powers under Sections 6.1 and 6.2(a) prior to the date of completion of a Liquidity Event, conditional on the Liquidity Event being completed.

ARTICLE 7
MISCELLANEOUS PROVISIONS

7.1 No Right to Employment or Service

(a) Neither participation in this Plan nor any action taken under this Plan shall give or be deemed to give any Optionee a right to continued employment with, or service to, Concordia or any Subsidiary, nor shall such participation interfere with the right of Concordia or any Subsidiary to terminate any Optionee’s employment or provision of service at any time or for any reason.

(b) Nothing in this Plan or the Optionee’s opportunity to participate in this Plan shall be construed to provide the Optionee with any rights whatsoever to participate or continue to participate in this Plan, or to compensation or damages in lieu of continued participation or the right to participate in this Plan upon the termination of the Optionee as officer or employee of Concordia or any Subsidiary for any reason whatsoever.

7.2 Fractional Shares

No fractional Shares will be issued on the exercise of any Options granted under this Plan. If, as a result of any adjustment to the number of Shares issuable on the exercise of any Options granted pursuant to this Plan, an Optionee would be entitled to receive a fractional Share, such Optionee shall have the right to acquire only the adjusted number of full Shares and no payment or other adjustment will be made with respect to the fractional Shares so disregarded. For the avoidance of doubt, in the event that an Optionee would be entitled to a fractional Share upon the exercise of any Options, no such fractional Share shall be issued but the number of Shares to be received by such Optionee shall be rounded down to the next lowest whole number of Shares.

7.3 Rights as Shareholder

Optionees shall not be, and shall not have any of the rights or privileges of, shareholders of Concordia in respect of any Shares purchasable in connection with any grant unless and until full payment has been made to Concordia, all conditions of exercise of an Option have been complied with by the Optionee and certificates representing any such Shares have been issued by Concordia to such Optionees (or book entries representing such Shares have been made and such Shares have been deposited with the appropriate registered book-entry custodian) in accordance with this Plan and applicable Option Agreement. For greater certainty, an Optionee shall not have the right or be entitled to exercise any voting rights, receive dividends or have or be entitled to any other rights as a shareholder of Concordia in respect of any Options.

7.4 Severability

The invalidity or unenforceability of any provision of this Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from this Plan to the extent of such invalidity or unenforceability.

7.5 Option Grants Conditional

(a) If at any time Concordia shall determine in its sole discretion that the issuance of Shares upon the exercise of Options may conflict or be inconsistent with any applicable law or regulation of any governmental agency having
jurisdiction over Concordia or its securities, Concordia reserves the right to refuse to issue such Shares for so long as such conflict or inconsistency remains outstanding. In such case such Options shall be treated for all purposes under this Plan as if they were subject to a Black-Out Period.

(b) The exercise of the Options granted under this Plan shall be subject to:

(i) the receipt from the applicable Optionee of such representations, agreements and undertakings including as to future dealings in Shares issued upon the exercise of Options, as Concordia or its counsel determines to be necessary or advisable in order to prevent any violation of securities or other laws of any jurisdiction or as may be required by the underwriters of any public offering of securities of Concordia; and

(ii) the condition that if at any time Concordia shall determine in its sole discretion that it is necessary or desirable to comply with any legal requirements or the requirements of any regulatory authority or to obtain any approval or consent from any such regulatory authority as a condition of, or in connection with, this Plan, any grant of Options under this Plan, the exercise of the Options granted under this Plan or the issue of Shares as a result thereof, then in any such event any Options granted prior to such approval and acceptance shall be conditional upon such compliance having been effected or such approval or consent having been given and no such Options may be exercised unless and until such compliance is effected or until such approval or consent is given on conditions satisfactory to Concordia in its sole discretion.

7.6 Governing Law

This Plan and all Option Agreements entered into pursuant to this Plan shall be governed by the laws of Ontario.

7.7 Notices

Each notice relating to any Options granted pursuant to this Plan, including any notices in connection with the exercise thereof, must be in writing. All notices to Concordia must be delivered personally or by prepaid registered mail or recognized courier service. All notices to an Optionee will be addressed to the principal address of the Optionee on file with Concordia. Either Concordia or an Optionee may designate a different address by written notice to the other. Any notices delivered to Concordia or an Optionee shall be deemed to be received, if delivered personally, on the date of delivery, and if sent by prepaid registered mail or recognized courier service, on the third Business Day following the date of mailing. Any notice given by an Optionee or Concordia is not binding on the recipient thereof until received or deemed to be received in accordance with this Section 7.7.

7.8 Special Requirements for U.S. Taxpayers

In addition to the other provisions of this Plan (and notwithstanding any other provision of this Plan to the contrary), the following limitations and requirements will apply to any Option granted to a U.S. taxpayer;

(a) If the specified averaging period described in the definition of Market Price in Section 1.2 is to be used with the Option granted to a U.S. taxpayer, the Board shall irrevocably specify the commitment to grant the Option before the beginning of any specified averaging period upon which the Market Price is to be based (and, for greater certainty, such specification shall include the number of Shares subject to the Option and the method for determining the exercise price before the beginning of the specified averaging period).

(b) Notwithstanding Section 3.3(b) or any other provision of this Plan, an Option granted to a U.S. taxpayer shall expire no later than the Option’s maximum expiry date as established on the Date of Grant in accordance with Section 3.3(a).

7.9 Effective Date

This Plan shall be effective as of the Effective Date.
Effective as of December 20, 2013, as duly approved by resolution of the shareholders of the Corporation on December 16, 2013.


SCHEDULE A

OPTION AGREEMENT

Concordia International Corp. (“Concordia”) hereby grants to the Optionee named below (the “Optionee”), ________ options (the “Options”) to purchase, in accordance with and subject to the terms and conditions of this Agreement, together with the provisions of the Concordia Stock Option Plan (the “Plan”) effective as of December 20, 2013, as amended, and as may be further amended from time to time, the number of common shares in the capital of Concordia (“Shares”) at the exercise price per share set forth below:

Name of Optionee:

Address of Optionee

Date of Grant: <@

Total Number of Shares Subject to Options: <@

Expiry Date: <@

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<tr>
<th>Vesting Date</th>
<th>Number of Options Becoming Exercisable</th>
<th>Exercise Price</th>
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The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this Option Agreement and are acknowledged and agreed to by the Optionee and Concordia. All capitalized terms used herein, unless expressly defined in a different manner, have the meanings ascribed thereto in the Plan.

CONCORDIA INTERNATIONAL CORP.

By: ____________________________

Name: __________________________

Title: __________________________

I have read the foregoing Option Agreement and the Plan and hereby accept the Options to purchase Shares in accordance with and subject to the terms and conditions of such Agreement and the Plan. I agree to be bound by the terms and conditions of the Plan.

_________________________________  __________________________________
Date Accepted                        Name:
This Exercise Notice is delivered to Concordia in respect of the options to purchase common shares (“Shares”) of Concordia International Corp. (“Concordia”) granted to me (the “Options”) pursuant to the Stock Option Plan of Concordia (the “Plan”).

I, ________________________________, hereby exercise the Options as set out below.

(print name)

Date of Grant:

Number of Shares:

Exercise Price per Share: C$

CHOOSE ONE OF THE FOLLOWING:

A. Cash Exercise

In connection with the foregoing, in order to make full payment of the exercise price to acquire the Shares under the Options and pay the required amount of withholding taxes, in the aggregate amount of C$__________, I hereby select one of the following options:

☐ I enclose a certified cheque or bank draft payable to Concordia; or

☐ I have initiated a wire transfer of immediately available funds to Concordia.

B. Cashless Exercise

In connection with the foregoing and in accordance with Section 3.4(b) of the Plan I elect a cashless exercise of the Options. I hereby irrevocably authorize [name of qualified broker] (“Broker”) to promptly sell on my behalf at least a sufficient number of Shares acquired upon exercise of the Options to realize sale proceeds in an amount equal to the exercise price, applicable withholding taxes, plus any brokerage commissions or fees. I hereby direct Broker to deliver an amount equal to the exercise price and withholding taxes to Concordia to the extent such amounts were not otherwise paid to Concordia.

Dated ________________________________ Optionee’s Signature