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WAKE COUNTY
SUPERIOR COURT JUDGES OFFICE
BY: S. Smallwood

STATE OF NORTH CAROLINA	IN THE GENERAL COURT OF JUSTICE SUPERIOR COURT DIVISION
WAKE COUNTY	No. 26CV041119-910

STATE OF NORTH CAROLINA ex rel. JEFF JACKSON, ATTORNEY GENERAL, Plaintiff, v. RICHARD SACKLER; DAVID SACKLER; GARRETT LYNAM, in his capacity as executor of the Estate of Jonathan Sackler; RICHARD AND DAVID SACKLER, in their capacity as co-executors of the Estate of Beverly Sackler; ILENE SACKLER; KATHE SACKLER; MORTIMER D.A. SACKLER; THERESA SACKLER; SAMANTHA HUNT, Defendants.	)

FINAL CONSENT JUDGMENT AND DISMISSAL

Plaintiff, the State of North Carolina ("*State*"), through its Attorney General, Jeff Jackson, and Defendants ("*Stipulating Defendants*") (together with the State, the "*Parties*," and each a "*Party*") have entered into a consensual resolution of certain disputes (the "*Disputes*"), including the instant lawsuit and *State of North Carolina ex rel. Jeff Jackson, Attorney General v. Richard Sackler, et al.*, No. 19CVS012596-910 (the "*Actions*"), pursuant to that certain Governmental Entity & Shareholder Direct Settlement Agreement dated as of May 1, 2026 (as subsequently updated) (the "*Agreement*"), a copy of which is attached hereto as Exhibit A. This Final Consent Judgment (the "*Consent Judgment*") approving the Agreement is entered by the Court without trial or adjudication of any contested issue of fact or law, and without finding or admission of wrongdoing or liability of any kind.

RECITALS:

1. Each Party warrants and represents that it engaged in arm's-length negotiations in good faith. In hereby executing the Agreement, the Parties intend to effect a good-faith settlement.

2. The State, acting through its Attorney General, Jeff Jackson, has determined that the Agreement and entry of this Consent Judgment is in the public interest.

3. Entry into this Consent Judgment is contemplated in the broader settlement with the Stipulating Defendants in connection with the Southern District of New York Bankruptcy Court's confirmation of the *Eighteenth Amended Joint Chapter 11 Plan of Reorganization of Purdue Pharma L.P. and Its Affiliated Debtors* (the "*Plan*") in *In re Purdue Pharma L.P.*, Case No. 19-23649 (SHL) (Bankr. S.D.N.Y.), which became effective on May 1, 2026, and certain related settlement documents, including the Agreement and the Master Shareholder Settlement Agreement (the "*MSA*"), attached hereto as Exhibit B. The Agreement sets forth certain additional terms of settlement as between the Stipulating Defendants and the Settling States and Participating Subdivisions, among others. The MSA sets forth certain payment, remedy, and related terms of settlement between the Sackler Parties (as defined in the MSA) and the Debtors (as defined in the MSA), among others.

4. The Stipulating Defendants are entering into this Consent Judgment solely for the purpose of settlement. Nothing contained in the Agreement or the Consent Judgment may be taken as or construed to be (1) an admission or concession of any violation of law, rule, regulation, or ordinance, or of any other matter of fact or law, or of any fault, liability, or wrongdoing, all of which each of the Stipulating Defendants denies, or (2) a waiver or any limitation of any defense otherwise available to any of the Stipulating Defendants, including, without limitation, a defense of lack of personal jurisdiction; provided, however, that the Stipulating Defendants consent to the Court's exercise of jurisdiction solely and exclusively for the purposes of entry into this Consent

Judgment. Each Stipulating Defendant denies the allegations against him, her or it and denies that he, she or it has any liability whatsoever to the State or any of its Releasors for any Shareholder Released Claims (as defined in the Agreement) and Released Claims (as defined in the Agreement, including without limitation the Debtors' Related Parties, as defined in the Plan), including the Actions.

5. The Parties recognize that the outcome of the Disputes, including the Actions, would be uncertain and a final resolution through the adversarial process likely would require protracted litigation.

6. The Parties agree to enter into the various payment and remedy provisions in the MSA, including MSA Section 9.02, which, as further explained therein, provides that in the event that certain forms of breach occur and are continuing, then, to the extent applicable, following the expiration of a remedies forbearance period and subject to certain limitations, *inter alia*, with respect to certain parties, certain releases may be declared to be immediately void *ab initio* and of no further force or effect.

7. Nothing herein shall constitute a waiver of any Party's rights under the MSA, and the Parties agree that the Court's power to modify or vacate the Consent Judgment in the event of such releases being declared void *ab initio*, as set forth herein, is consistent with and in furtherance of the terms of the MSA and the Plan, and no Party shall contest or otherwise challenge the Court's authority or power to so modify or vacate the Consent Judgment.

8. The Parties agree to enter into the injunctive relief terms set forth in the MSA.

9. In addition to all of the rights, remedies, and enforcement provisions in the MSA, the State may enforce MSA Section 8.05 (Naming Rights) and MSA Section 8.08 (Opioid

Business) in the state or other court that enters this Consent Judgment for alleged violations that occur in the State.

10. The Plan and the MSA provide for the establishment of a Master Disbursement Trust (the "MDT") to conduct various payment disbursements, monitoring, administrative and other activities in connection with the broader settlement referenced herein. For the avoidance of doubt, nothing herein shall waive or prejudice the rights of the MDT (as set forth in the MSA and the Plan), whether as provided for under Section 9.02 of the MSA or as elsewhere set forth in the MSA or the Plan.

11. Therefore, without any admission of liability or wrongdoing by any of the Stipulating Defendants or any other Shareholder Released Parties or Released Parties, and without this Consent Judgment constituting evidence against or admission by anyone with respect to any issue of fact or law, the Parties now mutually consent to the entry of this Consent Judgment and agree to dismissal of the Shareholder Released Claims and Released Claims, including the Actions, with prejudice pursuant to the terms of the Agreement, and subject in all respects to Section 9.02 of the MSA and the retention of jurisdiction and power of modification by the Court, including, but not limited to, retention of jurisdiction for the purpose of modifying the Consent Judgment to enforce compliance with the terms of the MSA, as set forth therein, to avoid the delay, expense, inconvenience, and uncertainty of protracted litigation.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

In consideration of the mutual promises, terms, and conditions set forth in the Agreement, the adequacy of which is hereby acknowledged by all Parties, it is agreed by and between each of the Stipulating Defendants and the State, and adjudicated by the Court, as follows:

1. The foregoing Recitals are incorporated herein and constitute an express term of this Consent Judgment.

2. The Parties have entered into a full and final settlement of all Shareholder Released Claims and Released Claims, including the Actions, of Releasors (including but not limited to the State) against each of the Stipulating Defendants or any other Shareholder Released Parties or Released Parties pursuant to the terms and conditions set forth in the Agreement. This Consent Judgment approves those terms. In the event of a conflict between the terms of the Agreement (including its exhibits) and language in this Consent Judgment, the terms of the Agreement shall govern. Nothing in this Consent Judgment shall have the effect of expanding, diminishing, explaining, or otherwise modifying any term of the Agreement.

3. The Definitions set forth in the Agreement are incorporated by reference into this Consent Judgment. The State is a Settling State within the meaning of the Agreement. Unless otherwise defined herein, capitalized terms in this Consent Judgment shall have the same meaning given to them in the Agreement.

4. The Parties agree that the Court has jurisdiction over the Parties with respect to this Consent Judgment. Otherwise, this Consent Judgment shall not constitute and shall not be construed or used as a waiver of any jurisdictional defense, including, without limitation, a defense for lack of personal jurisdiction, that any of the Stipulating Defendants or any other Shareholder Released Party or Released Party may raise in any other action or proceeding.

5. The Court finds that the Agreement was entered into in good faith, reflects a negotiated settlement agreed to by the Parties, and is in the public interest, and that entry of this Consent Judgment is in the public interest. By this Consent Judgment, the Agreement is hereby approved by the Court, and the Court hereby adopts the Agreement's terms as its own determination of this matter and the Parties' respective rights and obligations.

6. The State's pending Shareholder Released Claims and Released Claims, including, without limitation, the Actions, are hereby dismissed **WITH PREJUDICE** pursuant to the terms of the Agreement, and subject in all respects to Section 9.02 of the MSA and to the retention of jurisdiction and powers of modification by the Court as provided herein and in the Agreement.

7. The Court shall retain the power to modify this Consent Judgment as necessary to effect Section 9.02 of the MSA, including, but not limited to, by retaining the power to modify Paragraph 6 of this Consent Judgment such that, in the event that the release of a Shareholder Released Claim or Released Claim is declared void pursuant to Section 9.02 of the MSA, the Court shall, upon request by a party or the MDT, vacate any dismissal pursuant to this Consent Judgment.

8. The Court shall have authority to resolve disputes identified in Section 6.06(a) of the Agreement, governed by the rules and procedures of the Court.

9. By this Consent Judgment, the "Memorandum of Agreement between the State of North Carolina and Local Governments on Proceeds Relating to the Settlement of Opioid Litigation" (the "*MOA*"), a copy of which is attached hereto as Exhibit C and as incorporated into the Agreement pursuant to Exhibit O of the Agreement, is hereby approved by the Court as the means by which relevant funds paid pursuant to the Agreement will be allocated, used, and accounted for within the State, provided that any Subdivision receiving such funds has executed a Subdivision Settlement Participation Form fully accepting the terms of the Agreement, including the releases provided therein. A municipality exercising its option under the MOA to transfer all its settlement funds during a particular period to the county or counties in which it is located has no further obligations under the MOA during that period.

10. The Parties have satisfied the condition to effectiveness of the Agreement set forth in Article 8 of the Agreement and the Release delivered pursuant to Section 10.01 of the Agreement attached hereto as Exhibit D (the "*AG Release*"), including as follows:

a. The Attorney General of the State exercised the fullest extent of his powers to release the Stipulating Defendants and all other Shareholder Released Parties or Released Parties from all Shareholder Released Claims and Released Claims pursuant to the AG Release.

b. Each of the Stipulating Defendants has determined to proceed with the Agreement.

c. The Subdivision Settlement Participation Form for each Participating Subdivision in the State that has joined to date has been made available to the Stipulating Defendants. As stated in the Subdivision Settlement Participation Form, and for the avoidance of doubt, nothing in the Subdivision Settlement Participation Form executed by the Participating Subdivisions is intended to modify in any way the terms of the Agreement to which the Participating Subdivisions agree. As stated in the Subdivision Settlement Participation Form, to the extent the terms of the executed version of the Subdivision Settlement Participation Form not relating to the release of, or bar against, liability are interpreted differently from the Agreement in any respect, the terms of the Agreement control.

d. Pursuant to Paragraph 2 of the Subdivision Settlement Participation Form, each Litigating Subdivision in the State that has become a Participating Subdivision is dismissing with prejudice any Shareholder Released Claims and Released Claims that it has filed against Stipulating Defendants or any of the Shareholder Released Parties or Released Parties, subject in all respects to Section 9.02 of the MSA and to a retention of jurisdiction by the presiding court to the extent provided in the Agreement.

11. Release. The Parties acknowledge, and the Court finds, that the release provisions in Article 10 of the Agreement and the AG Release, which are incorporated by reference as if fully set forth herein, are an integral part of the Agreement and this Consent Judgment, and shall govern the rights and obligations of all participants in the settlement, including without limitation the State, its Releasors, Stipulating Defendants, the Shareholder Released Parties, and the Released Parties. Pursuant to the Agreement and the AG Release and without limitation and to the maximum extent of the power of the State's Attorney General, the Stipulating Defendants and the other Shareholder Released Parties and Released Parties are, as of the Effective Date, hereby

released and forever discharged from any and all Shareholder Released Claims and Released Claims of the State and its Releasors, including the Actions, subject in all respects to Section 9.02 of the MSA.

12. Release of Unknown Claims. The State (for itself and its Releasors), subject in all respects to Section 9.02 of the MSA, expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

> **General Release; extent.** A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

The State or any of its Releasors may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Shareholder Released Claims and Released Claims, including the Actions, but the State (for itself and its Releasors), subject in all respects to Section 9.02 of the MSA, expressly waived and fully, finally, and forever settled, released and discharged, through the Agreement and AG Release, any and all Shareholder Released Claims and Released Claims that may exist as of the Effective Date but which the State or its Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would have materially affected the State's or any Releasor's decision to enter into the Agreement.

13. The Court finds that the releases in this Consent Judgment and the Agreement, including, without limitation, the Release set forth in Article 10 of the Agreement, the AG Release, and the release in paragraph 11 of this Consent Judgment, are given in good faith and are effective as to the State and each of its Releasors, Shareholder Released Parties, and Released Parties.

14. Costs and Fees. The Parties will bear their own costs and attorneys' fees except as otherwise provided in the Agreement, the MSA or the Plan.

15. No Admission of Liability. The Stipulating Defendants are consenting to this Consent Judgment solely for the purpose of effectuating the Agreement, and nothing contained herein may be taken as or construed to be (1) an admission or concession of any violation of law, rule, or regulation, or of any other matter of fact or law, or of any liability or wrongdoing, all of which each of the Stipulating Defendants expressly denies, or (2) a waiver or any limitation of any defense otherwise available to each Stipulating Defendant, including, without limitation the defense of lack of personal jurisdiction. Neither the Stipulating Defendants nor any other Shareholder Released Party or Released Party admits that it caused or contributed to any public nuisance or any violation of consumer protection statutes, and neither the Stipulating Defendants nor any other Shareholder Released Party or Released Party admits any wrongdoing that was or could have been alleged by the State, its Participating Subdivisions, or any other person or entity. No part of this Consent Judgment shall constitute evidence of any liability, fault, or wrongdoing by the Stipulating Defendants or any other Shareholder Released Party or Released Party. The Parties acknowledge that payments made under the Agreement are not a fine, penalty, or payment in lieu thereof and are properly characterized as described in Section 5.06 of the Agreement.

16. No Waiver. This Consent Judgment is entered based on the Agreement without trial or adjudication of any contested issue of fact or law or finding of liability of any kind. This Consent Judgment shall not be construed or used as a waiver of any Stipulating Defendant's right, or any other Shareholder Released Party's or Released Party's right, to defend itself from, or make any arguments in, any other regulatory, governmental, private individual, private entity, or class claims or suits relating to the subject matter or terms of this Consent Judgment. Notwithstanding

the foregoing, the State may enforce the terms of this Consent Judgment as expressly provided in the Agreement.

17. No Private Right of Action. This Consent Judgment is not for use by any third party for any purpose, including submission to any court for any purpose, except Participating Subdivisions for the limited purposes set forth in Section 6.01 of the Agreement. Except as expressly provided in the Agreement, no portion of the Agreement or this Consent Judgment shall provide any rights to, or be enforceable by, any person or entity that is not a Settling State, Shareholder Released Party, or Released Party. The State shall allow Participating Subdivisions in the State to notify it of any perceived violations of the Agreement or this Consent Judgment. No Settling State, including the State, may assign or otherwise convey any right to enforce any provision of the Agreement.

18. Admissibility. This Consent Judgment shall not be admissible in any other case against any Stipulating Defendant, any other Shareholder Released Party or any other Released Party. This Consent Judgment shall not be binding on any of the Stipulating Defendants, any other Shareholder Released Party or any other Released Party in any respect other than in connection with the enforcement of this Consent Judgment or the Agreement in the State. For the avoidance of doubt, nothing herein shall prohibit any Stipulating Defendant, any other Shareholder Released Party or any other Released Party from entering this Consent Judgment or the Agreement into evidence in any litigation or arbitration concerning (1) a Stipulating Defendant's right to coverage under an insurance contract or (2) the enforcement of the releases provided for by the Agreement and this Consent Judgment.

19. Preservation of Privilege. Nothing contained in the Agreement or this Consent Judgment, and no act required to be performed pursuant to the Agreement or this Consent

Judgment, is intended to constitute, cause, or effect any waiver (in whole or in part) of any attorney-client privilege, work product protection, patient-safety work product protection, or common interest/joint defense privilege, and each Party agrees that it shall not make or cause to be made in any forum any assertion to the contrary.

20. Construction. The Parties agree and stipulate that neither Party shall be considered the drafter of the Agreement or any of its provisions, and therefore the Agreement shall not be construed in favor of or against any Party.

21. Consent to Jurisdiction. The Parties consent to the jurisdiction of this Court, as set forth in Section 6.02 of the Agreement, with respect to all disputes arising out of the Agreement or this Consent Judgment. For the avoidance of doubt, nothing in this Consent Judgment shall be construed to limit, restrict, or impair, or otherwise alter the terms set forth in Article 6 of the Agreement.

22. Other Terms Regarding Dispute Resolution. Except to the extent provided by Sections 6.03 and 6.06(b) of the Agreement, all disputes arising out of this Consent Judgment shall be resolved by this Court, as provided by Section 6.06 of the Agreement.

23. Successors and Assigns. This Consent Judgment is binding upon, and shall inure to the benefit of, the Stipulating Defendants' successors and assigns.

24. Modification. This Consent Judgment shall not be modified (by the Court, by any other court, or by any other means) without the consent of the State and the Stipulating Defendants. Modification of the Agreement shall be governed by Section 13.22 of the Agreement.

SO ORDERED, this the 2nd day of November, 2026.

11/2/2026 3:52:10 PM

Paul C. Ridgeway
Hon. Senior Resident Superior Court Judge
SUPERIOR COURT JUDGE

Consented and agreed to by Plaintiff, the State of North Carolina, by and through its Attorney General, Jeff Jackson:

/s/ Daniel P. Mosteller
DANIEL P. MOSTELLER
N.C. State Bar No. 36958
Associate Deputy Attorney General

Date: October 26, 2026

North Carolina Department of Justice
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Consented and agreed to by Defendants:

/s/ Allison Mullins
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- Exhibit A -

GOVERNMENTAL ENTITY

& SHAREHOLDER

DIRECT SETTLEMENT AGREEMENT

MAY 1, 2026

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GOVERNMENTAL ENTITY & SHAREHOLDER DIRECT SETTLEMENT AGREEMENT

This Settlement Agreement, dated as of May 1, 2026 (the "Agreement"), sets forth the terms of settlement between and among the Settling States, the MDT, solely as of the Effective Date, with respect to Article 4, or otherwise as expressly set forth herein, the Participating Subdivisions, and the Payment Parties (as those terms are defined below). Upon the Effective Date and satisfaction of the conditions set forth in Article 2 and Article 8, this Agreement will be binding on the Settling States, Participating Subdivisions and the Payment Parties. This Agreement will then be filed as part of a Consent Judgment in the respective courts of each of the Settling States, pursuant to the terms set forth in Article 8.

This Agreement addresses and resolves the Settling State and Participating Subdivision alleged direct claims against the Shareholder Released Parties and claims against the Released Parties. However, it is only one part of a set of agreements addressed through the Plan. Party obligations and agreement terms are also addressed in the Plan and its related documents, including the Master Settlement Agreement and the Governmental Remediation Trust Agreement; *provided*, that (i) in the event of any conflict between this Agreement and the Governmental Remediation Trust Agreement, the terms of this Agreement shall govern; (ii) in the event of any conflict between this Agreement and the Master Settlement Agreement, relating to payment determinations pursuant to this Agreement, enforcement, and/or release terms set forth herein, the terms of this Agreement shall govern, (iii) in the event of any other conflict between this Agreement and the Master Settlement Agreement, the terms of the Master Settlement Agreement shall govern, and (iv) in the event of any conflict between this Agreement and the Plan or Confirmation Order (a) with respect to any matter affecting, or a dispute involving, a party that is not a Party or otherwise bound by this Agreement, the Plan or Confirmation Order shall govern, as applicable, and (b) with respect to all other matters, this Agreement shall govern. This Agreement shall not be enforced against any Person not party to or otherwise bound by this Agreement. The determination of whether there is any inconsistency between this Agreement and the Plan or Confirmation Order shall be made by the Bankruptcy Court.

ARTICLE 1. DEFINITIONS; INTERPRETATION PROVISIONS

Section 1.01 Unless otherwise specified, the following definitions apply:

"A-Side Payment Party" has the meaning set forth in the Master Settlement Agreement.

"Accelerated Payment States" means certain States that qualify for an accelerated payment schedule with Annual Remediation Payments being made over nine (9) or ten (10) Payment Dates. If they become Settling States, Connecticut and Oregon are scheduled to receive payments through Payment Date 9; and Kentucky, Maine, Nevada, New Hampshire, New Mexico, Utah, West Virginia and the Oklahoma Subdivisions (to the extent they are Participating Subdivisions) are scheduled to receive payments through Payment Date 10.

"Advisory Committee" has the meaning set forth in Section 5.05(b)(iv).

"Agreement" means this agreement, as set forth above. For the avoidance of doubt, this Agreement is inclusive of all exhibits.

"Alleged Harms" means the alleged past, present, and future financial, societal, public nuisance, and other harms, as well as any expenditures related to the foregoing, arising out of the conduct, omission, or liability of the Debtors and relating to Covered Conduct, including the alleged use, misuse, and abuse of Products, non-exclusive examples of which are described in the documents listed on Exhibit A, that have

allegedly arisen as a result of the physical and bodily injuries sustained by individuals suffering from opioid-related addiction, abuse, death, and other related diseases and disorders, and that have allegedly been caused by Shareholder Released Parties.

"Allocation Statute" means a state law that governs allocation, distribution, and/or use of some or all of the Settlement Fund amounts allocated to that Settling State and/or its Subdivisions. An Allocation Statute may, without limitation, contain a Statutory Trust, further restrict expenditures of funds, form an advisory committee, establish oversight and reporting requirements, or address other default provisions and other matters related to the funds. An Allocation Statute is not required to address all three (3) types of funds comprising the Settlement Fund or all default provisions.

"Annual Fees Payment" means the amounts payable by the Payment Groups on each Payment Date comprised of the State Direct Expenses payment and the Local Government Costs and Expenses Fund payment as determined pursuant to this Agreement, and not including the Annual Remediation Payment. For the avoidance of doubt, the Annual Fees Payment does not include amounts designated pursuant to Section 5.9 of the Plan as attorneys' fees and costs based on Estate Distributions.

"Annual Remediation Payment" means the amounts owing pursuant to the Master Settlement Agreement by the Payment Groups on each Payment Date as determined pursuant to this Agreement and comprised of the Base Payments and Incentive Payments. For the avoidance of doubt, the Annual Remediation Payment does not include amounts owing pursuant to the Master Settlement Agreement for Estate Distributions.

"Appropriate Official" has the meaning set forth in Section 13.06(c).

"Authorized Action" has the meaning set forth in Section 13.25(c).

"B-Side Payment Party" has the meaning set forth in the Master Settlement Agreement.

"Bankruptcy Cases" has the meaning set forth in the Master Settlement Agreement.

"Bankruptcy Code" has the meaning set forth in the Master Settlement Agreement.

"Bar" means either: (1) a law barring or having the effect of barring Subdivisions in a Settling State from maintaining Shareholder Released Claims against Shareholder Released Parties (either through a direct bar or through a grant of authority to release claims and the exercise of such authority in full); or (2) a ruling by the highest court of the Settling State (or, in a Settling State with a single intermediate court of appeals, the intermediate court of appeals) when setting forth the general principle that Subdivisions in the Settling State may not maintain any Shareholder Released Claims against Shareholder Released Parties, whether on the ground of this Agreement (or the release in it) or otherwise. For the avoidance of doubt, a law or ruling that is conditioned or predicated upon payment by a Shareholder Released Party (apart from the Annual Remediation Payments by any Payment Group under this Agreement) shall not constitute a Bar.

"Base Payment" has the meaning set forth in Section 4.05.

"Business Day" means a day, other than Saturday, Sunday or a federal holiday.

"Case-Specific Resolution" means either: (1) a law barring or having the effect of barring the Subdivision at issue from maintaining any Shareholder Released Claims against any Shareholder Released Parties (either through a direct bar or through a grant of authority to release claims and the exercise of such authority in full); or (2) a ruling by a court of competent jurisdiction over the Subdivision at issue that the

Subdivision may not maintain any Shareholder Released Claims at issue against any Shareholder Released Parties, whether on the ground of this Agreement (or the release in it) or otherwise. For the avoidance of doubt, a law or ruling that is conditioned or predicated upon payment by a Shareholder Released Party (apart from the annual payments by any Payment Group under this Agreement) shall not constitute a Case-Specific Resolution.

"Cause of Action" means any Claim, action, class action, claim, cross-claim, counterclaim, third-party claim, cause of action, controversy, dispute, demand, right, Lien, indemnity, contribution, rights of subrogation, reimbursement, guaranty, suit, obligation, liability, debt, damage, judgment, loss, cost, attorneys' fees and expenses, account, defense, remedy, offset, power, privilege, license or franchise, in each case, of any kind, character or nature whatsoever, asserted or unasserted, accrued or unaccrued, known or unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, foreseen or unforeseen, direct or indirect, choate or inchoate, secured or unsecured, allowable or disallowable, Allowed or Disallowed, assertible directly or derivatively (including, without limitation, under alter-ego theories), in rem, quasi in rem, in personam or otherwise, whether arising before, on or after the Petition Date, arising under federal or state statutory or common law, or any other applicable international, foreign or domestic law, rule, statute, regulation, treaty, right, duty, requirement or otherwise, in contract or in tort, at law, in equity or pursuant to any other theory or principle of law, including fraud, negligence, gross negligence, recklessness, reckless disregard, deliberate ignorance, public or private nuisance, breach of fiduciary duty, avoidance, willful misconduct, veil piercing, alter ego, unjust enrichment, disgorgement, restitution, contribution, indemnification, rights of subrogation and joint liability, regardless of where in the world accrued or arising. For the avoidance of doubt, "Cause of Action" expressly includes (i) any Cause of Action held by a natural person who is not yet born or who has not yet attained majority as of the Petition Date or as of the Effective Date, (ii) any right of setoff, counterclaim or recoupment and any Cause of Action for breach of contract or for breach of duty imposed by law or in equity, (iii) the right to object to or otherwise contest Claims or Interests, (iv) any Cause of Action pursuant to section 362 of the Bankruptcy Code or chapter 5 of the Bankruptcy Code, (v) any claim or defense, including fraud, mistake, duress and usury and any other defense set forth in section 558 of the Bankruptcy Code, and (vi) any claim under any state or foreign law, including for the recovery of any fraudulent transfer or similar theory.

"Claim" has the meaning set forth in the Plan.

"Claim-Over" means a Cause of Action asserted by a Non-Shareholder Released Party against a Shareholder Released Party or, as applicable, Released Party on the basis of contribution, indemnity, or other claim-over on any theory relating to a Non-Party Covered Conduct Claim asserted by a Releasor.

"Co-Defendants" has the meaning set forth in the Plan.

"Compensatory Restitution Amount" means the aggregate amount paid or incurred by or on behalf of any Payment Party hereunder for Opioid Remediation, which includes each Annual Remediation Payment and does not include amounts paid as attorneys' fees and costs or identified pursuant to Section 5.02(b) as being used to pay attorneys' fees, investigation costs or litigation costs, which shall be up to the amount of the Total Maximum Remediation Payment.

"Confirmation Order" has the meaning set forth in the Plan.

"Consent Judgment" means a consent judgment in a form to be agreed by the Settling States and the Sackler Parties' Representative prior to the Effective Date that, among other things, (1) approves this Agreement and (2) reflects the release set forth in Section 10.01, including the dismissal with prejudice of any Shareholder Released Claims that the Settling State has brought against Shareholder Released Parties

or, as applicable, the Released Parties, *provided*, that notwithstanding the foregoing, any such dismissal may be subject to pursuit by the MDT of a Release Remedy (as defined in the Master Settlement Agreement) under the Master Settlement Agreement Section 9.02(a)(ii)(B) with respect to a Payment Party.

"Covered Conduct" means any actual or alleged act, failure to act, negligence, statement, error, omission, breach of any duty, conduct, event, transaction, agreement, misstatement, misleading statement, or other activity of any kind whatsoever from the beginning of time through the Plan Effective Date (and any past, present, or future consequence of any such act, failure to act, negligence, statement, error, omission, breach of duty, conduct, event, transaction, agreement, misstatement, misleading statement, or other activity) relating in any way to (1) compounding, counseling or documentation relating to any Product or class of Products; (2) the discovery, development, manufacture, packaging, repackaging, marketing, promotion, advertising, labeling, recall, withdrawal, distribution, delivery, monitoring, reporting, supply, sale, prescribing, dispensing, physical security, warehousing, use or abuse of, or operating procedures relating to, any Product, or any system, plan, policy or advocacy relating to any Product or class of Products, including, but not limited to, any unbranded promotion, marketing, programs, or campaigns relating to any Product or class of Products; (3) the characteristics, properties, risks, or benefits of any Product; (4) the reporting, disclosure, non-reporting or nondisclosure to federal, state or other regulators of orders placed with any Shareholder Released Parties or physicians or pharmacists identified by any Shareholder Released Party as potentially engaging in suspicious or problematic conduct; or (5) diversion control programs or suspicious order monitoring.

"Debtors" means Purdue Pharma L.P., Purdue Pharma Inc., Purdue Transdermal Technologies L.P., Purdue Pharma Manufacturing L.P., Purdue Pharmaceuticals L.P., Imbrium Therapeutics L.P., Adlon Therapeutics L.P., Greenfield BioVentures L.P., Seven Seas Hill Corp., Ophir Green Corp., Purdue Pharma of Puerto Rico, Avrio Health L.P., Purdue Pharmaceutical Products L.P., Purdue Neuroscience Company, Nayatt Cove Lifescience Inc., Button Land L.P., Rhodes Associates L.P., Paul Land Inc., Quidnick Land L.P., Rhodes Pharmaceuticals L.P., Rhodes Technologies UDF LP, SVC Pharma LP, and SVC Pharma Inc (each, a "Debtor").

"Designated State" means New York.

"Effective Date" means the Plan Effective Date unless it is extended by written agreement of the Sackler Parties' Representative and the MDT Advisory Council.

"Eligible States" means all States except for Oklahoma, which has a preexisting settlement. Oklahoma Subdivisions are eligible to participate pursuant to Exhibit H.

"Emergence Payment States" means certain States that, if they become Settling States and qualify for Incentive Payment A, are scheduled to receive their full Statewide Payment Amount on Payment Date 1. These states are Delaware, the District of Columbia, Rhode Island, and Vermont.

"Estate Causes of Action" means, in each case whether or not asserted, any and all Causes of Action that any Debtor or its Estate may have, hold, or control, or be entitled to assert, or that any Person may be entitled to assert, currently or in the future, by, through, under, or on behalf of any Debtor or its Estate, and each of their respective successors or assigns, including, without limitation, any and all Causes of Action that: (i) were included in the proposed complaint filed by the Creditors' Committee [Dkt. No. 6685-2]; (ii) seek to avoid or recover any transfer of property or value by any Debtor or its Estate, or to avoid any obligation incurred by any Debtor or its Estate, including on a theory of fraudulent transfer, fraudulent conveyance, preference, turnover, unjust enrichment, constructive trust, or conversion; (iii) arise from an injury suffered by a Debtor, including Causes of Action arising from a breach of fiduciary duty, mismanagement, corporate waste, or similar theories arising out of a Person's ownership, management,

oversight, operation, status, tenure, conduct, omission, liability, action, or inaction at any time as a stockholder, affiliate, owner, partner, member, manager, director, officer, employee, servant, agent, representative, attorney, creditor, successor, assign, or other relationship with a Debtor or any of its predecessors; (iv) arise from disregarding the separateness of any Debtor or its Estate or imputing the liability of any Debtor or its Estate to another Person, including on a theory of successor liability, vicarious liability, respondeat superior, alter ego, veil piercing, agency, control person liability, or joint venture; (v) arise from a common injury that (a) could be asserted by creditors of a Debtor or its Estate or (b) arises from a breach of duty owed to a Debtor or its Estate; (vi) are property of any Debtor or its Estate or can be asserted, settled, or released by any Debtor or its Estate under the Bankruptcy Code or other applicable law; or (vii) are other derivative claims duplicative of any of the foregoing. Estate Causes of Action shall not include any Cause of Action arising from a breach by a non-Debtor of a legally cognizable duty or statutory prohibition – including not to engage personally in fraud, misrepresentation, or misconduct that causes a nuisance, in each case under consumer protection laws and like regulatory laws or statutes (such as UDAP laws) or the common law – which duty or statutory obligation is owed by such non-Debtor directly to the Person asserting such Cause of Action (or to the citizenry on whose behalf such Person is charged to act), where the injury caused by such breach is particular to the Person asserting such Cause of Action (or the citizenry on whose behalf such Person is charged to act) and is not an injury common to creditors of the Debtor or its Estate.

"Estate Distributions" has the meaning set forth in the Plan.

"Excluded Claim" means (i) any criminal action or criminal proceeding arising under a criminal provision of any statute instituted (A) by a Domestic Governmental Entity (as defined in the Plan) that has authority to bring such a criminal action or criminal proceeding, and (B) to adjudicate a person's guilt or to set a convicted person's punishment; (ii) any Cause of Action against a non-Debtor Person (as defined in the Master Settlement Agreement) by any federal, state or local authority with respect to taxes (other than tax laws targeting Covered Conduct[1]) imposed on such non-Debtor Person; (iii) any Estate Cause of Action (as defined in the Plan) that the applicable Releasor does not have authority to release or bring or any Cause of Action against an Excluded Party (as defined in the Plan); (iv) any Cause of Action against any Person to the extent based on the actual conduct of such Person after the Settlement Effective Date (as defined in the Master Settlement Agreement); (v) any Cause of Action against Persons or Entities who are not Released Parties or Shareholder Released Parties; (vi) any Cause of Action belonging to private individuals or private entities; or (vii) any claim arising under the Plan, the Master Settlement Agreement, or this Agreement for enforcement of the Plan, the Master Settlement Agreement, or this Agreement; (viii) any claim, potential claim or a cause of action held by a Domestic Governmental Entity (as defined under the Plan) against any (A) Co-Defendants or their insurers, including for the avoidance of doubt, any Settling Co-Defendant or their insurers, or any (B) pharmacy benefit manager (including any entity or third-party administrator of prescription drug programs) that is not a Shareholder Released Party.

"Fee Reimbursement Order" means the *Order Authorizing the Debtors to Assume the Reimbursement Agreement and Pay the Fees and Expenses of the Ad Hoc Committee's Professionals* [Dkt. No. 553] entered in the Bankruptcy Cases.

[1] Provided, however, that none of the following as currently enacted shall be considered a tax law targeting Covered Conduct: 16 Del. Code Chapter 48B; fees assessed by the Minnesota Board of Pharmacy under Minnesota Statutes section 151.065; any penalty assessed under Minnesota's Opiate Product Registration Fee law, Minnesota Statutes section 151.066; the Minnesota Care Wholesale Drug Distributor and Use Tax, Minnesota Statutes section 295.52; the Excise Tax on sale of Opioids, Article 20-D of New York's Tax Law; the Opioid Stewardship Act, Article 33, Title 2-A of New York's Public Health Law; and Rhode Island's Opioid Stewardship Act, R.I. Gen. Laws §§21-28.10, et seq.

"Final Dispute Response Notice" has the meaning set forth in Section 4.04(c)(ii).

"Fire District" shall correspond to Special Districts categorized by the U.S. Census Bureau under the function name (a) "Local Fire Protection" or (b) "Fire Protection and Water Supply."

"General Purpose Government" means the three types of local governments recognized by the U.S. Census Bureau as "General Purpose" – county, municipal, and township governments – and match its 2017 list of Governmental Units. [2] This includes, but is not limited to, a municipality, county, county subdivision, city, town, township, parish, village, borough, gore, or any other entities that provide municipal-type government.

"Governmental Remediation Trust" has the meaning set forth in the Plan.

"Governmental Remediation Trust Agreement" has the meaning set forth in the Plan.

"Health District" shall correspond to Special Districts categorized by the U.S. Census Bureau under the function name "Health."

"Hospital District" shall correspond to Special Districts categorized by the U.S. Census Bureau under the function name "Hospital."

"Hospital Shareholder Direct Settlement Agreement" has the meaning set forth in the Plan.

"Implementation Administrator" means Rubris, Inc., which is the vendor to be retained, prior to the Effective Date, pursuant to the Fee Reimbursement Order F, and, as applicable, following the Effective Date, by the MDT, to provide notice pursuant to Section 7.01 and to manage the initial joinder period for Subdivisions, including the issuance and receipt of Subdivision Settlement Participation Forms.

"Incentive B Eligible Subdivisions" has the meaning set forth in Section 4.06(e)(iii)(B).

"Incentive C Eligible Subdivisions" has the meaning set forth in Section 4.06(f)(iii)(B).

"Incentive Payment" means each of Incentive Payment A, Incentive Payment B, Incentive Payment C and Incentive Payment D made to the Settling States pursuant to their eligibility to receive such payment, as applicable.

"Incentive Payment A" means the incentive payment described in Section 4.06(d).

"Incentive Payment A Catch-up Payment" has the meaning set forth in Section 4.06(d)(v).

"Incentive Payment B" means the incentive payment described in Section 4.06(e).

"Incentive Payment C" means the incentive payment described in Section 4.06(f).

"Incentive Payment D" means the incentive payment described in Section 4.06(g).

"Incentive Payment D Lookback Date" has the meaning set forth in Section 4.06(g)(iv).

[2] All such entities are found on the "General Purpose" tab of the Census Bureau's 2017 Government Units Listing spreadsheet available at https://www2.census.gov/programs-surveys/gus/datasets/2017/govt_units_2017.ZIP.

"Incentive Payment Final Eligibility Date" means with respect to a Settling State, the date that is ninety (90) calendar days prior to the Payment Date for Payment Date 4, unless the Sackler Parties' Representative, the MDT Advisory Council, and the relevant Settling State agree to allow Incentive Payments for a Settling State to be adjusted for a Later Participating Subdivision that becomes a Participating Subdivision after the Incentive Payment Final Eligibility Date.

"Initial Participating Subdivision" means a Subdivision that meets the requirements set forth in Section 7.04.

"Initial Subdivision Participation Date" means the ninetieth (90^{th}) calendar day immediately following Preliminary Agreement Date, unless it is extended by written agreement of the Sackler Parties' Representative, the States' AG Negotiating Group, the MDL PEC, and the MSGE Group.

"Injunctive Relief Terms" means the terms described in Article 3.

"Later Litigating Subdivision" means a Subdivision (or Subdivision official asserting the right of or for the Subdivision to recover for Alleged Harms to the Subdivision and/or the people thereof) that: (1) first files a lawsuit bringing a Shareholder Released Claim against a Shareholder Released Party after the Initial Subdivision Participation Date and had not previously filed a lawsuit against a Debtor; or (2) adds a Shareholder Released Claim against a Shareholder Released Party after the Initial Subdivision Participation Date to a lawsuit brought before the Initial Subdivision Participation Date that, prior to the Initial Subdivision Participation Date, did not include any Shareholder Released Claims against a Shareholder Released Party or any Causes of Action against a Debtor that would otherwise constitute a Shareholder Released Claim if asserted against a Shareholder Released Party; or (3) (a) was a Litigating Subdivision whose Shareholder Released Claims against Shareholder Released Parties were resolved by a legislative Bar or legislative Case-Specific Resolution as of the Initial Subdivision Participation Date, (b) such legislative Bar or legislative Case-Specific Resolution is subject to a Revocation Event after the Initial Subdivision Participation Date, and (c) the earlier of the date of completion of opening statements in a trial in an action brought by a Subdivision in that Settling State that includes a Shareholder Released Claim against a Shareholder Released Party or one hundred eighty (180) calendar days from the Revocation Event passes without a Bar or Case-Specific Resolution being implemented as to that Litigating Subdivision or the Litigating Subdivision's Shareholder Released Claims being dismissed; (4) (a) was a Litigating Subdivision whose Shareholder Released Claims against Shareholder Released Parties were resolved by a judicial Bar or judicial Case-Specific Resolution as of the Initial Subdivision Participation Date, (b) such judicial Bar or judicial Case-Specific Resolution is subject to a Revocation Event after the Initial Subdivision Participation Date, and (c) such Litigating Subdivision takes any action in its lawsuit asserting a Shareholder Released Claim against a Shareholder Released Party other than seeking a stay or dismissal; or (5) was a Prior Litigating Subdivision and subsequently files a lawsuit bringing a Shareholder Released Claim against a Shareholder Released Party after the Initial Subdivision Participation Date.

"Later Participating Subdivision" means a Participating Subdivision that is not an Initial Participating Subdivision, but meets the requirements set forth in Section 7.05.

"Library District" shall correspond to Special Districts categorized by the U.S. Census Bureau under the function name "Libraries."

"Litigating Subdivision" means a Subdivision (or Subdivision official asserting the right of or for the Subdivision to recover for Alleged Harms to the Subdivision and/or the people thereof) that brought any Shareholder Released Claim against any Debtor and/or any Shareholder Released Party in connection with Covered Conduct on or prior to the Initial Subdivision Participation Date; *provided, however,* that a Subdivision (or Subdivision official) that is a Prior Litigating Subdivision shall not be considered a

Litigating Subdivision. Exhibit C is an agreed list of all Litigating Subdivisions. Exhibit C will be updated (including with any corrections) periodically, and a final version of Exhibit C will be attached hereto as of the Reference Date.

"Litigation Costs" has the meaning set forth in the Master Settlement Agreement.

"Local Government Costs and Expenses Fund" has the meaning set forth in the Plan.

"Master Disbursement Trust" or "MDT" has the meaning set forth in the Plan.

"Master Settlement Agreement" means that certain Master Settlement Agreement entered into by and among the MDT and each of the parties listed pursuant to the Exhibits A and B of the Master Settlement Agreement and PRA L.P. on or about the date hereof, as it may be amended or supplemented from time to time.

"Maximum Annual Remediation Payment" means the maximum Annual Remediation Payment payable pursuant to the Master Settlement Agreement on a Payment Date by the Payment Groups.

"MDL PEC" means the MDL Plaintiffs' Executive Committee as defined in the Plan.

"MDT Advisory Council" has the meaning set forth in the Plan.

"MDT Segregated Account" means a segregated account of the MDT to be used in accordance with Section 4.04.

"MSGE Group" means the Multi-State Governmental Entities Group as defined in the Plan.

"National Arbitration Panel" means the panel comprised as described in Section 6.06(b)(ii).

"National Disputes" has the meaning set forth in Section 6.06(b)(i).

"Non-Federal Acute Care Hospital" has the meaning set forth in the Plan.

"Non-Litigating Subdivision" means any Subdivision that is neither a Litigating Subdivision nor a Later Litigating Subdivision.

"Non-Litigating Threshold Subdivision" means any Subdivision that is a General Purpose Government and that is not otherwise a Litigating Subdivision and (1) (a) filed a timely proof of claim against the Debtors in the Bankruptcy Cases pursuant to the applicable deadline set forth in the *Order Establishing (I) Deadlines for Filing Proofs of Claim and Procedures Relating Thereto, (II) Approving the Proof of Claim Forms, and (III) Approving the Form and Manner of Notice Thereof*, Purdue Pharma L.P. *et al.*, 19-23649 (Bankr. S.D.N.Y. Feb. 3, 2020) [Dkt. No. 800] and (b) is a Primary Subdivision or (2) was a "Litigating Subdivision" or "Later Litigating Subdivision" under any of the Prior National Settlements as of the Initial Subdivision Participation Date. Attached as Exhibit W is a list of the Non-Litigating Threshold Subdivisions in each Eligible State. Exhibit W will be updated (including with any corrections) periodically, and a final version of Exhibit W will be attached hereto as of the Reference Date.

"Non-Participating Subdivision" means any Subdivision that is not a Participating Subdivision.

"Non-Party Covered Conduct Claim" means a Cause of Action against any Non-Shareholder Released Party involving, arising out of, or related to Covered Conduct (or conduct that would be Covered Conduct if engaged in by a Shareholder Released Party).

"Non-Party Settlement" means a settlement by any Releasor that settles any Non-Party Covered Conduct Claim and includes a release of any Non-Shareholder Released Party.

"Non-Settling State" means any Eligible State that is not a Settling State.

"Non-Shareholder Released Party" means an entity that is not a Shareholder Released Party or Released Party.

"Oklahoma Subdivisions" means Subdivisions within Oklahoma as specified in Exhibit H.[3]

"Opioid Remediation" means care, treatment, and other programs and expenditures (including reimbursement for past such programs or expenditures[4] except where this Agreement restricts the use of funds solely to future Opioid Remediation) designed to (1) address the misuse and abuse of opioid products in the Settling States, (2) treat or mitigate opioid use or related disorders in the Settling States, or (3) mitigate other alleged effects of, including on those injured as a result of, the opioid epidemic in the Settling States. Exhibit E provides a non-exhaustive list of expenditures that qualify as being paid for Opioid Remediation. Qualifying expenditures may include reasonable related administrative expenses in connection with the above.

"Participating Subdivision" means any Subdivision that meets the requirements for becoming a Participating Subdivision under Section 7.02 and Section 7.03. Participating Subdivisions include both Initial Participating Subdivisions and Later Participating Subdivisions.

"Parties" means the Payment Parties, the Settling States and, solely as of the Effective Date, with respect to Article 4, or otherwise as expressly set forth herein, the MDT (each, a "Party").

"Payment Date" means each date on which a payment is required to be made by a Payment Group pursuant to the terms of the Master Settlement Agreement.

"Payment Group" has the meaning set forth in the Master Settlement Agreement.

"Payment Party" means an A-Side Payment Party or a B-Side Payment Party.

"Plan" refers to the chapter 11 plan filed by the Debtors and has the meaning set forth in the Master Settlement Agreement.

"Plan Effective Date" has the meaning set forth in the Master Settlement Agreement.

"Preliminary Agreement Date" has the meaning set forth in Section 2.02.

"Preliminary Payment Determination" has the meaning set forth in Section 4.04(c).

"Primary Fire Districts" shall mean Fire Districts that cover a population of 25,000, or 0.20% of a State's population if a State's population is greater than 18 million. If not easily calculable from state data sources and agreed to between the State and the Sackler Parties' Representative, a Fire District's population is calculated by dividing the population of the county or counties a Fire District serves by the number of Fire Districts in the county or counties. For Settling States that earned Incentive A in the July 21, 2021

[3] Provisions related to Oklahoma Subdivisions are further addressed in Exhibit H.

[4] Reimbursement includes amounts paid to any governmental entities for past expenditures or programs.

Janssen Settlement Agreement, Primary Fire Districts are presumptively the list agreed to between the Settling State and Janssen.

"Primary Subdivision" means a Subdivision that is a General Purpose Government with population over 10,000. Attached as Exhibit I is an agreed list of the Primary Subdivisions in each Eligible State.

"Prime Rate" means the rate of interest per annum from time to time published in the money rates section of The Wall Street Journal or any successor publication thereto as the "prime rate" then in effect; *provided*, that if such rate of interest, as set forth from time to time in the money rates section of The Wall Street Journal, becomes unavailable for any reason, the "Prime Rate" shall mean the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. or its successor as its prime rate in effect at its principal office in New York City (or the location of its successor's headquarters).

"Prior Litigating Subdivision" means a Subdivision (or Subdivision official asserting the right of or for the Subdivision to recover for Alleged Harms to the Subdivision and/or the people thereof,) that brought any Shareholder Released Claim against any Debtor and/or any Shareholder Released Party prior to the Initial Subdivision Participation Date and all such Debtor and Shareholder Released Claims were separately settled, were dismissed through a final order that is not subject to appeal so that there are no such active claims by the Subdivision (or Subdivision official), including through an order that substitutes another party for the Subdivision (or Subdivision official) or were finally adjudicated prior to the Initial Subdivision Participation Date; *provided*, *however*, that if the final adjudication was pursuant to a Bar, such Subdivision shall not be considered a Prior Litigating Subdivision. Notwithstanding the prior sentence, the Sackler Parties' Representative and the Settling State of the relevant Subdivision may agree in writing that the Subdivision shall not be considered a Prior Litigating Subdivision. Any entity that otherwise would qualify as a Prior Litigating Subdivision that subsequently brings a Shareholder Released Claim against any Debtor and/or any Shareholder Released Party shall not be considered a Prior Litigating Subdivision.

"Prior National Settlements" means each of (1) the July 21, 2021 Settlement Agreement concerning McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation; (2) the July 21, 2021 Janssen Settlement Agreement; (3) the November 14, 2022 Walmart Settlement Agreement; (4) the November 22, 2022 Allergan Settlement Agreement; (5) the November 22, 2022 Teva Settlement Agreement; (6) the December 9, 2022 Walgreens Settlement Agreement; (7) the December 9, 2022 CVS Settlement Agreement; and (8) the March 22, 2024 Kroger Settlement Agreement.

"Prior Settling Subdivision" means a Subdivision that has fully resolved its claims with Shareholder Released Parties outside of this Agreement.

"Pro Rata" means, with respect to any Payment Group on a Payment Date, the portion of an Annual Remediation Payment or Annual Fee Payment, as applicable, assigned to such Payment Group pursuant to Exhibit M-X.

"Products" means any and all products developed, designed, manufactured, marketed or sold, in research or development, or supported by, the Debtors, whether work in progress or in final form, whether used for medicinal or non-medicinal purposes, and whether natural, synthetic, or semi-synthetic, or any finished pharmaceutical product made from or with such product, including, but not limited to (a)any such products that are: (i) an opioid or opiate, as well as any product containing any such substance; or (ii) benzodiazepine, carisoprodol, or gabapentin; or (iii) a combination or "cocktail" of chemical substances prescribed, sold, bought, or dispensed to be used together that includes opioids or opiates and (b) any such product consisting of or containing buprenorphine, codeine, fentanyl, hydrocodone, hydromorphone, meperidine, methadone, morphine, oxycodone, oxymorphone, tapentadol, tramadol, opium, heroin, carfentanil, diazepam, estazolam, quazepam, alprazolam, clonazepam, oxazepam, flurazepam, triozolam,

temazepam, midazolam, carisoprodol, gabapentin, or any variant of these substances or any similar substance.

"Proofs of Claim" has the meaning set forth in the Plan.

"Purdue" means Purdue Pharma L.P.

"Reference Date" means the date on which the Sackler Parties' Representative shall provide to the States' AG Negotiating Group, the MDL PEC, and the MSGE Group the Sackler (Subdivision) Participation Notice of its election to proceed pursuant to Section 8.03.

"Release" means, with respect to a Settling State, a release in the form attached hereto as Exhibit V, and with respect to a Participating Subdivision, the release granted pursuant to the Subdivision Settlement Participation Form.

"Released Claims" has the meaning set forth in Exhibit V or Exhibit K, as applicable.

"Released Parties" means, collectively, (i) the Debtors, and (ii) each of the Debtors' Related Parties, solely in their respective capacities as such; *provided*, *however*, that, notwithstanding the foregoing or anything herein to the contrary, no Excluded Party (as defined in the Plan) or Shareholder Release Snapback Party (as defined in the Plan) shall be a Released Party in any capacity or respect. For purposes of this definition of "Released Parties," the phrase "solely in their respective capacities as such" means, with respect to a Person, solely to the extent a claim against such Person (x) arises from such Person's conduct or actions taken in such capacity, or from such Person's identified capacity in relation to another specified Released Party and not, in either case, from such Person's conduct or actions independent of such capacity, and (y) to the extent such Person's liability depends on or derives from the liability of such other Released Party, such claim would be released if asserted against such other Released Party. For the avoidance of doubt, "Released Party" shall not include any Co-Defendants or their insurers, including for the avoidance of doubt any Settling Co-Defendant or their insurers.

"Releasors" means the State Releasors and the Subdivision Releasors.

"Remediation Accounts Fund" means the component of the Settlement Fund described in Article 5.

"Revocation Event" means with respect to a Bar, Settlement Class Resolution, or Case- Specific Resolution, a revocation, rescission, reversal, overruling, or interpretation that in any way limits the effect of such Bar, Settlement Class Resolution, or Case-Specific Resolution on Shareholder Released Claims, or any other action or event that otherwise deprives the Bar, Settlement Class Resolution, or Case-Specific Resolution of force or effect in any material respect.

"Sackler Parties' Representative" means Plerus AB LLC, a limited liability company organized under the laws of Delaware.

"Sackler (States) Participation Initial Deadline" has the meaning set forth in Section 2.02.

"Sackler (States) Participation Notice" has the meaning set forth in Section 2.02.

"Sackler (Subdivision) Participation Notice" means the notice delivered by the Sackler Parties' Representative to the States' AG Negotiating Group, the MDL PEC, and the MSGE Group pursuant to which the Sackler Parties' Representative elects to proceed with this Agreement based on the satisfaction

(which shall be determined at the Sackler Parties' Representative's sole discretion) of the conditions set forth in Article 8.

"Sackler Party" has the meaning set forth in the Master Settlement Agreement.

"School District" shall correspond to Special Districts categorized by the U.S. Census Bureau under the tab "School District" or "DEP School District."

"Separately Settling Payment Group" has the meaning set forth in Section 13.04(b).

"Settlement Class Resolution" means a class action resolution in a court of competent jurisdiction in a Settling State (that is not successfully removed to federal court) with respect to a class of Subdivisions in that Settling State that (1) conforms with that Settling State's statutes, case law, and rules of procedure regarding class actions; (2) is approved and entered as an order of a court of competent jurisdiction in that Settling State and such order has become a final order; (3) is binding on all Non-Participating Subdivisions in that Settling State (other than opt outs as permitted under the next sentence); (4) provides that all such Non-Participating Subdivisions may not bring any Shareholder Released Claims against any Shareholder Released Parties, whether on the ground of this Agreement (or the releases herein) or otherwise; and (5) does not impose any costs or obligations on a Payment Party or Shareholder Released Party other than those provided for in this Agreement, or contain any provision inconsistent with any provision of this Agreement. If applicable state law requires that opt-out rights be afforded to members of the class, a class action resolution otherwise meeting the foregoing requirements shall qualify as a Settlement Class Resolution unless Subdivisions collectively representing more than one percent (1%) of the total population of that Settling State opt out. In seeking certification of any Settlement Class Resolution, the applicable Settling State and Participating Subdivisions shall make clear that certification is sought solely for settlement purposes and shall have no applicability beyond approval of the settlement for which certification is sought. Nothing in this Agreement constitutes an admission by any Party that class certification would be appropriate for litigation purposes in any case or for purposes unrelated to this Agreement.

"Settlement Administrator" means BrownGreer PLC, or such other entity as may be engaged, prior to the Effective Date, pursuant to the Fee Reimbursement Order, or by the MDT from and after the Effective Date (in each case, subject to the reasonable consent of the Sackler Parties' Representative), as a representative of the Governmental Remediation Trust (as defined in the Plan) that annually determines the Annual Remediation Payment (including calculating offset or reduction Incentive Payments pursuant to Article 4 and any amounts subject to offset or reduction pursuant to Article 12), administers the Settlement Fund, and distributes amounts into the Remediation Accounts Fund, State Fund, Subdivision Fund, and the State Direct Expenses fund pursuant to this Agreement. References herein to the Settlement Administrator shall refer to the Settlement Administrator in its capacities as the representative of the Governmental Remediation Trust, the MDT or both, as context requires.

"Settlement Fund" means the interest-bearing fund established pursuant to the Governmental Remediation Trust Agreement into which Annual Remediation Payments and Estate Distributions received by the MDT that are ultimately payable to the Governmental Remediation Trust. The Settlement Fund may be held and administered by the Settlement Administrator so long as it meets the foregoing requirements.

"Settlement Payment" has the meaning set forth in the Master Settlement Agreement.

"Settlement Payment Dispute Notice" has the meaning set forth in Section 4.04(c)(i).

"Settling Co-Defendants" has the meaning set forth in the Plan.

"Settling State" means an Eligible State that has entered into this Agreement and delivers executed releases in accordance with Section 8.01.

"Shareholder Released Claims" has the meaning set forth in the Release.

"Shareholder Released Party" or "Shareholder Released Parties" has the meaning set forth in the Plan.

"Special District" means formal and legally recognized sub-entities of a State recognized by the U.S. Census Bureau[5] that are not General Purpose Governments. "Special Districts" shall include Fire Districts, Health Districts, Hospital Districts, and Library Districts. For the avoidance of doubt, "Special District" does not include entities that include any of the following words or phrases in its name: mosquito, pest, insect, spray, vector, animal, air quality, air pollution, clean air, coastal water, tuberculosis, and sanitary.

"Special Operating Reserve" has the meaning set forth in the Plan.

"State" means any state of the United States of America, the District of Columbia, American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands. Additionally, the use of non-capitalized "state" to describe something (e.g., "state court") shall also be read to include parallel entities in commonwealths, territories, and the District of Columbia (e.g., "territorial court").

"State Direct Expenses" means the amount payable by the Payment Groups on each Payment Date to the Settling States for their litigation expenses (including attorneys' fees) as determined pursuant to Section 9.02, Exhibit M-X, and Exhibit S of this Agreement. The maximum amount of State Direct Expenses is $136,550,050.39 and is subject to reductions described herein and prepayments. For the avoidance of doubt, the State Direct Expenses do not include amounts designated pursuant to Section 5.9(b) of the Plan for the payment of expenses of the Settling States based on Estate Distributions.

"State Expenses Fund" has the meaning set forth in the Plan.

"State Fund" means the component of the Settlement Fund described in Article 5.

"State Participation Initial Deadline" has the meaning set forth in Section 2.01(b).

"State Participation Notice" means the written notice given to the Sackler Parties' Representative by the Attorneys General of each of the Eligible States pursuant to which such Eligible State elects to proceed with this Agreement and becomes a Settling State.

"State Releasors" means (1) each Settling State; (2) without limitation and to the maximum extent of the power of each Settling State's Attorney General to release Causes of Action, (a) the Settling State's departments, agencies, divisions, boards, commissions, Subdivisions, districts, instrumentalities of any kind and attorneys, including its Attorney General, and any person in his or her official capacity whether elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, (b) any public entities, public instrumentalities, public educational institutions, unincorporated districts, fire districts, irrigation districts, and other Special Districts in a Settling State, and

[5] All such entities are found on the "Special District," "School District," and "DEP School District" tabs of the Census Bureau's 2017 Government Units Listing spreadsheet available at https://www2.census.gov/programs-surveys/gus/datasets/2017/govt_units_2017.ZIP. For the avoidance of doubt, certain Special Districts are not Subdivisions for purposes of this settlement term sheet, as noted elsewhere.

(c) any person or entity acting in a *parens patriae*, sovereign, quasi-sovereign, private attorney general, *qui tam*, taxpayer, or other capacity seeking relief on behalf of or generally applicable to the general public with respect to a Settling State or Subdivision in a Settling State, whether or not any of them participate in this Agreement; (3) all past and present executive departments, state agencies, divisions, boards, commissions and instrumentalities with the regulatory authority to enforce state and federal controlled substances acts within a Settling State; and (4) any of the Settling State's past and present executive departments, agencies, divisions, boards, commissions, and instrumentalities that have the authority to bring Shareholder Released Claims or Released Claims, whether or not any of them participate in the Agreement (for the purposes of this clause (4), executive departments, agencies, divisions, boards, commissions, and instrumentalities are those that are under the executive authority or direct control of the Settling State's Governor).

"State Review Deadline" has the meaning set forth in Section 2.01(a).

"State-Subdivision Agreement" means an agreement that a Settling State reaches with the Subdivisions in that Settling State regarding the allocation, distribution, and/or use of funds allocated to that Settling State and to its Subdivisions. A State-Subdivision Agreement shall be effective if approved pursuant to the provisions of Exhibit O or if adopted by statute. Preexisting agreements addressing funds other than those allocated pursuant to this Agreement shall qualify if the approval requirements of Exhibit O are met. A Settling State and its Subdivisions may revise a State-Subdivision Agreement if approved pursuant to the provisions of Exhibit O, or if such revision is adopted by statute.

"States AG Negotiating Group" means the negotiating committee of State Attorneys General comprised of: California, Connecticut, Delaware, Florida, Illinois, Massachusetts, New York, North Carolina, Oregon, Pennsylvania, Tennessee, Texas, Vermont, Virginia, and West Virginia, but excluding any State that (i) does not become a Settling State by the Preliminary Agreement Date or (ii) ceases to be a Settling State at any point after the Preliminary Agreement Date.

"Statewide Payment Amount" means the amount from an Annual Remediation Payment to be paid to a Settling State and its Participating Subdivisions listed on Exhibit G.

"Statutory Trust" means a trust fund established by state law to receive funds allocated to a Settling State's Remediation Accounts Fund and restrict any expenditures made using funds from the Settling State's Remediation Accounts Fund to Opioid Remediation, subject to reasonable administrative expenses. A Settling State may give a Statutory Trust authority to allocate one (1) or more of the three (3) types of funds comprising such Settling State's Settlement Fund, but this is not required.

"Subdivision" means any (1) General Purpose Government or Special District within a Settling State, and (2) any other subdivision, subdivision official (acting in an official capacity on behalf of the subdivision) or sub-entity of or located within a Settling State (whether political, geographical or otherwise, whether functioning or non-functioning, regardless of population overlap, and including, but not limited to, public institutions) that has filed a lawsuit (a) against any of the Debtors or that includes a Shareholder Released Claim against a Shareholder Released Party in a direct, *parens patriae*, or any other capacity or (b) against any other person or entity released pursuant to any of the Prior National Settlements in connection with a "Released Claim" as such term (or equivalent terminology) is defined in those settlements; *provided*, *however*, "Subdivision" shall not include: (i) any Non-Federal Acute Care Hospitals, (ii) School Districts, (iii) Health Districts that have filed Proofs of Claim as Third-Party Payors, or (iv) any hospitals listed on Exhibit A of the Plan.

"Subdivision Allocation Percentage" means the portion of a Settling State's Subdivision Fund set forth in Exhibit G that a Subdivision will receive pursuant to Article 5 if it becomes a Participating

Subdivision. The aggregate Subdivision Allocation Percentage of all Subdivisions receiving a Subdivision Allocation Percentage in each Settling State shall equal one hundred percent (100%). Immediately upon the effectiveness of any State-Subdivision Agreement, Allocation Statute, Statutory Trust, or voluntary redistribution allowed by Section 5.04(c) (or upon the effectiveness of an amendment to any State-Subdivision Agreement, Allocation Statute, Statutory Trust, or voluntary redistribution allowed by Section 5.04(c)) that addresses allocation from the Subdivision Fund, whether before or after the Initial Subdivision Participation Date, Exhibit G will automatically be amended to reflect the allocation from the Subdivision Fund pursuant to the State-Subdivision Agreement, Allocation Statute, Statutory Trust, or voluntary redistribution allowed by Section 5.04(c). The Subdivision Allocation Percentages contained in Exhibit G may not change once notice is distributed pursuant to Section 7.01, except upon the effectiveness of any State-Subdivision Agreement, Allocation Statute, Statutory Trust, or voluntary redistribution allowed by Section 5.04(c) (or upon the effectiveness of an amendment to any State-Subdivision Agreement, Allocation Statute, Statutory Trust, or voluntary redistribution allowed by Section 5.04(c)) that addresses allocation from the Subdivision Fund. For the avoidance of doubt, no Subdivision not listed on Exhibit G shall receive an allocation from the Subdivision Fund and no provision of this Agreement shall be interpreted to create such an entitlement.

"Subdivision Fund" means the component of the Settlement Fund described in Section 5.01.

"Subdivision Participation Threshold Notice" means a notice from the States' AG Negotiating Group to the Sackler Parties' Representative, the MDL PEC and the MSGE Group stating whether or not the States elect to proceed with the Agreement and, if proceeding, listing all Settling States.

"Subdivision Releasors" means with respect to Shareholder Released Claims and such other Claims released pursuant to the Release, (1) each Participating Subdivision, (2) without limitation and to the maximum extent of the power of a Participating Subdivision to release Causes of Action, (a) the Participating Subdivision's departments, agencies, divisions, boards, commissions, Subdivisions, districts, instrumentalities of any kind and attorneys, and any person in his or her official capacity whether elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, (b) any public entities, public instrumentalities, public educational institutions, unincorporated districts, fire districts, irrigation districts, and other Special Districts, and (c) any person or entity acting in a *parens patriae*, sovereign, quasi-sovereign, private attorney general, *qui tam*, taxpayer, or other capacity seeking relief on behalf of or generally applicable to the general public with respect to a Participating Subdivision.[6] The inclusion of a specific reference to a type of entity in this definition shall not be construed as meaning that the entity is not a Subdivision.

"Subdivision Settlement Participation Form" means the form attached as Exhibit K that Participating Subdivisions must execute and return to the Implementation Administrator or Settlement Administrator, and which shall (1) make such Participating Subdivisions signatories to this Agreement, (2) include a full and complete release of any and of such Subdivision's claims, and (3) require the dismissal with prejudice of any Shareholder Released Claims and such other Claims released pursuant to the Release that have been filed by any such Participating Subdivision, but subject in all cases to the exercise by the MDT of a Release Remedy (as defined in the Master Settlement Agreement) pursuant to and in accordance with Master Settlement Agreement Section 9.02(a)(ii)(B) with respect to a Payment Party.

"Tax Matters" has the meaning set forth in Section 13.06.

[6] In addition to being a Releasor as provided herein, a Participating Subdivision shall also provide the Subdivision Settlement Participation Form as set forth in Exhibit K providing for a release to the fullest extent of the Subdivision's authority.

"Third-Party Payors" has the meaning set forth in the Plan.

"Threshold Motion" means a motion to dismiss or equivalent dispositive motion made at the outset of litigation against any of the Shareholder Released Parties for Covered Conduct under applicable procedure.

"Total Direct Settlement Amount" means the sum of Annual Remediation Payments and Annual Fee Payments.

"Total Maximum Direct Settlement Amount" means the sum of the Total Maximum Remediation Payment and the total maximum amount of Annual Fee Payments to be paid under the Master Settlement Agreement as determined by this Agreement. The Total Maximum Direct Settlement Amount is $3,485,264,791.64.

"Total Maximum Remediation Payment" means the sum of all Maximum Annual Remediation Payments of all Payment Dates and Payment Groups, as set forth in Exhibit M-2. The Total Maximum Remediation Payment is $3,090,786,868.28, subject to an increase pursuant to Article 9.

Section 1.02 Interpretation Provision.

(a) "The words "hereof," "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

(b) The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections, Annexes and Exhibits are to the Articles, Sections, Annexes and Exhibits of this Agreement unless otherwise specified.

(c) All Exhibits and Annexes annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Annex but not otherwise defined therein shall have the meaning as defined in this Agreement.

(d) Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular, and words denoting either gender shall include both genders as the context requires. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

(e) Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation," whether or not they are in fact followed by those words or words of like import.

(f) The word "will" shall be construed to have the same meaning and effect as the word "shall."

(g) The word "party" shall, unless the context otherwise requires, be construed to mean a party to this Agreement. Any reference to a party to this Agreement or any other agreement or document contemplated hereby shall include such party's estate, legal and personal representatives, successors and permitted assigns.

(h) Any reference in this Agreement to an estate of a deceased individual or trust as a person or party shall, unless the context otherwise requires, be construed to be or include, as the context may

require, the personal representatives and trustees thereof, respectively, acting in their capacity as such personal representatives and trustees.

(i) Any reference in this Agreement to the rights and obligations of the estate of a deceased individual or a trust that does not have a separate legal personality under applicable law shall be construed as a reference to the rights and obligations of the personal representatives of such estate and the trustees of those trusts, respectively, in their capacity as such.

(j) All references to "$" and dollars shall be deemed to refer to United States currency unless otherwise specifically provided.

(k) All references to a day or days shall be deemed to refer to a calendar day or calendar days, as applicable, unless otherwise specifically provided.

(l) Any reference to any contract shall be a reference to such agreement or contract, as amended, amended and restated, modified, supplemented or waived.

(m) A reference to any legislation or to any provision of any legislation shall include any modification, amendment, re-enactment thereof, any legislative provision substituted therefor and all rules, regulations and statutory instruments issued or related to such legislation.

(n) Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement. No prior draft of this Agreement nor any course of performance or course of dealing shall be used in the interpretation or construction of this Agreement. No parol evidence shall be introduced in the construction or interpretation of this Agreement unless the ambiguity or uncertainty in issue is plainly discernable from a reading of this Agreement without consideration of any extrinsic evidence. Although the same or similar subject matters may be addressed in different provisions of this Agreement, the Parties intend that, except as reasonably apparent on the face of the Agreement or as expressly provided in this Agreement, each such provision shall be read separately, be given independent significance and not be construed as limiting any other provision of this Agreement (whether or not more general or more specific in scope, substance or content).

(o) Any reference in this Agreement, including in any exhibit or schedule, to a "maximum" scheduled amount refers to the highest (gross) theoretical amount before applying any reductions, credits, offsets, or limitations under this Agreement or any related document.

ARTICLE 2.
PARTICIPATION BY ELIGIBLE STATES AND CONDITION TO PRELIMINARY AGREEMENT

Section 2.01 Notice to Eligible States; States Participation Initial Deadline. By May 8, 2025, this Agreement shall be distributed to all Eligible States.

(a) The Eligible States shall have thirty (30) calendar days from the date this Agreement is distributed to Eligible States (the "State Review Deadline") to review this Agreement. The Attorney General of any Eligible State may elect to cause the State to become a Settling State by providing its State Participation Notice to the States AG Negotiating Group and shall commit to obtaining any necessary additional state releases prior to the Effective Date. On or prior to the State Review Deadline, the States AG Negotiating Group shall provide a list of the Eligible States that elect to become Settling States and their State Participation Notices to the Sackler Parties' Representative.

(b) On or prior to the third (3rd) Business Day following the State Review Deadline (the "State Participation Initial Deadline"), unless every Eligible State has delivered a State Participation Notice on or prior to the State Participation Initial Deadline and thereby becomes a Settling State, the Settling States may elect, in their sole discretion, to terminate this Agreement by having the States AG Negotiating Group deliver a written termination notice to the Sackler Parties' Representative. If the Settling States elect not to proceed, this Agreement will have no further effect and other commitments or obligations contained herein will be void. The State Participation Initial Deadline may be extended by written agreement of the Sackler Parties' Representative and the States AG Negotiating Group.

Section 2.02 Condition to Preliminary Agreement. On or prior to the seventh (7th) calendar day following the State Participation Initial Deadline (the "Sackler (States) Participation Initial Deadline"), unless every Eligible State has delivered a State Participation Notice on or prior to the State Participation Initial Deadline and thereby becomes a Settling State, the Sackler Parties' Representative may elect, in its sole discretion, to terminate this Agreement by delivering a written termination notice to the States AG Negotiating Group. If the Sackler Parties' Representative delivers a termination notice on or prior to the Sackler (States) Participation Initial Deadline in compliance with the immediately preceding sentence, then this Agreement shall terminate and will have no further effect with respect to the Payment Parties and all releases and other commitments or obligations contained herein will be void. If the Sackler Parties' Representative determines that every Eligible State has delivered a State Participation Notice on or prior to the State Participation Initial Deadline and thereby becomes a Settling State, or otherwise elects not to terminate this Agreement, then the Sackler Parties' Representative shall so notify the States AG Negotiating Group, which notice shall include an instruction to the Implementation Administrator to proceed with the Subdivision solicitation contemplated by Article 7 (a "Sackler (States) Participation Notice"). The date, if any, on which the Sackler Parties' Representative delivers a Sackler (States) Participation Notice is referred to as the "Preliminary Agreement Date".

Section 2.03 Later Joinder by Eligible States. After the Preliminary Agreement Date, an Eligible State may only become a Settling State with the consent of the Sackler Parties' Representative and the States AG Negotiating Group. If an Eligible State becomes a Settling State more than sixty (60) calendar days after the Preliminary Agreement Date, but on or before the Effective Date, the Subdivisions in that Eligible State that become Participating Subdivisions within ninety (90) calendar days of the Eligible State becoming a Settling State shall be considered Initial Participating Subdivisions. An Eligible State may not become a Settling State after the Effective Date without written approval by the Sackler Parties' Representative and the MDT Advisory Council.

Section 2.04 Litigation Activity. Following the Preliminary Agreement Date, Eligible States that elected to become Settling States shall cease litigation activity against the Shareholder Released Parties and the Released Parties, including by jointly seeking stays or, where appropriate, severance of claims against the Shareholder Released Parties or Released Parties, where feasible, and otherwise to minimize such activity by means of agreed deadline extensions and agreed postponement of depositions, document productions, and motion practice if a motion to stay or sever is not feasible or is denied, *provided*, *however*, that nothing herein shall require any Settling State to take any action in connection with this Section 2.04 or otherwise that would prejudice such State's ability to recommence or continue such litigation in the event the Effective Date does not occur or, if with respect to a particular Payment Party and pursuant to the Master Settlement Agreement, the MDT pursues the Release Remedy (as defined in the Master Settlement Agreement) under Master Settlement Agreement Section 9.02(a)(ii)(B) with respect to such Payment Party.

ARTICLE 3.
INJUNCTIVE RELIEF

Section 3.01 Injunctive Relief. As part of the Consent Judgment, the Parties agree to enter into the injunctive relief terms set forth in the Master Settlement Agreement.

Section 3.02 State Enforcement. In addition to all of the rights, remedies, and enforcement provisions in the Master Settlement Agreement, a Settling State may enforce Master Settlement Agreement Section 8.05 (Naming Rights) and Master Settlement Agreement Section 8.08 (Opioid Business) in the state or other court that enters the Settling State's Consent Judgment for alleged violations that occur in such state.

ARTICLE 4.
SETTLEMENT FUND PAYMENTS[7]

Section 4.01 General Provisions and Payment Overview

(a) **Master Settlement Agreement**. The payment obligations addressed in this Agreement are a subset of the Payment Group obligations set out in the Master Settlement Agreement. The parties hereto acknowledge and agree that (i) the liability of each Payment Group with respect to the obligations of each other Payment Group are limited in the manner contemplated by this Agreement and the Master Settlement Agreement, and (ii) payment in full to the MDT by or on behalf of a Payment Group of its payment obligations under the Master Settlement Agreement shall satisfy in full all of such Payment Group's payment obligations hereunder.

(b) **Annual Remediation Payments.** The aggregate amount of the Annual Remediation Payments required to be made by the Payment Groups pursuant to the Master Settlement Agreement shall be determined pursuant to this Article 4; *provided* that (1) each Payment Group's responsibility for an Annual Remediation Payment shall be computed Pro Rata to the Payment Groups and (2) all payments determined under this Article 4 shall be made to the MDT in the manner contemplated by the Master Settlement Agreement. The MDT shall make corresponding payments into the Settlement Fund or the MDT Segregated Account, as required by this Agreement. The Settlement Administrator shall in turn direct the payments from the Settlement Fund and the MDT Segregated Account, as applicable, to the Settling States in the manner contemplated hereby.

(c) **Offset Provisions.** In addition to payment calculation provisions in this Article 4, there are potential adjustments to Annual Remediation Payments as set out in Article 12.

(d) **State Payment Schedules.** Certain Settling States shall be paid over fewer than 16 Payment Dates. Emergence Payment States will be paid on Payment Date 1 and Accelerated Payment States will be paid through Payment Dates 9 or 10. All other Settling States are scheduled to be paid over all 16 Payment Dates. The payment schedule for each Eligible State is set forth in Exhibit M-5.

(e) **Fees and Costs.** Attorneys' fees and costs are addressed separately from Annual Remediation Payments. The Local Government Costs and Expenses Fund payment and State Direct Expenses payment are addressed in Article 9.

[7] Oklahoma Subdivisions are eligible to participate in this Agreement pursuant to Exhibit H and subject to the amounts scheduled in Exhibit M-5.

(f) **Payment Charts**. The Payment Groups' maximum scheduled payment amounts to be made pursuant to this Agreement and the allocation of those payments across Annual Remediation Payments and Annual Fee Payments are set forth in Exhibit M. In showing "maximum" payments, Exhibit M sets forth amounts before the application of any reductions or adjustments required by this Agreement, including those related to Non-Settling States and before accounting for any prepayments. The amounts in the Exhibit M charts have been adjusted to reflect the A-Side Payment Group 8 payment terms provided by Section 2.01(g) of the Master Settlement Agreement. Each Payment Group's share of each Payment Date's payment obligations under this Agreement shall be calculated pursuant to Exhibit M-X and are subject to the prepayment provisions set forth in Sections 2.01(l), 2.02, or 2.03 of the Master Settlement Agreement. Exhibit M to this Agreement will be updated from time to time to reflect any changes made to Exhibit M of the Master Settlement Agreement (e.g., to account for prepayments), to the extent applicable.

(i) Exhibit M-1: Payment Schedule – sets out the Maximum Annual Remediation Payment, the maximum Annual Fees Payment and the total maximum payment by Payment Date.

(ii) Exhibit M-2: Schedule of Maximum Payments – for each Payment Date, Exhibit M-2 sets forth the maximum amounts for Base Payment, Incentive Payment A, Incentive Payment B, Incentive Payment C, Incentive Payment D, Annual Remediation Payment, Local Government Costs and Expenses Fund and State Direct Expenses, both for all Payment Groups collectively and for each Payment Group individually.

(iii) Exhibit M-3: Annual Fees Payment Schedule – breaks down the Local Government Costs and Expenses Fund payment and the State Direct Expenses payment by Payment Date, without considering any reductions described in Article 9.

(iv) Exhibit M-4: Reserved.

(v) Exhibit M-5: States Maximum Payments Schedule – for each Eligible State on each Payment Date, Exhibit M-5 sets forth the maximum amounts for Base Payment, Incentive Payment A, Incentive Payment B, Incentive Payment C, and Incentive Payment D.

Section 4.02 Annual Remediation Payments. Subject to the terms and conditions of the Master Settlement Agreement, the Payment Groups shall make sixteen (16) Annual Remediation Payments, each comprised of Base Payments and Incentive Payments as provided in this Article 4 and as determined by the Settlement Administrator pursuant to this Agreement (including the offsets in Article 12 and permitted prepayments).

Section 4.03 Annual Remediation Payment Distributions

(a) Each Payment Date shall occur as and when required by the Master Settlement Agreement. The Annual Remediation Payments for each Payment Date shall be determined as set forth in Article 4 and made to the MDT pursuant to the Master Settlement Agreement.

(b) The MDT shall pay the Annual Remediation Payments and the Annual Fee Payment for each Payment Date to the Settlement Fund. Payments shall be disbursed by the Settlement Administrator promptly after each payment to the Settlement Fund by the MDT to each Settling State and to its Initial Participating Subdivisions listed on Exhibit G; *provided, however*, that for any Settling State where the Consent Judgment has not been entered as of the Effective Date, the Settlement Administrator shall not disburse funds allocable to that Settling State and its Participating Subdivisions listed on Exhibit G until ten (10) calendar days after the entry of the Consent Judgment in that Settling State. The Settlement Administrator shall notify the Sackler Parties' Representative of the entry of a Consent Judgment for each

State prior to disbursing funds to such State. Neither the Payment Parties nor the Sackler Parties' Representative shall have any obligation or liability with respect to the obligations of the MDT or the Settlement Fund, including under this Section 4.03(b) and Section 4.04(d).

Section 4.04 Payment Determination Process

(a) To determine each Annual Remediation Payment the Settlement Administrator shall use the necessary data to compute amounts under this Agreement as of ninety (90) calendar days prior to the applicable Payment Date, unless another provision of the Agreement specifies a different date.

(b) The Settlement Administrator shall determine the Statewide Payment Amount for each Settling State, and the amount owed by each Payment Group for the Annual Remediation Payment, the State Direct Expenses, and the Local Government Costs and Expenses Fund payments for such Payment Date, consistent with the provisions in Exhibit M-X. As part of this determination, the Settlement Administrator shall:

(i) determine the Statewide Payment Amount for each Settling State by calculating the amount of Base Payments and Incentive Payments to which the Settling State is entitled by applying the criteria under Section 4.05, Section 4.06, and Article 9;

(ii) apply any offsets or reductions as specified under this Article 4 and Article 12 and reflecting all prepayments permitted pursuant to this Agreement and the Master Settlement Agreement; and

(iii) determine the amount owed by each Payment Group, to the MDT, and the amount owed by the MDT to the Settlement Fund or the MDT Segregated Account, as applicable, which shall be directed to the Settling States.

(c) Not later than fifty (50) calendar days prior to the applicable Payment Date, the Settlement Administrator shall give notice to the Sackler Parties' Representative, any Settling State, and the MDT Advisory Council of the amounts determined pursuant to Section 4.04(b) (such notice, a "Preliminary Payment Determination") and the following timeline shall apply:

(i) Within twenty-one (21) calendar days of the Preliminary Payment Determination provided by the Settlement Administrator, the Sackler Parties' Representative, any Settling State or the MDT Advisory Council may dispute, in writing, the amounts provided by the Settlement Administrator. Such disputing party must provide a written notice of dispute to the Settlement Administrator, the MDT Advisory Council, any affected Settling State, and the Sackler Parties' Representative identifying the nature of the dispute, the amount of money that is disputed, and the Settling State(s) and Payment Group(s) affected (a "Settlement Payment Dispute Notice"). If no Settlement Payment Dispute Notice is timely provided, then the Preliminary Payment Determination is deemed accepted for all purposes. Only matters included in a timely Settlement Payment Dispute Notice will be allowed to be the subject of any dispute regarding the Annual Remediation Amount payable on a given Payment Date.

(ii) Any party that received a Settlement Payment Dispute Notice may submit a response, in writing, to the Settlement Administrator, the MDT Advisory Council, any affected Settling State, and the Sackler Parties' Representative identifying the basis for disagreement with the Payment Dispute Notice (a "Final Dispute Response Notice") within fourteen (14) calendar days that either:

(A) Agrees to one or more proposals in the Settlement Payment Dispute Notice; or

(B) Rejects one or more proposals in the Settlement Payment Dispute Notice and identifies the basis for disagreement. Any item within the Settlement Payment Dispute Notice that is rejected in the Final Dispute Response Notice will be deemed disputed

(iii) If no party timely delivers a Final Dispute Response Notice, then the Settlement Payment Dispute Notice is accepted for all purposes, and the Settlement Administrator shall adjust amounts determined pursuant to Section 4.04(b) consistent with the Payment Dispute Notice.

(iv) If a Final Dispute Response Notice is timely provided to the Settlement Administrator, the Settlement Administrator shall notify the Sackler Parties' Representative of the preliminary amount to be paid, in the aggregate and for each Payment Group, which shall be the greater of (i) the amount originally calculated by the Settlement Administrator or (ii) the amount that would be consistent with the Payment Dispute Notice, *provided, however,* that in no circumstances shall the preliminary amount determined for a Payment Group for a Payment Date be higher than the Maximum Annual Remediation Payment for that Payment Group for a Payment Date. For the avoidance of doubt, a transfer of payments from the MDT Segregated Account for other Payment Dates does not count toward determining whether the amount determined is higher than the Maximum Annual Remediation Payment.

(v) The Settlement Administrator shall place any disputed amount of the preliminary amount paid by the Payment Groups in accordance with the Master Settlement Agreement into the MDT Segregated Account and shall disburse all undisputed amounts to each Settling State and its Participating Subdivisions listed on Exhibit G pursuant to Section 4.04(d). Upon resolution of a dispute after the Payment Date, amounts in the MDT Segregated Account related to that Payment Date shall be disbursed as follows: (i) to the Settlement Fund if determined to be required payments or (ii) to the applicable Payment Party (or Parties), as designated by the Sackler Parties' Representative, if determined not to be required payments.

(d) The Settlement Administrator shall allocate the Settling State's amount received into the Settlement Fund (including both the Statewide Payment Amount and its portion of the Estate Distributions) for each Payment Date pursuant to Article 5, among the separate types of funds for the Settling State (if applicable), and among its Participating Subdivisions listed on Exhibit G using the following procedures:

(i) As soon as possible but not later than ten (10) calendar days following the determination described in Section 4.04(b) and Section 4.04(c) and the determination of a Settling State's portion of the Estate Distributions for the relevant Payment Date, the Settlement Administrator shall give notice to each Settling State and their Participating Subdivisions listed on Exhibit G of the amount to be received by such Settling State, the amount to be received by the separate types of funds for such Settling State (if applicable), and the amount to be received by each Participating Subdivision listed on Exhibit G for such Settling State.

(ii) Within fourteen (14) calendar days of the notice provided by the Settlement Administrator, any Settling State or Participating Subdivision listed on Exhibit G may dispute, in writing, the calculation of the amount to be received by the relevant Settling State and/or its Participating Subdivision listed on Exhibit G. A dispute will be deemed invalid and disregarded if it challenges the allocations adopted by a State-Subdivision Agreement approved pursuant to the provisions of Exhibit O or by statute. Such disputing party must provide a written notice of dispute to the Settlement Administrator, any affected Settling State, and any affected Participating

Subdivision identifying the nature of the dispute, the amount of money that is disputed, and the Settling State(s) affected.

(iii) Within fourteen (14) calendar days of the sending of a written notice of dispute, any affected Settling State or any affected Participating Subdivision may submit a response, in writing, to the Settlement Administrator, any affected Settling State and any affected Participating Subdivision identifying the basis for disagreement with the notice of dispute.

(iv) If no response is filed, the Settlement Administrator shall adjust the amount calculated consistent with the written notice of dispute.

(v) The Settlement Administrator shall not release any disputed amount to the Settling State and its Participating Subdivisions eligible for payment until such dispute has been resolved.

(vi) For the avoidance of doubt, neither the Payment Parties nor the Sackler Parties' Representative shall be liable for any breach of this Section 4.04(d) by any party.

(e) Disputes described in this Section 4.04 shall be resolved in accordance with the terms of Section 6.06.

(f) For the avoidance of doubt, a Subdivision not listed on Exhibit G shall not receive an allocation from the Subdivision Fund and no provision of this Agreement shall be interpreted to create such an entitlement.

Section 4.05 Base Payments. Subject to the offset and reduction provisions set forth in this Agreement, the obligation of the Payment Groups to make payments to the MDT pursuant to the Master Settlement Agreement shall include "Base Payments" in a maximum total amount equal to $818,286,868.28, subject to an increase pursuant to Article 9. The Base Payments shall be due in installments consistent with Exhibit M-2 over the sixteen (16) Payment Dates starting with Payment Date 1. The Base Payment portion of an Annual Remediation Payment of a Payment Group shall be Pro Rata.

Section 4.06 Incentive Payments.

(a) Subject to the offset and reduction provisions set forth in Article 4 and Article 12, the obligation of the Payment Groups to make payments to the MDT pursuant to the Master Settlement Agreement shall include potential additional Incentive Payments totaling up to a maximum of $2,272,500,000, with the Incentive Payment amount depending on whether and the extent to which the criteria set forth in Section 4.06(d) to (g) are met in each Settling State. The Incentive Payment portion of an Annual Remediation Payment of a Payment Group shall be Pro Rata.

(b) A Settling State qualifies to receive Incentive Payments in addition to Base Payments if it meets the incentive eligibility requirements as set forth in Section 4.06(d) to (g). The maximum total Incentive Payment for any Settling State for a given Payment Date shall be no more than the maximum total for Incentive Payments listed for that Settling State and Payment Date as set forth in Exhibit M-5. Incentive Payments are state-specific, with the actual amount depending on whether and the extent to which the criteria set forth in Section 4.06(d) to (g) are met in such Settling State.

(c) Incentive Payments shall be available from four (4) categories, referred to as Incentive Payment A, Incentive Payment B, Incentive Payment C, and Incentive Payment D and shall be determined with respect to a specific Settling State based on its eligibility for that Payment Date under the criteria set forth in Section 4.06(d) to (g). Eligibility for Incentive Payment A, Incentive Payment B, Incentive Payment

C, and Incentive Payment D shall be determined on a Settling State-by-Settling State basis and for each Payment Date as set forth in Section 4.06(d) to (g). Except to the limited extent provided for in Section 4.06(d) with respect to Incentive Payment A, a Settling State may not earn and shall not be paid on any later Payment Date an annual incentive payment for a prior Payment Date, or any portion thereof, that it failed to qualify for that Payment Date. Incentive Payment A, Incentive Payment B, and Incentive Payment C will be due in installments over the sixteen (16) Payment Dates beginning with Payment Date 1, and except for the Emergence Payment States, Incentive Payment D will be due in installments beginning with Payment Date 7, as described in Section 4.06(g). Each Payment Group shall only be responsible for its Pro Rata share of each Incentive Payment. The total amount of Incentive Payments in an Annual Remediation Payment shall be the sum of the Incentive Payments for which individual Settling States are eligible for that Payment Date under the criteria set forth in Section 4.06(d) to (g).

(d) Incentive Payment A.

(i) Incentive Payment A is mutually exclusive with Incentive Payments B and C; if a Settling State receives Incentive Payment A, such Settling State is not eligible for Incentive Payments B or C.

(ii) The total potential maximum amount for Incentive Payment A is $2,083,125,000, assuming all Eligible States qualify for Incentive Payment A on all Payment Dates and ignoring all offsets and reductions (including prepayments) contemplated or permitted by this Agreement. Each Settling State that qualifies for Incentive Payment A for a Payment Date shall be entitled to receive the amount set forth on Exhibit M-5 for such Settling State and Payment Date, subject to this Agreement and the Master Settlement Agreement.

(iii) Qualification for Incentive Payment A is as follows: A Settling State qualifies for Incentive Payment A if, as of Payment Date 3:

(A) there is a Bar in that Settling State in full force and effect;

(B) there is a Settlement Class Resolution in that Settling State in full force and effect;

(C) there is a ruling from the State's highest court barring all Subdivisions from bringing or maintaining Shareholder Released Claims;

(D) the Shareholder Released Claims of all of the following entities are released through the execution of Subdivision Settlement Participation Forms, or there is a Case-Specific Resolution against such entities:

(i) all Litigating Subdivisions (including Special Districts that are Litigating Subdivisions);

(ii) all Primary Subdivisions that are not also Litigating Subdivisions;

(iii) all Non-Litigating Threshold Subdivisions that are not captured by Section 4.06(d)(iii)(D)(i)-(ii);

(iv) all Subdivisions that are Hospital Districts that have at least one hundred twenty-five (125) hospital beds in one or more hospitals rendering services in that district; and

(v) all Primary Fire Districts; or

(E) a combination of the actions in clauses (A) to (D) above has achieved the same level of resolution of a Cause of Action (e.g., a Bar against future litigation combined with full joinder by Litigating Subdivisions, Non-Litigating Threshold Subdivisions and Primary Fire Districts). For the avoidance of doubt, this clause (E) cannot be satisfied unless all Litigating Subdivisions, Primary Subdivisions, Non-Litigating Threshold Subdivisions, relevant Hospital Districts and Primary Fire Districts are Participating Subdivisions or there is a Case-Specific Resolution against any such Subdivisions that are not Participating Subdivisions.

(iv) A Settling State that does not qualify for Incentive Payment A as of ninety (90) calendar days prior to Payment Date 3 shall not be eligible for Incentive Payment A for that Payment Date or any subsequent Payment Dates.

(v) If a Settling State does not qualify for Incentive Payment A for Payment Date 1, and becomes eligible for Incentive Payment A for Payment Date 2, it shall receive the payment that it would have received for Incentive Payment A for Payment Date 1 (the "Incentive Payment A Catch-up Payment") on Payment Date 2. If a Settling State does not qualify for Incentive Payment A for Payment Dates 1 or 2, and becomes eligible for Incentive Payment A for Payment Date 3, it shall receive Incentive Payment A Catch-up Payment for both Payment Dates 1 and 2 on Payment Date 3. The Incentive Payment A Catch-up Payments shall be reduced by any amounts paid to the Settling State under Incentives Payments B or C prior to the Settling State's eligibility for Incentive Payment A.

(vi) Each Payment Group's share of Incentive Payment A shall be computed on a Pro Rata basis.

(vii) On or prior to the thirtieth (30^{th}) calendar day immediately preceding the Initial Subdivision Participation Date, the Settling States shall provide the Sackler Parties' Representative with a list of Settling States with existing laws or rulings that they consider sufficient to qualify as a Bar. Settling States with putative Bars shall make their representatives and advisers reasonably available to the Sackler Parties' Representative and its advisers for investigating the sufficiency of each Bar. The Sackler Parties' Representative shall notify the Settling States and the Implementation Administrator whether such existing laws or rulings are sufficient to qualify as a Bar no later than the Initial Subdivision Participation Date (such response not to be unreasonably withheld, denied or delayed).

(e) Incentive Payment B.

(i) Incentive Payment B shall be available to Settling States that are not eligible for Incentive Payment A for the applicable Payment Date. Settling States may be eligible for both Incentive Payment B and Incentive Payment C.

(ii) The total potential maximum amount for Incentive Payment B for all Settling States combined is $1,230,937,500, assuming all Eligible States qualify for the maximum Incentive Payment B on all Payment Dates and ignoring all offsets and reductions (including prepayments) contemplated or permitted by this Agreement.

(iii) Eligibility for Incentive Payment B is determined as follows:

(A) A Settling State's eligibility for Incentive Payment B for a Payment Date shall be determined as of ninety (90) calendar days prior to the Payment Date; *provided* that the percentage of Incentive Payment B for which a Settling State is eligible as of the Incentive Payment Final Eligibility Date shall cap its eligibility for that Payment Date and all subsequent Payment Dates.

(B) Each Settling State's maximum Incentive Payment B for a Payment Date is set forth in Exhibit M-5. The amount of Incentive Payment B for which a Settling State is eligible for a Payment Date shall be a percentage of that State's maximum Incentive Payment B based on the extent to which (x) Litigating Subdivisions and Non-Litigating Threshold Subdivisions in the State are Participating Subdivisions or (y) there is a Case-Specific Resolution against Litigating Subdivisions and Non-Litigating Threshold Subdivisions in the State, collectively, "Incentive B Eligible Subdivisions." The percentage of the State's maximum share of Incentive Payment B that the State is eligible for a Payment Date shall be determined according to the table below:

Percentage of Litigating Subdivision and Non-Litigating Threshold Subdivision Population that is Incentive B Eligible Subdivision Population[8]	**Incentive Payment B Eligibility Percentage**
Less than 85%	0%
85% or more but less than 86%	30%
86% or more but less than 91%	40%
91% or more but less than 95%	50%

[8] The "Percentage of Litigating Subdivision and Non-Litigating Threshold Subdivision Population that is Incentive B Eligible Subdivision Population" shall be determined by the aggregate population of the Settling State's Litigating Subdivisions and Non-Litigating Threshold Subdivisions that are Incentive B Eligible Subdivisions divided by the aggregate population of the Settling State's Litigating Subdivisions and Non-Litigating Threshold Subdivisions. In calculating the Settling State's population that resides in Litigating Subdivisions and Non-Litigating Threshold Subdivisions, (a) the population of the Settling State's Litigating Subdivisions and Non-Litigating Threshold Subdivisions shall be the sum of the population of all Litigating Subdivisions and Non-Litigating Threshold Subdivisions in the Settling State, notwithstanding that persons may be included within the population of more than one Litigating Subdivision and/or Non-Litigating Threshold Subdivision, and (b) the population that resides in Incentive B Eligible Subdivisions shall be the sum of the population of the Incentive B Eligible Subdivisions, notwithstanding that persons may be included within the population of more than one Incentive B Eligible Subdivision. An individual Litigating Subdivision or Non-Litigating Threshold Subdivision shall not be included more than once in the numerator, and shall not be included more than once in the denominator, of the calculation regardless of whether it (or any of its officials) is named as multiple plaintiffs in the same lawsuit; provided, however, that for the avoidance of doubt, no Litigating Subdivision or Non-Litigating Threshold Subdivision will be excluded from the numerator or denominator under this sentence unless a Litigating Subdivision or Non-Litigating Threshold Subdivision otherwise counted in the denominator has the authority to release the Claims of the Litigating Subdivision or Non-Litigating Threshold Subdivision to be excluded. For the avoidance of doubt, a Settling State in which the population that resides in Incentive B Eligible Subdivisions is less than eighty-five percent (85%) of the population of Litigating Subdivisions and Non-Litigating Threshold Subdivisions shall not be eligible for any portion of Incentive Payment B.

95% or more but less than 97%	60%
97% or more but less than 99%	75%
99% or more but less than 100%	95%
100%	100%

(iv) For each Payment Date, the Settlement Administrator shall: (i) identify all Settling States that are eligible for Incentive Payment B pursuant to this Section 4.06(e); (ii) determine the Incentive Payment B eligibility percentage for each such Settling State; (iii) multiply the Incentive Payment B eligibility percentage for each such Settling State by its maximum Incentive Payment B for that Payment Date as set forth in Exhibit M-5. If all Litigating Subdivisions and Non-Litigating Threshold Subdivisions in a Settling State are Participating Subdivisions, and that Settling State is otherwise eligible for Incentive Payment B, that Settling State will receive its full allocable share of Incentive Payment B consistent with the foregoing calculations.

(v) Each Payment Group's share of Incentive Payment B shall be computed on a Pro Rata basis.

(f) Incentive Payment C.

(i) Incentive Payment C shall be available to Settling States that are not eligible for Incentive Payment A for the applicable Payment Date. Settling States may be eligible for both Incentive Payment B and Incentive Payment C.

(ii) The total potential maximum amount for Incentive Payment C for all Settling States combined is $852,187,500, assuming all Eligible States qualify for the maximum Incentive Payment C on all Payment Dates and ignoring all offsets and reductions (including prepayments) contemplated or permitted by this Agreement.

(iii) Eligibility for Incentive Payment C is determined as follows:

(A) A Settling State's eligibility for Incentive Payment C for a Payment Date shall be determined as of ninety (90) calendar days prior to the Payment Date; *provided* that the percentage of Incentive Payment C for which a Settling State is eligible as of the Incentive Payment Final Eligibility Date shall cap its eligibility for that Payment Date and all subsequent Payment Dates.

(B) Each Settling State's maximum Incentive Payment C for a Payment Date is set forth in Exhibit M-5. The amount of Incentive Payment C for which a Settling State is eligible for a Payment Date shall be a percentage of that State's maximum Incentive Payment C based on the extent to which (i) Non-Litigating Subdivisions that are Primary Subdivisions with a population over 30,000, Litigating Subdivisions, and Non-Litigating Threshold Subdivisions in the Settling State are Participating Subdivisions or (ii) there is a Case-Specific Resolution against Non-Litigating Subdivisions that are Primary Subdivisions with a population over 30,000, Litigating Subdivisions, and Non-Litigating Threshold Subdivisions in the Settling State, collectively, "Incentive C Eligible Subdivisions." The percentage of the State's maximum share of Incentive Payment C that the State is eligible for a Payment Date shall be determined according to the table below:

Percentage of Relevant Subdivision Population that is Incentive C Eligible Population [9]	**Incentive Payment C Eligibility Percentage**
Less than 60%	0%
60% or more but less than 70%	25%
70% or more but less than 75%	35%
75% or more but less than 80%	40%
80% or more but less than 85%	45%
85% or more but less than 90%	55%
90% or more but less than 93%	60%
93% or more but less than 94%	65%
94% or more but less than 95%	75%
95% or more but less than 98%	90%
98% or more but less than 100%	95%
100%	100%

(iv) For each Payment Date, the Settlement Administrator shall: (i) identify all Settling States that are eligible for Incentive Payment C pursuant to this Section 4.06(f); (ii) determine the Incentive Payment C eligibility percentage for each such Settling State; (iii) multiply the Incentive Payment C eligibility percentage for each such Settling State by its maximum Incentive Payment C for that Payment Date as set forth in Exhibit M-5. If all Non-Litigating Subdivisions that are Primary Subdivisions with a population of more than 30,000, Litigating Subdivisions and Non-Litigating Threshold Subdivisions in a Settling State are Participating Subdivisions, and that

[9] The "Percentage of Relevant Subdivision Population that is Incentive C Eligible Population" shall be determined by the aggregate population of the Settling State's Incentive C Eligible Subdivisions divided by the aggregate population of the Settling State's Non-Litigating Primary Subdivisions with a population over 30,000, Litigating Subdivisions and Non-Litigating Threshold Subdivisions ("*Incentive Payment C Subdivisions*"). None of the population figures shall include Prior Litigating Subdivisions. In calculating the Settling State's population that resides in Incentive Payment C Subdivisions, (a) the population shall be the sum of the population of all Incentive Payment C Subdivisions in the Settling State, notwithstanding that persons may be included within the population of more than one Incentive Payment C Subdivision, and (b) the population that resides in Incentive C Eligible Subdivisions shall be the sum of the population of the Incentive C Eligible Subdivisions, notwithstanding that persons may be included within the population of more than one Incentive C Eligible Subdivision. An individual Incentive Payment C Subdivision shall not be included more than once in the numerator, and shall not be included more than once in the denominator, of the calculation regardless if it (or any of its officials) is named as multiple plaintiffs in the same lawsuit. For the avoidance of doubt, a Settling State in which the population that resides in Incentive C Eligible Subdivisions is less than sixty percent (60%) of the population of Incentive Payment C Subdivisions shall not be eligible for any portion of Incentive Payment C.

Settling State is otherwise eligible for Incentive Payment C, that Settling State will receive its full allocable share of Incentive Payment C consistent with the foregoing calculations.

(v) Each Payment Group's share of Incentive Payment C shall be computed on a Pro Rata basis.

(g) Incentive Payment D.

(i) Incentive Payment D shall be available to Settling States that meet the criteria described in this Section 4.06(g). However, for so long as any Settling State qualifies for Incentive A, that State automatically qualifies for Incentive Payment D. Incentive Payment D shall be paid starting on the Payment Date 7, except for the Emergence Payment States that shall be eligible to receive the Incentive Payment D on Payment Date 1, *provided* that, such Emergence Payment State also qualifies for Incentive Payment A for Payment Date 1.

(ii) The total potential maximum amount for Incentive Payment D is $189,375,000 for all Settling States, assuming all Eligible States qualify for the maximum Incentive Payment D on all Payment Dates and ignoring all offsets and reductions (including prepayments) contemplated or permitted by this Agreement. Each eligible Settling State's Incentive Payment D on a given Payment Date shall equal its maximum Incentive Payment D for such Payment Date as set forth in Exhibit M-5, subject to reduction as described below.

(iii) Each Payment Group's share of Incentive Payment D shall be computed on a Pro Rata basis.

(iv) A Settling State qualifies for a Payment Group's Incentive Payment D on any Payment Date if, by the applicable Incentive Payment D Lookback Date (as defined below) and subject to Section 4.06(g)(vi) and (vii), no Later Litigating Subdivision (as limited below) in that Settling State has filed a lawsuit against a Shareholder Released Party in that Payment Group after the Initial Subdivision Participation Date that has survived a Threshold Motion. Incentive Payment D is the only Incentive Payment that shall be determined on an individual Payment Group basis as different Payment Groups may experience different litigation by Later Litigating Subdivisions.

For purposes of Incentive Payment D, a Later Litigating Subdivision is limited to (i) a Subdivision that is a General Purpose Government and (ii) a Primary Fire District.

Except with respect to Emergence Payment States, Settling State's qualification for Incentive Payment D shall be determined as of sixty (60) calendar days prior to that date (the "Incentive Payment D Lookback Date").

(v) The Settlement Administrator shall determine a Settling State's eligibility for Incentive Payment D as of the applicable Incentive Payment D Lookback Date. Prior to the Incentive Payment D Lookback Date for each Payment Date, the Sackler Parties' Representative may provide the Settlement Administrator and the MDT Advisory Council with notice identifying any Settling State(s) it believes do not qualify for Incentive Payment D and information supporting its belief.

(vi) If a relevant Later Litigating Subdivision's lawsuit in that Settling State survives a Threshold Motion, the Settling State shall lose all eligibility for Incentive Payment D, subject to Section 4.06(g)(vii). However, a Settling State can become re-eligible for future payments of Incentive Payment D if the lawsuit that survived a Threshold Motion is dismissed pursuant to a

later motion on grounds included in the Threshold Motion by the relevant Incentive Payment D Lookback Date, in which case the Settling State shall be eligible for Incentive Payment D less any litigation fees and expenses incurred or paid by or on behalf of Shareholder Released Parties in the interim for the relevant litigation, except that if the dismissal motion occurs after the completion of opening statements in such action, the Settling State shall not be eligible for Incentive Payment D.

(vii) For so long as any Settling State qualifies for Incentive Payment A, that State automatically qualifies for Incentive Payment D. However, if a Later Litigating Subdivision in that Settling State has filed a lawsuit against a Shareholder Released Party after the Initial Subdivision Participation Date that has survived a Threshold Motion, then payments in respect of Incentive Payment D from the Payment Group of which such Shareholder Released Party is a member to such Settling State shall be reduced by any litigation fees and expenses incurred or paid by or on behalf of the Shareholder Released Parties in the interim for the relevant litigation.

Section 4.07 Reserved.

Section 4.08 Pre-payment Option

(a) Each Payment Group shall have the right to prepay all or any portion of its unpaid share of the Annual Remediation Payment and the Annual Fees Payments, as adjusted pursuant to this Agreement, subject to and in accordance with Section 2.02 of the Master Settlement Agreement, including any limitations set forth therein.

(b) Each Payment Group shall have the right to make advance payments of all or any portion of its unpaid share of the Annual Remediation Payment and the Annual Fees Payments, as adjusted pursuant to this Agreement, subject to and in accordance with Section 2.03 of the Master Settlement Agreement or as otherwise permitted by the Master Settlement Agreement, including any limitations set forth therein.

ARTICLE 5.
ALLOCATION AND USE OF SETTLEMENT PAYMENTS

Section 5.01 Components of Settlement Fund. The Settlement Fund shall be funded by the Annual Remediation Payments and Estate Distributions made to the MDT that are ultimately payable to the Governmental Remediation Trust and shall be comprised of a Remediation Accounts Fund, a State Fund, and a Subdivision Fund for each Settling State. The payments made under Article 4 by the MDT into the Settlement Fund shall be initially allocated among those three (3) sub-funds and distributed and used as provided below. Payments placed into the Settlement Fund do not revert back to the Payment Groups.

Section 5.02 Use of Settlement Payments.

(a) It is the intent of the Parties that the payments disbursed from the Settlement Fund to Settling States and Participating Subdivisions be for Opioid Remediation, subject to exceptions that must be documented in accordance with Section 5.02(b). In no event may less than ninety-five (95%) of the Payment Groups' amount of Annual Remediation Payments made pursuant to Article 4 over the entirety of all Annual Remediation Payments (but not for any single Payment Date) be spent on Opioid Remediation.

(b) While disfavored by the Parties, a Settling State or a Participating Subdivision set forth on Exhibit G may use monies from the Settlement Fund (that have not been restricted by this Agreement solely to future Opioid Remediation) for purposes that do not qualify as Opioid Remediation. If, at any time, a Settling State or a Participating Subdivision set forth on Exhibit G uses any monies from the Settlement Fund for a purpose that does not qualify as Opioid Remediation, such Settling State or Participating

Subdivision set forth on Exhibit G shall identify such amounts and report to the Settlement Administrator and the Sackler Parties' Representative how such funds were used, including if used to pay attorneys' fees, investigation costs, litigation costs, or costs related to the operation and enforcement of this Agreement, respectively. It is the intent of the Parties that the reporting under this Section 5.02(b) shall be available to the public. Such reporting shall be made to the Settlement Administrator with respect to each six-month period ending on June 30 or December 31 of any year in which funds are received from the Settlement Fund. Settling States and Participating Subdivisions shall make each such report within ninety (90) calendar days of the end of the applicable six-month period. The Settlement Administrator shall set up a system to receive and preserve reports from Settling States and Participating Subdivisions that have used monies from the Settlement Fund for purposes that do not qualify as Opioid Remediation. The Settlement Administrator will not require Settling States and Participating Subdivisions without any such uses of money to submit a report, and the Settlement Administrator may treat the failure to submit a report as confirmation that a Settling State or Participating Subdivision had no such uses of money. For the avoidance of doubt, (i) any Annual Remediation Payment amounts not identified under this Section 5.02(b) as used to pay attorneys' fees, investigation costs, or litigation costs shall be included in the Compensatory Restitution Amount for purposes of Section 5.06 and (ii) Participating Subdivisions not listed on Exhibit G may only use monies from the Settlement Fund for purposes that qualify as Opioid Remediation.

Section 5.03 Allocation of Settlement Fund. The allocation of the Settlement Fund allows for different approaches to be taken in different states, such as through a State-Subdivision Agreement. Given the uniqueness of Settling States and their Subdivisions, Settling States and their Subdivisions are encouraged to enter into State-Subdivision Agreements in order to direct the allocation of their portion of the Settlement Fund. As set out below, the Settlement Administrator will make an initial allocation to three (3) state-level sub-funds. The Settlement Administrator will then, for each Settling State and its Participating Subdivisions, apply the terms of this Agreement and any relevant State-Subdivision Agreement, Statutory Trust, Allocation Statute, or voluntary redistribution of funds as set out below before disbursing the funds.

(a) Base Payments. The Settlement Administrator will allocate Base Payments under Section 4.05 among the Settling States on a state-specific basis pursuant to Section 4.05. Base Payments for each Settling State will then be allocated fifteen percent (15%) to its State Fund, seventy percent (70%) to its Remediation Accounts Fund, and fifteen percent (15%) to its Subdivision Fund. Amounts may be reallocated and will be distributed as provided in Section 5.04.

(b) Incentive Payments. The Settlement Administrator will treat Incentive Payments under Section 4.06 on a state-specific basis. Incentive Payments for which a Settling State is eligible under Section 4.06 will be allocated fifteen percent (15%) to its State Fund, seventy percent (70%) to its Remediation Accounts Fund, and fifteen percent (15%) to its Subdivision Fund. Amounts may be reallocated and will be distributed as provided in Section 5.04.

(c) Application of Adjustments. If an offset or reduction under Article 12 applies with respect to a Settling State, the offset or reduction shall be applied proportionally to all amounts that would otherwise be apportioned and distributed to the State Fund, the Remediation Accounts Fund, and the Subdivision Fund for that Settling State.

(d) Estate Distributions. The Settlement Administrator will treat Estate Distributions on a state-specific basis as specified in the Governmental Remediation Trust Agreement. Estate Distributions directed to a Settling State will be allocated fifteen percent (15%) to its State Fund, seventy percent (70%) to its Remediation Accounts Fund, and fifteen percent (15%) to its Subdivision Fund. Amounts may be reallocated and will be distributed as provided in Section 5.04.

(e) Settlement Administrator. Prior to the Effective Date, the Sackler Parties' Representative and the States' AG Negotiating Group, the MDL PEC, and the MSGE Group will agree to a detailed mechanism consistent with the foregoing for the Settlement Administrator to follow in allocating, apportioning, and distributing payments.

Section 5.04 Settlement Fund Reallocation and Distribution. As set forth below, within a particular Settling State's account, amounts contained in the Settlement Fund sub-funds may be reallocated and distributed per a State-Subdivision Agreement or other means. If the apportionment of amounts is not addressed and controlled under Section 5.04(a) and Section 5.04(b), then the default provisions of Section 5.04(d) apply. It is not necessary that a State-Subdivision Agreement or other means of allocating funds pursuant to Section 5.04(a) and Section 5.04(b) address all of the Settlement Fund sub-funds. For example, a Statutory Trust might only address disbursements from a Settling State's Remediation Accounts Fund.

(a) Distribution by State-Subdivision Agreement. If a Settling State has a State-Subdivision Agreement, amounts apportioned to that Settling State's State Fund, Remediation Accounts Fund, and Subdivision Fund under Section 5.03 shall be reallocated and distributed as provided by that agreement. Any State-Subdivision Agreement entered into after the Preliminary Agreement Date shall be applied only if it requires: (a) that all amounts be used for Opioid Remediation, except as allowed by Section 5.02(b), and (b) that at least seventy percent (70%) of amounts be used solely for future Opioid Remediation.[10] For a State-Subdivision Agreement to be applied to the relevant portion of an Annual Remediation Payment, notice must be provided to the Sackler Parties' Representative and the Settlement Administrator at least sixty (60) calendar days prior to the Payment Date.

(b) Distribution by Allocation Statute. If a Settling State has an Allocation Statute and/or a Statutory Trust that addresses allocation or distribution of amounts apportioned to such Settling State's State Fund, Remediation Accounts Fund, and/or Subdivision Fund and that, to the extent any or all such sub-funds are addressed, requires (1) all amounts to be used for Opioid Remediation, except as allowed by Section 5.02(b), and (2) at least seventy percent (70%) of all amounts to be used solely for future Opioid Remediation then, to the extent allocation or distribution is addressed, the amounts apportioned to that Settling State's State Fund, Remediation Accounts Fund, and Subdivision Fund under Section 5.03 shall be allocated and distributed as addressed and provided by the applicable Allocation Statute or Statutory Trust. For the avoidance of doubt, an Allocation Statute or Statutory Trust need not address all three (3) sub-funds that comprise the Settlement Fund, and if the applicable Allocation Statute or Statutory Trust does not address distribution of all or some of these three (3) sub-funds, the applicable Allocation Statute or Statutory Trust does not replace the default provisions described in this Article 5 of any such unaddressed fund. For example, if an Allocation Statute or Statutory Trust that meets the requirements of this Section 5.04(b) only addresses funds restricted to remediation, then the default provisions of this Agreement concerning allocation among the three (3) sub-funds comprising the Settlement Fund and the distribution of the State Fund and Subdivision Fund for that Settling State would still apply, while the distribution of the applicable State's Remediation Accounts Fund would be governed by the qualifying Allocation Statute or Statutory Trust.

(c) Voluntary Redistribution. A Settling State may choose to reallocate all or a portion of its State Fund to its Remediation Accounts Fund. A Participating Subdivision included on Exhibit G may choose to reallocate all or a portion of its allocation from the Subdivision Fund to the Settling State's Remediation Accounts Fund or to another Participating Subdivision. The Settlement Administrator is not

[10] Future Opioid Remediation includes amounts paid to satisfy any future demand by another governmental entity to make a required reimbursement in connection with the past care and treatment of a person related to the Alleged Harms.

required to honor a voluntary redistribution for which notice is provided to it less than sixty (60) calendar days prior to the applicable Payment Date.

(d) Distribution in the Absence of a State-Subdivision Agreement, Allocation Statute, or Statutory Trust. If Section 5.04(a) and Section 5.04(b) do not apply, amounts apportioned to that Settling State's State Fund, Remediation Accounts Fund, and Subdivision Fund under Section 5.03 shall be distributed as follows:

(i) Amounts apportioned to that Settling State's State Fund shall be distributed to that Settling State.

(ii) Amounts apportioned to that Settling State's Remediation Accounts Fund shall be distributed consistent with Section 5.05. Each Settling State shall submit to the Settlement Administrator a designation of a lead state agency or other entity to serve as the single point of contact for that Settling State's funding requests from the Remediation Accounts Fund and other communications with the Settlement Administrator. The designation of an individual entity is for administrative purposes only and such designation shall not limit funding to such entity or even require that such entity receive funds from this Agreement. The designated entity shall be the only entity authorized to request funds from the Settlement Administrator to be disbursed from that Settling State's Remediation Accounts Fund. If a Settling State has established a Statutory Trust then that Settling State's single point of contact may direct the Settlement Administrator to release the Settling State's Remediation Accounts Fund to the Statutory Trust.

(iii) Amounts apportioned to that Settling State's Subdivision Fund shall be distributed to Participating Subdivisions in that Settling State included on Exhibit G per the Subdivision Allocation Percentage listed in Exhibit G. Section 7.10 shall govern amounts that would otherwise be distributed to Non-Participating Subdivisions listed in Exhibit G. For the avoidance of doubt and notwithstanding any other provision in this Agreement, no Non-Participating Subdivision will directly receive any amount from the Settlement Fund, regardless of whether such Subdivision is included on Exhibit G.

(iv) Special Districts shall not be allocated funds from the Subdivision Fund, except through a voluntary redistribution allowed by Section 5.04(c) to Special Districts that are Participating Subdivisions. A Settling State may allocate funds from its State Fund or Remediation Accounts Fund for Special Districts that are Participating Subdivisions.

(e) Restrictions on Distribution. No amounts may be distributed from the Subdivision Fund contrary to Article 7, i.e., no amounts may be distributed directly to Non-Participating Subdivisions or to Later Participating Subdivisions to the extent such a distribution would violate Section 7.05 through Section 7.09. Amounts allocated to the Subdivision Fund that cannot be distributed by virtue of the preceding sentence shall be distributed into the sub-account in the Remediation Accounts Fund for the Settling State in which the Subdivision is located, unless those payments are redirected elsewhere by a State-Subdivision Agreement described in Section 5.04(a) or by an Allocation Statute or a Statutory Trust described in Section 5.04(b).

Section 5.05 Provisions Regarding the Remediation Accounts Fund.

(a) State-Subdivision Agreement, Allocation Statute, and Statutory Trust Fund Provisions. A State-Subdivision Agreement, Allocation Statute, or Statutory Trust may govern the operation and use of amounts in that Settling State's Remediation Accounts Fund so long as it complies with the requirements

of Section 5.04(a) or Section 5.04(b), as applicable, and all direct payments to Subdivisions comply with Section 7.05 through Section 7.09.

(b) Absence of a State-Subdivision Agreement, Allocation Statute, or Statutory Trust. In the absence of a State-Subdivision Agreement, Allocation Statute, or Statutory Trust that addresses distribution, the Remediation Accounts Fund will be used solely for future Opioid Remediation and the following shall apply with respect to a Settling State:

(i) *Regional Remediation*.

(A) At least fifty percent (50%) of distributions for remediation from a Settling State's Remediation Accounts Fund shall be annually allocated and tracked to the regional level. A Settling State may allow the Advisory Committee established pursuant to Section 5.05(b)(iv) to define its regions and assign regional allocations percentages. Otherwise, the Settling State shall (x) define its initial regions, which shall consist of one (1) or more General Purpose Governments and which shall be designated by the state agency with primary responsibility for substance abuse disorder services employing, to the maximum extent practical, existing regions established in that Settling State for opioid abuse treatment or other public health purposes; (y) assign initial regional allocation percentages to the regions based on the Subdivision Allocation Percentages in Exhibit G and an assumption that all Subdivisions included on Exhibit G will become Participating Subdivisions.

(B) This minimum regional expenditure percentage is calculated on the Settling State's initial Remediation Accounts Fund allocation and does not include any additional amounts a Settling State has directed to its Remediation Accounts Fund from its State Fund, or any other amounts directed to the fund. A Settling State may dedicate more than fifty percent (50%) of its Remediation Accounts Fund to the regional expenditure and may annually adjust the percentage of its Remediation Accounts Fund dedicated to regional expenditures as long as the percentage remains above the minimum amount.

(C) The Settling State (x) has the authority to adjust the definition of the regions, and (y) may annually revise the percentages allocated to each region to reflect the number of General Purpose Governments in each region that are Non-Participating Subdivisions.

(ii) *Subdivision Block Grants*. Certain Subdivisions shall be eligible to receive regional allocation funds in the form of a block grant for future Opioid Remediation. A Participating Subdivision eligible for block grants is a county or parish (or in the case of Settling States that do not have counties or parishes that function as political subdivisions, a city) that (1) does not contain a Litigating Subdivision or a Later Litigating Subdivision for which it has the authority to end the litigation through a release, bar or other action, (2) either (i) has a population of 400,000 or more or (ii) in the case of California has a population of 750,000 or more and (3) has funded or otherwise managed an established health care or treatment infrastructure (e.g., health department or similar agency). Each Subdivision eligible to receive block grants shall be assigned its own region.

(iii) *Small Settling States*. Notwithstanding the provisions of Section 5.05(b)(i), Settling States with populations under four (4) million that do not have existing regions described in Section 5.05(b)(i) shall not be required to establish regions. However, such a Settling State that contains one (1) or more Subdivisions eligible for block grants under Section 5.05(b)(ii) shall be

divided regionally so that each block-grant eligible Subdivision is a region and the remainder of the state is a region.

(iv) *Advisory Committee*. The Settling State shall designate an Opioid Settlement Remediation Advisory Committee (the "Advisory Committee") to provide input and recommendations regarding remediation spending from that Settling State's Remediation Accounts Fund. A Settling State may elect to use an existing advisory committee or similar entity (created outside of a State-Subdivision Agreement or Allocation Statute); *provided, however*, the Advisory Committee or similar entity shall meet the following requirements:

(A) Written guidelines that establish the formation and composition of the Advisory Committee, terms of service for members, contingency for removal or resignation of members, a schedule of meetings, and any other administrative details;

(B) Composition that includes at least an equal number of local representatives as state representatives;

(C) A process for receiving input from Subdivisions and other communities regarding how the opioid crisis is affecting their communities, their remediation needs, and proposals for remediation strategies and responses; and

(D) A process by which Advisory Committee recommendations for expenditures for Opioid Remediation will be made to and considered by the appropriate state agencies.

Section 5.06 Nature of Payment. The Payment Parties, the Settling States and the Participating Subdivisions each acknowledge and agree that notwithstanding anything to the contrary in this Agreement, including, but not limited to, the scope of the Shareholder Released Claims and such other Claims released pursuant to the Release:

(a) They have entered into this Agreement to avoid the delay, expense, inconvenience, and uncertainty of further litigation;

(b) (i) The Settling States and Participating Subdivisions sought compensatory restitution and remediation for alleged damage or harm caused by the potential violation of a law (within the meaning of 26 U.S.C. § 162(f)(2)(A) and 26 C.F.R. § 1.162-21(e)(4)(i)) as damages for the Alleged Harms allegedly suffered by the Settling States and Participating Subdivisions; (ii) the Compensatory Restitution Amount is less than or equal to the amount, in the aggregate, of the Alleged Harms allegedly suffered by the Settling States and Participating Subdivisions; and (iii) the portion of the Compensatory Restitution Amount received by each Settling State or Participating Subdivision is less than or equal to the amount of the Alleged Harms allegedly suffered by such Settling State or Participating Subdivision;

(c) The payment of the Compensatory Restitution Amount by or on behalf of the Payment Groups constitutes, and is paid for, compensatory restitution and remediation for alleged damage or harm caused by the potential violation of a law (within the meaning of 26 U.S.C. § 162(f)(2)(A) and 26 C.F.R. § 1.162-21(e)(4)(i)) in order to restore, in whole or in part, the Settling States, Participating Subdivisions, and persons to the same position or condition that they would be in had the Settling States, Participating Subdivisions, and persons not suffered the Alleged Harms, and constitutes compensatory restitution and remediation for alleged damage or harm allegedly caused by the potential violation of a law; and

(d) For the avoidance of doubt: (i) the entire Compensatory Restitution Amount is properly characterized as described in this Section 5.06, (ii) no portion of the Compensatory Restitution Amount represents reimbursement to any Settling State, Participating Subdivision, or other person or entity for the fees or costs of any investigation or litigation, including without limitation attorneys' fees, (iii) no portion of the Total Direct Settlement Amount constitutes the disgorgement of any allegedly ill-gotten gains, and (iv) no portion of the Total Direct Settlement Amount is paid for, is in place of, or is properly characterized as the payment of any fine, penalty, punitive damages, or other punitive assessments.

ARTICLE 6.
ENFORCEMENT

Section 6.01 Enforceability.

(a) Except as provided in Sections 6.01(b) and 6.01(c), this Agreement is enforceable only by the Settling States and the Payment Parties and/or Sackler Parties' Representative and only to the extent set forth herein; Settling States and Participating Subdivisions shall not have enforcement rights against any Payment Party or Shareholder Released Party with respect to either the terms of this Agreement that apply only to or in other Settling States or any Consent Judgment entered into by another Settling State. Except as provided in Section 6.01(b), Participating Subdivisions shall not have enforcement rights against any Payment Party or Shareholder Released Party with respect to this Agreement or any Consent Judgment; *provided*, *however*, that each Settling State shall allow Participating Subdivisions in such Settling State to notify it of any perceived violations of this Agreement or the applicable Consent Judgment.

(b) Participating Subdivisions listed on Exhibit G have enforcement rights as to payment allocations and other matters addressed in Section 6.03(a)(ii) and *(iii)* and Section 6.04.

(c) Shareholder Released Parties or Released Parties may enforce Article 10 but, for the avoidance of doubt, Released Parties shall not be entitled to enforce Sections 10.02(a), (b) and (d).

(d) The obligations of the Payment Parties to make Settlement Payments are set forth in the Master Settlement Agreement and are enforceable by the MDT pursuant to the terms of the Master Settlement Agreement.

Section 6.02 Jurisdiction. Each Payment Party and Settling State consents to the jurisdiction of (i) the National Arbitration Panel with respect to any National Dispute matter, as defined in Section 6.06(b), and (ii) for disputes addressed pursuant to Section 6.06(a), the court which enters each Settling State's Consent Judgment or, if no such Consent Judgment was entered, a state or territorial court with jurisdiction located wherever the seat of the relevant state government is located. For the avoidance of doubt, no Payment Party or Shareholder Released Party consents to the jurisdiction of any state or court pursuant to subsection (ii) of this Section for any purpose other than for the resolution of disputes addressed pursuant to Section 6.06(a).

Section 6.03 Specific Terms Dispute Resolution.

(a) Payment and Allocation Disputes

(i) The failure of a Payment Group to make full and complete payments of amounts determined pursuant to the terms of this Agreement shall be enforced by the MDT pursuant to the Master Settlement Agreement.

(ii) A dispute concerning amounts to be paid on a Payment Date to a Settling State or the Participating Subdivisions listed on a Settling State's Exhibit G shall be addressed pursuant to Section 6.06. Such disputes include, but are not limited to, the earning of Incentive Payments.

(iii) A dispute concerning the application of intrastate allocation and other provisions in Sections 5.03, 5.04 and 5.05 shall be addressed in state court pursuant to Section 6.06(a).

(b) Disputes Addressed in Master Settlement Agreement. Except for matters addressed in this Article 6, any dispute that is addressed by the provisions set forth in the Master Settlement Agreement shall be resolved as provided for therein. Whether a dispute is addressed by the provisions set forth in the Master Settlement Agreement shall be resolved as provided therein.

(c) In the event that the Sackler Parties' Representative believes that the ninety-five percent (95%) threshold established in Section 5.02(a) is not being satisfied, any Party may request that the Sackler Parties' Representative and the MDT Advisory Council meet and confer regarding the use of funds to implement Section 5.02(a). The completion of such meet-and-confer process is a precondition to further action regarding any such dispute. The Sackler Parties' Representative and the MDT Advisory Council shall each use reasonable efforts to complete such meet-and-confer process in a timely manner. Further action concerning Section 5.02(a) shall: (i) be limited to Payment Groups seeking to reduce their Annual Remediation Payments by no more than five percent (5%) of the difference between the actual amount of Opioid Remediation and the ninety-five percent (95%) threshold established in Section 5.02(a); (ii) only reduce Annual Remediation Payments to those Settling States and their Participating Subdivision(s) that are below the ninety-five percent (95%) threshold established in Section 5.02(a); and (iii) not reduce Annual Remediation Payments restricted to future Opioid Remediation.

Section 6.04 State-Subdivision Enforcement.

(a) A Subdivision shall not have enforcement rights against a Settling State in which it is located with respect to this Agreement or any Consent Judgment except that a Participating Subdivision listed on Exhibit G shall have enforcement rights (a) as provided for in a State-Subdivision Agreement, Allocation Statute, or Statutory Trust with respect to intrastate allocation or (b) in the absence of a State-Subdivision Agreement, Allocation Statute, or Statutory Trust, to assert allegations that (i) the Settling State's use of Remediation Accounts Fund monies were not used for purposes similar to or in the nature of those uses contained in Exhibit E; or (ii) a Settling State failed to pay funds directly from the Remediation Accounts Fund to a Participating Subdivision eligible to receive a block grant pursuant to Section 5.05(b)(ii).

(b) A Settling State shall have enforcement rights against a Participating Subdivision located in its territory (a) as provided for in a State-Subdivision Agreement, Allocation Statute, or Statutory Trust; or (b) in the absence of a State-Subdivision Agreement, Allocation Statute, or Statutory Trust, to assert allegations that the Participating Subdivisions' uses of Remediation Accounts Fund monies were not used for purposes similar to or in the nature of those uses contained in Exhibit E.

(c) As between the Settling States and Participating Subdivisions, the above rights are contractual in nature and nothing herein is intended to limit, restrict, change or alter any other existing rights under law.

Section 6.05 [Reserved].

Section 6.06 Other Terms Regarding Dispute Resolution.

(a) Except to the extent provided by Section 6.03 or Section 6.06(b), all disputes shall be resolved by either the court that entered the relevant Consent Judgment or, if no such Consent Judgment was entered, a state or territorial court with jurisdiction located wherever the seat of the relevant state government is located.

(i) State court proceedings shall be governed by the rules and procedures of the relevant forum.

(ii) For the avoidance of doubt, disputes to be resolved in state court consist of the following:

(A) disputes concerning whether expenditures qualify as Opioid Remediation;

(B) disputes between a Settling State and its Participating Subdivisions as provided by Section 6.04, except to the extent a State-Subdivision Agreement provides for other dispute resolution mechanisms. For the avoidance of doubt, disputes between a Settling State and any Participating Subdivision shall not be considered National Disputes;

(C) whether this Agreement and relevant Consent Judgment are binding under state law;

(D) the extent of the Attorney General's or other participating entity's authority under state law, including the extent of the authority to release claims;

(E) whether the definition of a Bar, a Case-Specific Resolution, lead state agency as described in Section 5.04(d)(ii), Later Litigating Subdivision, Litigating Subdivision, or Threshold Motion have been met; and

(F) enforcement of the injunctive relief terms in Article 3.

(iii) Any Party may request that the National Arbitration Panel provide an interpretation of any provision of this Agreement that is relevant to the state court determination, and the National Arbitration Panel shall make reasonable best efforts to supply such interpretation within the earlier of thirty (30) calendar days or the time period required by the state court proceedings. Any Party may submit that interpretation to the state court to the extent permitted by, and for such weight provided by, the state court's rules and procedures. If requested by a Party, the National Arbitration Panel shall request that its interpretation be accepted in the form of an amicus curiae brief, and any attorneys' fees and costs for preparing any such filing shall be paid for by the requesting Party.

(b) National Disputes involving a Settling State and/or a Payment Party or Shareholder Released Party or Released Party (in the case of a Released Party, solely with respect to issues relating to the Release of such Released Party) shall be resolved by the National Arbitration Panel.

(i) "National Disputes" are disputes that are not addressed in Section 6.03, and which are exceptions to Section 6.06(a)'s presumption of resolution in state courts because they involve issues of interpretation of the provisions in Article 10 and the Release. For the avoidance of doubt, disputes between a Settling State and any Participating Subdivision shall not be considered National Disputes. National Disputes include, but are not limited to, the following:

(A) the amount of offset attributable to Non-Settling States;

(B) defined terms relating to Article 10 and the Release;

(C) the interpretation and application of any most-favored nation provision in Section 13.04;

(D) questions regarding the performance and/or removal of the Settlement Administrator;

(E) disputes that require a determination of the sufficiency of participation in order to qualify for Incentive Payment A, Incentive Payment B, Incentive Payment C or Incentive Payment D;

(F) disputes involving a Releasor's compliance with, and the appropriate remedy under, Section 10.02(d)(iii);

(G) disputes requiring the interpretation of Agreement terms that are national in scope or impact, which shall mean disputes requiring the interpretation of Agreement terms that (i) concretely affect four (4) or more Settling States; and (ii) do not turn on unique definitions and interpretations under state law; and

(H) any dispute subject to resolution under Section 6.06(a) but for which all parties to the dispute agree to arbitration before the National Arbitration Panel under the provisions of this Section 6.06(b).

(ii) The National Arbitration Panel shall be comprised of three (3) arbitrators. One (1) arbitrator shall be chosen by the Sackler Parties' Representative, one (1) arbitrator shall be chosen by the MDT Advisory Council with due input from Participating Subdivisions listed on Exhibit G, and the third arbitrator shall be agreed upon by the first two (2) arbitrators. The membership of the National Arbitration Panel is intended to remain constant throughout the term of this Agreement, but in the event that replacements are required, the retiring arbitrator shall be replaced by the party(s) that selected him/her.

(iii) Each arbitrator shall be impartial and independent regarding any dispute. If any party disputes the independence or impartiality of any arbitrator on the National Arbitration Panel, the party may request the National Arbitration Panel to replace such arbitrator. The National Arbitration Panel shall have the authority to remove an arbitrator on these grounds. The membership of the National Arbitration Panel is intended to remain constant throughout the term of this Agreement, but in the event that an arbitrator removal occurs, the removed arbitrator shall be replaced by the party(s) that selected him/her.

(iv) The National Arbitration Panel shall make reasonable best efforts to decide all matters within one hundred eighty (180) calendar days of filing, and in no event shall it take longer than one (1) year. The National Arbitration Panel shall make reasonable efforts to decide all contractual interpretation issues that may arise in connection with this agreement within sixty (60) calendar days of filing, and in no event shall it take longer than one hundred eighty (180) calendar days of filing.

(v) The National Arbitration Panel shall conduct all proceedings in a reasonably streamlined process consistent with an opportunity for the parties to be heard. Issues shall be resolved without the need for live witnesses where feasible and with a presumption in favor of remote participation to minimize the burdens on the parties.

(vi) The seat of arbitration shall be New York, New York.

(vii) To the extent allowed under state law, a Settling State, a Participating Subdivision that has enforcement rights pursuant to Section 6.01, and (at any party's request) the National Arbitration Panel may certify to an appropriate state court any question of state law. The National Arbitration Panel shall be bound by a final state court determination of such a certified question. The time period for the arbitration shall be tolled during the course of the certification process.

(viii) The arbitrators shall be guided by any authoritative interpretation of state law, including any declaratory judgment or similar relief obtained by a Settling State, a Participating Subdivision that has enforcement rights pursuant to Section 6.01, or a Payment Party, Shareholder Released Party, or Released Party on a state law issue.

(ix) The decisions of the National Arbitration Panel shall be binding on Settling States, Participating Subdivisions, Payment Parties, the Sackler Parties' Representative, the Settlement Administrator, and, as applicable, Released Parties. In any proceeding before the National Arbitration Panel involving a dispute between a Settling State and Payment Party or the Sackler Parties' Representative whose resolution could prejudice the rights of a Participating Subdivision(s) in that Settling State, such Participating Subdivision(s) shall be allowed to file a statement of view in the proceeding.

(x) Nothing herein shall be construed so as to limit or otherwise restrict a Settling State from seeking injunctive or other equitable relief in state court to protect the health, safety, or welfare of its citizens.

(xi) Each party shall bear its own costs in any arbitration or court proceeding arising under this Article 6. The costs for the arbitrators on the National Arbitration Panel shall be divided and paid equally by the disputing sides for each individual dispute, e.g., a dispute between Payment Groups and/or the Sackler Parties' Representative and Settling States/Participating Subdivisions shall be split fifty percent (50%) by the relevant Payment Parties and fifty percent (50%) by the Settling States/Participating Subdivisions that are parties to the dispute; a dispute between a Settling State and a Participating Subdivision shall be split fifty percent (50%) by the Settling State that is party to the dispute and fifty percent (50%) by any Participating Subdivisions that are parties to the dispute.

(c) Prior to initiating an action to enforce pursuant to this Section 6.06, the complaining party must:

(i) Provide written notice to the MDT Advisory Council and/or the Sackler Parties' Representative of its complaint, including the provision of the Consent Judgment and/or Agreement that the practice appears to violate, as well as the basis for its interpretation of the disputed provision. The MDT Advisory Council shall establish a reasonable process and timeline for obtaining additional information from the involved parties; *provided, however*, that the date the MDT Advisory Council establishes for obtaining additional information from the parties shall not be more than forty-five (45) calendar days following the notice. The MDT Advisory Council may advise the involved parties of its views on the complaint and/or seek to resolve the complaint informally.

(ii) Wait to commence any enforcement action until thirty (30) calendar days after the date that the MDT Advisory Council establishes for obtaining additional information from the involved parties.

(iii) If the parties to a dispute cannot agree on the proper forum for resolution of the dispute under the provisions of Section 6.06(a) or Section 6.06(b), the MDT Advisory Council will determine the forum where the dispute will be initiated within twenty-eight (28) calendar days of receiving notification of the dispute relating to the proper forum. The forum identified by such committee shall be the sole forum for litigating the issue of which forum will hear the substantive dispute, and the MDT Advisory Council's identification of such forum in the first instance shall not be entitled to deference by the forum selected.

Section 6.07 Consent to Be Bound by Master Settlement Agreement Arbitration Clauses. Subject to the introductory language in this Agreement relating to enforcement and conflict(s) between this Agreement, the Master Settlement Agreement, the Plan and/or the Confirmation Order, the Parties and each of the Participating Subdivisions acknowledge and agree that the terms and subject matter set forth in Section 11.13 of the Master Settlement Agreement shall be binding upon and enforceable against each such Settling States and Participating Subdivisions.

ARTICLE 7.
PARTICIPATION BY SUBDIVISIONS

Section 7.01 Notice. No later than fifteen (15) calendar days after the Preliminary Agreement Date, the Implementation Administrator shall send individual written notice (which may be delivered via e-mail or other electronic means and may be combined with distribution of the Subdivision Settlement Participation Form) of the opportunity to participate in this Agreement and the requirements of participation to all Subdivisions in the Settling States that are (1) Litigating Subdivisions or (2) Non-Litigating Subdivisions listed on Exhibit G.[11] To the extent a Special District is entitled to an allocation for a direct payment through its inclusion in Exhibit G pursuant to a State-Subdivision Agreement, Allocation Statute, Statutory Trust, or voluntary redistribution, the Implementation Administrator, with the cooperation of the Settling States shall also send individual written notice (which may be delivered via e-mail or other electronic means) of the opportunity to participate in this Agreement and the requirements of participation to such Special Districts. Unless otherwise agreed by the Parties (which includes the update requirements in the definitions of "Litigating Subdivision" and "Non-Litigating Threshold Subdivision"), the version of Exhibit G used for notice shall be the one in place as of the Preliminary Agreement Date. Notice (which may be delivered via e-mail or other electronic means) shall also be provided simultaneously to counsel of record for Litigating Subdivisions and known counsel for Non-Litigating Subdivisions listed on Exhibit G. The Settling States, with the cooperation of the Sackler Parties' Representative, may also provide general notice reasonably calculated to alert Non-Litigating Subdivisions in the Settling States to this Agreement, the opportunity to participate in it, and the requirements for participation. Such notice may include publication and other standard forms of notification, as well as notice to state and county organizations such as the National Association of Counties and the National League of Cities. The notice will include that the deadline for becoming an Initial Participating Subdivision is the Initial Subdivision Participation Date. Nothing contained herein shall preclude a Settling State from providing further notice to or otherwise contacting any of its Subdivisions about becoming a Participating Subdivision, including beginning any of the activities described in this paragraph prior to the Preliminary Agreement Date. The Sackler Parties' Representative shall have reasonable access to the Implementation Administrator and any of its records and analyses regarding the progress of the Subdivision solicitation as such records and analyses are produced.

[11] Because the Shareholder Released Parties have settled with Oklahoma, but not with Oklahoma Subdivisions, the Implementation Administrator shall send individual written notice of the opportunity to participate in this Agreement and the requirements of participation to all Oklahoma Subdivisions. For purposes of this Article 7, references to a "Subdivision in a Settling State" shall include Subdivisions in Oklahoma.

Section 7.02 Requirements for Becoming a Participating Subdivision—Non-Litigating Subdivisions. A Non-Litigating Subdivision in a Settling State may become a Participating Subdivision by returning an executed Subdivision Settlement Participation Form to the Implementation Administrator or Settlement Administrator (which may be executed and returned by electronic means established by the Implementation Administrator or Settlement Administrator) specifying (1) that the Subdivision agrees to the terms of this Agreement pertaining to Subdivisions, (2) that the Subdivision releases all Shareholder Released Claims against all Shareholder Released Parties and such other Claims released pursuant to the Release against Released Parties, subject to the terms of this Agreement and provided that any such dismissal may be subject to the pursuit by the MDT of a Release Remedy (as defined in the Master Settlement Agreement) under Master Settlement Agreement Section 9.02(a)(ii)(B) with respect to a Payment Party, (3) that the Subdivision agrees to use monies it receives, if any, from the Settlement Fund pursuant to the applicable requirements of Article 5; *provided, however*, that Non-Litigating Subdivisions may only use monies originating from the Settlement Fund for purposes that qualify as Opioid Remediation, and (4) that the Subdivision submits to the jurisdiction of the court where the applicable Consent Judgment is filed for purposes limited to that court's role under this Agreement. The required Subdivision Settlement Participation Form is attached as Exhibit K.

Section 7.03 Requirements for Becoming a Participating Subdivision—Litigating Subdivisions/Later Litigating Subdivisions. A Litigating Subdivision or Later Litigating Subdivision in a Settling State may become a Participating Subdivision by returning an executed Subdivision Settlement Participation Form to the Implementation Administrator or Settlement Administrator (which may be executed and returned by electronic means established by the Implementation Administrator or Settlement Administrator) and upon dismissal with prejudice of its lawsuit following the Effective Date, provided that any such dismissal may be subject to the pursuit by the MDT of a Release Remedy (as defined in the Master Settlement Agreement) under Master Settlement Agreement Section 9.02(a)(ii)(B) with respect to a Payment Party. The required Subdivision Settlement Participation Form is attached as Exhibit K. A Settling State may require each Litigating Subdivision in that Settling State to specify on the Subdivision Settlement Participation Form whether its counsel has waived any contingency fee contract with that Participating Subdivision and whether, if eligible, it intends to seek fees pursuant to Exhibit R. The Settlement Administrator shall provide quarterly reports of this information to the parties to this Agreement, with such report being organized by Settling State.

Section 7.04 Initial Participating Subdivisions. A Subdivision qualifies as an Initial Participating Subdivision if it meets the applicable requirements for becoming a Participating Subdivision set forth in Section 7.02 or Section 7.03 by the Initial Subdivision Participation Date. All Subdivision Settlement Participation Forms shall be held in escrow by the Implementation Administrator until the Effective Date. If, for any reason, the Agreement does not become effective, all obligations created by such forms and releases in them shall be void *ab initio* and all Subdivision Settlement Participation Forms shall be returned to counsel for Litigating Subdivisions or to the Subdivisions not represented by counsel or destroyed to the extent that such destruction is not prohibited by then existing document preservation obligation. The holding of Subdivision Settlement Participation Forms in escrow shall only be for the purpose of addressing the contingency that the Agreement does not become effective and the forms shall not be held in escrow by the Implementation Administrator for any other purpose.

Section 7.05 Later Participating Subdivisions. A Subdivision that is not an Initial Participating Subdivision may become a Later Participating Subdivision by meeting the applicable requirements for becoming a Participating Subdivision set forth in Section 7.02 or Section 7.03 after the Initial Subdivision Participation Date and by agreeing to be subject to the terms of a State-Subdivision Agreement (if any) or any other structure adopted or applicable pursuant to Section 5.04 or Section 5.05. The following provisions govern what a Later Participating Subdivision can receive (but do not apply to Initial Participating Subdivisions):

(a) A Later Participating Subdivision shall not receive any share of any Annual Remediation Payment due before it became a Participating Subdivision.

(b) A Later Participating Subdivision that becomes a Participating Subdivision more than six months after the Effective Date, shall receive seventy-five percent (75%) of the share of future Base Payments or Incentive Payments that it would have received had it become a Later Participating Subdivision prior to that date (unless the Later Participating Subdivision is subject to Section 7.05(c) or Section 7.05(d)).

(c) A Later Participating Subdivision that, after the Initial Subdivision Participation Date, maintains a lawsuit for a Shareholder Released Claim(s) against a Shareholder Released Party and has judgment entered against it on every such Shareholder Released Claim before it became a Participating Subdivision (other than a consensual dismissal with prejudice) shall receive fifty percent (50%) of the share of future Base Payments or Incentive Payments that it would have received had it become a Later Participating Subdivision prior to such judgment; *provided, however*, that if the Subdivision appeals the judgment and the judgment is affirmed with finality before the Subdivision becomes a Participating Subdivision, the Subdivision shall not receive any share of any Base Payment or Incentive Payments.

(d) A Later Participating Subdivision that becomes a Participating Subdivision while a Bar has been in effect for thirty (30) calendar days or more shall receive twenty-five percent (25%) of the share of future Base Payments or Incentive Payments that it would have received had it become a Later Participating Subdivision without such Bar being in effect.

(e) The reductions set out in Section 7.05(a)-(d) may be waived by agreement between the Sackler Parties' Representative and the MDT Advisory Council.

Section 7.06 Prior Settling Subdivisions. A Prior Settling Subdivision cannot be a Participating Subdivision. However, subject to approval by the Subdivision's Settling State, the MDT Advisory Council and the Sackler Parties' Representative, a Prior Settling Subdivision can become a Participating Subdivision or a Later Participating Subdivision if the payments it receives for Opioid Remediation from the separate agreement do not exceed amounts it would have received in Annual Remediation Payments if it had been an Initial Participating Subdivision.

Section 7.07 No Increase in Payments. Except for any effect on Incentive Payments, amounts to be received by Later Participating Subdivisions shall not increase the payments due from the Payment Parties.

Section 7.08 Ineligible Subdivisions. Prior Litigating Subdivisions whose claims against the Shareholder Released Parties have already been fully resolved and dismissed with prejudice cannot be Participating Subdivisions, unless the Sackler Parties' Representative consents to their participation. Subdivisions located in Non-Settling States cannot be Participating Subdivisions.

Section 7.09 Non-Participating Subdivisions. Non-Participating Subdivisions shall not directly receive any portion of any Annual Remediation Payment, including from the State Fund and direct distributions from the Remediation Accounts Fund; however, a Settling State may choose to fund future Opioid Remediation that indirectly benefits Non-Participating Subdivisions.

Section 7.10 Unpaid Allocations to Later Participating Subdivisions and Non-Participating Subdivisions. Any Base Payment and Incentive Payments allocated pursuant to Section 5.04 to a Later Participating Subdivision or Non-Participating Subdivision that cannot be paid pursuant to this Article 7, including the amounts that remain unpaid after the reductions required by Section 7.05(b)

through Section 7.05(d), will be allocated to the Remediation Accounts Fund for the Settling State in which the Subdivision is located, unless those payments are redirected elsewhere by a State-Subdivision Agreement or by a Statutory Trust.

ARTICLE 8.
CONDITION TO EFFECTIVENESS OF AGREEMENT AND FILING OF CONSENT JUDGMENT

Section 8.01 Determination to Proceed with Settlement – Settling States. No later than fifteen (15) calendar days after the Initial Subdivision Participation Date, the Settling States, acting through the States' AG Negotiating Group, shall deliver a Subdivision Participation Threshold Notice to the Sackler Parties' Representative, the MDL PEC and the MSGE Group stating whether or not they elect to proceed with the Agreement and, if proceeding, listing all Settling States. If the Settling States elect not to proceed, this Agreement will have no further effect, and all releases (including those contained in Subdivision Settlement Participation Forms) and other commitments or obligations contained herein or in Subdivision Settlement Participation Forms will be void. Within seven (7) calendar days of the Settling States informing the Sackler Parties' Representative that there is sufficient participation to proceed pursuant to this Section 8.01, the Settling States will deliver all signatures and Releases required by the Agreement to be provided by the Settling States to the Sackler Parties' Representative.

Section 8.02 Determination to Proceed with Settlement – Sackler Parties' Representative. If the Settling States elect to proceed, the Sackler Parties' Representative will then have fifteen (15) calendar days to determine whether there is sufficient Eligible State participation, sufficient Subdivision participation, and sufficient resolution of the Cause of Action of the Litigating Subdivisions and the Non-Litigating Threshold Subdivisions in the Settling States (through participation under Article 7, Case-Specific Resolution(s) and Bar(s)) to proceed with this Agreement. The determination shall be communicated by the delivery of the Sackler (Subdivision) Participation Notice to the States' AG Negotiating Group, the MDL PEC, and the MSGE Group, which determination and communication shall be made, subject to any other agreements with any mediator parties, in the sole discretion of the Sackler Parties' Representative and may be based on any criteria or factors deemed relevant by the Sackler Parties' Representative.

Section 8.03 Reference Date. If the Sackler (Subdivision) Participation Notice communicates the Sackler Parties' Representative's decision to proceed, the Reference Date shall occur on the date of such communication and subject to Section 8.05, the obligations in the Subdivision Settlement Participation Forms will be effective and binding as of the Effective Date subject to the terms of this Agreement. If the Sackler (Subdivision) Participation Notice communicates the Sackler Parties' Representative's decision to not proceed, this Agreement will have no further effect and all releases (including those contained in Subdivision Settlement Participation Forms) and other commitments or obligations contained herein or in Subdivision Settlement Participation Forms will be void. Following the Reference Date, Subdivisions that elected to become Participating Subdivisions shall cease litigation activity against the Shareholder Released Parties and Released Parties, including by jointly seeking stays or, where appropriate, severance of claim against the Shareholder Released Parties or Released Parties, where feasible, and otherwise to minimize such activity by means of agreed deadline extensions and agreed postponement of depositions, document productions, and motion practice if a motion to stay or sever is not feasible or is denied, *provided, however*, that nothing herein shall require any Participating Subdivision to take any action in connection with this Section 8.03 or otherwise that would prejudice such Subdivision's ability to recommence or continue such litigation in the event the Effective Date does not occur or, if with respect to a particular Payment Party and pursuant to the Master Settlement Agreement, the MDT pursues the Release Remedy (as defined in the Master Settlement Agreement) under Master Settlement Agreement Section 9.02(a)(ii)(B) with respect to such Payment Party.

Section 8.04 Consent Judgments. The Settling States will proceed to file the Consent Judgments after the Effective Date.

Section 8.05 Condition to Effectiveness of this Agreement. The Parties agree and acknowledge that this Agreement shall not become effective unless the conditions in Article 10 of the Master Settlement Agreement have been satisfied or waived by the Sackler Parties' Representative and the MDT in accordance with the terms of the Master Settlement Agreement (with the consent of the parties referenced therein, to the extent required to give effect to such satisfaction or waiver). If the conditions in Article 10 of the Master Settlement Agreement are not satisfied or waived by the Sackler Parties' Representative and the MDT (with the consent of the parties referenced therein, to the extent required to give effect to such satisfaction or waiver) pursuant to the terms of the Master Settlement Agreement on the Settlement Effective Date, or the Master Settlement Agreement is terminated, this Agreement will have no further effect and all releases (including the Releases and those contained in Subdivision Settlement Participation Forms) and other commitments or obligations contained herein or in Subdivision Settlement Participation Forms will be void.

ARTICLE 9.
ANNUAL FEE PAYMENTS

Section 9.01 Local Government Costs and Expenses Fund. The agreed terms concerning the Local Government Costs and Expenses Fund incurred on behalf of Participating Subdivisions are set forth in Exhibit R and incorporated herein by reference. The schedule for the maximum amounts allocable to the Payment Groups on each Payment Date for Local Government Costs and Expenses Fund payments pursuant to this Agreement is set forth in Exhibit M-3 before accounting for any prepayments. Each Payment Group's share of each Payment Date's Local Government Costs and Expenses Fund shall be calculated pursuant to Exhibit M-X. For the avoidance of doubt, the payments to the Local Government Costs and Expenses Fund provided by this Section 9.01 do not include amounts designated pursuant to Section 5.9(a) of the Plan as attorneys' fees and costs based on Estate Distributions.

Section 9.02 State Direct Expenses. The agreed terms concerning allocation of the State Direct Expenses are set forth in Exhibit S and are incorporated herein by reference. State Direct Expenses shall not be paid to Non-Settling States. The schedule for the maximum amounts allocable to the Payment Groups on each Payment Date for State Direct Expenses payments is set forth in Exhibit M-3 before accounting for any prepayments. A Payment Group's payment obligation on any Payment Date shall be reduced by the portion of State Direct Expenses attributable to any Non-Settling State for that Payment Date as set out in Exhibit M-X. Each Payment Group's share of each Payment Date's State Direct Expenses shall also be calculated pursuant to Exhibit M-X.

Section 9.03 Payment and Disbursement. The Annual Fee Payment for each Payment Date shall be calculated by the Settlement Administrator pursuant to this Article 9 and made to the MDT pursuant to the Master Settlement Agreement. Disbursements for Subdivision and State attorneys' fees and expenses are made pursuant to Section 5.9 of the Plan. For the avoidance of doubt, except as provided in Section 9.04, the terms in this agreement concerning the Local Government Costs and Expenses Fund and the State Direct Expenses concern payment obligations and do not address the process for the disbursement of those funds, which is covered by the Plan. To the extent Annual Fee Payment obligations are greater than the fee disbursements required by the Plan on any Payment Date, any such excess shall be allocated ratably as additional Base Payment funds to States with scheduled Base Payments for that Payment Date.

Section 9.04 Excess Annual Fee Payment Amounts.

(a) Pursuant to Section 5.9 of the Plan, there is a cap on disbursements for the Local Government Cost and Expense Fund and a cap on disbursements for the State Expenses Fund. Should the cap for the Local Government Cost and Expense Fund be reached prior to the completion of the Local Government Costs and Expenses Fund payment obligations pursuant to Section 9.01 of this Agreement, the remaining Local Government Costs and Expenses Fund obligations pursuant to Section 9.01 of this Agreement shall be directed by the MDT to the Settlement Fund and be allocated ratably as additional Base Payment funds to States with scheduled Base Payments for that Payment Date. Similarly, should the cap for the State Expenses Fund be reached prior to the completion of the State Direct Expenses payment obligations pursuant to Section 9.02 of this Agreement, the remaining State Direct Expenses payments shall be directed by the MDT to the Settlement Fund and be allocated as additional Base Payment funds for that Payment Date. The Settlement Administrator shall keep the Settling States and the Sackler Parties' Representative reasonably informed about when the caps described in this Section 9.04 will be met.

ARTICLE 10.
RELEASE

Section 10.01 Delivery of Release. Each Settling State and Participating Subdivision shall, on behalf of itself and its applicable Releasors, deliver a Release, pursuant to this Agreement, which Releases shall be effective upon the occurrence of the Effective Date, *provided* that such Releases may be subject to the pursuit by the MDT of a Release Remedy (as defined in the Master Settlement Agreement) under Master Settlement Agreement Section 9.02(a)(ii)(B) with respect to a Payment Party. For the avoidance of doubt, the delivery of the Consent Judgments following the Effective Date shall have no impact on the effectiveness of the Releases.

Section 10.02 Claim-Over and Non-Party Settlement.

(a) It is the intent of the Parties that:

(i) Shareholder Released Parties and Released Parties should not seek contribution or indemnification (other than pursuant to an insurance contract) from other parties for their payment obligations under this Agreement;

(ii) the payments made under the Master Settlement Agreement shall be the sole payments made by the Shareholder Released Parties to the Releasors involving, arising out of, or related to Shareholder Released Claims (or conduct that would give rise to a Shareholder Released Claim if engaged in by a Shareholder Released Party);

(iii) A Cause of Action by Releasors against non-Parties should not result in additional payments by Shareholder Released Parties, whether through contribution, indemnification or any other means; and

(iv) the Agreement meets the requirements of the Uniform Contribution Among Joint Tortfeasors Act and any similar state law or doctrine that reduces or discharges a Shareholder Released Party's liability to any other parties.

The provisions of this Section 10.02 are intended to be implemented consistent with these principles. This Agreement and the releases and dismissals provided for herein are made in good faith.

(b) No Shareholder Released Party shall seek to recover for amounts paid under this Agreement based on indemnification, contribution, or any other theory from a manufacturer, pharmacy, hospital, pharmacy benefit manager, health insurer, third-party vendor, trade association, distributor, health

care practitioner; *provided* that a Shareholder Released Party shall be relieved of this prohibition with respect to any entity that asserts a Claim-Over against it. For the avoidance of doubt, nothing herein shall prohibit a Shareholder Released Party or Released Party from recovering amounts owed pursuant to insurance contracts.

(c) To the extent that, on or after the Effective Date, any Releasor negotiates and enters into a Non-Party Settlement, including in any bankruptcy case or through any plan of reorganization (whether individually or as a class of creditors), the Releasor will include (or in the case of a Non-Party Settlement made in connection with a bankruptcy case, will cause the debtor to include), unless prohibited from doing so under applicable law, in the Non-Party Settlement a prohibition on contribution or indemnity of any kind against the Shareholder Released Parties and Released Parties substantially equivalent to that required from the Shareholder Released Parties in Section 10.02(b), or a release from such Non-Shareholder Released Party in favor of the Shareholder Released Parties and Released Parties (in a form equivalent to the releases contained in this Agreement, including the Release) of any Claim-Over. Each Releasor acknowledges and agrees that it shall take reasonable steps to enforce such agreement related to indemnification and contribution, and any other agreement related to indemnification and contribution from a prior opioid settlement, in each case as applicable, for the benefit of the Shareholder Released Parties and the Released Parties. Such agreement is a material term of this Agreement.

(d) In the event that any Releasor obtains a judgment with respect to Non-Party Covered Conduct against a Non-Shareholder Released Party that does not contain a prohibition like that described in Section 10.02(c) or any Releasor files a Non-Party Covered Conduct Claim against a Non-Shareholder Released Party in bankruptcy or a Releasor is prevented for any reason from obtaining a prohibition/release in a Non-Party Settlement as provided in Section 10.02(c), and such Non-Shareholder Released Party asserts a Claim-Over against a Shareholder Released Party, the Shareholder Released Party shall be relieved of the prohibition in Section 10.02(b) with respect to that Non-Shareholder Released Party and that Releasor and the Sackler Parties' Representative shall take the following actions to ensure that the Shareholder Released Parties do not pay more with respect to Covered Conduct to Releasors or to Non-Shareholder Released Parties than the amounts owed under this Settlement Agreement by Payment Groups:

(i) The Sackler Parties' Representative shall notify that Releasor of the Claim-Over within sixty (60) calendar days of when it becomes aware of the assertion of the Claim-Over or sixty (60) calendar days of the Effective Date of this Settlement Agreement, whichever is later;

(ii) The Sackler Parties' Representative and that Releasor shall meet and confer concerning the means to hold Shareholder Released Parties harmless and ensure that they are not required to pay more with respect to Covered Conduct than the amounts owed by the Payment Groups under this Agreement;

(iii) That Releasor and the Sackler Parties' Representative shall take steps sufficient and permissible under the law of the state of the Releasor to hold Shareholder Released Parties harmless from the Claim-Over and ensure Shareholder Released Parties are not required to pay more with respect to Covered Conduct than the amounts owed by the Payment Groups under this Agreement. Such steps may include, where permissible:

(A) Filing of motions to dismiss or such other appropriate motion by the Sackler Parties' Representative or Shareholder Released Parties and supported by Releasors, in response to any claim filed in litigation or arbitration;

(B) Reduction of that Releasors' Claim and any judgment it has obtained or may obtain against such Non-Shareholder Released Party by whatever amount or

percentage is necessary to extinguish such Claim-Over under applicable law, up to the amount that Releasor has obtained, may obtain, or has authority to control from such Non-Shareholder Released Party;

(C) Placement into escrow of funds paid by the Non-Shareholder Released Parties such that those funds are available to satisfy the Claim-Over;

(D) Return of monies paid by Payment Groups to that Releasor under this Settlement Agreement to permit satisfaction of a judgment against or settlement with the Non-Shareholder Released Party to satisfy the Claim-Over;

(E) Payment of monies to Shareholder Released Parties by that Releasor to ensure they are held harmless from such Claim-Over, up to the amount that Releasor has obtained, may obtain, or has authority to control from such Non-Shareholder Released Party;

(F) Credits to Payment Groups under this Agreement to reduce the overall amounts to be paid under the Agreement such that they are held harmless from the Claim-Over; and

(G) Such other actions as that Releasor and Payment Parties, the Sackler Parties' Representative may devise to hold Shareholder Released Parties harmless from the Claim-Over.

(iv) The actions taken pursuant to paragraph (iii) must, in combination, ensure that Payment Groups are not required to pay more with respect to Covered Conduct than the amounts owed by them under this Agreement.

(v) In the event of any dispute over the sufficiency of the actions taken pursuant to paragraph (iii), that Releasor and the Sackler Parties' Representative may seek review by the National Arbitration Panel, *provided* that, if the parties agree, such dispute may be heard by the state court where the relevant Consent Judgment was filed.

(vi) The National Arbitration Panel shall have authority to require Releasors to implement a remedy that includes one or more of the actions specified in paragraph (iii) sufficient to hold Shareholder Released Parties fully harmless in accordance with this Section 10.02. In the event that the Panel's actions do not result in Shareholder Released Parties being held fully harmless in accordance with this Section 10.02, the Shareholder Released Parties shall have a claim for breach of this Agreement by Releasors, with the remedy being payment of sufficient funds to hold the Shareholder Released Parties harmless from the Claim-Over. For the avoidance of doubt, the prior sentence does not limit or eliminate any other remedy that the Shareholder Released Parties or Payment Parties may have.

(e) To the extent that the Claim-Over is based on a contractual indemnity, the obligations under Section 10.02(d) shall extend solely to a Non-Party Covered Conduct Claim against a clinic, hospital or other purchaser, distributor or dispenser of Products, a manufacturer that sold Products, a consultant, and/or a pharmacy benefit manager or other third-party payor. The Sackler Parties' Representative shall notify the Settling States, to the extent permitted by applicable law, in the event that any of these types of Non-Shareholder Released Party asserts a Claim-Over arising out of contractual indemnity against it.

Section 10.03 General Release. In connection with the releases provided for in this Agreement (including the Release), each Settling State (for itself and its Releasors) and Participating Subdivision (for itself and its Releasors) expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

> **A GENERAL RELEASE DOES NOT EXTEND TO A CAUSE OF ACTION THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Shareholder Released Claims and such other Claims released pursuant to the Release, but each Settling State (for itself and its Releasors) and Participating Subdivision hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Shareholder Released Claims and such other Claims released pursuant to the Release that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Settling States' decision to enter into this Agreement or the Participating Subdivisions' decision to participate in this Agreement.

Section 10.04 Assigned Interest Waiver. To the extent that any Settling State has any direct or indirect interest in any rights of a third-party that is a debtor under the Bankruptcy Code as a result of a claim arising out of Covered Conduct by way of assignment or otherwise, including as a result of being the beneficiary of a trust or other distribution entity, to assert claims against a Shareholder Released Party or Released Party (whether derivatively or otherwise), under any legal or equitable theory, including for indemnification, contribution, or subrogation, the Settling State waives the right to assert any such claim, or to receive a distribution or any benefit on account of such claim and such claim, distribution, or benefit shall be deemed assigned to such Shareholder Released Party or Released Party, as applicable.

Section 10.05 Res Judicata. Nothing in this Agreement shall be deemed to reduce the scope of the res judicata or claim preclusive effect of this Agreement, and/or any Consent Judgment or other judgment entered on this Agreement, gives rise to under applicable law.

Section 10.06 Representation and Warranty. The signatories hereto on behalf of their respective Settling States expressly represent and warrant that they have (or have obtained, or will obtain no later than the date set forth in Section 8.01) the authority to settle and release, to the maximum extent of the Settling State's power, all Shareholder Released Claims and such other Claims released pursuant to the Release of (1) their respective Settling States, (2) all past and present executive departments, state agencies, divisions, boards, commissions and instrumentalities with the regulatory authority to enforce state and federal controlled substances acts, and (3) any of their respective Settling State's past and present executive departments, agencies, divisions, boards, commissions, and instrumentalities that have the authority to bring a Shareholder Released Claim or Released Claim. For the purposes of clause (3) above, executive departments, agencies, divisions, boards, commissions, and instrumentalities are those that are under the executive authority or direct control of the Settling State's Governor. Also for the purposes of clause (3) of this Section 10.06, a release from a Settling State's Governor as set forth in Exhibit V is sufficient to demonstrate that the appropriate releases have been obtained.

Section 10.07 Effectiveness. The releases set forth in this Agreement (including the Release) shall not be impacted in any way by any dispute that exists, has existed, or may later exist between or among the Releasors. Nor shall such releases be impacted in any way by any current or future law, regulation, ordinance, or court or agency order limiting, seizing, or controlling the distribution or use of the Settlement Fund or any portion thereof, or by the enactment of future laws, or by any seizure of the Settlement Fund or any portion thereof.

Section 10.08 Cooperation. Releasors (1) will not encourage any person or entity to bring or maintain any Shareholder Released Claim against any Shareholder Released Party or any other Claims released pursuant to the Release against any Released Parties and (2) will reasonably cooperate with and not oppose any effort by a Shareholder Released Party or Released Party, as applicable, to secure the prompt dismissal of any and all Shareholder Released Claims or any other Claims released pursuant to the Release against any Release Parties, including suits brought by non-Releasors based on Shareholder Released Claims or any other Claims released pursuant to the Release against any Released Parties. Applicable Releasors will meet and confer and make reasonable efforts to resolve any action that is filed by a Subdivision against a Shareholder Released Party or Released Party on or after the date the Preliminary Agreement Date. This provision shall not require a Settling State to make any monetary payment or adjustment to allocation or incur other obligation.

Section 10.09 Non-Released Claims. Notwithstanding the foregoing or anything herein or in any definition of Released Claims to the contrary (either in this Agreement or in the Plan), neither this Agreement nor the Release shall waive, release or limit any Excluded Claims.

ARTICLE 11.
LATER LITIGATING SUBDIVISIONS

Section 11.01 Shareholder Released Claims against Shareholder Released Parties. If a Later Litigating Subdivision in a Settling State maintains a lawsuit for a Shareholder Released Claim against a Shareholder Released Party after the Effective Date the Shareholder Released Party shall take ordinary and reasonable measures to defend the action, including filing a Threshold Motion with respect to the Shareholder Released Claim. The Shareholder Released Party shall further notify the Settling State and Settlement Administrator immediately upon notice of a Later Litigating Subdivision bringing a lawsuit for a Shareholder Released Claim and shall not oppose a Settling State's submission in support of the Threshold Motion. The Shareholder Released Parties shall give the relevant Settling State a reasonable opportunity to extinguish the Shareholder Released Claims without any payment or any other obligations being imposed upon any Shareholder Released Parties (apart from the Total Direct Settlement Amount payable by the Payment Groups under the Agreement or the Injunctive Relief Terms incurred by it). The relevant Settling State and Shareholder Released Party shall confer and use reasonable efforts to promptly resolve the lawsuit so that it is dismissed with prejudice. Nothing in this subsection creates an obligation for a Settling State to make a monetary payment or incur any other obligation to an entity filing a lawsuit.

Section 11.02 No Support for Litigating Subdivisions. The Settling States will not encourage, facilitate, or assist in any manner whatsoever Subdivision litigation for Covered Conduct against any Shareholder Released Party or Released Party in any State, regardless of whether those claims were filed against the Shareholder Released Party or Released Party, as applicable, prior to, on, or after the Effective Date.

ARTICLE 12.
OTHER REDUCTIONS/OFFSETS

Section 12.01 Settlement Class Resolution Opt Outs. If a Settling State is eligible for Incentive Payment A on the basis of a Settlement Class Resolution, and a Primary Subdivision that opted out of the Settlement Class Resolution maintains a lawsuit asserting a Shareholder Released Claim against a Shareholder Released Party, the following shall apply. If the lawsuit asserting a Shareholder Released Claim either survives a Threshold Motion or has an unresolved Threshold Motion fewer than sixty (60) calendar days prior to the scheduled start of a trial involving a Shareholder Released Claim, and is resolved with finality on terms requiring payment by the Shareholder Released Party, each Payment Group shall receive a dollar-for-dollar offset for the amount it paid against its obligation to make remaining Incentive Payment A payments that would be apportioned to that Settling State and to its Subdivisions.

Section 12.02 Revoked Bar, Settlement Class Resolution, or Case-Specific Resolution.

(a) If a Payment Group made any Annual Remediation Payments that included any Incentive Payments earned as a result of the existence of a Bar, Settlement Class Resolution, or Case-Specific Resolution in a Settling State, and there is subsequently a Revocation Event with respect to that Bar, Settlement Class Resolution, or Case-Specific Resolution after the determination of the amount of such Annual Remediation Payment, the Payment Parties shall receive a dollar-for-dollar offset against the portion of their remaining Annual Remediation Payments that would be allocated to that Settling State and its Participating Subdivisions. This offset will be calculated for each Payment Group as the dollar amount difference between (1) the total amount of Incentive Payments paid by the Payment Group by virtue of the Bar, Settlement Class Resolution, or Case-Specific Resolution subject to the Revocation Event and (2) the total amount of Incentive Payments that would have been due from the Payment Group during that time had the Bar, Settlement Class Resolution, or Case-Specific Resolution subject to the Revocation Event not been in effect. The amount of incentive payments that would have been due, referenced in clause (2) above, will be calculated one hundred eighty (180) calendar days after the Revocation Event and the offset will be applied to the next payment that would be allocated to that Settling State and its Participating Subdivisions; for purposes of calculating the amount of Incentive Payments that would have been due, any relevant Subdivision shall be included as a Participating Subdivision if: (x) its Shareholder Released Claims are extinguished by any subsequent Bar, Settlement Class Resolution, or Case-Specific Resolution in effect as of the date of such calculation, or (y) it becomes a Participating Subdivision (in addition to all other Participating Subdivisions) prior to the date of such calculation.

(b) Without limiting the foregoing, if a Payment Group made a payment under Incentive Payment A solely on the basis of a Bar or Settlement Class Resolution in a Settling State and that Bar or Settlement Class Resolution is subsequently subject to a Revocation Event or that Settling State shall not be eligible for Incentive Payment A thereafter, unless the Settling State requalifies for Incentive Payment A through any method pursuant to Article 4, in which case the Settling State shall be eligible for Incentive Payment A less any litigation fees and costs incurred by the Payment Group in the interim as a result of the Revocation Event, except that, if the re-imposition occurs after the completion of opening statements in a trial involving a Shareholder Released Claim, the Settling State shall not be eligible for Incentive Payment A (unless this exception is waived by the Sackler Parties' Representative).

ARTICLE 13.
MISCELLANEOUS

Section 13.01 Population of General Purpose Governments. The population figures for General Purpose Governments shall be the published U.S. Census Bureau's population estimates for July

1, 2019, released May 2020. These population figures shall remain unchanged during the term of this Agreement.

Section 13.02 Population of Special Districts. For any purpose in this Agreement in which the population of a Special District is used other than Section 4.06(d) and Section 4.06(g): (a) Health Districts' and Hospital Districts' population will be measured at twenty-five percent (25%) of discharges; and (b) all other Special Districts' (including Fire Districts' and Library Districts') population will be measured at ten percent (10%) of the population served.[12] For the avoidance of doubt, this means that California healthcare districts will be measured at ten percent (10%) of their membership. The Sackler Parties' Representative and the States' AG Negotiating Group shall meet and confer in order to agree on data sources for purposes of this Section prior to the Preliminary Agreement Date.

Section 13.03 Population Associated with Sheriffs. For any purpose in this Agreement in which the population associated with a lawsuit by a sheriff is used, the population will be measured at twenty percent (20%) of the capacity of the jail(s) operated by the sheriff.

Section 13.04 Most-Favored Nation Provisions

(a) No Settling State or Participating Subdivision shall enter into a side settlement or other agreement with one or more Shareholder Released Parties concerning a Cause of Action addressed in this Agreement that provides compensation or other terms that are in addition to what the Settling State or Participating Subdivision receives pursuant to this Agreement and the Master Settlement Agreement.

(b) For so long as funds remain in the Special Operating Reserve that can be used by a settling Payment Group, all proposed settlement agreements between that Payment Group and non-federal governmental entities or the private claimants, or decisions not to appeal an appealable judgment, must be submitted to the MDT Advisory Council for consent (such consent not to be unreasonably withheld or delayed), as set forth below:

(i) For settlements involving a State or private party settlements, at least five (5) of the members of the MDT Advisory Council are required to consent;

(ii) For settlement involving a Subdivision, the Settling State in which the Subdivision is located shall participate in the MDT Advisory Council's discussions and shall have a vote on whether to approve the settlement as if it were a member of the MDT Advisory Council.

(iii) Upon approval, such settlement payments shall be deemed Litigation Costs.

(c) The MDT Advisory Council may consider any and all factors that it determines are relevant when providing its consent, including the amount of Litigation Costs (including defense costs). spent on litigation by the Payment Parties prior to any proposed settlement. This section shall not prohibit the Sackler Parties from taking the position in any arbitration (or any other proceeding) that the consideration of any particular factor by the MDT Advisory Council is unreasonable, and nothing shall prohibit the MDT Advisory Council from taking the position in any arbitration (or any other proceeding) that the consideration of any particular factor is reasonable.

[12] The estimates for counties and parishes were accessed at https://www.census.gov/data/datasets/time-series/demo/popest/2010s-counties-total.html. The estimates for cities and towns can currently be found at https://www.census.gov/data/datasets/time-series/demo/popest/2010s-total-cities-and-towns.html.

(d) If a Payment Party or Payment Parties within a Payment Group (a "Separately Settling Payment Group") enters into a settlement agreement with any Non-Settling State that resolves a Cause of Action similar in scope to those released by a Settling State under this Agreement on overall payment terms that are more favorable to the Non-Settling State on a net present value basis (calculated with a seven and a half percent (7.5%) discount rate, discounted back to the date of the first payment) than the overall payment terms the Non-Settling State would have received under this Agreement based on the same level of participation, the Settling States, individually or collectively, may seek review, pursuant to this Section 13.04(d), of the overall payment terms of this Agreement solely concerning that Separately Settling Payment Group and the Non-Settling State agreement. This review and potential revision of payment terms allows such Settling State(s) to obtain overall payment terms at least as favorable as those secured by the Non-Settling State, solely with respect to the Separately Settling Payment Group. "Overall payment terms" refers to the consideration of, among other things, all payment terms of the Separately Settling Payment Group under the two agreements, taken together, including but not limited to the amount of payments, the timing of payments, the amount of payments that are being made to counsel of the Non-Settling State (as opposed to the Non-Settling State itself) and conditions or contingencies on payments. Any changes to a Separately Settling Payment Group's overall payment terms shall not adversely affect any other Payment Group.

(i) For any settlement involving Shareholder Released Claims entered into with a Non-Settling State, the Separately Settling Payment Group shall provide the MDT Advisory Council (with a copy to the Sackler Parties' Representative) with the settlement agreement or relevant consent judgment within thirty (30) calendar days of the settlement's consummation. The MDT Advisory Council shall promptly distribute a copy to all Settling States.

(ii) In the event that one or more Settling State(s) believes that the overall payment terms of an agreement by a Separately Settling Payment Group with a Non-Settling State are more favorable to the Non-Settling State as set forth in Section 13.04(d), the Settling State(s) and the Separately Settling Payment Group shall engage in the following process:

(A) Within sixty (60) calendar days of the date on which the MDT Advisory Council provides a settlement agreement or consent judgment to Settling States, the Settling State(s) shall provide notice to the Separately Settling Payment Group (with a copy to the Sackler Parties' Representative) of its intent to seek revision of this Agreement to provide payment terms that are, on an overall basis, as favorable as those obtained by the Non-Settling State as described above. To the extent allowed by law, such notice shall be confidential and not disclosed publicly and shall provide, in detail, the basis for the Settling State(s)'s belief that it is entitled to a revision of the Agreement.

(B) The Separately Settling Payment Group shall, within thirty (30) calendar days, provide a response to the Settling State(s) (with a copy to the Sackler Parties' Representative), explaining its position, in detail, as to whether the Settling State(s) are entitled to more favorable overall payment terms than those provided for in this Agreement.

(C) In the event the Settling State(s) and the Separately Settling Payment Group do not reach agreement as to the application of this Section 13.04(d), the Settling State(s) may, at the sole cost of the Settling State(s) and the Separately Settling Payment Group, petition the National Arbitration Panel to seek a ruling from the Panel as to the applicability of this Section 13.04(d), *provided* that the Settling State(s) may seek such review only if at least five (5) Settling States co-sign the petition. The Panel shall consider submissions and argument by the parties pursuant to the procedures set forth in Section 6.06(b).

(D) The Settling State and the Separately Settling Payment Group shall be bound by the determination of the National Arbitration Panel of the overall payment terms of this Agreement and the Non-Settling State agreement so that such Settling State(s) may obtain, with respect to the Separately Settling Payment Group, overall payment terms at least as favorable as those obtained by such Non-Settling State. A copy of the Panel's decision shall be promptly shared with the Sackler Parties' Representative and the MDT Advisory Council.

(E) In the event that the National Arbitration Panel determines that, following a settlement between a Separately Settling Payment Group and a Non-Settling State, the Separately Settling Payment Group delivered overall payment terms more favorable to the Non-Settling State than the Settling States, and the Separately Settling Payment Group fails to deliver consideration to the Settling States at least as favorable as the overall payment terms delivered to the Non-Settling State (as determined by the National Arbitration Panel) within thirty (30) calendar days of the National Arbitration Panel's determination on this issue, the Settling States shall be permitted to exercise all remedies against the Separately Settling Payment Group, and the failure of the Separately Settling Payment Group to deliver such consideration to the Settling States shall be considered a "Specified Breach" under the Master Settlement Agreement.

(F) In the event that the MDT Advisory Council does not consent to a particular settlement between a Separately Settling Payment Group and a Non-Settling State pursuant to Section 13.04(b), and the National Arbitration Panel determines that the MDT Advisory Council's withholding of consent was reasonable, and the Separately Settling Payment Group nevertheless consummates such settlement, such action by the Separately Settling Payment Group shall be considered a "Specified Breach" under the Master Settlement Agreement and the Settling States shall be permitted to exercise all remedies against the Separately Settling Payment Group.

(e) If a Separately Settling Payment Group enters into a settlement agreement with any Non-Participating Subdivision in a Settling State that resolves a Cause of Action similar in scope to those released by a that State's Participating Subdivisions under this Agreement on overall payment terms that are more favorable to the Non-Participating Subdivision on a net present value basis (calculated with a seven and a half percent (7.5%) discount rate, discounted back to the date of the first payment) than the overall payment terms the Non-Participating Subdivision would have received under this Agreement (without adjusting for any difference in Incentive Payments that would have occurred if it had been a Participating Subdivision), the Settling State in which such Subdivision is located, on behalf of its Participating Subdivisions, may seek review, pursuant to this Section 13.04(e), of the overall payment terms of this Agreement solely concerning that Separately Settling Payment Group and the Non-Participating Subdivision agreement. This review and potential revision of payment terms allows such Settling State to obtain overall payment terms for its Participating Subdivisions that are at least as favorable as those secured by the Non-Participating Subdivision, solely with respect to the Separately Settling Payment Group. "Overall payment terms" refers to the consideration of, among other things, all payment terms of the Separately Settling Payment Group under the two agreements, taken together, including but not limited to the amount of payments, the timing of payments, the amount of payments that are being made to counsel of the Non-Participating Subdivision (as opposed to amounts being made to fee funds available to counsel of Participating Subdivisions) and conditions or contingencies on payments. Any changes to a Separately Settling Payment Group's overall payment terms shall not adversely affect any other Payment Group or affect the payment terms of Participating Subdivisions in any other Settling State.

(i) For any settlement involving Shareholder Released Claims entered into with a Non-Participating Subdivision, the Separately Settling Payment Group shall provide the MDT Advisory Council and the Settling State in which the Subdivision is located (with a copy to the Sackler Parties' Representative) with the settlement agreement or relevant consent judgment within thirty (30) calendar days of the settlement's consummation.

(ii) In the event that Settling State in which the Subdivision is located believes that the overall payment terms of an agreement by a Separately Settling Payment Group with the Non-Participating Subdivision are more favorable to the Non-Participating Subdivision as set forth in Section 13.04(e), the Settling State and the Separately Settling Payment Group shall engage in the following process:

(A) Within sixty (60) calendar days of the date on which the Settling State in which the Subdivision is located is provided the settlement agreement or consent judgment, the Settling State shall provide notice to the Separately Settling Payment Group (with a copy to the Sackler Parties' Representative) of its intent to seek revision of this Agreement to provide payment terms that are, on an overall basis, as favorable to its Participating Subdivisions as those obtained by the Non-Participating Subdivision as described above. To the extent allowed by law, such notice shall be confidential and not disclosed publicly and shall provide, in detail, the basis for the Settling State's belief that it is entitled to a revision of the Agreement.

(B) The Separately Settling Payment Group shall, within thirty (30) calendar days, provide a response to the Settling State (with a copy to the Sackler Parties' Representative), explaining its position, in detail, as to whether the Settling State's Participating Subdivisions are entitled to more favorable overall payment terms than those provided for in this Agreement.

(C) In the event the Settling State and the Separately Settling Payment Group do not reach agreement as to the application of this Section 13.04(e), the Settling State(s) may, at the sole cost of the Settling State and the Separately Settling Payment Group, petition the National Arbitration Panel to seek a ruling from the Panel as to the applicability of this Section 13.04(e). The Panel shall consider submissions and argument by the parties pursuant to the procedures set forth in Section 6.06(b).

(D) The Settling State (including its Participating Subdivisions) and the Separately Settling Payment Group shall be bound by the determination of the National Arbitration Panel of the overall payment terms of this Agreement and the Non-Participating Subdivision agreement so that such Settling State's Participating Subdivisions may obtain, with respect to the Separately Settling Payment Group, overall payment terms at least as favorable as those obtained by such Non-Settling State. A copy of the Panel's decision shall be promptly shared with the Sackler Parties' Representative and the MDT Advisory Council.

(E) In the event that the National Arbitration Panel determines that, following a settlement between a Separately Settling Payment Group and a Non-Participating Subdivision that was not the subject of a waiver by the MDT Advisory Council of this Section 13.04, the Separately Settling Payment Group delivered overall payment terms more favorable to the Non-Participating Subdivision than the Participating Subdivisions and Settling States, as applicable, and the Separately Settling Payment Group fails to deliver consideration to the Participating Subdivisions and Settling States, as applicable, at

least as favorable as the overall payment terms delivered to the Non-Participating Subdivision (as determined by the National Arbitration Panel) within thirty (30) calendar days of the National Arbitration Panels determination on this issue, the Settling States and Participating Subdivisions shall be permitted to exercise all remedies against the Separately Settling Payment Group, and the failure of the Separately Settling Payment Group to deliver such consideration to the Settling States and Participating Subdivisions shall be considered a "Specified Breach" under the Master Settlement Agreement.

(F) In the event that the MDT Advisory Council does not consent to a particular settlement between a Separately Settling Payment Group and a Non-Participating Subdivision pursuant to Section 13.04(b), and the National Arbitration Panel determines that the MDT Advisory Council's withholding of consent was reasonable, and the Separately Settling Payment Group nevertheless consummates such settlement, such action by the Separately Settling Payment Group shall be considered a "Specified Breach" under the Master Settlement Agreement and the Settling State where the Non-Participating Subdivision is located shall be permitted to exercise all remedies against the Separately Settling Payment Group.

(f) Exceptions.

(i) Section 13.04(d) through Section 13.04(e) do not apply to, and there is no ability of any Settling State or Participating Subdivision to seek or obtain revision of this Agreement based on, any agreement with a Shareholder Released Party (a) that is entered into with a Non-Settling State or Non-Participating Subdivision after the earlier of (i) the close of expert discovery or (ii) a date ninety (90) calendar days prior to the scheduled start date of a trial (including an administrative proceeding) between the Shareholder Released Party and the Non-Settling State (or Non-Participating Subdivision), *provided* that, where, in order to complete a settlement, the Non-Settling State (or Non-Participating Subdivision) and the Shareholder Released Party jointly request an adjournment of the scheduled start date of a trial within ninety (90) calendar days of that date, this exception will apply as if the trial date had not been adjourned; or (b) that is entered into with a Non-Settling State (or Non-Participating Subdivision) that has obtained any court order or judicial determination that grants judgment (in whole or in part) against any Shareholder Released Party in the Non-Settling State's (or Non-Participating Subdivision's) case following an adjudication where (x) the relevant Shareholder Released Party did not consent to the entry of such order or judgment; and (y) the relevant Shareholder Released Party contested to the granting of such award and the entry of such order. The National Arbitration Panel shall have no power to review agreements that satisfy any of the conditions described in this paragraph.

(ii) This Section 13.04 does not apply to, and there is no ability of any Settling State or Participating Subdivision to seek or obtain revision of this Agreement based on, any agreement between a Shareholder Released Party and federally recognized tribes.

(iii) Sections 13.04(d) and (e) will not apply to any agreement entered into more than eighteen (18) months after the Effective Date.

(iv) This Section 13.04 may be waived by the MDT Advisory Council, with a vote to do so by at least five (5) of the MDT Advisory Council members. For waivers concerning an agreement with a Non-Participating Subdivision, the Settling State in which the Subdivision is located shall participate in the MDT Advisory Council's discussions and shall have a vote on whether to approve the waiver.

Section 13.05 No Admission. No Payment Party, other Shareholder Released Party, or Released Party admits liability or wrongdoing. Neither this Agreement nor the Consent Judgments shall be considered, construed or represented to be (1) an admission, concession or evidence of liability or wrongdoing or (2) a waiver or any limitation of any defense otherwise available to any Shareholder Released Party or Released Party.

Section 13.06 Tax Cooperation and Reporting

(a) Subject to the limitations set forth herein, upon the reasonable written request by the Sackler Parties' Representative or PRA LP to the Designated State, the Designated State agrees to cooperate in good faith with the Sackler Party Representative or PRA LP, as the case may be, to timely provide such further information and documents in its possession or reasonably available to it or to the Settling States, and use reasonable efforts to timely execute and deliver such further documents in its possession or in the possession of the Settling States as may be reasonably necessary for Payment Parties or PRA LP to establish the statements set forth in Section 5.06 to the reasonable satisfaction of their tax advisors and their independent financial auditors, including as contemplated by Section 162(f) of the Internal Revenue Code of 1986, as amended, and 26 C.F.R § 1.162-21(b)(3)(ii) and any subsequently proposed or finalized relevant regulations or administrative guidance, or that are reasonably necessary with respect to any tax claim, dispute, investigation, audit, examination, contest, litigation, or other proceeding with the Internal Revenue Service or other governmental authority relating to such matters ("Tax Matters"). All requests must reasonably detail the purpose for requesting the documents or other information at that time.

(b) The Settling States agree to timely and reasonably cooperate with the Designated State in connection with any reasonable requests made hereunder. Such cooperation shall be limited to (x) the retention and provision (upon reasonable written request by the Sackler Parties' Representative or PRA LP) of records and information which are reasonably relevant to any such Tax Matters, and which are in the possession of the Settling States or reasonably available to them, and (y) making employees and other personnel reasonably available on a mutually convenient basis to timely provide additional information reasonably requested and explain any material provided hereunder to the extent such cooperation does not materially and adversely affect the cooperating party. The Sackler Parties' Representative shall use reasonable efforts to make requests under this Section 13.06 no more frequently than quarterly, other than in connection with circumstances in which a more timely response is required to respond to a request from a taxing authority.

(c) Nothing in this Section 13.06 shall require the Designated State, any Settling State or any Participating Subdivision to (i) provide any information or document that has been filed with the Bankruptcy Court or otherwise made publicly available by the public posting of such information or document; (ii) retain information or records other than in accordance with any applicable retention policy except with respect to reasonable written requests by the Sackler Parties' Representative made to the Designated State; (iii) provide information or documents that have been previously provided to the Sackler Parties' Representative; (iv) search and/or produce e-mail or physical records, except to the extent reasonably necessary to identify information or documents relevant to any reasonable request made hereunder; (v) provide information or documents that would result in a violation of applicable law; (vi) provide information or documents that are privileged; (vii) bear any out-of-pocket costs or expenses; or (viii) provide information or documents that would result in a breach of a confidentiality agreement or obligation. In each such case where the Designated State, a Settling State or a Participating Subdivision does not provide a document or other information solely pursuant to the preceding sentence, the Designated State, Settling State or Participating Subdivision shall inform the Sackler Parties' Representative, to the extent legally permissible, of the basis on which information was not provided. Other than with respect to Section 5.02(b), and notwithstanding anything else herein to the contrary, the Settling States and Participating Subdivisions shall have no obligation to trace funds received pursuant to this Agreement or

the Master Settlement Agreement; and no Settling State or Participating Subdivision shall have any obligation or responsibility for any other Settling State or Participating Subdivision under this Section 13.06.

(d) Pursuant to 26 C.F.R. § 1.6050X-1(a) and (b), the Designated State, on behalf of all Settling States and Participating Subdivisions shall designate one of its officers or employees to act as the "appropriate official" within the meaning of 26 C.F.R. § 1.6050X- 1(f)(1)(ii)(B) (the "Appropriate Official"). The Designated State shall use reasonable best efforts to direct and ensure that the Appropriate Official timely (a) files (i) at the time this Agreement becomes binding on the Parties, an IRS Form 1098-F in the form attached as Exhibit U with respect to PRA LP and the Payment Parties and (ii) any legally required forms, returns or amended returns with any applicable governmental authority, or any returns reasonably requested by PRA LP or a Payment Party, and (b) provides the Sackler Parties' Representative a copy of (i) the IRS Form 1098-F filed with respect to PRA LP or such Payment Party and (ii) any legally required written statement pursuant to any applicable law and any other document referred to in clause (a)(ii) above. Any such forms, returns, or statements shall be prepared and filed in a manner fully consistent with Section 5.06 and as set forth in Section 13.06(e).

(e) Any form, return, amended return, or written statement filed or provided pursuant to Section 13.06(d), and any similar document, shall be prepared and filed in a manner consistent with reporting on IRS Form 1098-F. If the Designated State or Appropriate Official shall be required to file any form, return, amended return, or written statement contemplated by this Section 13.06 other than an IRS Form 1098-F in the form attached as Exhibit U, the Designated State shall use reasonable best efforts to direct and ensure that the Appropriate Official provides to the Sackler Parties' Representative a draft of such form, return, amended return, or written statement in respect of the Payment Parties or PRA LP no later than sixty (60) calendar days prior to the due date thereof, and shall accept and reflect any reasonable revisions from or on behalf of the Sackler Parties' Representative on the return, amended return, or written statement in respect of the Payment Parties or PRA LP.

(f) For the avoidance of doubt, neither the Payment Parties, the Designated State, nor the Settling States make any warranty or representation to any Payment Party, Settling State, or Releasor as to the tax consequences of the payment of the Compensatory Restitution Amount (or any portion thereof), and nothing in this Agreement shall impose on the Settling States any liability with respect to any tax or related obligation of the Shareholder Released Parties, or obligation to indemnify, defend, or otherwise hold harmless any Shareholder Released Party for any tax or other obligations.

Section 13.07 Third-Party Beneficiaries. Except as expressly provided in this Agreement or the Master Settlement Agreement, no portion of this Agreement shall provide any rights to, or be enforceable by, any person or entity that is not the MDT, a Participating Subdivision (to the extent expressly set forth herein), a Settling State, the Sackler Parties' Representative, Shareholder Released Party, or a Released Party. The Settling States may not assign or otherwise convey any right to enforce any provision of this Agreement.

Section 13.08 Calculation. Any figure or percentage referred to in this Agreement shall be carried to seven decimal places.

Section 13.09 Construction. None of the Parties and no Participating Subdivision shall be considered to be the drafter of this Agreement or of any of its provisions for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this Agreement. The headings of the provisions of this Agreement are not binding and are for reference only and do not limit, expand, or otherwise affect the contents or meaning of this Agreement.

Section 13.10 Cooperation and Best Efforts. Each Party and each Participating Subdivision agrees to use its best efforts and to cooperate with the other Parties and Participating Subdivisions to cause this Agreement and the Consent Judgments to become effective, to obtain all necessary approvals, consents, and authorizations, if any, and to execute all documents and to take such other action as may be appropriate in connection herewith. Consistent with the foregoing, each Party and each Participating Subdivision agrees that it will not, directly or indirectly, assist or encourage any challenge to this Agreement or any Consent Judgment by any other person, and will support the integrity and enforcement of the terms of this Agreement, the Master Settlement Agreement and the Consent Judgments. Each Party and each Participating Subdivision further agrees to use its good faith efforts and to cooperate with the other Parties and Participating Subdivisions to meet the deadlines set forth in this Agreement in a timely manner and without requiring extensions.

Section 13.11 Entire Agreement. This Agreement, including its exhibits and any other attachments, and together with the Master Settlement Agreement, embodies the entire agreement and understanding between and among the Parties and Participating Subdivisions relating to the subject matter hereof and supersedes (1) all prior agreements and understandings relating to such subject matter, whether written or oral and (2) all purportedly contemporaneous oral agreements and understandings relating to such subject matter.

Section 13.12 Execution. The Consent Judgments may be executed in counterparts and by different signatories on separate counterparts, each of which shall be deemed an original, but all of which shall together be one and the same Consent Judgment. One or more counterparts of the Consent Judgments may be delivered by facsimile or electronic transmission with the intent that it or they shall constitute an original counterpart thereof. One or more counterparts of the Consent Judgments may be signed by electronic signature. The Payment Parties and MDT may execute their counterpart signature pages to this Agreement in a similar manner (e.g., on separate counterparts and by means of .pdf electronic transmission).

Section 13.13 Good Faith and Voluntary Entry. Each Party warrants and represents that it negotiated the terms of this Agreement in good faith. Each of the Parties and Participating Subdivisions warrants and represents that it freely and voluntarily entered into this Agreement without any degree of duress or compulsion. The Parties and Participating Subdivisions state that no promise of any kind or nature whatsoever (other than the written terms of this Agreement and the other Agreements listed or referenced in Section 13.11) was made to them to induce them to enter into this Agreement.

Section 13.14 Legal Obligations. Nothing in this Agreement shall be construed as relieving Payment Parties of the obligation to comply with all state and federal laws, regulations or rules, nor shall any of the provisions herein be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, or rules. Except with respect to the Injunctive Relief Terms, in the event of a conflict between this Agreement and any requirement or requirements of federal, state, or local laws, such that a Payment Party cannot comply with this Agreement without violating such a requirement or requirements, the Payment Party shall document such conflicts and notify the Attorney(s) General of the relevant Settling State(s) that it intends to comply with the requirement or requirements to the extent necessary to eliminate the conflict. With respect to the Injunctive Relief Terms, in the event of such a conflict, the procedures set forth in the Injunctive Relief Terms will be followed.

Section 13.15 No Prevailing Party. The Parties and Participating Subdivisions each agree that they are not the prevailing party in this action, for purposes of any claim for fees, costs, or expenses as prevailing parties arising under common law or under the terms of any statute, because the Parties and Participating Subdivisions have reached a good faith settlement.

Section 13.16 Waive Challenge. The Parties and Participating Subdivisions each further waive any right to challenge or contest the validity of this Agreement on any ground, including, without limitation, that any term is unconstitutional or is preempted by, or in conflict with, any current or future law. Nothing in the previous sentence shall modify, or be construed to conflict with, Section 13.14.

Section 13.17 Non-Admissibility. The settlement negotiations resulting in this Agreement have been undertaken by the Parties and by certain representatives of the Participating Subdivisions in good faith and for settlement purposes only, and no evidence of negotiations or discussions underlying this Agreement shall be offered or received in evidence in any action or proceeding for any purpose. This Agreement shall not be offered or received in evidence in any action or proceeding for any purpose other than in an action or proceeding arising under or relating to this Agreement.

Section 13.18 Notices. All notices or other communications under this Agreement shall be in writing (including, but not limited to, electronic communications) and shall be given to the recipients indicated in Exhibit B.

Any Party, the MDL PEC, or the MSGE Group may change or add the contact information of the persons designated to receive notice on its behalf by notice given (effective upon the giving of such notice) as provided in this Section 13.18.

Section 13.19 No Waiver. The waiver of any rights conferred hereunder shall be effective only if made by written instrument executed by the waiving Party or Parties. The waiver by any Party of any breach of this Agreement shall not be deemed to be or construed as a waiver of any other breach, whether prior, subsequent, or contemporaneous, nor shall such waiver be deemed to be or construed as a waiver by any other Party.

Section 13.20 Preservation of Privilege. Nothing contained in this Agreement or any Consent Judgment, and no act required to be performed pursuant to this Agreement or any Consent Judgment, is intended to constitute, cause, or effect any waiver (in whole or in part) of any attorney-client privilege, work product protection, or common interest/joint defense privilege, and each Party and Participating Subdivision agrees that it shall not make or cause to be made in any forum any assertion to the contrary.

Section 13.21 Successors. This Agreement shall be binding upon, and inure to the benefit of, the Payment Parties and their respective successors and assigns. To the extent a party to the Master Settlement Agreement may assign rights or obligations thereunder, or may be added or removed as a party thereto, such party may assign rights or obligations, or may be added or removed as a party, to this Agreement.

Section 13.22 Modification, Amendment, Alteration. Before the Effective Date, in the event the States' AG Negotiating Group, MDL PEC, the MSGE Group, or the Sackler Parties' Representative concludes that corrections are required to this Agreement, the States' AG Negotiating Group, MDL PEC, the MSGE Group, and the Sackler Parties' Representative shall meet and confer and make such amendments as they agree are appropriate. After the Effective Date, any modification, amendment, or alteration of this Agreement by the Parties shall be binding only if evidenced in writing signed by the Sackler Parties' Representative, along with the signature of at least two-thirds of those then serving as Attorney General of the Settling States along with a representation from each Attorney General that either: (1) the advisory committee or similar entity established or recognized by that Settling State (either pursuant to Section 5.05(b)(iv), by a State-Subdivision Agreement, or by statute) voted in favor of the modification, amendment or alteration of this Agreement including at least one member appointed by the Participating Subdivisions listed on Exhibit G; or (2) in Settling States without any advisory committee, that 50.1% (by population) of the Participating Subdivisions listed on Exhibit G expressed approval of the modification, amendment, or alteration of this Agreement in a writing.

Section 13.23 Termination.

(a) Unless otherwise agreed to by each of the Sackler Parties' Representative and the Settling States, this Agreement and all of its terms (except Section 13.17) and any other non-admissibility provisions, which shall continue in full force and effect) shall be canceled and terminated, and the Agreement and all orders issued by the courts in the Settling States pursuant to the Agreement shall become null and void and of no effect if the Master Settlement Agreement terminates.

(b) Unless the Sackler Parties' Representative and the MDT Advisory Council agree otherwise, this Agreement, with the exception of the Injunctive Relief Terms that have their own provisions on duration as set forth in Article 8 of the Master Settlement Agreement, shall terminate as to all Parties as of Payment Date 16, *provided* that the Payment Parties have performed their respective payment obligations under the Agreement as of that date. Notwithstanding any other provision in this Section 13.23(b) or in this Agreement, all releases under this Agreement, including under the Release, will remain effective despite any termination under this Section 13.23(b).

(c) Nothing in this Section 13.23 shall affect the rights of the parties to terminate this Agreement on the terms and subject to the conditions set forth elsewhere in this Agreement or under the Master Settlement Agreement.

Section 13.24 Governing Law. Except as (1) otherwise provided in this Agreement or (2) as necessary, in the sole judgment of the National Arbitration Panel, to promote uniformity of interpretation for matters within the scope of the National Arbitration Panel's authority, this Agreement shall be governed by and interpreted in accordance with the respective laws of the Settling State, without regard to the conflict of law rules of such Settling State, that is seeking to enforce the Agreement against the Payment Parties or against which a Payment Party of the Sackler Parties' Representative is seeking enforcement.

Section 13.25 [Reserved]

Section 13.26 Sackler Parties' Representative.

(a) Designation. Subject to the terms and conditions of this Section 13.26, the Sackler Parties' Representative is hereby designated as the representative of the Payment Parties with respect to the matters set forth in this Agreement, and solely to the extent set forth therein, and the other documents or agreements contemplated hereby or thereby to be performed by the Payment Parties.

(b) Authority. By the approval of this Agreement, each of the Payment Parties hereby irrevocably constitutes and appoints the Sackler Parties' Representative as the representative, agent, proxy and attorney-in-fact for each of the Payment Parties for all purposes authorized under this Agreement, including the full power and authority on behalf of the Payment Parties to (i) take all other actions to be taken by or on behalf of each Payment Party (or the Payment Parties collectively) in connection herewith and (ii) do each and every act and exercise any and all rights which each Payment Party (or the Payment Parties collectively) is permitted or required to do or exercise under this Agreement or any other agreement contemplated hereby. Each of the Payment Parties agrees that such agency and proxy are coupled with an interest, are therefore irrevocable without the written consent of the Sackler Parties' Representative and shall survive the bankruptcy, dissolution, liquidation, death or incapacity of any Payment Party. All decisions and actions by the Sackler Parties' Representative (to the extent authorized by this Agreement) shall be binding upon each of the Payment Parties, and no Payment Party shall have the right to object, dissent, protest or otherwise contest the same.

(c) Reliance. Each Payment Party agrees that the other Parties shall be entitled to rely on any action taken by the Sackler Parties' Representative on behalf of such Payment Party and its Payment Group (an "Authorized Action"), and that each Authorized Action shall be binding on each Payment Party and Payment Group as fully as if such Payment Party and Payment Group had taken such Authorized Action.

(d) Limitation of Liability. Each Sackler Party (including but not limited to each Payment Party) acknowledges and agrees that the Sackler Parties' Representative shall have no liability to, and shall not be responsible for any costs or expenses, judgments, fines, losses, claims, damages or liabilities of, any Party or to or of any of their respective officers, directors, employees, affiliates and/or agents in connection with any actions taken or omitted to be taken by the Sackler Parties' Representative under or in respect of this Agreement, except to the extent resulting from fraud or willful misconduct by the Sackler Parties' Representative.

(e) Survival. All of the immunities and powers granted to the Sackler Parties' Representative hereunder shall survive the termination of this Agreement.

Execution Version

MASTER SETTLEMENT AGREEMENT

BY AND AMONG

THE PURDUE MASTER DISBURSEMENT TRUST,

EACH OF THE PARTIES LISTED ON EXHIBIT A HERETO,

EACH OF THE PARTIES LISTED ON EXHIBIT B HERETO,

THE SACKLER PARTIES' REPRESENTATIVE

AND

PRA L.P.

MAY 1, 2026

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MASTER SETTLEMENT AGREEMENT

THIS MASTER SETTLEMENT AGREEMENT (together with the Credit Support Annexes and all other exhibits and annexes hereto (as defined below), this "Agreement"), dated as of May 1, 2026 (the "Agreement Effective Date"), is entered into by and among (i) the MDT (as defined below), (ii) the Sackler Parties (as defined below), (iii) each of the parties listed on Exhibit B hereto (collectively, the "Debtors"), (iv) solely for purposes of Article 4 (Tax Matters), Section 2.01(d) (Payments by Beacon Trust), Section 2.01(e) (Payments by 74A Trust (as defined below)), Section 8.03 (Consent to Cancellation of PPLP Interests and De Minimis PRALP Interests), Exhibit N, and Exhibit Z, PRA L.P. (as defined below), and (v) the Sackler Parties' Representative (as defined below, and, together with PRA L.P., the MDT and the Sackler Parties, the "Parties" and each, a "Party").

RECITALS

WHEREAS, on September 15, 2019, the Debtors each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), thereby commencing the chapter 11 cases that are currently pending and jointly administered by the Bankruptcy Court under the caption *In re Purdue Pharma L.P., et al.*, Case No. 19-23649 (SHL) (the "Bankruptcy Cases");

WHEREAS, in furtherance of this Agreement, the Debtors filed a plan of reorganization D.I. 7306 on March 18, 2025, and related disclosure statement D.I. 7307 on March 19, 2025 in the Bankruptcy Cases, both of which were amended from time to time, and each of which was subsequently approved by the Confirmation Order (as defined below) and Disclosure Statement Order (as defined below), respectively;

WHEREAS, for the purposes of this Agreement, the Sackler Parties are included in distinct Payment Groups (as defined below) as set forth on Exhibit A;

WHEREAS, for the purposes of this Agreement, certain of the Shareholder Released Parties (as defined below) are included in distinct Family Groups (as defined below) as set forth on Exhibit C, each of which corresponds to a specific Payment Group as set forth on Exhibit C;

WHEREAS, in furtherance of the settlement of the Shareholder Released Claims against the Shareholder Released Parties as contemplated and effectuated pursuant to the Plan (as defined below) and each of the Settlement Agreements (as defined below) (such settlements contemplated and effectuated pursuant to the Plan and each of the Settlement Agreements, collectively the "Settlement"), the B-Side Payment Groups (as defined below) and the A-Side Payment Groups (as defined below) have agreed to pay the Settlement Amount (as defined below) to the MDT, subject to the terms of this Agreement;

WHEREAS, in furtherance of the Settlement, each A-Side Payment Party (as defined below) agrees to pay, or cause to be paid, on a joint and several basis (subject to the terms and limitations set forth herein) among the A-Side Payment Parties within such A-Side Payment Party's A-Side Payment Group, but on a several and not joint basis as among A-Side Payment Groups, their respective portion of the Settlement Payment Obligations and any other Payment Obligations incurred by such A-Side Payment Party's A-Side Payment Group, subject to the terms of this Agreement;

WHEREAS, in furtherance of the Settlement, each B-Side Payment Party (as defined below) agrees to pay, or cause to be paid, on a joint and several basis (subject to the terms and limitations set forth herein) among the B-Side Payment Parties within such B-Side Payment Party's B-Side Payment Group, but on a several and not joint basis as among B-Side Payment Groups, their respective portion of the Settlement

Payment Obligations and any other Payment Obligations incurred by such B-Side Payment Party's B-Side Payment Group, subject to the terms of this Agreement;

WHEREAS, in furtherance of the Settlement, each IAC Payment Party agrees to pay, or cause to be paid, its share of the IAC Sale Bonus Payment (as defined below) to the MDT as and when required by this Agreement;

WHEREAS, pursuant to the terms of this Agreement, the Settlement Amount shall include both Estate Payments (as defined below) and Direct Payments (as defined below);

WHEREAS, certain Sackler Parties that are IAC Payment Parties (as defined below) hold interests, directly or indirectly, in the IACs (as defined below) set forth on Exhibit E-1;

WHEREAS, in furtherance of the Settlement, each of the IAC Payment Parties agrees to use commercially reasonable best efforts to sell or cause to be sold, in one or more transactions, all of the issued and outstanding equity interests in each IAC (other than Purdue Canada) and/or the assets of each IAC (other than Purdue Canada) on or prior to the seventh (7^{th}) anniversary of the Settlement Effective Date, subject to this Agreement;

WHEREAS, certain Sackler Parties hold interests, directly or indirectly, in Purdue Pharma L.P. ("PPLP Interests") and Purdue Pharma Inc. ("PPI Interests"), and Purdue Pharma Inc. holds certain de minimis interests in Pharmaceutical Research Associates L.P. ("De Minimis PRALP Interests");

WHEREAS, in furtherance of the Settlement, the Sackler Parties agree, subject to the terms and conditions of this Agreement, to the deemed surrender, cancellation, and/or redemption of the PPLP Interests pursuant to the Plan and that the direct and indirect holders thereof shall not receive or retain any property under the Plan on account of the PPLP Interests;

WHEREAS, in furtherance of the Settlement, the Sackler Parties agree, subject to the terms and conditions of this Agreement, to the deemed surrender, cancellation, and/or redemption of the PPI Interests and De Minimis PRALP Interests pursuant to the Plan and that (i) Purdue Pharma Inc. shall not receive or retain any property under the Plan on account of the De Minimis PRALP Interests and (ii) the direct and indirect holders of Purdue Pharma Inc. shall not receive or retain any property under the Plan on account of the PPI Interests;

WHEREAS, in furtherance of the Settlement, the Sackler Parties agree to the treatment of the MDT Shareholder Insurance Rights (as defined below) on the terms and conditions set forth in the Plan;

WHEREAS, in furtherance of the Settlement, the Family Members have agreed to not seek, request or permit any new naming rights with respect to charitable or similar donations to organizations, subject to the terms and conditions of this Agreement and the Confirmation Order; and

WHEREAS, in furtherance of the Settlement, certain of the Sackler Parties have agreed to grant a security interest in and Lien (as defined below) on certain of their assets to secure the obligations of certain Payment Parties under this Agreement as more fully set forth below in this Agreement (including each of Annex A, Annex C, Annex D, Annex E, Annex F and Annex G attached hereto (individually, a "Credit Support Annex" and, collectively, the "Credit Support Annexes"), which such Credit Support Annexes are hereby incorporated by reference herein) and the Collateral Documents (as defined below).

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE 1.
DEFINITIONS

Section 1.01 Definitions.

(a) As used in this Agreement, the following terms have the following meanings:

"11.17 Assuring Party" means the Assuring Parties indicated by an asterisk ("*") on Exhibit K.

"74A Trust" has the meaning set forth in Section 2.01(e). If the 74A Trust is terminated pursuant to a Permitted Trust Restructuring (as described in the B-Side Payment Groups' Credit Support Annexes), then references herein to "74A Trust" shall instead refer to AJ Irrevocable Trust and AR Irrevocable Trust (neither of which shall be a Common B-Side Payment Party).

"A-Side General Obligors" means each A-Side Payment Party designated as such on Exhibit A.

"A-Side IAC Payment Party" means each Party designated as an "A-Side IAC Payment Party" on Exhibit A.

"A-Side Payment Date Obligation" means, in respect of each A-Side Payment Group as of any given Payment Date, the amount such A-Side Payment Group is obligated to pay on such Payment Date pursuant to this Agreement.

"A-Side Payment Group" means each of the eight (8) Payment Groups, each of which comprises A-Side Payment Parties, designated as such on Exhibit A.

"A-Side Payment Group 8 Representative" means such Person as is designated in writing by A-Side Payment Group 8 from time to time.

"A-Side Payment Party" means a Party designated as an "A-Side Payment Party" on Exhibit A; *provided* that, the Parties designated as A-Side Payment Parties on Exhibit A in respect of the A-Side Payment Group 8 shall not be deemed A-Side Payment Parties for purposes of Section 5.01(c) (with respect to the funding and reimbursement obligations described therein), or Section 5.02(b) (with respect to the funding and reimbursement obligations described therein); *provided* further, the foregoing will not limit any requirement to fund a portion of any Estate Payment due from the Parties designated as A-Side Payment Parties on Exhibit A in respect of the A-Side Payment Group 8 into the Reserve(s), Released Claims Reserve(s) and/or the Special Operating Reserve. For the avoidance of doubt, each of the A-Side General Obligors and A-Side IAC Payment Parties is an A-Side Payment Party.

"A-Side Settlement Date Loan" means the loan from Mundipharma Medical Company to one or more A-Side General Obligors in order to fund the payment provided for in Section 2.01(g)(i)(A).

"Actual Taxes" means, with respect to an IAC Payment Party, an amount equal to the actual cash Tax liability of such IAC Payment Party, its Subsidiaries, or its direct or indirect equityholders or beneficiaries payable with respect to income and gain recognized by or allocated to such Person from an IAC, a Sale or an IAC Distribution, without duplication and taking into account any tax benefits arising under this Agreement and the Plan calculated on a with and without basis, including, for the avoidance of

doubt, any deduction that may be available to such Payment Party under Section 162(a) that is not disallowed by Section 162(f) of the Code and the deductibility or creditability, as applicable, of local, state and non-U.S. income Taxes.

"Ad Hoc Committee" has the meaning set forth in the Plan.

"Advance Amount" has the meaning set forth in Section 2.01(l).

"Advance Payment Date" has the meaning set forth in Section 2.01(l).

"Advance Payment Notice" has the meaning set forth in Section 2.01(l).

"Advance Settlement Payment" has the meaning set forth in Section 2.01(l).

"Advance Target Date" has the meaning set forth in Section 2.01(l).

"Advisors" means any nationally recognized investment banking firms and/or such other nationally recognized third-party financial advisors as may be engaged by a Sackler Party, an Affiliate thereof or an IAC to advise such Sackler Party, such Affiliate thereof or IAC and/or other Sackler Parties, their Affiliates or IACs in connection with the Sales.

"Affected Parties" has the meaning set forth in Section 2.04(b)(i).

"Affiliate" means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with such Person.

"Agreement" has the meaning set forth in the preamble.

"Agreement Effective Date" has the meaning set forth in the preamble.

"Alleged Harms" means the alleged past, present, and future financial, societal, public nuisance, and other harms, as well as any expenditures related to the foregoing, arising out of the conduct, omission, or liability of the Debtors including but not limited to those relating to Covered Conduct or any other conduct of the Debtors giving rise to liability of the Debtors for opioid related claims, such as the alleged use, misuse, and abuse of Products or any other opioid related drugs, non-exclusive examples of which are described in the documents listed on Exhibit J-1, that have allegedly arisen as a result of the physical and bodily injuries sustained by individuals suffering from opioid-related addiction, abuse, death, and other related diseases and disorders, and that have allegedly been caused by Shareholder Released Parties.

"Allowed" has the meaning set forth in the Plan.

"Appeal" has the meaning set forth in Section 2.05(a).

"Appeals Account" means an interest-bearing escrow account maintained by an independent third-party in connection with the Agreement.

"Appeal Bond Costs" has the meaning set forth in the defined term "Litigation Costs".

"Appellate Decision" has the meaning set forth in Section 2.04(b).

"Approved Financial Advisor" means an independent financial advisor from the list set forth on Exhibit O.

"Assuring Parties" means (i) the Possible Refunding Trusts of each Trust, (ii) the Power Holders of each Trust, (iii) the Required Interested Persons of each Estate and each Trust (other than each A-Side Payment Party which is a Trust that has received Court Approval and has a Jersey (Channel Islands) Jurisdiction of Administration and no non-Jersey (Channel Islands) trustee), and (iv) the persons not otherwise included in the foregoing clauses (ii) and (iii) who are Beneficiary Interested Persons of any Trust or any Estate.

"Authorized Action" has the meaning set forth in Section 11.07(c).

"B-Side IAC Payment Party" means a Party designated as a "B-Side IAC Payment Party" on Exhibit A. Each B-Side IAC Payment Party is a member of the applicable B-Side Payment Group described on Exhibit A.

"B-Side Payment Date Obligation" means, in respect of each B-Side Payment Group as of any given Payment Date, the amount such B-Side Payment Group is obligated to pay on such Payment Date pursuant to this Agreement.

"B-Side Payment Group" means any of the two (2) groups, each of which is comprised of B-Side Payment Parties, as set forth on Exhibit A.

"B-Side Payment Party" means a Party designated as a "B-Side Payment Party" on Exhibit A. For the avoidance of doubt, each of the B-Side IAC Payment Parties is a "B-Side Payment Party".

"Bankruptcy Cases" has the meaning set forth in the recitals.

"Bankruptcy Code" has the meaning set forth in the recitals.

"Bankruptcy Court" has the meaning set forth in the recitals.

"Bankruptcy Matters" means bankruptcy, insolvency, reorganization, fraudulent conveyance, arrangement, moratorium or other Laws relating to or affecting the rights of creditors generally.

"Base Payment" means (i) the portion of any payment identified as a base payment under the applicable Settlement Agreement, and (ii) to the extent not so identified in a Settlement Agreement, any similar base payment in a Settlement Agreement.

"Beneficiary Interested Person" means, at any time with respect to a Trust or an Estate, each surviving spouse and descendant (including adoptees) of Mortimer Sackler or Raymond Sackler, and the spouses of any such descendant, to whom, or for whose use, income or principal of such Sackler Party may or is required to be distributed, excluding any Excluded Beneficiary and any person who would at such time be eligible or entitled to receive such a distribution only after the initial or further exercise of a power of appointment or other power to add beneficiaries but, for the avoidance of doubt, including contingent takers in default of the exercise of a power of appointment.

"BFS Estate" means the estate of Beverly F. Sackler, deceased, on account of its personal representative(s) entering into this Agreement, in their capacity as such, subject to and in accordance with the terms hereof.

"Breach" shall mean a Specified Breach or a Non-Specified Breach.

"Breach Fee" has the meaning set forth in Section 9.05.

"Breach Notice" has the meaning set forth in Section 9.02(a)(i).

"Breach Trigger" means any event or condition that, with the giving of any notice, the passage of time or both, and satisfaction of such other condition as set forth in Section 9.01, would be a Breach.

"Breaching Party" has the meaning set forth in Section 9.02(a)(i).

"Business Day" means any day other than a Saturday, a Sunday or any other day which is a federal holiday.

"Case Stipulation" has the meaning set forth in the Plan.

"Cash and Cash Equivalents" means cash and cash equivalents such as U.S. government treasury bills and any other financial instruments properly classified as cash equivalents under GAAP.

"Cause of Action" has the meaning set forth in the Plan.

"Challenge" has the meaning set forth in Section 9.01(e).

"Channeling Injunction" has the meaning set forth in the Plan.

"Claim" has the meaning set forth in the Plan.

"Code" means the Internal Revenue Code of 1986, as amended (including any successor statute).

"Collateral" means the IAC Collateral and all other "Collateral" (or similar or equivalent term) as defined in any Credit Support Annex or in any Collateral Document (including any IAC Collateral Document) and shall include all assets and property, whether real, personal or mixed, whether now owned or hereafter acquired and wherever located, in each case, with respect to which a Lien is granted (or required, intended or purported to be granted) as security for any Obligation pursuant to this Agreement (including the Credit Support Annexes) or any Collateral Document, including all proceeds and products thereof.

"Collateral Documents" means, collectively, the IAC Collateral Documents, the Security Documents as defined under each of the Credit Support Annexes, this Agreement (to the extent it provides or purports to provide the grant of a security interest in and Lien on the Collateral), and all other security agreements, pledge agreements and other instruments and documents, and each of the amendments, modifications and supplements thereto, executed and delivered pursuant to this Agreement (including the Credit Support Annexes) or otherwise in order to grant or purport to grant a Lien on any assets to secure the Obligations or under which rights or remedies with respect to such Liens are governed.

"Common B-Side Payment Party" has the meaning set forth in Section 2.01(f)(iii).

"Compensatory Restitution Amount" means the aggregate amount paid or incurred by or on behalf of any Payment Party hereunder for Opioid Remediation, and does not include any amounts paid as attorneys' fees and costs pursuant to Section 5.9(a) and Section 5.9(b) of the Plan or otherwise identified as being used to pay attorneys' fees, investigation costs or litigation costs of a government or governmental entity in the reporting contemplated by Section 4.01(f)(ii), which shall be up to the amount of the total amount of the Settlement Payment.

"Conditions Precedent Waiver Letter" means that certain waiver letter by and among the Master Disbursement Trust, the Sackler Parties' Representative, the Governmental Consent Parties, and the Creditors' Committee dated as of [__], 2026.

"Confession of Judgment" has the meaning set forth in Section 11.05(a) and in the Credit Support Annexes.

"Confirmation Hearing" has the meaning set forth in the Plan.

"Confirmation Order" means the order entered by the Bankruptcy Court November 18, 2025, confirming the Plan and providing related relief [D.I. 8263].

"Consent" means any approval, consent, ratification, permission, waiver or authorization (including any permit).

"Consent Person" has the meaning set forth in Section 7.01(e).

"Contract" means any contract, agreement, indenture, note, bond, loan, license, instrument, lease, commitment, plan or other arrangement, whether oral or written.

"Control" means, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise, and the terms "Controlling" and "Controlled by" have correlative meanings to the foregoing.

"Court Approval" has the meaning set forth in Section 7.02(b).

"Covered Conduct" means any actual or alleged act, failure to act, negligence, statement, error, omission, breach of any duty, conduct, event, transaction, agreement, misstatement, misleading statement, or other activity of any kind whatsoever from the beginning of time through the Plan Effective Date (and any past, present, or future consequence of any such act, failure to act, negligence, statement, error, omission, breach of duty, conduct, event, transaction, agreement, misstatement, misleading statement, or other activity) relating in any way to (1) compounding, counseling or documentation relating to any Product or class of Products; (2) the discovery, development, manufacture, packaging, repackaging, marketing, promotion, advertising, labeling, recall, withdrawal, distribution, delivery, monitoring, reporting, supply, sale, prescribing, dispensing, physical security, warehousing, use or abuse of, or operating procedures relating to, any Product, or any system, plan, policy or advocacy relating to any Product or class of Products, including, but not limited to, any unbranded promotion, marketing, programs, or campaigns relating to any Product or class of Products; (3) the characteristics, properties, risks, or benefits of any Product; (4) the reporting, disclosure, non-reporting or nondisclosure to federal, state or other regulators of orders placed with any Shareholder Released Parties or physicians or pharmacists identified by any Shareholder Released Party as potentially engaging in suspicious or problematic conduct; or (5) diversion control programs or suspicious order monitoring.

"Credit Support Annex" and "Credit Support Annexes" have the meanings set forth in the recitals.

"Creditors' Committee" has the meaning set forth in the Plan.

"Creditor Trust" has the meaning set forth in the Plan.

"Creditor Trust Documents" has the meaning set forth in the Plan.

"Creditor Trust Non-Participating Claims Reserves" has the meaning set forth in the Plan, and refer to such accounts established under Section 5.01(a).

"Creditor Trust TDPs" has the meaning set forth in the Plan.

"Crossover Member" means a Payment Party that is a member of more than one Payment Group other than a Payment Party identified as a "Fourth Tier Obligor" in the Credit Support Annexes.

"CSA Entity" has the meaning set forth in Section 3.03(e).

"Debtors" has the meaning set forth in the preamble.

"Definitive Documents" means this Agreement, the Plan, the Disclosure Statement, the Disclosure Statement Order, any other solicitation materials in respect of the Plan, the Settlement Agreements, the Collateral Documents, the Confessions of Judgment, the Further Assurances Undertakings, the Separation Agreements, the Conditions Precedent Waiver Letter and any documentation establishing or governing the Document Repository, and (a) prior to the Settlement Effective Date, all other documentation or any portion thereof relating to the implementation of the Settlement or Plan, solely to the extent it could reasonably be expected to adversely impact the rights or interests of any Family Member under the Settlement and (b) after the Settlement Effective Date, any amendments, supplements, or modifications to any of the foregoing documents described in clause (a) solely to the extent it could reasonably be expected to materially and adversely impact the rights or interests of any Family Member under the Settlement.

"De Minimis Payment Party" means the Sackler Parties set forth on Exhibit U; *provided* that if any Sackler Party transfers any assets or property to a De Minimis Payment Party on or after December 31, 2025, the De Minimis Payment Party that receives such assets or property shall not, from and after the date of receipt, constitute a De Minimis Payment Party.

"De Minimis PRALP Interests" has the meaning set forth in the recitals.

"Designated Release Remedy Event" shall be deemed to have occurred if the remedy described in Section 9.02(a)(ii)(B) is available in respect of a Specified Breach (or Specified Breaches) by any Payment Group.

"Designated Shareholder Released Parties" means the parties set forth on Exhibit T, *provided* that (i) if any Designated Shareholder Released Party is an officer, director, trustee or protector with respect to trusts or trust companies of Family Groups that are not Breaching Parties, such Designated Release Remedy Event shall not include such Designated Shareholder Released Party in their capacities as officers, directors, trustees or protectors of such trusts or trust companies that are not part of the Family Groups of the Breaching Parties and no recourse may be had against any such trusts or trust companies, and (ii) the Designated Shareholder Released Parties shall not include the estate of any natural person and the Designated Release Remedy Event shall not apply (or shall cease to continue to apply) to any person on Exhibit T who has become deceased, *provided* that, for the avoidance of doubt, nothing herein shall prevent the estate of any such natural person from cooperating with the MDT with respect to any discovery process with respect to any litigation or similar proceeding related to the Debtors' Opioid-Related Activities.

"Designated State" means New York.

"Direct Appeal" has the meaning set forth in Section 2.05(a).

"Direct Payments" has the meaning set forth in Section 2.01(a)(iv).

"Direct Released Claims" means Causes of Action released by the Direct Releases.

"Direct Releases" means (i) the Shareholder Releases other than the Estate Release; and (ii) the releases of the Released Parties set forth in Section 10.6(b) of the Plan and in the applicable Settlement Agreements.

"Disallowed" has the meaning set forth in the Plan.

"Disclosure Statement" means the disclosure statement and other solicitation materials in respect of the Plan, as approved by the Bankruptcy Court, each in form and substance reasonably acceptable to the Governmental Consent Parties, the Creditors' Committee, and to the Sackler Parties solely with respect to the matters related to the Settlement, the Shareholder Releases and this Agreement. For the avoidance of doubt, the Sackler Parties agree that the approved disclosure statement filed at [D.I. 7637] on the docket of the Bankruptcy Cases is in form and substance acceptable to the Sackler Parties.

"Disclosure Statement Order" means the order entered by the Bankruptcy Court, in form and substance reasonably acceptable to the Sackler Parties solely with respect to the matters related to the Settlement, the Shareholder Releases and this Agreement (a) approving the Disclosure Statement, (b) approving notice and other procedures for soliciting the Plan and (c) authorizing solicitation of the Plan. For the avoidance of doubt, the Sackler Parties agree that the order entered at [D.I. 7615] on the docket of the Bankruptcy Cases is in form and substance acceptable to the Sackler Parties.

"Dispute Proceeding" has the meaning set forth in Section 9.02(a)(i).

"Disputed" has the meaning set forth in the Plan.

"Document Repository" means the document repository referenced in Section 11.15.

"DOJ Conviction Judgment Date" has the meaning set forth in the Plan.

"Early SHP Payments" has the meaning set forth in Section 2.01(g)(ii)

"Effective Date Cash" has the meaning set forth in the Plan.

"Eligible State" has the meaning set forth in the Governmental Entity & Shareholder Direct Settlement Agreement.

"Equity Interest" means, with respect to any Person, any and all stock, shares, interests, rights to purchase or acquire, warrants, options, participation interests or other equivalents (however designated, whether voting or nonvoting), of equity of such Person, including, if such Person is a partnership, partnership interests (whether general or limited), or if such Person is a limited liability company, membership interests, and any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of property or assets of, such issuing Person and whether or not such stock, shares, interests, rights to purchase or acquire, warrants, options, participations or other equivalents are outstanding on any date of determination.

"ER Physician" has the meaning set forth in the Plan.

"Estate Certification" means, with respect to an Estate, a certification of the personal representative(s) thereof substantially in the form of Exhibit S, which includes a recent copy of a fiduciary

probate certificate issued by the court having primary supervision of the administration of the decedent's estate.

"Estate Payments" means the amounts payable or paid on account of the settlement of the Estate Causes of Action pursuant to the Plan, and the amounts of which are as set forth on Exhibit M-2 hereto.

"Estate Released Claims" means the Estate Causes of Action released by the Estate Releases.

"Estate Releases" means the releases provided by the Debtors and their Estates pursuant to Section 10.7(a) of the Plan.

"Estates" means, each of the JDS Estate, the BFS Estate, RRS Estate and any future estate of any Payment Party who is a natural person.

"Excess Net Proceeds" has the meaning set forth in Section 2.06(a).

"Excluded Beneficiary" means the A-Side Payment Group 8 Third Tier Obligor, the children of the A-Side Payment Group 8 Third Tier Obligor, and the children of Kathe A. Sackler and any minor or other person under a legal disability.

"Exhibit H-2 Entity" has the meaning set forth in Section 8.08.

"Expense Allocation Principles" means, with respect to fees, costs and expenses described in clause (i) of each of the definitions of "IAC Distribution Deductions" and "Sale Proceeds Deductions", that each IAC Payment Party shall receive an allocation of such fees, costs and expenses proportionate to such IAC Payment Party's share of the total Sale Proceeds or IAC Non-Tax Distributions received by all IAC Payment Parties (including, for the avoidance of doubt, amounts treated as actually received by an IAC Payment Party as described in clauses (x)(a)(iii)(A) through (x)(a)(iii)(C) or clauses (y)(a)(i) through (y)(a)(iii) of the definition of "Net Proceeds", as applicable).

"Family Group" means each of the groups comprised of Payment Parties and certain Shareholder Released Parties, which are designated as a "Family Group" as set forth on Exhibit C.

"Family Member" means any Payment Party or Shareholder Released Party in a Family Group as set forth on Exhibit C.

"Final Dispute Response Notice" has the meaning set forth in Section 2.07(c)(i).

"Final Order" has the meaning set forth in the Plan.

"Foundation" has the meaning set forth in the Plan.

"Fourth Tier Obligor" means a Payment Party identified as the "Fourth Tier Obligor" in the Credit Support Annexes.

"Funding Trust Appointment" means, with respect to a Funding Trust that provided all or any portion of the funding set forth in Section 10.01(a)(iv), an instrument by which the appointment in further trust of such Funding Trust's share of such funding of the Rosetta Trust was exercised.

"Funding Trusts" means the trusts for the benefit of beneficiaries including one or more beneficiaries of the Rosetta Trust bearing the names KAS 2010 Family Trust and KAS 2011 Family Trust governed by the laws of Jersey (Channel Islands).

"Further Assurances Undertaking" means, an undertaking of an Assuring Party substantially in the form of Exhibit P, which in the case of an Assuring Party that is part of the A-Side Payment Group, modifications noted therein and, in the case of an Assuring Party that is part of the B-Side Payment Group modifications noted therein.

"GAAP" means generally accepted accounting principles in the United States applied on a consistent basis.

"General Unsecured Creditors" means holders of contingent litigation claimants in Class 11(c) of the Plan (as classified in the Plan).

"Governing Law Jurisdiction" means, with respect to a trust, the law or laws governing the ongoing operation of the trust under the terms of the documents constituting its current governing instruments, which law may vary as to particular matters such as with respect to administration, validity and construction.

"Governmental Authority" means any: (a) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; or (c) governmental or quasi-governmental authority of any nature (including any governmental division, department, agency, commission, instrumentality, official, organization, unit, body or Person and any court or other tribunal and including any arbitrator and arbitration panel).

"Governmental Consent Parties" means (i) the States AG Negotiating Group, (ii) the Ad Hoc Committee, and (iii) the MSGE Group.

"Governmental Entity & Shareholder Direct Settlement Agreement" means that certain Settlement Agreement dated on or about the date hereof regarding the settlement of claims of the Settling States and Participating Subdivisions against the Released Parties.

"Grantor Trust Arrangement" means one or more escrow accounts in respect of each of which a timely election is made, pursuant to Treasury Regulations Section 1.468B-1(k), to be treated as a "*grantor trust*" of which the payor is the sole grantor and reports all items of income, gain, loss, deduction, or credit for federal and applicable state and local income tax purposes.

"Holder" has the meaning set forth in the Plan.

"Hospital" has the meaning set forth in the Plan.

"Hospital District" has the meaning set forth in the Plan.

"IAC" means an entity or Person set forth on Exhibit E-1, as it may be amended from time to time in accordance herewith (including pursuant to Section 8.13).

"IAC Account" means, in each case, (i) a deposit account held by an IAC Payment Party subject to an IAC Control Agreement or (ii) an escrow account subject to an IAC Escrow Agreement, in each case located in the U.S., Jersey or such other jurisdiction as reasonably acceptable to the MDT, and in which the proceeds of any Sale or any IAC Distribution shall be deposited and maintained pursuant to the terms of this Agreement and the IAC Collateral Documents.

"IAC Account Bank" means a financial institution in the U.S., Jersey or such other jurisdiction as acceptable to the MDT acting as a deposit bank or securities intermediary, as applicable, in respect of an IAC Account, which financial institution is reasonably acceptable to the MDT.

"IAC Asset" has the meaning set forth in Section 3.06(g).

"IAC Collateral" means all "Collateral" (or similar or equivalent term) as defined in any IAC Collateral Document and shall include all assets and property, whether real, personal or mixed, whether now owned or hereafter acquired and wherever located, in each case, with respect to which a Lien is granted (or required, intended or purported to be granted), as security for any Obligation of the Payment Groups that any IAC Payment Party is a member of, pursuant to this Agreement or any IAC Collateral Document, including all proceeds and products thereof.

"IAC Collateral Documents" means, collectively, the IAC Pledge and Security Agreements, the IAC Control Agreements, the IAC Escrow Agreements, the Credit Support Annexes (to the extent applicable) and all other agreements, instruments and documents that create, perfect or evidence, or are intended to create, perfect or evidence, Liens in the IAC Collateral to secure the payment in full when due of all Obligations of the IAC Payment Parties or under which the Secured Party's rights and remedies with respect to the IAC Collateral are governed, including any and all other security agreements, pledge agreements, loan agreements, notes, guarantees, pledges, powers of attorney, consents, assignments, contracts, fee letters, notices, financing statements and all other written matter whether heretofore, now, or hereafter executed by any IAC Payment Party or any other Person and delivered to the MDT or any other Secured Party for their benefit, in each case, as amended, extended, renewed, restated, refunded, replaced, refinanced, supplemented, modified or otherwise changed from time to time.

"IAC Control Agreement" means a control agreement in a form required by the applicable IAC Account Bank and otherwise in form and substance reasonably acceptable to the MDT executed by the applicable IAC Payment Party, the applicable Secured Party and the IAC Account Bank in respect of an IAC Account and pursuant to which (a) the Secured Party is granted control (as such term is described in Section 9-104 of the UCC or any similar concept under the laws of any jurisdiction outside the United States governing perfection) of such IAC Account and (b) the Secured Party's first-priority Lien on such IAC Account to secure the payment in full when due of all Obligations of the applicable IAC Payment Party (including in such capacity and in other applicable capacities hereunder) is perfected.

"IAC Distribution" means any distribution of cash or other property or other Restricted Payments made by an IAC directly or indirectly to an IAC Holding Company, IAC Payment Party, or a Subsidiary of an IAC Payment Party, including, but not limited to, any IAC Tax Distribution and any IAC Non-Tax Distribution. For the avoidance of doubt, a distribution of Sale Proceeds shall not constitute an IAC Distribution.

"IAC Distribution Deductions" means, with respect to any IAC Non-Tax Distribution actually received by an IAC Payment Party, the sum of:

(i) without duplication and to the extent not previously applied in determining a Permitted Deduction, the following documented, out-of-pocket fees, costs and expenses incurred by any IAC Holding Company or any entity whose equity interests are held, directly or indirectly, by an IAC Holding Company (but, for the avoidance of doubt, not including fees, costs and expenses incurred by any IAC Payment Party or any Subsidiary of an IAC Payment Party (other than any IAC Holding Company or any entity whose equity interests are held, directly or indirectly, by an IAC Holding Company), in each case solely in the amounts allocated to such IAC Payment Party pursuant to the Expense Allocation Principles), solely to the extent such fees, costs and expenses are paid or payable to Third-Party Payees: (A) transfer Taxes incurred in connection with such IAC Non-Tax Distribution and (B) any IAC Distribution Expenses incurred in connection with such IAC Non-Tax Distribution; *plus*

(ii) without duplication and to the extent not previously applied in determining a Permitted Deduction, all amounts funded to any IAC by such IAC Payment Party or another Sackler Party on behalf of such IAC Payment Party (solely to the extent permitted by the relevant Credit Support Annexes, whether funded directly to the IAC or funded through one or more IAC Holding Companies and/or Subsidiaries of such IAC Payment Party) on or after the Agreement Effective Date (other than contributions that reduce the amount of IAC Non-Tax Distributions, as contemplated by the definition of "IAC Non-Tax Distribution"), including in the case of the A-Side IAC Payment Parties any amounts paid or deemed paid in respect of any loan made by an IAC for purposes of funding the Settlement Payment made pursuant to Section 2.01(g)(i)(A).

Notwithstanding the foregoing, IAC Distribution Deductions shall not include income Taxes or withholding Taxes.

"IAC Distribution Expenses" means all documented, out-of-pocket fees, charges, expenses, and other amounts (excluding Taxes) incurred in connection with an IAC Non-Tax Distribution.

"IAC Escrow Agreement" means an escrow agreement, in customary form and otherwise in form reasonably acceptable to the MDT, executed by the applicable IAC Payment Party, the applicable Secured Parties and the escrow agent in respect of an IAC Account, providing that amounts may be withdrawn by notice from the applicable IAC Payment Party (and not requiring notice or other approval of the applicable Secured Parties), *provided* that the applicable IAC Payment Party provides written notice to the MDT of such withdrawal, which notice shall include a certification from an IAC Payment Party that such withdrawal satisfies the conditions hereunder for a Permitted Withdrawal or is being used to pay Payment Obligations.

"IAC Holding Company" means any Person of which an IAC is a Subsidiary and which is jointly owned, directly or indirectly, by (i) one or more A-Side IAC Payment Parties and (ii) one or more B-Side IAC Payment Parties.

"IAC Incentive Compensation Arrangements" has the meaning set forth in Section 8.12.

"IAC Loans" means intercompany loans made by (x) on one hand, any IAC Payment Party or any Subsidiary of an IAC Payment Party (other than an IAC or an IAC Holding Company), to (y) on the other hand, any IAC or IAC Holding Company.

"IAC Non-Tax Distributions" means any cash distributions or other payments made by an IAC and received by an IAC Payment Party in respect of (a) its direct or indirect interest in any IAC or (b) repayment of an IAC Loan or Intercompany Loan to the extent such repayment was made with proceeds of an IAC Non-Tax Distribution (other than a Permitted Withdrawal), other than distributions of Sale Proceeds, IAC Tax Distributions or amounts owing to the Sackler Parties pursuant to Section 3.04; *provided*, that the amount of any Sackler Party's IAC Non-Tax Distribution shall be reduced (without duplication) by the amount of any cash contributions made by or on behalf of such Sackler Party's Payment Group to any IAC or IAC Holding Company (to the extent promptly contributed to an IAC) within sixty (60) calendar days following the receipt by such IAC Payment Party of such distribution from the applicable IAC. To the extent any IAC Non-Tax Distributions made by an IAC (or the proceeds thereof) are used to repay an Intercompany Loan (including, for the avoidance of doubt, an Intercompany Loan between IAC Payment Parties), such amounts, to the extent received by an IAC Payment Party (as the payee with respect to such Intercompany Loan or in respect of its direct or indirect interests in a Subsidiary that is the payee with respect to such Intercompany Loan), shall be considered IAC Non-Tax Distributions only of the IAC Payment Party that is the payee (or whose Subsidiary is the payee) with respect to such Intercompany Loan.

"IAC Payment Party" means an A-Side IAC Payment Party or B-Side IAC Payment Party.

"IAC Pledge and Security Agreements" means the pledge and security agreements in respect of the IAC Pledged Shares.

"IAC Pledged Entities" means, collectively, the entities designated as "IAC Pledged Entities" on Exhibit F.

"IAC Pledged Shares" means, collectively, all Equity Interests of the IAC Pledged Entities now or hereafter owned by any IAC Pledgor, together in each case with (a) all certificates representing the same, (b) all Equity Interests representing a dividend on or a distribution or return of capital on or in respect of the IAC Pledged Shares, or resulting from a split-up, revision, reclassification or other like change of the IAC Pledged Shares or otherwise received in exchange therefor or in substitution thereof, and any warrants, rights or options issued to the holders of, or otherwise in respect of, the IAC Pledged Shares, and (c) all Equity Interests of any successor entity in connection with merger, consolidation, amalgamation or similar transaction.

"IAC Pledgor" means each IAC Payment Party and each Subsidiary of an IAC Payment Party that grants a security interest in IAC Pledged Shares pursuant to Section 3.06.

"IAC Sale Bonus Payment" has the meaning set forth in Section 2.06(a).

"IAC Settlement Agreement" means that certain MMCL Settlement Agreement, to be entered into on the Settlement Effective Date, by and among the MDT, Mundipharma Medical Company Limited, and all other parties thereto, a copy of which is attached hereto as Exhibit AA.

"IAC Tax Distributions" means cash distributions received by an IAC Payment Party in respect of its interest in an IAC equal to (x) such IAC Payment Party's allocable share of net taxable income (as determined for U.S. federal income tax purposes) for any taxable period arising from such direct or indirect ownership of the IAC and its Subsidiaries *multiplied by* (y) the highest marginal U.S. federal, state, local and non-U.S. income and withholding tax rates for such taxable period applicable to a U.S. citizen who is a resident of the State of Connecticut, taking into account the character of the income and the deductibility of non-U.S. Taxes and state and local Taxes for U.S. federal income tax purposes; *provided,* that (i) IAC Tax Distributions may be calculated using a good faith estimate of the book net income of such IAC as reflected in such IAC's management accounts without adjustment for U.S. federal income tax purposes; (ii) IAC Tax Distributions may be paid in installments during or after the relevant taxable period; (iii) IAC Tax Distributions may be paid in respect of a prior taxable period to the extent insufficient IAC Tax Distributions were made by such IAC in such prior taxable period in respect of its net taxable income. If after the actual U.S. federal net taxable income in respect of an IAC is determined for a relevant taxable year or such actual U.S. federal net taxable income in respect of such IAC is redetermined in connection with an income tax audit or the filing of an amended income tax return, (a) the sum of all IAC Tax Distributions previously received by an IAC Payment Party in respect of its interest in such IAC for such taxable year and not previously recharacterized as an IAC Non-Tax Distribution exceeds (b) such IAC Payment Party's allocable share of such actual or redetermined net U.S. federal net taxable income in respect of such IAC for such taxable year multiplied by the tax rate described in clause (y) of this paragraph for such taxable year, then the excess of (a) over (b) shall be deemed an IAC Non-Tax Distribution made at the time of such determination.

"IACPP Efforts" means, with respect to an IAC Payment Party in reference to the applicable provisions in Article 3, that such IAC Payment Party shall, and shall cause each Subsidiary that it controls to, as necessary, (a) deliver written notice to the board of directors, board of managers or similar group, and to the chief executive officer (or person holding a similar position), in each case, of each IAC informing such Persons of such covenants and instructing such Persons to cause such IAC to comply, (b) with respect

to any officer, director or other manager whose actions or failure to act has resulted in a violation of such covenant, which failure cannot be cured or has not been cured following reasonable notice and opportunity to cure, exercise such voting, approval, consent or similar rights of such IAC Payment Party or such controlled Subsidiary pursuant to the governing documents of such IAC in favor of the removal of such officer, director or other manager and (c) to the extent such IAC Payment Party or controlled Subsidiary has the right to call a meeting or solicit the consent of the equityholders of such IAC for the purpose of removing any officer, director or other manager described in the immediately preceding clause (b), exercise such right. For purposes of the foregoing, an IAC Payment Party "controls" a Subsidiary with respect to a specified action if, acting by itself (or indirectly through other Subsidiaries that it controls), such IAC Payment Party has the authority under applicable law and the governing documents of such Subsidiary, to cause such Subsidiary to take the relevant action.

"IFRS" means the International Financial Reporting Standards.

"Implementation Limitations" has the meaning set forth in Section 3.04.

"Incentive Payment" means (i) the portion of any payment identified as an "incentive payment" under the applicable Settlement Agreement, and (ii) to the extent not so expressly identified in a Settlement Agreement, any similar incentive payment in a Settlement Agreement.

"Indebtedness" of any Person means, as of any date of determination, all of the following: (i) all indebtedness of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person under finance or capital leases, (iv) all indebtedness of others with respect to obligations referred to in clauses (i) to (iii) above, guaranteed in any manner, directly or indirectly, by such Person, (v) all indebtedness of others with respect to obligations referred to in clauses (i) to (iv) above secured by a Lien on any asset owned by such Person (whether or not such indebtedness is assumed by, or is a personal obligation of, such Person); *provided* that the amount of such indebtedness will be the lesser of: (a) the fair market value of such asset at such date of determination and (b) the amount of such indebtedness of such other Person, and (vi) all net reimbursement obligations of such Person with respect to letters of credit, foreign currency sale agreements and bankers' acceptances, except such as are obtained by such Person to secure performance of obligations (other than for borrowed money or similar obligations).

"Initial Private Creditor Trust Distributions" has the meaning set forth in the Plan.

"Initial Public Creditor Trust Distributions" has the meaning set forth in the Plan.

"Insolvency Proceeding" has the meaning set forth in Section 9.08.

"Intercompany Loans" means intercompany loans made by: (x) (i) on one hand, any IAC Payment Party or any Subsidiary of an IAC Payment Party (other than an IAC or an IAC Holding Company), to (ii) any other IAC Payment Party or Subsidiary of an IAC Payment Party (other than an IAC or an IAC Holding Company); or (y) (i) on one hand, any IAC or IAC Holding Company to (ii) any other IAC or IAC Holding Company.

"IRS" means the United States Internal Revenue Service.

"JDS Estate" means the estate of Jonathan D. Sackler, deceased, on account of its personal representative(s) entering into this Agreement, in their capacity as such.

"Jersey" or "Jersey (Channel Islands)" means the Bailiwick of Jersey, Channel Islands.

"Jersey Administered Trust" means each Trust that is an A-Side Payment Party that has received Court Approval and has a Jersey (Channel Islands) Jurisdiction of Administration and no non-Jersey (Channel Islands) trustee.

"Jurisdiction of Administration" means with respect to a Trust or an Estate, the principal situs of administration of such Trust or Estate, whose court has primary supervision over the administration of the same.

"Law" means any federal, state, local, or foreign law, international or multinational ordinance, rule, statute or other requirement or provision having the force of law of any Governmental Authority.

"Lien" means, with respect to any property or asset (and/or any interest therein), any mortgage, lien, deed of trust, pledge, charge, security interest, collateral assignment, hypothecation, encumbrance or other adverse claim or interest of any kind in respect of such property or asset (or interest therein).

"Limited Joint and Several Allowed Claim" has the meaning set forth in Section 9.08.

"Litigation Costs" means the Shareholder Released Parties' litigation and settlement costs (and only such costs, to be apportioned as necessary) incurred after the Reference Date relating to Non-Released Claims, which costs shall include (i) reasonable expenses, reasonable attorney and other advisor fees and costs, (ii) settlement amounts (subject to Section 6 of Exhibit N), awards and judgments (solely to the extent of amounts that are or would otherwise be recoverable by applicable claimants without regard to such Shareholder Released Party's ability to access the Special Operating Reserve, *provided* that, for the avoidance of doubt, any amount actually paid by a Shareholder Released Party in respect of a judgment shall not be excluded from Litigation Costs due to this parenthetical), (iii) bonds, including surety bond obligations, amounts payable to collateralize surety bonds, and other costs and obligations associated with facilitating appeals of judgments (any Litigation Costs referred to in this clause (iii), "Appeal Bond Costs"), and (iv) indemnities, including, for purposes of clauses (i) through (iv), in respect of any participation in litigation or other administration of claims against the Debtors or their Estates. For the avoidance of doubt, Litigation Costs shall not include any costs relating to (i) litigation arising out of or related to the exercise or potential exercise of the Release Remedy, or litigation on account of claims previously released under the Shareholder Release that arises on account of the exercise of the Release Remedy in respect of the applicable Shareholder Released Parties, (ii) litigation amongst the Shareholder Released Parties, (iii) obtaining confirmation of the Plan, including any costs related to appeals of the Confirmation Order, or (iv) any litigation and settlement costs related to criminal proceedings (excluding any non-criminal component thereof). For the avoidance of doubt, Litigation Costs shall not include costs or expenses for objecting to proofs of claim of claimants who have not commenced action against one or more Shareholder Released Parties.

"Lower-Tier IAC Payment Party" means any IAC Payment Party that is a Crossover Member, other than Rosebay Medical Company L.P.; *provided*, *however*, that Rosebay Medical Company L.P. shall be excluded only for so long as the 74A Trust is the sole limited partner thereof.

"Major Judgment" means a money judgment (a) for an amount that exceeds the ability of such Payment Party to pay such judgment (including, where applicable, with the proceeds of a permitted Restricted Payment under the applicable Collateral Documents), (b) that has not been paid by or on behalf of such Payment Party out of assets not subject to Collateral Documents or that have been released from the Collateral Documents pursuant to the terms thereof, (c) with respect to which there is a period of five (5) consecutive Business Days during which no stay of enforcement is in effect, (d) that is not covered by (i) independent third-party insurance or (ii) an enforceable indemnity, and (e) for which a judgment creditor is taking steps to enforce a judgment lien.

"Master Disbursement Trust" means the Purdue Master Disbursement Trust, a Delaware Statutory Trust formed pursuant to the Plan. For the purposes of this Agreement, the Master Disbursement Trust may operate through its agents in accordance with its trust documents.

"Material Litigant" means any State; Tribe with a population or membership over 10,000; Primary Subdivision; Public School District with a K-12 student enrollment of at least 25,000 or .10% of a State's population, whichever is greater; Hospital Districts with at least 125 hospital beds in one or more hospitals rendering services in the district; Third-Party Payor that is obligated to reimburse or otherwise make payments on behalf of 50,000 or more insured persons; or other Subdivision with an aggregate population of 50,000 or more, calculated in accordance with the Governmental Entity & Shareholder Direct Settlement Agreement.

"Material Litigation" means, as of any date of determination, (i) any litigation by a Material Litigant against Shareholder Released Parties regarding Covered Conduct (A) that has survived a Threshold Motion, (B) in which a Threshold Motion is pending as of such date, or (C) that was filed within sixty (60) calendar days prior to such date; or (ii) 500 or more separate lawsuits (i.e., not aggregated and not in a class) pending against Shareholder Released Parties concerning Covered Conduct being pursued by non-Material Litigants.

"MDT" shall mean (i) for all purposes hereunder other than Section 2.05, the Master Disbursement Trust and (ii) for purposes of Section 2.05, the Plan Administration Trust. For the purposes of this Agreement, the MDT may operate through its agents in accordance with its trust documents.

"MDT Advisory Council" has the meaning set forth in the Plan.

"MDT Operating Reserve" has the meaning set forth in the Plan.

"MDT Sale Period" has the meaning set forth in Section 3.07(b)(iii).

"MDT Segregated Account" means a segregated account of the MDT to be used in accordance with Section 2.07(c)(ii)(A)(ii).

"MDT Shareholder Insurance Rights" has the meaning set forth in the Plan.

"MDT/IAC Sale Notice Deadline" has the meaning set forth in Section 3.07(b).

"MDT/IAC Sale Process Notice" has the meaning set forth in Section 3.07(b).

"Mediation Parties" means the Debtors, the Creditors' Committee, the Ad Hoc Committee, the MSGE Group, the "Covered Parties," consisting of the Initial Covered Sackler Persons and the Additional Covered Sackler Persons (each as defined in the Amended and Restated Case Stipulation Among the Debtors, the Official Committee of Unsecured Creditors and Certain Related Parties [D.I. 518]), the Ad Hoc Group of Hospitals, the NAS Committee, the Ad Hoc Group of Individual Victims, the Third-Party Payors, the Public School District Claimants, the Ratepayer Mediation Participants, (each as defined in the Plan) and the States AG Negotiating Group.

"MSGE Group" has the meaning set forth in the Plan.

"National Arbitration Panel" has the meaning set forth in Section 11.13.

"Net Asset Presentations" means the financial reports regarding the net assets of certain Sackler Parties produced pursuant to the Case Stipulation on or around August 7, 2025, as such financial reports may be updated from time to time, including reports filed at D.I. 8142 in connection with the Confirmation Hearing.

"Net Prepayment Amount" has the meaning set forth in Section 2.02(a).

"Net Proceeds" means, with respect to each IAC Payment Party:

(x) with respect to any Sale, (a) fifty-five percent (55%) of the Sale Proceeds actually received by such IAC Payment Party from such Sale including, for the avoidance of doubt, (i) any cash payments received by way of deferred payment pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, in each case only as and when received, (ii) any cash proceeds received from the conversion of non-cash consideration received from any Sale, and (iii) any fees or other amounts payable to any Sackler Party in connection with any Sale; *provided* that in determining the amount of Sale Proceeds actually received by such IAC Payment Party for purposes of this clause (x), the amount treated as actually received by an IAC Payment Party shall be calculated without duplication as though such IAC Payment Party's allocable portion of (A) any income Taxes or withholding Taxes imposed in respect of such Sale Proceeds on an IAC, IAC Holding Company or Subsidiary of an IAC Payment Party or IAC Holding Company, (B) any withholding Taxes imposed in respect of such Sale Proceeds on an IAC Payment Party, and (C) any amounts paid directly to any Third-Party Payee (rather than being paid to such IAC Payment Party) in respect of Sale Proceeds Deductions described in clause (i) of the definition thereof directly related to the Sale of such IAC in accordance with Section 3.01(a)(iii) was, in each case, actually received by such IAC Payment Party, *less* (b) one hundred percent (100%) of any Sale Proceeds Deductions described in clause (ii) of the definition thereof of such IAC Payment Party, *less* (c) fifty-five percent (55%) of any Sale Proceeds Deductions described in clause (i) of the definition thereof directly related to the Sale of such IAC; and

(y) with respect to any IAC Non-Tax Distribution, (a) fifty-five percent (55%) (with respect to any IAC Non-Tax Distribution ultimately received by an IAC Payment Party from an IAC that is treated as a corporation for U.S. federal income tax purposes to the extent there has been, is and will be no IAC Tax Distribution with respect to such IAC Non-Tax Distribution) or one hundred percent (100%) (with respect to any other IAC Non-Tax Distribution), of the aggregate amount of such IAC Non-Tax Distribution actually received by such IAC Payment Party; *provided* that in determining the amount of IAC Non-Tax Distributions actually received by such IAC Payment Party for purposes of this clause (y), the amount treated as actually received by an IAC Payment Party shall be calculated without duplication as though such IAC Payment Party's allocable portion of (i) any income Taxes or withholding Taxes imposed in respect of such IAC Non-Tax Distribution on an IAC, IAC Holding Company or Subsidiary of an IAC Payment Party or IAC Holding Company, (ii) any withholding Taxes imposed in respect of such IAC Non-Tax Distribution on an IAC Payment Party, and (iii) any amounts paid directly to any Third-Party Payee (rather than being paid to such IAC Payment Party) in respect of IAC Distribution Deductions described in clause (i) of the definition thereof directly related to such IAC Non-Tax Distributions in accordance with Section 3.01(a)(iii) was, in each case, actually received by such IAC Payment Party, *less* (b) one hundred percent (100%) of any IAC Distribution Deductions described in clause (ii) of the definition thereof of such IAC Payment Party, *less* (c) fifty-five percent (55%) of any IAC Distribution Deductions described in clause (i) of the definition thereof directly related to such IAC Non-Tax Distribution.

"NewCo" has the meaning set forth in the Plan.

"NewCo Transferred Assets" has the meaning set forth in the Plan.

"Nominal Prepayment Amount" has the meaning set forth in Section 2.02(a).

"Non-Participating" has the meaning set forth in the Plan.

"Non-Participating Channeled Claims" has the meaning set forth in the Plan.

"Non-Released Claims" means any Cause of Action held by any Relevant Claimant (in any capacity and regardless of whether such Person has been solicited to vote on the Plan or any Settlement or received notice of the Plan, the Settlements, or the Bankruptcy Cases) that would have been released under the Prior Filed Plan if the Prior Filed Plan were in effect or (ii) is related to proof of claim objection litigation.

"Non-Settling Creditor" has the meaning set forth in the Plan.

"Non-Settling Private Claimant" means a Private Claimant that is a Non-Settling Creditor.

"Non-Specified Breach" has the meaning set forth in Section 9.01.

"Notices Addendum" has the meaning set forth in Section 11.01.

"Obligations" means obligations, covenants, liabilities and duties of the Sackler Parties (or any applicable Sackler Parties, as applicable) arising under this Agreement or the Definitive Documents, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, including, but not limited to, the applicable Payment Obligation(s) of such Sackler Party or Sackler Parties.

"Opinion of Counsel" means a customary written opinion in form and substance and from legal counsel reasonably acceptable to the MDT.

"Opioid Remediation" means care, treatment, and other programs and expenditures (including reimbursement for past such programs or expenditures except where this Agreement restricts the use of funds solely to future Opioid Remediation) designed to (1) address the misuse and abuse of opioid products, (2) treat or mitigate opioid use or related disorders, or (3) mitigate other alleged effects of, including on those injured as a result of, the opioid epidemic. Exhibit J-2 provides a non-exhaustive list of expenditures that qualify as being paid for Opioid Remediation. Qualifying expenditures may include reasonable related administrative expenses in connection with the above.

"Opioid-Related Activities" has the meaning set forth in the Plan.

"Opt-Out Class Action Settlements" has the meaning set forth in the Plan.

"Original Jurisdiction of Creation" means, with respect to a trust, the original jurisdiction in which the trust was validity created upon the execution of the relevant trust organizational document and the original trustees receipt of the initial funding thereof in connection therewith, without giving effect to any express choice of law provision in the trust's governing instrument that the trust or its governing instrument is to be governed by the laws of another jurisdiction as to validity and construction.

"Other General Unsecured Claims" has the meaning set forth in the Plan.

"Other Parties" has the meaning set forth in Section 4.01(e).

"Participating Subdivision" has the meaning set forth in the Governmental Entity & Shareholder Direct Settlement Agreement.

"Party" and "Parties" have the meanings set forth in the preamble.

"PAT Disputed Claims Reserves" have the meanings set forth in the Plan.

"Payment Computations Dispute Notice" has the meaning set forth in Section 2.07(b)(ii).

"Payment Computations Notice" has the meaning set forth in Section 2.07(b)(i).

"Payment Date" means each date on which a payment is required to be made by a Payment Group pursuant to the terms of this Agreement. The initial Payment Date shall be the Settlement Effective Date, with each subsequent Payment Date occurring on the first Business Day of the month in which each anniversary of the Settlement Effective Date occurs, as set forth on Exhibit M.

"Payment Date Obligation" means, as of any given Payment Date (i) with respect to an A-Side Payment Group, its A-Side Payment Date Obligation and (ii) with respect to a B-Side Payment Group, its B-Side Payment Date Obligation.

"Payment Group" means each set of Payment Parties identified as a "Payment Group" on Exhibit A.

"Payment Obligation" means (a) a Settlement Payment Obligation, (b) any obligation to make an IAC Sale Bonus Payment, (c) Breach Fees owed by any Sackler Party pursuant to this Agreement, (d) any reimbursement obligations of such Sackler Party or Sackler Parties for costs and expenses that are due and payable pursuant to this Agreement, and (e) any RCR Top Off Payment and SOR Top Off Payment owed by any Sackler Party's Payment Group.

"Payment Party" means an A-Side Payment Party or a B-Side Payment Party; *provided* that, except for the A-Side General Obligors, the Parties designated as A-Side Payment Parties on Exhibit A in respect of the A-Side Payment Group 8 shall not be deemed Payment Parties for purposes of Section 5.01(c) (with respect to the funding and reimbursement obligations described therein), or Section 5.02(b) (with respect to the funding and reimbursement obligations described therein); *provided* further, the foregoing will not limit any requirement to fund a portion of any Estate Payment due from the Parties designated as A-Side Payment Parties on Exhibit A in respect of the A-Side Payment Group 8 into the Reserve(s), Released Claims Reserve(s) and/or the Special Operating Reserve.

"Payment Remedy" has the meaning set forth in Section 9.02(a)(ii)(A)(1).

"Payors" has the meaning set forth in Section 4.01(a).

"Permitted Deductions" means IAC Distribution Deductions and Sale Proceeds Deductions.

"Permitted Restructuring" means any transaction or series of related transactions involving one or more IAC Pledgors that satisfies the conditions set forth in the paragraph immediately following Section 3.03(b).

"Permitted Withdrawals" means, without duplication and to the extent not previously applied in determining a Permitted Withdrawal:

(i) with respect to an A-Side IAC Payment Party, (A) any amounts used to pay Actual Taxes, (B) any IAC Distribution Deductions described in clause (i) or (ii) of the definition thereof or any Sale Proceeds Deductions described in clause (i) or (ii) of the definition thereof and any similar expenses (other than any Taxes) incurred by or on behalf of any IAC Payment Party or any Subsidiary of an IAC Payment Party, (C) the costs (including legal, tax advisory and trustee costs and excluding any Taxes) of administering the IAC Payment Parties and their Subsidiaries, (D) the costs (including third-party legal and accounting fees and related expenses) of the A-Side Payment Parties of complying with this Agreement and the Settlement, or (E) the third-party legal and accounting fees and related expenses incurred by PRA L.P. in respect of this Agreement (but not, for the avoidance of doubt, the costs of any judgment against PRA L.P. or other Litigation Costs); *provided* that the aggregate Permitted Withdrawals that may be made by all A-Side IAC Payment Parties in respect of the third-party legal and accounting fees and related expenses described in this clause (E) shall be limited to such total third-party legal and accounting fees and related expenses that are allocated to the A-Side Payment Groups; *provided further* that all Permitted Withdrawals pursuant to this clause (E) must be paid, dollar for dollar, to PRA L.P. (or any direct or indirect owner of PRA L.P., which owner shall promptly contribute the funds to PRA L.P., if such owner is a direct owner of PRA L.P., or, if such owner is an indirect owner of PRA L.P., to such owner's Subsidiaries until such funds are received by PRA L.P.) to be paid, dollar for dollar, to such third-party legal and accounting fees and related expenses, or (F) Litigation Costs of the A-Side Payment Parties in each Payment Group that has incurred Litigation Costs, up to an amount (in the case of each such Payment Group) equal to the aggregate Retained Payment Amount of such Payment Group as of such date (less any amount thereof previously utilized by such Payment Groups to pay Litigation Costs, RCR Top-Off Payments, or SOR Top-Off Payments); (G) any amounts required to be paid to A-Side Payment Group 8 from Sale Proceeds or IAC Non Tax Distributions pursuant to paragraph 8 of the term sheet dated December 18, 2024 (or any binding agreement among the applicable parties that is consistent in all material respects with such paragraph 8); and (H) any amounts used to make required payments to Mundipharma Medical Company under the A-Side Settlement Date Loan; and

(ii) with respect to a B-Side IAC Payment Party, and without duplication of any other withdrawal made under this subclause (ii), any amount permitted to be withdrawn pursuant to, and in accordance with, the Credit Support Annex of the B-Side IAC Payment Party's Payment Group (including but not limited to subparts (C) and (D) of the definition of "Restricted Payment", Section 5.01(B), Section 5.02(iii) and (iv) and Section 5.12(c) thereof) (it being understood that, with respect to any B-Side IAC Payment Party that is a member of more than one Payment Group, any Permitted Withdrawal under this clause (ii) may only be made for the benefit of the member(s) of the B-Side Payment Group that may make a Permitted Withdrawal from such IAC Account under its Credit Support Annex).

"Person" means an individual, trust, estate of a deceased individual, corporation, partnership, limited liability company, association or other entity or organization, including a Governmental Authority.

"Personal Injury Claimants" means any holder of a NAS PI Claim (as defined in the Plan) or a Non-NAS PI Claim (as defined in the Plan).

"Personal Injury Payments" means the amounts payable to Personal Injury Claimants pursuant to the direct settlement among the Sackler Parties and electing Personal Injury Claimants as contemplated by the Plan, the maximum amounts of which are as set forth on Exhibit M hereto.

"Plan" means the *Eighteenth Amended Joint Chapter 11 Plan of Reorganization of Purdue Pharma L.P. and Its Affiliated Debtors* [D.I. 8263, Ex. A], as amended or modified from time to time in accordance with the Bankruptcy Code, the Bankruptcy Rules and the terms thereof, including any appendices, schedules, annexes, exhibits and supplements thereto, as confirmed by the Bankruptcy Court.

"Plan Administration Trust" has the meaning set forth in the Plan.

"Plan Classes" means the "Classes" of claims or interests, as applicable, as defined in the Plan.

"Plan Documents" has the meaning set forth in the Plan.

"Plan Effective Date" means the effective date of the Plan.

"Possible Refunding Trust" means a trust that is not a Sackler Party over which a power was exercised to cause property of such trust having a cumulative aggregate value (based on the date of contribution value of each contribution) in excess of $500,000 to pass to a Sackler Party that is a Trust other than as part of a transaction intended to provide the holder of the power full and adequate consideration in exchange for the exercise of the power, excluding, however, any trust that has already terminated.

"Power Holder" means, with respect to any Trust, any Person (other than a trustee thereof acting in its capacity as such trustee and the A-Side Payment Group 8 Third Tier Obligor and the children of the A-Side Payment Group 8 Third Tier Obligor) possessing any trust power, whether held in a fiduciary or non-fiduciary capacity or exercisable by such Person alone or only in conjunction with other Persons, with respect to any aspect of the administration or modification of such Trust, including powers to remove, replace or appoint trustees and protectors, to appoint trust property outright or in further trust, to modify governing instruments and to consent to (or deny consent to) or direct others to take or refrain from taking any action relating to that aspect of administering or modifying such trust, including any Consent Person.

"PPI Interests" has the meaning set forth in the recitals.

"PPLP Interests" has the meaning set forth in the recitals.

"PRA L.P." has the meaning set forth in Section 2.01(d).

"Prejudicial Impact" has the meaning set forth in Section 8.01.

"Preliminary Injunction" has the meaning set forth in the Plan.

"Preliminary Payment Determination" has the meaning set forth in Section 2.07(a)(i).

"Prepayment Date" has the meaning set forth in Section 2.02(a).

"Prepayment Escrow Account" means one or more escrow accounts for the benefit of the MDT established (i) in connection with Section 2.01(l)(iii) and/or (ii) in connection Section 2.02(c)(ii), in each case, out of which Settlement Payment Obligations shall be paid to the MDT if and to the extent the same become due and payable, and otherwise returned to the applicable Transferor funding such escrow account.

"Prepayment Notice" has the meaning set forth in Section 2.02(a).

"Primary Subdivision" has the meaning set forth in the Governmental Entity & Shareholder Direct Settlement Agreement.

"Prime Rate" means the rate of interest per annum from time to time published in the money rates section of *The Wall Street Journal* or any successor publication thereto as the "prime rate" then in effect; *provided*, that if such rate of interest, as set forth from time to time in the money rates section of *The Wall Street Journal*, becomes unavailable for any reason, the "Prime Rate" shall mean the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. or its successor as its prime rate in effect at its principal office in New York City (or the location of its successor's headquarters).

"Prior Filed Plan" means the twelfth amended joint chapter 11 plan of reorganization of Purdue Pharma L.P. and its affiliated debtors [D.I. 3726].

"Private Claimant MFN Representative" means a representative appointed by the Settling Private Claimants holding a majority of the value of all claims held by such Settling Private Claimants (the value of each such claim being determined on the basis of total amounts payable on account of such claim pursuant to the applicable Creditor Trust TDPs).

"Private Claimants" means each of the Hospitals, Public School Districts, ER Physicians, Third-Party Payor, and Personal Injury Claimants.

"Private Creditor Trusts" has the meaning set forth in the Plan.

"Proceeding" means any action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, inquiry, audit, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any court or other Governmental Authority.

"Products" has the meaning set forth in the Plan.

"Protected Party" has the meaning set forth in the Plan.

"Public School District" has the meaning set forth in the Plan.

"Public School District Claimants" has the meaning set forth in the Plan.

"Purchaser" has the meaning set forth in Section 3.01(a)(i).

"Purdue" means Purdue Pharma L.P.

"Purdue Canada" means Bard Pharmaceuticals (1990) Inc., Elvium Life Sciences GP Inc., Elvium Life Sciences Limited Partnership, Elvium ULC, Purdue Frederick Inc. (Canada), Purdue Pharma (Canada), Purdue Pharma Inc. (Canada), and Purdue Pharma ULC.

"QSF" means a "qualified settlement fund" within the meaning of Section 1.468B-1 et seq. of the QSF Regulations.

"QSF Regulations" means the Treasury Regulations promulgated under Section 468B of the Code.

"Ratepayer Mediation Participants Stipulation" has the meaning set forth in the Plan.

"RCR Top-Off Payment" has the meaning set forth in Exhibit N.

"Recovery" has the meaning set forth in Section 9.01(d).

"Reference Date" has the meaning set forth in the Governmental Entity & Shareholder Direct Settlement Agreement.

"Related Parties" means, as of any time of determination, any Person who is at such time (a) any member of a Family Group; (b) a current or former spouse, qualified domestic partner, stepparent, sibling of the whole or half-blood descendant (including adoptive relationships), stepchild or current or former spouse of any descendant (including adoptive relationships) of any of the Persons described in the preceding clause (a); (c) trusts for the benefit of any one or more of the Persons described in the preceding clauses (a) and (b); (d) any Person identified on Exhibit E-1 or E-2, any IAC Holding Company, any IAC Pledgor, any IAC Pledged Entity and any other Subsidiary of an IAC Payment Party (in each case so long as such Person continues to be Controlled by one or more Sackler Parties); (e) a current beneficiary, trustee or protector to any of the Persons described in the preceding clauses (a) and (c); (f) a current Controlling equity owner, principal, executive officer, director or other equivalent member of senior management to any of the Persons described in the preceding clauses (a) and (d), but in the case of clause (d) only with respect to IACs that are Controlled by one or more Sackler Parties; and (g) any entities directly or indirectly controlling, controlled by, or under common control with any of the Persons described in the preceding clauses (a) and (b).

"Related Party Transaction" has the meaning set forth in Section 3.03(a)(ii).

"Related Person" means, with respect to a Person, (i) such Person's predecessors, successors, assigns, Subsidiaries, Affiliates, managed accounts or funds, past, present and future officers, board members, directors, principals, agents, servants, independent contractors, co-promoters, third-party sales representatives, medical liaisons, members, partners (general or limited), managers, employees, subcontractors, agents, advisory board members, financial advisors, attorneys and legal representatives, accountants, investment bankers, consultants, representatives, management companies, fund advisors and other professionals and advisors, trusts (including trusts established for the benefit of such Person), trustees, protectors, beneficiaries, direct or indirect owners and/or equityholders, parents, transferees, heirs, executors, estates, nominees, administrators, and legatees, in each case in their respective capacities as such, and (ii) the Related Parties of each of the foregoing, in each case in their respective capacities as such. For the avoidance of doubt, the citizens and residents of a State shall not be deemed to be Related Parties of such State solely as a result of being citizens or residents of such State.

"Release Remedy" has the meaning set forth in Section 9.02(a)(ii)(B).

"Released Claims Reserves" has the meaning set forth in the Plan, and refers to such reserves as established under Section 5.01(b).

"Released Parties" has the meaning set forth in the Plan.

"Releasing Parties" has the meaning set forth in the Plan.

"Relevant Claimant" means any Person that is a (i) State, Subdivision or Tribe; (ii) holder of a Claim classified in Classes 7, 8, 9, 10(a), 10(b), or 11(c) of the Plan (regardless of whether such Person filed a proof of claim in the Bankruptcy Cases); (iii) Public School District; or (vi) holder of a Claim that would have been within the proposed classes of privately insured parties described in the Amended Verified Statement of Stevens & Lee, P.C. pursuant to Bankruptcy Rule 2019 [D.I. 333].

"Relevant Jersey Trust" means each A-Side Payment Party that is a Trust whose Governing Law Jurisdiction is or includes the law of Jersey (Channel Islands) and, in addition, each Funding Trust that funded the Rosetta Trust as set forth in Section 10.01(a)(iv).

"Relevant Parties" has the meaning set forth in Section 4.01(e).

"Remedies Forbearance Period" has the meaning set forth in Section 9.02(a)(i).

"Required Interested Persons" means, (i) at any time with respect to a Trust other than a Jersey Administered Trust, each Person (other than the settlor, if deceased, and the trustees of such Sackler Party if not also beneficiaries thereof) who would be required under the laws of the Jurisdiction of Administration of such Sackler Party to cause an agreement settling each matter described in WY Stat. § 4-10-111 (to the extent the same may be settled by agreement without court involvement under the laws of the Jurisdiction of Administration of such Sackler Party) to be binding on all beneficiaries (including for the avoidance of doubt after application of any applicable rules of virtual representation of minors and other beneficiaries), including beneficiaries not parties thereto, *provided* that an Excluded Beneficiary shall not be a Required Interested Person within the meaning of such term with respect to, but only with respect to, the Excluded Trusts and (ii) at any time with respect to an Estate, each beneficiary thereof who is at that time entitled to receive a further distribution on account of their beneficial interests in the estate, including any unpaid legatee or residuary beneficiary thereof.

"Required SHP Emergence Payment" has the meaning set forth in Section 2.01(g)(i)(B).

"Reserve" and "Reserves" have the meanings set forth in Section 5.01(a).

"Restitution" has the meaning set forth in Section 4.01(a).

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interest of any Person, or any payment (whether in cash, securities or other property) including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interest (including, but not limited to, the IAC Pledged Shares), or on account of any return of capital to such Person's shareholders, partners or members (or the equivalent Persons thereof).

"Restricted Person" has the meaning set forth in Section 8.08.

"Retained Interest" has the meaning set forth in Section 3.01(b).

"Retained Payment Amount" means, as of any Payment Date and for a given Payment Group, an amount equal to (i) the Payment Group's maximum payment amount for all Direct Payments (including any fee and cost fund payments) for that Payment Date as provided by Exhibit M *less* (ii) the total amount actually paid (or deemed paid) by the Payment Group on such Payment Date for all Direct Payments (including any fee and cost fund payments). When determining the total amount actually paid (or deemed paid) by a given Payment Group:

(a) *Prepayments*: For any Settlement Prepayment, the Nominal Prepayment Amount shall be deemed to be paid on the Target Payment Date (and not on the Prepayment Date). Except as otherwise provided for in Section 2.01(l), Section 2.02 or Section 2.03 of this Agreement, if the Payment Group's Nominal Prepayment Amount of such Settlement Prepayment exceeds the Payment Date Obligation it ultimately owes on the related Target Payment Date, the excess

shall roll over to the next Payment Date and be applied toward that Settlement's next Payment Date Obligation.

(b) *Escrows:* All amounts paid on or about a Payment Date by or on behalf of a Payment Group into an escrow account pursuant to this Agreement or any other Settlement Agreement shall be deemed to be actually paid by the Payment Group on such Payment Date, *provided* that if such amounts are returned from such escrow account to the relevant Payment Group, then such amounts shall no longer be deemed to be actually paid by such Payment Group on such Payment Date.

"Rosetta Trust" means the trust bearing that name governed by the laws of Jersey (Channel Islands) of which Stone Fiduciary Management Inc., a Wyoming corporation, is the trustee.

"RRS Estate" means the estate of Raymond R. Sackler, deceased, on account of its personal representative(s) entering into this Agreement, in their capacity as such.

"Sackler Party" means a Payment Party or an IAC Payment Party; *provided* that the Parties designated as A-Side Payment Parties on Exhibit A in respect of the A-Side Payment Group 8 shall not be deemed Sackler Parties for purposes of Section 7.04, Section 7.05, Section 7.06, Section 7.07, Section 8.09, Section 8.13, Section 11.07, or Section 11.08 hereof.

"Sackler Parties' Representative" means Plerus AB LLC, a limited liability company organized under the laws of Delaware.

"Sackler Sale Period" has the meaning set forth in Section 3.01(a).

"Sale" means (i) any sale of an IAC Payment Party's direct and/or indirect Equity Interests (whether in whole or in part) in an IAC, (ii) any sale of all or substantially all of the assets of an IAC (including an orderly wind down, dissolution or restructuring) and (iii) any sale of assets or Equity Interests in connection with clauses (i) and (ii) above, in each case to a third party. Restructuring or dissolving or winding down an IAC will not, by itself, be considered a Sale of such IAC unless such restructuring causes any Equity Interest in, or material assets of, such IAC not to be held or controlled, directly or indirectly, by an IAC Payment Party in the Payment Groups that held or controlled, directly or indirectly, Equity Interest or material assets of such IAC immediately prior to such transaction.

"Sale Expenses" means all documented, out-of-pocket fees, charges, expenses, and other amounts (excluding Taxes) incurred in connection with presale restructuring of any IACs, the marketing of such IACs and general publicity and lobbying efforts in each case, incurred in connection with a Sale.

"Sale Obligations" has the meaning set forth in Section 3.05.

"Sale Proceeds" means the gross cash proceeds (a) of a Sale, including, in the event the assets of any IAC Payment Party, IAC Holding Company, IAC, or any other Subsidiary of an IAC Payment Party are sold as part of the same transaction or series of related transactions as a Sale, the gross cash proceeds from the sale of such assets or (b) received in connection with the repayment of an IAC Loan or Intercompany Loan to the extent such repayment was made with proceeds of a Sale (other than a Permitted Withdrawal) and without duplication to amounts included in the definition of "IAC Non-Tax Distributions", in each case of clauses (a) and (b), as calculated in U.S. dollars at the relevant spot exchange rate published by Bloomberg on any date on which such proceeds are deposited into an IAC Account or otherwise paid to the MDT. To the extent Sale Proceeds are used to repay an Intercompany Loan (including, for the avoidance of doubt, an Intercompany Loan between IAC Payment Parties), such Sale Proceeds shall be considered

Sale Proceeds only of the IAC Payment Party that is the payee (or whose Subsidiary is the payee) with respect to such Intercompany Loan.

"Sale Proceeds Deductions" means, with respect to any Sale Proceeds actually received by an IAC Payment Party, the sum of:

(i) without duplication and to the extent not previously applied in determining a Permitted Deduction, the following documented, out-of-pocket fees, costs and expenses incurred by any IAC Holding Company or any entity whose equity interests are held, directly or indirectly, by an IAC Holding Company (but, for the avoidance of doubt, not including fees, costs and expenses incurred by any IAC Payment Party or any Subsidiary of an IAC Payment Party (other than any IAC Holding Company or any entity whose equity interests are held, directly or indirectly, by an IAC Holding Company), in each case solely in the amounts allocated to such IAC Payment Party pursuant to the Expense Allocation Principles), solely to the extent such fees, costs and expenses are paid or payable to Third-Party Payees: (A) transfer Taxes, legal and other fees and expenses incurred in connection with such Sale and (B) any Sale Expenses incurred in connection with such Sale, and (C) reimbursement amounts specified in Section 3.04 with respect to the Sale of any IAC; *plus*

(ii) without duplication and to the extent not previously applied in determining a Permitted Deduction, all amounts funded to any IAC by such IAC Payment Party or another Sackler Party on behalf of such IAC Payment Party (solely to the extent permitted by the relevant Credit Support Annexes, whether funded directly to the IAC or funded through one or more IAC Holding Companies and/or Subsidiaries of such IAC Payment Party) on or after the Agreement Effective Date (other than contributions that reduce the amount of IAC Non-Tax Distributions, as contemplated by the definition of "IAC Non-Tax Distribution"), including in the case of the A-Side IAC Payment Parties any amounts paid or deemed paid in respect of any loan made by an IAC for purposes of funding the Settlement Payment made pursuant to Section 2.01(g)(i)(A).

Notwithstanding the foregoing, Sale Proceeds Deductions shall not include income Taxes or withholding Taxes. For the avoidance of doubt, Sale Proceeds Deductions shall not include the repayment of Intercompany Loans or IAC Loans funded directly or indirectly from Sale Proceeds.

"Second Circuit" means the United States Court of Appeals for the Second Circuit.

"Secondary Restricted Person" means (i) except as otherwise specifically agreed, any child of a Restricted Person who is a natural person or, for Restricted Persons that are estates, any child of the deceased person associated with such estate, who is older than 18 years of age as of June 27, 2024 and (ii) any trusts listed on Exhibit C of which any of the Persons in the foregoing clause (i) are Power Holders thereof (solely in their capacities as such), in each case to the extent such Person is not a Restricted Person and excluding trusts listed on Exhibit C under A-Side Family Group 3 to the extent such trusts are not Restricted Persons.

"Secured Party" means each of (i) the MDT and each of its successors and permitted assigns and (ii) any agent, trustee or other representative or designee (including one or more Subsidiaries or other entities of the MDT formed to carry out its duties and obligations under the Definitive Documents) authorized or appointed to hold any security interest in or Lien on, or take possession or control of, any Collateral on behalf of and for the benefit of itself and any person described in clause (i) above.

"Separately Settling Payment Group" has the meaning set forth in Section 11.20.

"Separation Agreements" means the agreements entered into in accordance with this Agreement to govern continuing business and other commercial relationships among the Debtors, NewCo and other entities owned directly or indirectly by the Sackler Parties and to clarify and confirm such parties' respective rights under certain intellectual property rights.

"Settlement" has the meaning set forth in the recitals.

"Settlement Administrator" means the entity that annually determines and prepares the Payment Date Obligations and all reports and updates to be provided hereunder by the MDT to the Sackler Parties' Representative and the other specified Persons pursuant to Section 2.07. The engagement (and terms thereof) of the Settlement Administrator, and the removal of any Settlement Administrator, shall require the mutual agreement of the Sackler Parties' Representative and the MDT. Consistent with the foregoing, the Sackler Parties' Representative and the MDT agree that FTI Consulting shall be the Settlement Administrator as of the Settlement Effective Date, pursuant to the terms of the engagement letter executed between the MDT and FTI Consulting, Inc., which terms shall not be amended in a manner that is materially adverse to the rights, interests, or obligations of the Sackler Parties under this Agreement, taken as a whole, without the consent of the Sackler Parties' Representative. For the avoidance of doubt, any of the Settlement Administrator's fees and costs shall not be additional obligations of the Sackler Parties and shall be paid by the MDT in accordance with the terms of the engagement of such Settlement Administrator.

"Settlement Agreements" means (a) this Agreement and (b) the settlement agreements being entered into on or about the date hereof among certain Sackler Parties and various creditor groups, each of which is listed on Exhibit V, and "Settlement Agreement" means any individual settlement agreement listed on Exhibit V.

"Settlement Amount" means $6.5 billion, subject to adjustments as reflected on Exhibit M, in the Plan and elsewhere in this Agreement and any other Settlement Agreement.

"Settlement Effective Date" has the meaning set forth in Section 10.01(a).

"Settlement Payment Dispute Notice" has the meaning set forth in Section 2.07(a)(ii).

"Settlement Payment Obligations" means, for any Payment Party, such Payment Party's payment obligations with respect to Settlement Payments hereunder or under a Settlement Agreement, as applicable.

"Settlement Payments" has the meaning set forth in Section 2.01(a)(iv).

"Settlement Prepayment" has the meaning set forth in Section 2.02(a).

"Settlement Stipulation" has the meaning set forth in Section 11.23.

"Settling Creditor" has the meaning set forth in the Plan.

"Settling Party" means any Person providing a release under the Settlement.

"Settling Private Claimant" means a Private Claimant that is a Settling Creditor.

"Settling States" has the meaning set forth in the Governmental Entity & Shareholder Direct Settlement Agreement.

"Shareholder Released Claims" means any Cause of Action released pursuant to the Shareholder Releases.

"Shareholder Released Parties" has the meaning set forth in the Plan.

"Shareholder Releases" means any and all releases, waivers, or disclaimers of liability, standstill agreements, or other similar terms in favor of any of the Shareholder Released Parties contained in the Settlement, including the releases contained in Section 10.7(b) of the Plan.

"SOR Top-Off Payment" has the meaning set forth in Exhibit N.

"Special Operating Reserve" has the meaning set forth in Section 5.02(a).

"Specified Breach" has the meaning set forth in Section 9.01.

"Specified Breach Trigger" means a Breach Trigger with respect to a Specified Breach.

"Specified GUC Claims" means the claim of any holder that would have been classified in Plan Class 11(c) but for the fact that the holder of such claim has not filed a proof of claim.

"Specified Shareholder Provisions" means any provision of any Definitive Document: (i) covering the validity or scope, of the Shareholder Releases; (ii) covering the validity, scope, or application of the Special Operating Reserve; (iii) covering the administration of Claims, solely regarding provisions relating to settling or estimating any Disputed Claim, or having the effect of settling or estimating any Disputed Claim, in each case in a manner that is inconsistent with the consent right of the Sackler Parties' Representative as set forth in Section 7.12 of the Plan; (iv) describing any purported concessions or admissions of the Shareholder Released Parties or of Debtors' Estates solely to the extent it could reasonably be expected to impact the Shareholder Released Parties; or (v) altering or that has the effect of altering this Agreement, in the case of each of the foregoing clauses (i) through (iv), in a manner that otherwise materially and adversely affects the rights, obligations, or interests of the Shareholder Released Parties.

"States" means except for Oklahoma, all 50 states of the United States of America and the District of Columbia, American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and U.S. Virgin Islands.

"States AG Negotiating Group" has the meaning set forth in the Plan.

"Subdivisions" has the meaning set forth in the Governmental Entity & Shareholder Direct Settlement Agreement.

"Subsidiary" means, with respect to any Person, a corporation, partnership, joint venture, limited liability company or other entity (i) of which a majority of the shares or securities or other equity or ownership interests having ordinary voting power for the election of directors, managers, or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time directly or indirectly beneficially owned by such Person, or (ii) the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person.

"Target Payment Date" has the meaning set forth in Section 2.02(a).

"Tax" or "Taxes" means all taxes, customs, duties, governmental fees or other like assessment or charge of any kind whatsoever, including all federal, state, local or foreign income, gross receipts, windfall

profits, severance, property (real or personal), production, sales, use, value-added, ad valorem, license, excise, franchise, transfer, gains, escheat, mortgage recording, transportation, gross operating, capital, employment, unemployment, occupation, social security, pension plan, withholding or similar taxes, customs, duties, governmental or other like assessments or charges, together with any interest, repayment supplement, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

"Tax Advisor" means an accounting or law firm with expertise in the relevant jurisdiction engaged by a Sackler Party or an IAC to provide advice regarding the tax consequences of a Sale.

"Tax Matters" has the meaning set forth in Section 4.08.

"Tax Treatment" has the meaning set forth in Section 4.01(e).

"Third-Party Payee" means, with respect to any Sale or IAC Distribution, (a) any Tax authority or other regulatory authority to whom payments are required in connection with such transaction, (b) any contract counterparty that is not a Sackler Party or Related Party whose consent is required to complete such Sale or IAC Distribution, or who is entitled to a payment as a result of such Sale or IAC Distribution, (c) any legal, accounting, financial or other advisor or professional services company that is not a Sackler Party or Related Party that provides services in connection with such Sale or IAC Distribution, or (d) any Person (including any Sackler Party or any of their Affiliates) that advances payments to any Person described in clauses (a) through (c).

"Third-Party Payor" has the meaning set forth in the Plan.

"Third-Party Payor Payments" means the amounts payable to Third-Party Payors pursuant to the direct settlement among the Sackler Parties and electing Third-Party Payors as contemplated by the Plan, the maximum amounts of which are as set forth on Exhibit M hereto.

"Third-Party Released Claims" means any Cause of Action released pursuant to the Third-Party Releases, including, for the avoidance of doubt, the Shareholder Released Claims.

"Third-Party Releases" means any and all releases, waivers, or disclaimers of liability, standstill agreements, or other similar terms in favor of any of the Shareholder Released Parties or Released Parties contained in the Settlement, including the releases contained in Sections 10.6(b), 10.7(a) and 10.7(b) of the Plan.

"Threshold Motion" means a motion to dismiss or equivalent dispositive motion made at the outset of litigation against any of the Shareholder Released Parties for Covered Conduct under applicable procedure.

"Tolled Claims" has the meaning set forth in Section 9.02(a)(ii)(B).

"Total Litigation Costs" means, as of any date and in respect of any Payment Group, the sum of all Litigation Costs incurred or accrued by or on behalf of such Payment Group through such date; *provided*, that total Litigation Costs related to Specified GUC Claims for all Payment Groups in the aggregate shall not exceed $50 million.

"Transferor" means, with respect to an applicable QSF, a person for U.S. federal income tax purposes that transfers (or on behalf of whom an insurer or other person transfers) money or property to the QSF to resolve or satisfy claims as described in the Treasury Regulations Section 1.468B-1(c)(2).

"Transitory IAC Company" has the meaning set forth in Section 3.03(d).

"Treasury Regulations" means the regulations promulgated from time to time under the Code (including any successor regulations).

"Tribe" has the meaning set forth in the Plan.

"Tribe TDP" has the meaning set forth in the Plan.

"Tribe Trust" has the meaning set forth in the Plan.

"Tribes Settlement Agreement" means that certain Tribes & Payment Parties Direct Settlement Agreement by and between and among the Tribal Leadership Committee on behalf of the Tribes, the MDT, the Sackler Parties Representative, and the Payment Parties dated September 17, 2025 as may be amended from time to time.

"Trust Certification" means, with respect to a Trust, a certification of the trustees thereof substantially in the form of Exhibit Q.

"Trusts" means the trusts subject to the terms hereof being Sackler Parties as set forth on Exhibit R, on account of their respective trustees entering into this Agreement, in their capacity as such.

"Unsold IAC Notice" has the meaning set forth in Section 3.07(a).

Section 1.02 Interpretative Provisions.

(a) The words "hereof," "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

(b) The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections, Annexes and Exhibits are to the Articles, Sections, Annexes and Exhibits of this Agreement unless otherwise specified.

(c) All Exhibits and Annexes annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Annex but not otherwise defined therein shall have the meaning as defined in this Agreement.

(d) Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular, and words denoting either gender shall include both genders as the context requires. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

(e) Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation," whether or not they are in fact followed by those words or words of like import.

(f) The use of the word "or" shall not be exclusive.

(g) The word "will" shall be construed to have the same meaning and effect as the word "shall."

(h) The word "party" shall, unless the context otherwise requires, be construed to mean a party to this Agreement. Any reference to a party to this Agreement or any other agreement or document contemplated hereby shall include such party's estate, legal and personal representatives, successors and permitted assigns.

(i) Any reference in this Agreement to an estate of a deceased individual or trust as a person or party shall, unless the context otherwise requires, be construed to be or include, as the context may require, the personal representatives and trustees thereof, respectively, acting in their capacity as such personal representatives and trustees.

(j) Any reference in this Agreement to a "natural person" shall not, unless the context otherwise requires, be construed to include a personal representative or trustee that is a natural person acting solely in such person's capacity as a personal representative or trustee of a deceased individual's estate or a trust, respectively.

(k) Any reference in this Agreement to the rights and obligations of the estate of a deceased individual (including an Estate) or a trust (including a Trust) that does not have a separate legal personality under applicable Law shall be construed as a reference to the rights and obligations of the personal representatives of such estate (including an Estate) and the trustees of those trusts (including the Trusts), respectively, in their capacity as such.

(l) All references to "$" and dollars shall be deemed to refer to United States currency unless otherwise specifically provided.

(m) All references to a day or days shall be deemed to refer to a calendar day or calendar days, as applicable, unless otherwise specifically provided.

(n) Any reference to any Contract shall be a reference to such agreement or contract, as amended, amended and restated, modified, supplemented or waived.

(o) A reference to any legislation or to any provision of any legislation shall include any modification, amendment, re-enactment thereof, any legislative provision substituted therefore and all rules, regulations and statutory instruments issued or related to such legislation.

(p) Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement. No prior draft of this Agreement nor any course of performance or course of dealing shall be used in the interpretation or construction of this Agreement. No parol evidence shall be introduced in the construction or interpretation of this Agreement unless the ambiguity or uncertainty in issue is plainly discernable from a reading of this Agreement without consideration of any extrinsic evidence. Although the same or similar subject matters may be addressed in different provisions of this Agreement, the Parties intend that, except as reasonably apparent on the face of the Agreement or as expressly provided in this Agreement, each such provision shall be read separately, be given independent significance and not be construed as limiting any other provision of this Agreement (whether or not more general or more specific in scope, substance or content).

(q) Unless the context otherwise requires, for purposes of Section 2.06, references to Net Proceeds, Sale Proceeds or IAC Non-Tax Distributions "received by" or "actually received by" an IAC Payment Party, or to the "receipt" of Net Proceeds, Sale Proceeds or IAC Non-Tax Distributions by an IAC Payment Party shall include Net Proceeds, Sale Proceeds, or IAC Non-Tax Distributions that have been received by PRA L.P. and would be received by such IAC Payment Party in a pro rata distribution thereof by PRA L.P. to its equity holders.

(r) Any references to a "payment number" with respect to a Payment Group shall mean the corresponding sequential aggregate Settlement Payment to be made by such Payment Group as set forth on Exhibit M of the applicable Settlement Agreements.

(s) Any references to "scheduled" with respect to the maximum Payment Obligation of a Payment Group on a given Payment Date shall mean the corresponding amount, as set forth on Exhibit M of the applicable Settlement Agreements.

(t) Any references to Plan Effective Date and Settlement Effective Date shall refer to the same calendar date given that the Plan Effective Date and Settlement Effective Date are each conditioned on the occurrence of the other date, among other conditions. Each of the Plan Effective Date and Settlement Effective Date shall be the same date or such date shall be deemed to have not occurred.

(u) Any references to "joint and several", when referring to liabilities of Payment Parties within a Payment Group, shall have the meaning set forth in the Credit Support Annex applicable to such Payment Group, to the extent the phrase "joint and several" is defined therein.

(v) In the event of any conflict between this Agreement and the other Collateral Documents applicable to any Payment Party (including its Credit Support Annex), such other Collateral Document(s) shall govern. To the extent any action (including any remedy) of a Sackler Party is prohibited or restricted by the terms of this Agreement (whether expressly or otherwise, excluding, for such purposes, the Credit Support Annexes) this Agreement and the prohibitions and restrictions herein shall control unless such action of a Sackler Party is expressly permitted by the terms of such Sackler Party's Credit Support Annex; provided that Section 8.05 (Naming Rights) and Section 8.08 (Opioid Business) shall control over any applicable Credit Support Annex in all respects.

(w) If this Agreement or any Collateral Document requires payment to the MDT, but an applicable exhibit or Settlement Agreement instead provides for payment to another Person (e.g., a Grantor Trust Arrangement), this Agreement and such Collateral Document shall be construed to require (and permit) payment as provided in the applicable exhibit or Settlement Agreement.

(x) Exhibit D sets forth certain provisions that apply only to the B-Side Payment Parties. To the extent that a numbered or lettered clause or section is included in Exhibit D and a corresponding numbered or lettered clause or section is included in the body of the Agreement, such numbered clause or section included in Exhibit D, and not the corresponding clause or section included in the body of the Agreement, shall apply to the B-Side Payment Parties.

ARTICLE 2.
SETTLEMENT PAYMENTS

Section 2.01 Payment

(a) Settlement Payments. The Payment Parties, the MDT, the Settling States, the Private Claimants and the General Unsecured Creditors each acknowledge and agree that notwithstanding anything to the contrary in this Agreement, including, but not limited to, the scope of the Third-Party Released Claims that each of the Payment Parties and the MDT have entered into this Agreement to avoid the delay, expense, inconvenience, and uncertainty of further litigation. Each Payment Party agrees that it shall, on a joint and several basis with the other Payment Parties within its Payment Group but on a several and not joint basis as among Payment Groups, pay or cause to be paid to the MDT, in the manner and at the times set forth herein, in each Settlement Agreement and in the Plan, and on the terms and conditions and subject to the limitations set forth herein and therein, (x) the amount payable with respect to the Estate Payments, the

Third-Party Payor Payments, and the Personal Injury Payments, in each case, by each Payment Group, in connection with the Plan and (y) the amount payable by each Payment Group pursuant to each such Settlement Agreement.

(i) Notwithstanding anything to the contrary herein, the maximum scheduled payments in respect of the Settlement Amount required to be paid by each Payment Group on each Payment Date pursuant to the Plan and all Settlement Agreements, before the application of any reductions or adjustments required by this Agreement, including those related to Non-Settling States (as defined in the Governmental Entity & Shareholder Direct Settlement Agreement) and before accounting for any prepayments, are set forth on Exhibit M. Specifically:

(A) Exhibit M-A: Titled "Maximum Payments by Payment Group Pursuant to the Plan and Related Direct Settlement Agreements Prior to Taking Account of the terms set forth in Section 2.01(g)", Exhibit M-A sets forth the maximum amounts payable by Payment Group by Payment Date prior to taking account of the terms set forth in Section 2.01(g). Exhibit M-A is not used to determine any payment obligation of any Payment Group.

(B) Exhibit M-B: Titled "Maximum Payments by Payment Group Pursuant to the Plan and Related Direct Settlement Agreements After Taking Account of the terms set forth in Section 2.01(g)", Exhibit M-B sets forth the maximum amount payable by Payment Group by Payment Date after taking account of the terms set forth in Section 2.01(g).

(C) Exhibit M-2: Titled "Maximum Payment Schedule", Exhibit M-2 sets forth, for each Payment Date and Payment Group, the Estate Payments and the maximum amounts payable under the Settlement Agreements and the Plan. Amounts set forth on Exhibit M-2 reflect the adjustments related to the terms set forth in Section 2.01(g).

(D) The actual Payment Date Obligations of each Payment Party are subject to the adjustments set forth in this Agreement, in the other Settlement Agreements, and in the Plan, as applicable, including, in particular, reductions of such Payment Date Obligations pursuant to the provisions of the Governmental Entity & Shareholder Direct Settlement Agreement, the other Settlement Agreements and the Plan to account for parties that do not join (e.g., unearned Incentive Payments) and increases to account for additional payments otherwise due (e.g., catch up payments for later-earned Incentive Payments, RCR Top-Off Payments and SOR Top-Off Payments). For the avoidance of doubt, the amounts set forth in Exhibit M-2 do not include Payment Obligations other than Settlement Payment Obligations (e.g., IAC Bonus Payments or Breach Fees, as applicable).

(ii) Payment in full of all Payment Obligations by Payment Parties under this Agreement shall constitute full and complete satisfaction of all Payment Obligations of the Payment Parties under the Plan and all Settlement Agreements.

(iii) If any amounts are funded by the Payment Parties into a Grantor Trust Arrangement with respect to (A) any Opt-Out Class Action Settlement on any date, (B) any Settlement Agreement on the Settlement Effective Date related to Tribes, or (C) any direct settlement between the Sackler Parties and any other creditor group pursuant to the Plan, in each case, as contemplated by Section 10.01(a)(xix), then such payments shall be made in accordance

with the applicable Settlement Agreement (including, for the avoidance of doubt, this Agreement) or the Plan, as applicable.

(iv) The amounts set forth on Exhibit M-2 excluding Estate Payments, are collectively referred to as the "Direct Payments". The Direct Payments, together with the Estate Payments, collectively constitute the "Settlement Payments".

(v) To the extent the applicable Private Creditor Trust has not been formed, or is otherwise not in a position to receive its portion of the Initial Private Creditor Trust Distributions, amounts owed to the corresponding Private Creditor Trusts on the Settlement Effective Date shall be funded to an escrow account maintained by a third-party escrow agent, and the parties shall cooperate in good faith to cause such funds to be released to the MDT for further payment to such Private Creditor Trusts as promptly as practicable following the satisfaction of any conditions to such release contemplated herein. For the avoidance of doubt, with respect to the PI Trust and the TPP Trust, to extent any funds are placed in escrow in accordance with the immediately preceding sentence, the sole conditions to the release of the Initial TPP Trust Distribution or the Initial PI Trust Distribution, as applicable, shall be the formation of such Trust and written notice from the trustee thereof to the Sackler Parties' Representative, delivered in good faith, stating that such trust has been formed and is in a position to receive its portion of the Initial Private Creditor Trust Distributions.

(vi) Notwithstanding anything to the contrary herein or otherwise (including in any other Settlement Agreement):

(A) On the Plan Effective Date, the Initial Private Creditor Trust Distributions and the Initial Public Schools Distribution shall be funded to the MDT, or the applicable Creditor Trust, Grantor Trust Arrangement or escrow account.

(B) If the Estate Payment required under the IAC Settlement Agreement to be paid on the Settlement Effective Date ($150 million) is not paid pursuant to the IAC Settlement Agreement, then each Payment Group shall, on the Settlement Effective Date, pay its proportionate share of the unpaid amount (i.e., 25% by each B-Side Payment Group and 50% by the A-Side Payment Groups in aggregate, subject to Section 2.01(g)).

(b) Payment of A-Side Payment Date Obligations. With respect to each A-Side Payment Group, on each Payment Date,

(i) the A-Side General Obligors shall pay, or cause to be paid (on a joint and several basis with the other A-Side General Obligors) to the MDT, on behalf of the A-Side Payment Groups, the A-Side Payment Date Obligation of such A-Side Payment Groups by the applicable Payment Date;

(ii) the A-Side Payment Parties that are trusts (other than the A-Side General Obligors and "bare trusts") or other entities within each A-Side Payment Group shall pay, or cause to be paid (on a joint and several basis with the other remaining A-Side Payment Parties that are trusts or other entities within such A-Side Payment Group), to the MDT such A-Side Payment Group's A-Side Payment Date Obligation by the applicable Payment Date solely to the extent such A-Side Payment Date Obligation is not paid pursuant to clause (i); and

(iii) the A-Side Payment Parties that are natural persons or "Bare Trusts" within each A-Side Payment Group shall pay, or cause to be paid (on a joint and several basis with the other A-

Side Payment Parties that are natural persons or "Bare Trusts" within such A-Side Payment Group), to the MDT such A-Side Payment Group's A-Side Payment Date Obligation by the applicable Payment Date solely to the extent such A-Side Payment Date Obligation is not paid pursuant to clause (i) or (ii);

provided that (1) no A-Side General Obligor shall have any obligation to make any payment pursuant to this Section 2.01 (and shall not be in Breach or otherwise have any liability to the MDT for the failure to make any payment) if and to the extent it does not have sufficient liquid assets (not including any amounts reserved in good faith for the payment of Taxes or any other Permitted Withdrawals applicable to such A-Side General Obligor) to do so; (2) no A-Side General Obligor shall have any obligation to make any payment in respect of A-Side Payment Group 8 other than the $133 million payment on the Settlement Effective Date contemplated by Section 2.01(g); and (3) nothing in this Section 2.01(b) shall limit the MDT's right to seek payment in full from any A-Side Payment Party of its A-Side Payment Date Obligation without any requirement to seek collection first from any A-Side General Obligor or any other A-Side Payment Party; *provided, further, however*, that, in the event that all other members of a given A-Side Payment Group do not make such a payment, the MDT shall be permitted to exercise remedies against the IAC Accounts of the A-Side General Obligors in accordance with Section 9.02(a)(v) and 9.03(a).

(c) Payment of B-Side Payment Date Obligations. With respect to each Payment Date, each B-Side Payment Group shall pay, or cause to be paid (on a joint and several basis among the members of such B-Side Payment Group, subject to Section 9.03 and the applicable Credit Support Annex), to the MDT its B-Side Payment Date Obligation by the applicable Payment Date.

(d) Payments by Beacon Trust. All payments by any A-Side Payment Group, except as otherwise designated, shall be made directly or indirectly to Beacon Trust (which received substantial distributions indirectly from Purdue) and contributed by Beacon Trust through intervening entities to Pharmaceutical Research Associates L.P. ("PRA L.P."), which shall make the required payments under this Section 2.01 to the MDT in accordance with Section 2.01(f) below. All such payments made directly or indirectly to Beacon Trust by any A-Side Payment Group shall be paid, dollar for dollar, to the MDT by PRA L.P.

(e) Payments by 74A Trust. All payments by any B-Side Payment Group, except as otherwise designated, shall be made directly or indirectly to the Trust formed under agreement of trust dated November 5, 1974 for the benefit of Beverly Sackler (the "74A Trust") (which received substantial distributions indirectly from Purdue) and contributed by the 74A Trust through intervening entities to PRA L.P., which shall make the required payments under this Section 2.01 to the MDT in accordance with Section 2.01(j) below. All such payments made directly or indirectly to the 74A Trust by any B-Side Payment Group shall be paid, dollar for dollar, to the MDT by PRA L.P.

(f) Allocation of Payments.

(i) For purposes of determining the amounts required to be contributed by the A-Side Second Tier Obligors, A-Side Third Tier Obligors and A-Side Fourth Tier Obligors in each A-Side Payment Group under this Agreement, (A) the first $133 million of any payment by the A-Side General Obligors on the Settlement Effective Date shall be deemed to have been made by A-Side Payment Group 8 (and not any other A-Side Payment Group) and (B) all other payments by an A-Side General Obligor (including any amount paid on the Settlement Effective Date in excess of $133 million, any amount paid on any other Payment Date, and any amount paid pursuant to Section 2.02) shall be deemed to have been made by each other A-Side Payment Group (excluding A-Side Payment Group 8) in an amount equal to the lesser of (i) one-seventh (1/7) of such payment and (ii) such A-Side Payment Group's unpaid Settlement Payment Obligations, provided that if the

unpaid Settlement Payment Obligations of any A-Side Payment Group (other than A-Side Payment Group 8) is zero or is reduced to zero by such allocation, then any unallocated portion of such payment by an A-Side General Obligor shall be deemed to have been made in equal proportion by each of the A-Side Payment Group(s) (other than A-Side Payment Group 8) whose unpaid Settlement Payment Obligations are greater than zero.

(ii) Any payment by a Payment Party that is a Crossover Member (other than any A-Side General Obligor or Common B-Side Payment Party), shall be deemed to have been made in equal amounts by each Payment Group of which such Crossover Member is a member.

(iii) For all purposes of this Agreement (including the definition of Settlement Payment Obligation), any payment by any B-Side Payment Party that is a member of more than one B-Side Payment Group (such B-Side Payment Party, a "Common B-Side Payment Party"), shall be deemed to have been made by each B-Side Payment Group, in an amount equal to the lesser of (A) one-half (1/2) of such payment and (B) such Payment Group's unpaid Settlement Payment Obligations; *provided* that if such payment is made by the 74A Trust as a result of a B-Side Payment Party's payment to the 74A Trust pursuant to Section 2.01(e), then, for so long as the 74A Trust is a Common B-Side Payment Party, such payment by the 74A Trust shall be deemed to have been made by the B-Side Payment Group in the amount such Payment Group paid to 74A Trust for such payment.

(g) A-Side Payment Group 8 Payments. Notwithstanding anything to the contrary in this Agreement or otherwise:

(i) On the Settlement Effective Date:

(A) A-Side General Obligors shall pay $133,000,000 to the MDT and such payment shall have been deemed to have been made by A-Side Payment Group 8; and

(B) A-Side Payment Group 8 shall pay $70,500,000 to the MDT (the "Required SHP Emergence Payment").

(ii) On the fifth (5th) Payment Date, A-Side Payment Group 8 shall pay $17,291,520 to the MDT, subject to Section 2.01(g)(iv).

(iii) Reserved.

(iv) A-Side Payment Group 8 shall have the option to prepay on the Settlement Effective Date, in whole or in part with at least sixty (60) calendar days prior written notice to the MDT, the Governmental Consent Parties, and the Sackler Parties' Representative, its payment obligations due on the fifth (5th) Payment Date. The amount of any such prepayment shall be equal to the net present value of the nominal amounts otherwise payable by A-Side Payment Group 8 on the fifth (5th) Payment Date, discounted at an annual rate of 4.5% to the Settlement Effective Date. Should A-Side Payment Group 8 elect to exercise this prepayment option in full, the amount related thereto to be paid on the Settlement Effective Date shall be $14,500,000.00 and shall be attributable to the fifth (5th) Payment Date. For the avoidance of doubt, in no event shall any Payment Group other than A-Side Payment Group 8 be entitled to make any prepayments pursuant to this Section 2.01(g)(iv).

(v) If A-Side Payment Group 8 elects to exercise its prepayment option, then:

(A) The Settlement Payment Obligation of each A-Side Payment Group (other than A-Side Payment Group 8) due on the Settlement Effective Date shall be reduced by one-seventh ($1/7^{th}$) of the amount of the prepayment by A-Side Payment Group 8; and

(B) The Settlement Payment Obligation due on fifth (5^{th}) Payment Date of each A-Side Payment Group (other than A-Side Payment Group 8) shall be increased by one-seventh ($1/7^{th}$) of the nominal amount prepaid by A-Side Payment Group 8.

(vi) The total amounts in this Section 2.01(g)(i) to (iv) are the agreed upon present value of A-Side Payment Group 8's total $345 million obligation. Each applicable Exhibit M will be revised to reflect the adjustments described in this Section 2.01(g).

(vii) The A-Side General Obligors and A-Side Payment Group 8 shall fund, at least five (5) Business Days prior to the Settlement Effective Date, the respective amounts payable by them pursuant to this Section 2.01(g) via escrow or a similar arrangement pursuant to which (A) each such amount will be released to the MDT on the Settlement Effective Date only upon receipt of all such amounts, and (B) if any of such amounts are not released to the MDT on or prior to the Settlement Effective Date, all amounts funded into such escrow or similar arrangement will be returned to the respective parties who funded such amounts. In the event that the amounts funded into such escrow or similar arrangement are returned to the respective parties who funded such amounts in accordance herewith, A-Side Payment Group 8 shall be deemed to no longer be a party or subject to this Agreement or any of its terms, and the parties will retain all of their respective rights, remedies and defenses under applicable laws. For the avoidance of doubt, it is agreed and understood that to the extent that the MDT does not receive all of the amounts set forth in Section 2.01(g)(i) on or prior to the Settlement Effective Date, this Section 2.01(g) (other than clause (B) of this Section 2.01(g)(vii)) shall be deemed null and void, and no further obligations shall exist between the parties hereto with respect thereto.

(viii) Except as provided in this Section 2.01(g), A-Side Payment Group 8 shall have no obligation to make any other Settlement Payments under this Agreement or otherwise. In addition, notwithstanding anything to the contrary in this Agreement or otherwise, A-Side Payment Group 8 shall not have any Retained Payment Amounts, and A-Side Payment Group 8 shall have no obligation to make any RCR Top-Off Payments, SOR Top-Off Payments, (i.e., on the basis that A-Side Payment Group 8 would not have Retained Payment Amounts) or IAC Sale Bonus Payments. In addition, in no event will the breach of this Agreement or any other Settlement Agreement by any of the A-Side Payment Groups other than A-Side Payment Group 8 have any impact on A-Side Payment Group 8 hereunder (including, without limitation, that the MDT shall not be entitled to exercise the Release Remedy against the Family Group of which the Payment Parties in A-Side Payment Group 8 are members). The Parties agree that, notwithstanding anything to the contrary in this Agreement or otherwise, the allocation of the $133 million payment to A-Side Payment Group 8 pursuant to Section 2.01(g)(i)(A) above, and any other provisions in this Agreement relating thereto (including Section 9.02(a)(v)), do not create any obligation on the part of A-Side Payment Group 8 to pay such amount or any portion thereof, and that the failure by the A-Side General Obligors to pay any such amount shall not be a breach of this Agreement by A-Side Payment Group 8 or give rise to any remedies against A-Side Payment Group 8, other than the rights described in this Section 2.01(g).

(ix) The A-Side General Obligors shall have no obligation with respect to A-Side Payment Group 8 other than to make the payment referred to in Section 2.01(g)(i)(A). No member of any other A-Side Payment Group (other than the A-Side General Obligors) shall have any

obligation or liability in respect of the obligations of the A-Side General Obligors set forth Section 2.01(g)(i)(A).

(h) Reserved.

(i) Except as provided in Section 9.03, (1) each Payment Party agrees that its obligations with respect to the Payment Obligations owed by its Payment Group, and such Payment Party's obligations arising as a result of its joint and several liability with each other Payment Party within its Payment Group as provided herein, shall be separate and distinct obligations, but all such obligations shall be primary obligations of each such Payment Party (even if the relevant parties may agree to a preferred order of payment in any applicable Credit Support Annex) and (2) if a Specified Breach has occurred and is continuing with respect to any Payment Group and the MDT has elected to exercise the Payment Remedy in connection with such Specified Breach pursuant to Section 9.02, the MDT may, solely in accordance with Section 9.02 and subject to Section 9.03 and Annex G (to the extent applicable), proceed directly and at once, against any Payment Party within such Payment Group to collect and recover the full amount, or any portion of, such Payment Group's Settlement Payment Obligations, without first proceeding against any other Payment Party or any other Person, or against any Collateral securing the Settlement Payment Obligations of such Payment Group. Each Payment Party waives all suretyship defenses and consents and agrees that the MDT (and all other Secured Parties) shall be under no obligation to marshal any assets in favor of any Payment Group or against or in payment of any or all of the Settlement Payment Obligations.

(j) All payments made to the MDT pursuant to this Section 2.01 shall be made by wire transfer of immediately available funds to the account set forth on Exhibit G (or such other account(s) of the MDT as may be designated by the MDT to the Sackler Parties' Representative and A-Side Payment Group 8 Representative in accordance with Section 11.02 at least ten (10) Business Days prior to the applicable Payment Date). The Parties will determine appropriate funds flow mechanics to ensure timely receipt of funds.

(k) Other than as required by Section 2.06, (i) all payment and collateral obligations of any non-breaching Payment Group to the MDT hereunder shall terminate at such time when such Payment Group's Payment Obligations (excluding the IAC Sale Bonus Payment) hereunder, including any applicable RCR Top-Off Payment or a SOR Top-Off Payment, have been paid in full in cash (including as contemplated by Section 2.02) in accordance with the provisions hereof (regardless of whether another Payment Group is in Breach, including if such other Payment Group has not yet paid its Settlement Payment Obligations hereunder), and (ii) upon such payment in full of such non-breaching Payment Group's Payment Obligations (excluding the IAC Sale Bonus Payment), such Payment Group's Credit Support Annex and any related Collateral Documents with respect to the Payment Group and its Payment Parties shall terminate and all corresponding security interests shall be released, *provided*, that, notwithstanding the foregoing, any Collateral that constitutes IAC Collateral shall not be so discharged until the IAC Sale Bonus Payment obligations (if any) of the IAC Payment Party who owns such IAC Collateral have either been satisfied in full or otherwise terminated pursuant to this Agreement.

(l) Each Payment Group may prepay in cash all or any portion of its Settlement Payment Obligations at nominal value at any time, without any discount applied (an "Advance Settlement Payment") by providing at least thirty (30) calendar days prior written notice to the MDT (an "Advance Payment Notice"); *provided*, *however*, that no such Advance Payment Notice with respect to a scheduled Payment Date shall be delivered during the period commencing with delivery of a Preliminary Payment Determination regarding such scheduled Payment Date and ending on such scheduled Payment Date. Any Advance Payment Notice shall be delivered by the Sackler Parties' Representative and shall specify: (i) the nominal amount of the Settlement Payment Obligation being prepaid by such Advance Settlement Payment (the "Advance Amount"), (ii) the Payment Date to which such Advance Amount shall be applied (such

date, the "Advance Target Date") and (iii) the date on which the Advance Settlement Payment is expected to be made (the "Advance Payment Date"). On the Advance Payment Date, the Payment Group delivering the Advance Payment Notice shall pay the Advance Amount to the MDT. Following such payment, the Payment Group's Settlement Payment Obligation for the Advance Target Date shall be reduced by the Advance Amount (such reduction to be allocated between "base payments," "incentive payments" and any other payments (e.g., fees and costs) under the relevant Settlement(s) in accordance with the instructions in the Advance Payment Notice) and any applicable RCR Top-Off Payment or a SOR Top-Off Payment. A Payment Group's right to make Advance Settlement Payments shall be subject to the following limitations:

(i) the Advance Amount for an Advance Target Date shall not be larger than the anticipated Settlement Payment Obligation due on such Advance Target Date. The "anticipated Settlement Payment Obligation" for an Advance Target Date shall reflect the incentive levels earned by the settling parties as of the Advance Payment Date;

(ii) if a Payment Group has made an Advance Settlement Payment and the Advance Amount is ultimately less than its Settlement Payment Obligation due on the relevant Advance Target Date, the relevant Payment Group shall pay the remaining balance on the Advance Target Date as part of its Settlement Payment Obligation. Conversely, if the Advance Amount ultimately exceeds its Settlement Payment Obligation due on the Advance Target Date, the excess shall be credited to the Payment Group and applied to its next scheduled Settlement Payment Obligation(s) in direct chronological order, *provided* that if a Payment Group has prepaid all subsequent Payment Obligations and, as of the last Payment Date on which such Payment Group owes a payment, and such Payment Group has overpaid its Settlement Payment Obligations in respect of all subsequent prepaid Payment Dates (for such purposes, treating incentives that have been earned since the prior prepayments and incentives still eligible to be earned, in each case, as having been earned), then such overpayment shall be credited against the Settlement Payment Obligations of such Payment Group falling due on such last Payment Date. Any disputes concerning the accuracy of an overpayment shall be decided by fast-track arbitration pursuant to Section 11.13; and

(iii) to the extent that such Payment Group prepays only a portion of such Settlement Payment Obligations due on a Payment Date, such Payment Group shall have (x) retained (i.e., not prepaid) the obligation to fund at least (i) $4 million with respect to a B-Side Payment Group and (ii) $1 million with respect to an A-Side Payment Group, in each case, of the Estate Payment due on such Payment Date in such prepayment or (y) on or prior to the last Payment Date on which such Payment Group owes a payment, placed into one or more Prepayment Escrow Accounts an amount equal to the maximum amount that may become payable by such Payment Group in respect of such future Settlement Payment Obligations, without discount; provided that in accordance with Exhibit Z, there shall be a separate Prepayment Escrow Account established with respect to each Transferor that makes a payment to such accounts on behalf of a Payment Group; *provided, however*, that in the event there are any additional Payment Obligations due on a given Payment Date in excess of the total amount in all of the Prepayment Escrow Accounts with respect to such Payment Group, such amounts shall be paid in full by such Payment Group on such Payment Date, and any subsequent Specified Breach pursuant to Section 9.01(a) shall be subject at all times to all the remedies and other provisions of this Agreement, including the Payment Remedy and Release Remedy, irrespective of whether the breach is of an Estate Payment or a Direct Payment.

(m) From and after such time as a Payment Group has paid its applicable Payment Obligations in full (including pursuant to prepayments under this Section 2.01), such Payment Group shall forfeit all rights with respect to the Released Claims Reserves or Special Operating Reserve.

Section 2.02 Settlement Prepayments.

(a) Any Payment Group shall have the right, subject to the limitations set forth in this Section 2.02, to prepay all or a portion of any Settlement Payment included in its fourteenth (14th), fifteenth (15th) and/or sixteenth (16th) Settlement Payment Obligation in whole or in part, without premium or penalty (a "Settlement Prepayment") subject to this Section 2.02 by providing written notice to the MDT and the Settlement Administrator (a "Prepayment Notice") no more than forty-five (45) calendar days, and no less than thirty (30) calendar days, before the prepayment. Any Prepayment Notice shall be delivered by the Sackler Parties' Representative and shall specify: (a) the nominal amount of the Settlement Payment Obligation being prepaid by such Settlement Prepayment (the "Nominal Prepayment Amount"), (b) the allocation of the Nominal Prepayment Amount between Estate Payments and Direct Payments, (c) the Payment Date to which such Nominal Prepayment Amount shall be applied (such date, the "Target Payment Date"), (d) the date on which the Settlement Prepayment is expected to be made (the "Prepayment Date") and (e) the net present value of the Settlement Prepayment as of the Prepayment Date using a discount rate equal to the Prime Rate on the date of the Prepayment Notice plus 1.75%, consistent with the formula in Section 2.02(d) (such net present value amount, the "Net Prepayment Amount"). The right to make Settlement Prepayments shall commence on (x) with respect to the fourteenth (14th) Settlement Payment Obligation, the date the fifth (5th) Settlement Payment Obligation is due, (y) with respect to the fifteenth (15th) Settlement Payment Obligation, the date the fourth (4th) Settlement Payment Obligation is due, and (z) with respect to the sixteenth (16th) Settlement Payment Obligation, the date the third (3rd) Settlement Payment Obligation is due. Any prepayment described in this Section 2.02 can be made on or after the designated commencement date (e.g., a Payment Group can prepay all or any part of its designated share of its fourteenth (14th) Settlement Payment Obligation at any time on or after the date that the fifth (5th) Settlement Payment Obligation is due).

(b) On the Prepayment Date, the electing Payment Group shall pay the Net Prepayment Amount to the MDT. Following such payment, the Payment Group's Settlement Payment Obligation for the Target Payment Date shall be reduced by the Nominal Prepayment Amount (such reduction to be allocated between Estate Payments and Direct Payments in accordance with the instructions in the Prepayment Notice and, with respect to Direct Payments, shall be allocated ratably among Base Payments, Incentive Payments (to the extent known as of the Payment Date, to be payable on the Target Payment Date) and other payments (e.g., fees and costs). Exhibit M will be updated by the MDT to give effect to such reduction consistent with the Prepayment Notice, and going forward such updated schedule will be Exhibit M.

(c) A Payment Group's right to make Settlement Prepayments shall be subject to the following limitations:

(i) Each A-Side Payment Group and B-Side Payment Group shall only have the prepayment rights specified on Exhibit L. A Payment Group's total Nominal Prepayment Amount may not exceed the maximum specified for that Payment Group on Exhibit L, and its Nominal Prepayment Amount for any Payment Date may not exceed the corresponding maximum set for that Payment Group on that date on Exhibit L.

(ii) Prepayments may apply to Direct Payments, Estate Payments or both Direct Payments and Estate Payments according to the instructions of the Payment Group in its Prepayment Notice; *provided* that, in the event as of the thirteenth (13th) Payment Date a Payment Group's Settlement Prepayments with respect to the fourteenth (14th), fifteenth (15th) or sixteenth (16th) Settlement Payment Obligation are insufficient to prepay the total Settlement Payment Obligation of such Payment Group on the applicable Target Payment Date (for such purposes, taking into account incentives that have been earned since the prior prepayments and treating

incentives still eligible to be earned as having been earned), then such Payment Group shall have either (x) retained (i.e., not prepaid) the obligation to fund at least (i) $4 million with respect to a B-Side Payment Group and (ii) $1 million with respect to an A-Side Payment Group, in each case, of the Estate Payment due on such Payment Date in such Settlement Prepayment, or (y) on or prior to the thirteenth (13th) Payment Date, placed into a Prepayment Escrow Account an amount equal to the maximum amount that may become payable by such Payment Group in respect of such fourteenth (14th), fifteenth (15th) or sixteenth (16th) Settlement Payment Obligation, without discount; *provided* that in accordance with Exhibit Z, there shall be a separate Prepayment Escrow Account established with respect to each Transferor that makes a payment to such accounts on behalf of a Payment Group; *provided, however*, that in the event there are any additional Payment Obligations due on a given Payment Date in excess of the total amount in all of the Prepayment Escrow Accounts with respect to such Payment Group, such amounts shall be paid in full by such Payment Group on such Payment Date, and any subsequent Specified Breach pursuant to Section 9.01(a) shall be subject at all times to all the remedies and other provisions of this Agreement, including the Payment Remedy and Release Remedy, irrespective of whether the breach is of an Estate Payment or a Direct Payment.

(iii) The Nominal Prepayment Amount for a Target Payment Date shall not be larger than the anticipated Settlement Payment Obligation due on such Target Payment Date. The "anticipated Settlement Payment Obligation" for a Target Payment Date shall reflect the incentive levels earned by the settling parties as of the Prepayment Date and any offsets or adjustments known at that time pursuant to the terms of the relevant Settlement Agreement and the Plan.

(iv) If a Payment Group has made a Settlement Prepayment and the Nominal Prepayment Amount is ultimately less than its Settlement Payment Obligation due on the relevant Target Payment Date, the relevant Payment Group shall pay the remaining balance on the Target Payment Date as part of its Settlement Payment Obligation. Conversely, if the Nominal Prepayment Amount ultimately exceeds its Settlement Payment Obligation due on the Target Payment Date, the excess shall be credited to the Payment Group and applied to its subsequent scheduled Settlement Payment Obligation(s) in chronological order, starting with its next Settlement Payment Obligation due; *provided* that if as of the thirteenth (13th) Payment Date a Payment Group has overpaid its Settlement Payment Obligations in respect of all subsequent Payment Dates (for such purposes, taking into account incentives that have been earned since the prior prepayments and treating incentives still eligible to be earned as having been earned), then such overpayment shall be credited against the Settlement Payment Obligations of such Payment Group falling due on to the thirteenth (13th) Payment Date.

(d) The Net Prepayment Amount for a given Settlement Prepayment shall be determined by evaluating the following expression: Nominal Prepayment Amount of such Settlement Prepayment / ((1.0175 + the Prime Rate on the date of the Prepayment Notice expressed as a decimal) ^ ((the number of days between the Target Payment Date and the Prepayment Date) / 365)) where '/' denotes division and '^' denotes exponentiation.

(e) The MDT in consultation with the Settlement Administrator shall review each Prepayment Notice to determine the accuracy of all calculations included in the notice, and shall inform the relevant Payment Group of its determination within fifteen (15) calendar days of receiving the notice. Any disputes concerning the accuracy of such Prepayment Notice shall be decided by fast-track arbitration pursuant to Section 11.13.

Section 2.03 Modification to Payments Obligations. The parties agree that following the Settlement Effective Date and payment by a Payment Group of all amounts payable by it in connection

with the Settlement Effective Date and excluding the prepayment rights set forth in Section 2.01(l) and Section 2.02, which prepayment provisions shall be unaffected by this Section 2.03, any Payment Obligations of such Payment Group may be prepaid on terms and conditions agreed by the Master Disbursement Trust with the written consent of (i)) the Sackler Parties' Representative (except for any prepayment or other modification of any Payment Obligation of A-Side Payment Group 8), (ii) the A-Side Payment Group 8 Representative (solely in respect of any prepayment or other modification of any Payment Obligation of A-Side Payment Group 8), and (iii) the MDT Advisory Council acting by an affirmative vote of all five (5) state representatives on the MDT Advisory Council (i.e., four (4) representatives of Settling States and the one (1) representative selected by the four (4) representatives of Settling States).

Section 2.04 Payments Pending Appeals.

(a) If, on the Settlement Effective Date, an appeal of the Confirmation Order or any Settlement Agreement is pending but (x) such order or agreement has not been stayed and (y) the Plan, Confirmation Order or Settlement Agreement has not been modified by a court of competent jurisdiction in a manner that materially and adversely affects the rights, interests or obligations of the Payment Parties, the Debtors, the Creditors' Committee, the Settling Private Claimants, any Governmental Consent Party, the Settling States, the MDT, or the Shareholder Released Parties, the existence of such an appeal shall not be an impediment to the satisfaction of the conditions to the Settlement Effective Date set forth in Section 10.01 and the Sackler Parties shall make Settlement Effective Date payments under each Settlement Agreement and the Plan, subject to the terms hereof. If, after the Settlement Effective Date, an appeal of the Confirmation Order or any Settlement Agreement is pending but such order has not been vacated or reversed, the Sackler Parties shall make payments under each Settlement Agreement and the Plan, subject to the terms hereof.

(b) In the event that, following the Settlement Effective Date, a court of competent jurisdiction modifies, reverses or vacates the Confirmation Order or modifies the Plan, Confirmation Order, or the Settlement in a manner that materially and adversely affects the rights, interests, or obligations of the Payment Parties, the Debtors, the Creditors' Committee, the Settling Private Claimants, any Governmental Consent Party, the Settling States, the MDT, or the Shareholder Released Parties, (the "Appellate Decision"), all of the following shall apply:

(i) At the discretion of each of the Sackler Parties' Representative, the Debtors, the Creditors' Committee (if in existence), the Governmental Consent Parties, the MDT or the A-Side Payment Group 8 Representative (but in the case of the A-Side Payment Group 8 Representative, only if the rights, interests, or obligations of A-Side Payment Group 8 are materially and adversely affected in a manner that is disproportionate relative to the effects of such action on the rights, interests, or obligations of the other Payment Parties, taken as a whole), in each case, whose rights, interests, or obligations are materially and adversely affected by such court ruling (the "Affected Parties"), each such Affected Party, in good faith consultation with the other aforementioned parties, may: (A) seek to appeal such modification or vacatur, and/or (B) seek to modify the Plan, Confirmation Order, or the Settlement, as applicable, in a manner that is mutually acceptable to the relevant parties; provided that if the Sackler Parties Representative or A-Side Payment Group 8 Representative (as applicable) elects to pursue either option, each of the Debtors, the Creditors' Committee (if in existence), the Governmental Consent Parties, and the MDT shall continue to comply with the terms of the Settlement and in accordance with this Section 2.04 while such option is being pursued unless a court of competent jurisdiction determines that such Sackler Parties Representative's or A-Side Payment Group 8 Representative's election is unreasonable under the circumstances taken as a whole. If (x) either option is pursued and (y) this Agreement is not otherwise terminated, all Payment Obligations of the Sackler Parties coming due thereafter under the Settlement Agreements or the Plan will be deposited in one or more Appeals Accounts by the

applicable Transferor(s) on the date(s) provided for in this Agreement, in each case, without reduction, offset or reallocation as otherwise contemplated or permitted under this Agreement (including Exhibit N), provided that in accordance with Exhibit Z, there shall be a separate Appeals Account established with respect to each Transferor that makes a payment to such accounts on behalf of a Payment Group. No amounts shall be withdrawn from the Appeals Account for any purpose (including the funding of any Replenishment Transfer, provided that the Sackler Parties shall also not be required to make any RCR Top-Off Payments or SOR Top-Off Payments) other than in accordance with this Section 2.04. If the Plan, Confirmation Order, and/or the Settlement (as applicable) is later consummated or reinstated in its original form or in a fashion acceptable to the Affected Parties (the date of such consummation or reinstatement, the "Reinstatement Date"), any amounts deposited into the Appeals Account, including interest, will be remitted within fourteen (14) calendar days after such Reinstatement Date to the MDT to be distributed in accordance with the Plan and the applicable Settlement Agreement(s) as if the reversal or vacatur never occurred. In that event, the MDT shall make all Replenishment Transfers, and the relevant Payment Groups shall make all of their RCR Top-Off Payments and SOR Top-Off Payments, in each case to the extent such transfers and payments would have been required during the period the Appeals Account was funded. All such payments shall be made within ten (10) Business Days following the date the funds are remitted to the MDT. Amounts paid to Settling Parties and/or the MDT prior to the Appellate Decision (including the Special Operating Reserve and/or the Released Claims Reserves) shall continue to be available for use (including distribution) in accordance with the terms of the Agreement, the Settlement Agreements and the Plan then in existence prior to such Appellate Decision.

(ii) In connection with a determination to pursue (A) or (B) under Section 2.04(b)(i) above, the relevant parties shall cooperate in good faith to revise the Plan, Confirmation Order, or the Settlement and/or to pursue appeals (as appropriate) in a manner that materially maintains the spirit and substance of the Plan, Confirmation Order, and the Settlement, *provided* that, in connection therewith and so long as either option is being pursued: (A) following the Settlement Effective Date, all Estate Causes of Action against the Shareholder Released Parties otherwise released pursuant to the Plan shall continue to be exclusively controlled by the Master Disbursement Trust; (B) each Party shall continue to comply with the terms of the Settlement (as modified by this Section 2.04), including that any releases of the Shareholder Released Parties provided by claimants who have received any payment (including partial payment) of the obligations set forth in the Plan and applicable Settlement Agreement(s) shall remain in effect notwithstanding such reversal or vacatur, subject to any rights set forth in the applicable Settlement documentation, including any rights to terminate such releases (other than solely as a result of (I) the pursuit of an appeal as set forth in this Section 2.04 or (II) an Appellate Decision to the extent that it gives rise to the applicability of this Section 2.04(b) or Section 2.04(c)); (C) any tolling or tolling agreements provided by the Sackler Parties shall remain in full force and effect; (D) nothing herein shall prevent the parties from entering into private settlement(s) substantially similar to those set forth in the Plan and Settlement; (E) none of the Debtors, the MDT, or any other Settling Party shall seek from any Shareholder Released Party any additional payment amounts or other economic concessions beyond the aggregate amounts that are agreed in the Settlement (subject to applicable most-favored nations provisions, if any); (F) none of the Sackler Parties shall seek from any Settling Party, the Debtors, or the MDT any economic concessions beyond what is agreed in the Settlement; (G) none of the Settling Parties, the Debtors, or the MDT shall accept any amounts or other economic concession beyond what they agreed to receive herein on account of any new settlement agreement with the Sackler Parties (other than in respect of applicable most-favored nations provisions, if any); and (H) the MDT and Settling Parties shall consent to modification of the Plan and Settlement so long as such modifications preserve the economic equivalent of the existing Plan and Settlement and do not materially and adversely affect their rights, interests and obligations

under the Settlement; in case of clauses (A)-(H), subject to the following proviso, as applicable; provided, further, however, notwithstanding anything to the contrary contained herein, no party shall be required to consent to a modification of the Plan, Confirmation Order, or Settlement that is materially adverse to the rights, interests, or obligations taken as a whole of such party under the Plan or the Settlement.

(iii) If a court of competent jurisdiction modifies, reverses or vacates the Confirmation Order, the Plan, or the Settlement, as applicable, in a manner that materially and adversely affects the rights, interests, or obligations of (A) the Payment Parties, and the Sackler Party Representative or A-Side Payment Group 8 Representative (but in the case of the A-Side Payment Group 8 Representative, only if the rights, interests, or obligations of A-Side Payment Group 8 are materially and adversely affected in a manner that is disproportionate relative to the effects of such action on the rights, interests, or obligations of the other Payment Parties, taken as a whole) determines not to pursue the options set forth in subsection (b)(i) hereof, the Sackler Party Representative or A-Side Payment Group 8 Representative (as applicable) shall have the right to terminate this Agreement on thirty (30) calendar days written notice to all other parties, or (B) the MDT or the Governmental Consent Parties, if following the pursuit of an appeal, the Plan, Confirmation Order, or Settlement is not subsequently reinstated in original form and/or the parties are not otherwise able to reach an agreement in principle to revise the Plan, Confirmation Order, or Settlement in a manner that materially maintains the substance of the Plan, Confirmation Order, and Settlement or that is otherwise acceptable to the applicable parties within one-hundred twenty (120) calendar days (or such extended period as may be agreed to in writing by the (i) Master Disbursement Trust with the unanimous consent of the MDT Advisory Council; and (ii) the Sackler Party Representative), the MDT shall have the right to terminate this Agreement on thirty (30) calendar days written notice to all other parties.

(c) If, following reversal or vacatur of the Confirmation Order, the Plan, Confirmation Order, or Settlement is not subsequently reinstated in original form, and the parties fail to revise the Plan, Confirmation Order, or Settlement in a manner that materially maintains the spirit and substance of the Plan, Confirmation Order, and Settlement, or if this Agreement is terminated, then (i) any payments previously made to any Settling Party pursuant to the Plan or any Settlement Agreement (other than amounts returned in accordance with Section 2.04(c)(iv)) shall be credited against any future settlement agreement among the respective parties or judgment obtained by the Settling Parties against any Shareholder Released Party, (ii) the releases of the Shareholder Released Parties provided by the Estate and any releasing parties whose entitlements under the Plan and applicable Settlement Agreements are not paid in full (without regard to contingent amounts potentially payable from the Special Operating Reserve or any other reserve provided for under the Settlement) shall become null and void, (iii) notwithstanding termination of this Agreement or any Settlement Agreement or vacatur of the Confirmation Order, any releases of releasing parties that are, at any time prior to termination of this Agreement in accordance with its terms, paid the full amount that would be payable to such parties under the Settlement (without regard to any Appellate Decision or contingent amounts potentially payable from the Special Operating Reserve or any other reserve provided for under the Settlement) shall continue in effect unaltered and in perpetuity and no such releasing party shall seek or receive any additional recovery from any party on account of any Causes of Action that would constitute Shareholder Released Claims had the Settlement been fully in effect, and (iv) any amounts, including interest, in the Appeals Accounts shall be returned to the applicable Transferor and any amounts, including interest, if any, in the Special Operating Reserve shall be paid to PRA L.P.

(d) This Section 2.04 of this Agreement shall be additionally incorporated into the Plan and each Settlement Agreement, *mutatis mutandis*, and survive any order by a court of competent jurisdiction

that deems a provision of the Plan, Confirmation Order, Third-Party Releases, or Channeling Injunction to be null, void, illegal or unenforceable.

(e) Nothing in this Section 2.04 shall be construed to restrict any party's ability to appeal any decision of a court that reverses or vacates the Confirmation Order or modifies the Plan, Confirmation Order, or the Settlement in a manner that materially and adversely affects the rights or obligations of such party.

Section 2.05 Appeals; Motion to Stay.

(a) Direct Appeal. In the event the Confirmation Order is not entered by the United States District Court for the Southern District of New York in first instance, if any appeal is taken from the Confirmation Order that could result in vacatur, modification or reversal of the Confirmation Order with respect to the Shareholder Releases (any particular such appeal, the "Appeal"), the MDT, together with the Sackler Parties Representative, the Governmental Consent Parties, and the Creditors' Committee (if it is in existence), shall promptly request that all appellants and appellees with respect to the Appeal consent that the Appeal be certified for direct appeal to the Second Circuit (any particular such direct appeal, the "Direct Appeal") in accordance with 28 U.S.C. § 158(d)(2), and to certify jointly with the MDT, together with the Sackler Parties Representative, the Governmental Consent Parties, and the Creditors' Committee (if it is in existence), that at least one of either 28 U.S.C. § 158(d)(2)(A)(i), 28 U.S.C. § 158(d)(2)(A)(ii), or 28 U.S.C. § 158(d)(2)(A)(iii) applies with respect to the Appeal. The Sackler Parties agree to provide such consent. If such consent and joint certification cannot be obtained promptly with respect to all such appellants and appellees, the MDT, together with the Sackler Parties Representative, the Governmental Consent Parties, and the Creditors' Committee (if it is in existence), shall promptly request such consent with respect to a majority of such appellants and appellees to make a joint request for certification under 28 U.S.C. § 158(d)(2)(B)(ii). If such consent cannot be promptly obtained, the MDT, together with the Sackler Parties Representative, the Governmental Consent Parties, and the Creditors' Committee (if it is in existence), shall promptly make a motion to the Bankruptcy Court under 28 U.S.C. § 158(d)(2)(B)(i) requesting that the Appeal be certified for Direct Appeal. Upon receiving certification for the Direct Appeal, whether by the Bankruptcy Court order or otherwise, the MDT, together with the Sackler Parties Representative, the Governmental Consent Parties, and the Creditors' Committee (if it is in existence) shall immediately request, on an expedited basis, that the Second Circuit authorize the Direct Appeal.

(b) Expedited Appeal. Immediately after the filing of any Appeal, the MDT, together with the Sackler Parties Representative, the Governmental Consent Parties, and the Creditors' Committee (if it is in existence) shall (i) make a motion in the court then assigned to hear such Appeal, requesting that the Appeal be expedited on the fastest feasible schedule and (ii) seek to have such motion heard on an expedited basis.

(c) Motion to Stay. The MDT, together with the Sackler Parties Representative, the Debtors, and the Creditors' Committee (if it is in existence) shall challenge and object to (in the appropriate court) any motion by an applicable appellant for a stay of the Confirmation Order. The MDT, together with the Sackler Parties Representative, the Governmental Consent Parties, and the Creditors' Committee (if it is in existence) also shall request in the appropriate court that, if such challenge is unsuccessful or such objection is overruled, that any stay of the Confirmation Order be conditioned on a bond or equivalent security sufficient to pay the costs and damages sustained or potentially to be sustained by all parties (including, for the avoidance of doubt, the Sackler Parties) that would or could be harmed as a result of such stay, as determined by the appropriate court.

Section 2.06 IAC Sale Bonus Payments.

(a) Subject to the terms of this Section 2.06, if the IAC Payment Parties have collectively received aggregate Net Proceeds in excess of $4.3 billion (any such excess, "Excess Net Proceeds"), then each IAC Payment Party that thereafter receives Excess Net Proceeds shall, within forty-five (45) calendar days of receipt (or as soon thereafter as legally permissible), pay, or cause to be paid, to the MDT an amount equal to ninety percent (90%) of such IAC Payment Party's Excess Net Proceeds so received (each such payment, an "IAC Sale Bonus Payment"). The obligation to pay the IAC Sale Bonus Payment shall be joint and several among IAC Payment Parties within each Payment Group (but several and not joint between the Payment Groups).

(b) The aggregate amount of IAC Sale Bonus Payments of the IAC Payment Parties shall not exceed $500 million. Each IAC Payment Party is solely responsible for making its own IAC Sale Bonus Payments as required under this Section 2.06 (*provided* that such obligation is not conditioned upon payment of the amounts by the other IAC Payment Parties), independent of the obligations of any other IAC Payment Party. Once an IAC Payment Party has made all of its required IAC Sale Bonus Payments, it shall have no further obligations under this Section 2.06.

(c) An IAC Payment Party's obligations set forth in this Section 2.06 shall terminate on the date that all interests of such IAC Payment Party in the IACs other than the Retained Interests being disposed of and the first to occur of either (i) any resulting IAC Sale Bonus Payment being paid in full to the MDT or (ii) no IAC Sale Bonus Payment is payable. Notwithstanding anything to the contrary in this Agreement or the Collateral Documents, the MDT's rights to any IAC Payment Party's IAC Sale Bonus Payment are limited to the IAC Payment Party's IAC Collateral, and the MDT's sole recourse with respect to each IAC Payment Party's failure to timely pay its IAC Sale Bonus Payment in full shall be to exercise remedies only with respect to that IAC Payment Party's IAC Collateral. Except as set forth in the last sentence of Section 2.06(a), no IAC Payment Party shall be liable for, and no IAC Payment Party's obligations shall be increased as a result of, any other IAC Payment Party's failure to make its IAC Sale Bonus Payment.

Section 2.07 Payment Date Calculations and Related Obligations.

(a) Preliminary Payment Determination.

(i) As soon as possible for each payment but not later than fifty (50) calendar days prior to the applicable Payment Date (except with respect to the initial Payment Date on the Settlement Effective Date, for which such notice shall be delivered not later than forty-five (45) days prior to then-anticipated Settlement Effective Date), the MDT shall give notice to the Sackler Parties' Representative, the A-Side Payment Group 8 Representative (only in the case of any payment to be made by A-Side Payment Group 8 on the fifth (5^{th}) Payment Date and sixth (6^{th}) Payment Date in accordance with this Agreement), any Settling State and the MDT Advisory Council of the following preliminary determinations regarding Payment Date Obligations (such notice, a "Preliminary Payment Determination"):

(A) The total Payment Date Obligations owed on the upcoming Payment Date, itemized by Settlement and by Payment Group, based on the status as of the date that is sixty (60) calendar days prior to such Payment Date. This includes a breakdown of the payments owed by each Payment Group under the Governmental Entity & Shareholder Direct Settlement Agreement, along with a reasonable amount of supporting computational detail;

(B) The amount to be received by each Settling State, broken down by base payments and incentive payments, and the amount of fee payments, as set forth in the Governmental Entity & Shareholder Direct Settlement Agreement; and

(C) The amount, if any, of (i) RCR Top-Off Payments and (ii) SOR Top-Off Payments.

(ii) Dispute of Preliminary Payment Determination. Any of the Sackler Parties' Representative, the A-Side Payment Group 8 Representative (only in the case of any payment to be made by A-Side Payment Group 8 on the fifth (5th) Payment Date and sixth (6th) Payment Date in accordance with this Agreement), any Settling State or the MDT Advisory Council may dispute the relevant calculation set forth in the Preliminary Payment Determination by providing written notice to the MDT and the MDT Advisory Council, any affected Settling State, the Sackler Parties' Representative, and the A-Side Payment Group 8 Representative (as applicable) within twenty-one (21) calendar days of the notice provided by the MDT (a "Settlement Payment Dispute Notice"). Such disputing party's Settlement Payment Dispute Notice shall identify the nature of the dispute, the amount of money that is disputed, and the settling party (or parties) affected. If no Settlement Payment Dispute Notice is timely provided, then the Preliminary Payment Determination is deemed accepted for all purposes. Only matters included in a timely Settlement Payment Dispute Notice will be allowed to be the subject of any dispute regarding the amounts provided in the calculations set forth in the Preliminary Payment Determination.

(b) Payment Computation Notice.

(i) On the thirtieth (30th) calendar day prior to the applicable Payment Date (or the next Business Day thereafter), the MDT shall provide a written notice (a "Payment Computations Notice") to the Sackler Parties' Representative, the A-Side Payment Group 8 Representative (only in the case of any payment to be made by A-Side Payment Group 8 on the fifth (5th) Payment Date and sixth (6th) Payment Dates in accordance with this Agreement), the MDT Advisory Council and any Settling State containing the following information for each Payment Group for the upcoming Payment Date, along with reasonable calculation details, in each case utilizing relevant data as of the date that is five (5) Business Days prior to the Payment Computations Notice due date except as otherwise specified below (capitalized terms in this Section 2.07 that are not defined in this Agreement are defined in Exhibit N):

(A) Retained Payment Amount, as reported in the most recent Litigation Cost Report pursuant to Exhibit N;

(B) Litigation Costs by Plan Class;

(C) Available Retained Payment Amount;

(D) Litigation Cost Shortfall (if any);

(E) The balances in the Released Claims Reserves by Plan Class as provided to the MDT by each of the Creditor Trusts or the Plan Administration Trust, as applicable, along with a summary of transactions affecting these balances since the prior report of such balances, in each case based on the account statements most recently received by the MDT;

(F) RCR Litigation Cost Advances by Plan Class;

(G) RCR Top-Off Payment by Plan Class;

(H) The balance in the Special Operating Reserve along with a summary of transactions affecting these balances since the prior report of such balances, based on the account statements most recently received by the MDT;

(I) SOR Litigation Cost Advance;

(J) SOR Top-Off Payment; and

(K) The net amount the MDT believes the Payment Group owes on the Payment Date, determined by reference to the Preliminary Payment Determination, regardless of any portion still subject to dispute, and reflecting any offsets described in Exhibit N.

(ii) The Sackler Parties' Representative, A-Side Payment Group 8 Representative (with respect to any purported amounts owed by or obligations of A-Side Payment Group 8), any Settling State or the MDT Advisory Council may submit a written dispute notice to the MDT regarding any amounts in the Payment Computations Notice within ten (10) Business Days of the notice provided by the MDT. This notice must include a reasonably detailed, good-faith calculation and the basis for the dispute (a "Payment Computations Dispute Notice"). If the Sackler Parties' Representative, A-Side Payment Group 8 Representative, any Settling State or the MDT Advisory Council does not provide a timely Payment Computations Dispute Notice, then the Payment Computations Notice is deemed accepted, and Payment Groups must pay their designated top-off payment, if any, on such applicable Payment Date (subject to any unresolved dispute concerning the Preliminary Payment Determination).

(c) Final Payment Amounts

(i) Any party that receives a Settlement Payment Dispute Notice or a Payment Computations Dispute Notice, may provide a written response to the MDT, the MDT Advisory Council, any affected Settling State, the Sackler Parties' Representative, or A-Side Payment Group 8 Representative, (i) in the case of a Settlement Payment Dispute Notice, within fourteen (14) calendar days; or (ii) in the case of a Payment Computations Dispute Notice within five (5) Business Days (each response a "Final Dispute Response Notice") that either:

(A) Agrees to one or more proposals in the Settlement Payment Dispute Notice or Payment Computations Dispute Notice; or

(B) Rejects one or more proposals in the Settlement Payment Dispute Notice or Payment Computations Dispute Notice and identifies the basis for disagreement. Any item within the Settlement Payment Dispute Notice or Payment Computations Dispute Notice that is rejected in the Final Dispute Response Notice will be deemed disputed.

If no party delivers a Final Dispute Response Notice timely, then the Settlement Payment Dispute Notice and Payment Computations Dispute Notice are deemed accepted for all purposes.

(ii) If a Final Dispute Response Notice is timely provided to the MDT, then

(A) The MDT shall provide written notice to the Sackler Parties' Representative (and A-Side Payment Group 8 Representative, if applicable) that describes

any outstanding dispute as to the amount owed by each Payment Group to the MDT on the Payment Date. Such notice shall identify:

(1) All undisputed amounts to be paid by each Payment Group to the MDT on the Payment Date (taking into account any offset of undisputed amounts pursuant Exhibit N); and

(2) If a dispute is resolved between the notice and the Payment Date, the Payment Group must pay the full undisputed amount to the MDT on the Payment Date. If a dispute remains unresolved, all disputed payment amounts (if any) shall be paid by each Payment Group to the MDT Segregated Account on the Payment Date pending the dispute resolution set forth in Section 2.07(e). The MDT shall disburse all undisputed amounts to each Creditor Trust for further disbursement in accordance with its associated Settlement Agreement, the Plan or Creditor Trust Document(s).

(B) The Sackler Parties' Representative shall notify the MDT of the account(s) to which any undisputed portion of a RCR Litigation Cost Advance and SOR Litigation Cost Advance should be transferred to cover any undisputed Litigation Cost Shortfall, along with the amount to be transferred to each such account.

(d) Annual Post-Payment Date Obligations.

(i) Upon receiving any payment from a Payment Group, the MDT shall promptly notify the Sackler Parties' Representative specifying (x) the amount received and (y) the aggregate payments received to date from the Payment Group (broken apart by Settlement).

(ii) Upon resolution of a dispute after the Payment Date, amounts related to that Payment Date shall be disbursed as follows:

(A) To the MDT if determined to be required payments, or

(B) To the applicable Payment Party, as designated by the Sackler Parties' Representative (or by the A-Side Payment Group 8 Representative, in the case of any dispute by A-Side Payment Group 8), if determined not to be required payments. However, if the returned funds result from an overpayment of Payment Date Obligations, the MDT shall first receive any incremental SOR Top-Off Payment or RCR Top-Off Payment that would have been payable by the Payment Group on the Payment Date had its Payment Date Obligation been correctly calculated. Any remaining funds shall be disbursed as an Advance Settlement Payment in accordance with Section 2.01(l) and the instructions of the Sackler Parties' Representative (or A-Side Payment Group 8 Representative, if applicable).

(e) Disputes. All calculations and disputes contemplated by this Section 2.07 shall be made in good faith. The parties shall work in good faith to resolve any disputes arising under this Agreement as promptly as reasonably practicable. Unless otherwise provided, if the dispute remains unresolved after five (5) Business Days, it shall be submitted to fast-track arbitration pursuant to Section 11.13 for final resolution. Upon resolution of any dispute, the relevant parties shall promptly inform the MDT and the Sackler Parties' Representative (and the A-Side Payment Group 8 Representative, if the dispute involves or affects A-Side Payment Group 8 rights or obligations) of the outcome and any necessary adjustments resulting from such resolution. MDT shall establish a segregated, interest-bearing account for any disputed amount and such amount shall be retained until such dispute is resolved.

ARTICLE 3.
SALE OF IACS

Section 3.01 Covenant to Sell.

(a) Subject to Section 3.01(b) and (c), and subject to Section 3.06, during the seven (7)-year period commencing on the Settlement Effective Date and following the expiration of the MDT Sale Period, if applicable (the "Sackler Sale Period"), which period may be extended by a written instrument duly executed by the MDT and the Sackler Parties' Representative, the IAC Payment Parties shall:

(i) use their commercially reasonable best efforts to sell or cause to be sold to one or more unaffiliated third parties (each, a "Purchaser"), through any transaction, series of related transactions or separate transactions, all or substantially all of (A) such IAC Payment Parties' respective direct and/or indirect Equity Interests in the IACs (excluding Purdue Canada) and/or (B) the assets of such IACs (excluding Purdue Canada);

(ii) use their commercially reasonable best efforts to take, or cause to be taken, all actions and do, or cause to be done, all things necessary, proper or advisable under Law to consummate each such Sale, including, without limitation, (A) proposing, negotiating, agreeing to, committing to and effecting the sale, divestiture, transfer, license or disposition of any businesses, product lines or assets of the IACs (excluding Purdue Canada) and (B) executing (or causing to be executed) purchase agreements or other certificates, instruments and other agreements required to consummate the proposed Sale of the IACs (excluding Purdue Canada); and

(iii) subject to Section 3.03(d) and Section 3.03(e), cause all Sale Proceeds that are received by an IAC, an IAC Holding Company, an IAC Payment Party or any other Subsidiary of an IAC Payment Party from each Sale to be:

(A) paid directly to a Tax authority to the extent used to satisfy a liability for any Tax imposed with respect to such Sale or the distribution of proceeds therefrom,

(B) paid, to the applicable Third-Party Payees on account of Sale expenses, or

(C) distributed or otherwise paid to one or more IAC Payment Parties (which may include a Person who agrees in writing to become bound by the obligations of an IAC Payment Party hereunder) or Subsidiaries of such IAC Payment Parties (in which case such Sale Proceeds shall be further distributed or paid to the parent entities of such Subsidiaries until they are actually received by an IAC Payment Party) and, upon receipt by such IAC Payment Parties of Sale Proceeds, deposited into an IAC Account in accordance with Section 3.06(c),

provided that with respect to this Section 3.01(a), in connection with any Sale, no such IAC, IAC Holding Company, IAC Payment Party, or any other Subsidiary of an IAC Payment Party shall be obligated to provide any indemnification other than (x) in respect of its representations and warranties relating to ownership and authority and (y) indemnification obligations that are limited by the amount of any escrows established for such purpose, which escrows shall be commercially reasonable in amount and duration.

(b) If and to the extent necessary to facilitate a Sale, an IAC Payment Party, IAC Holding Company, IAC, or any other Subsidiary of an IAC Payment Party shall be permitted to retain (i) in the case of an asset sale, non-operating, administrative or otherwise *de minimis* assets that a buyer is unwilling to acquire and that the IAC Payment Parties have been unable to liquidate or transfer to another unaffiliated

third party after the use of commercially reasonable best efforts, (ii) interests in assets subject to Implementation Limitations, in each case, the retention of which would not (x) materially adversely affect such IAC or (y) violate Section 8.08 of this Agreement and (iii) the Equity Interests of any IAC that has sold all of its assets (other than the assets referred to in the preceding clauses (i) and (ii)) (any assets or interests described in the preceding clauses (i) through (iii), a "Retained Interest"). For the avoidance of doubt, notwithstanding the retention of any Retained Interest, a Sale of all or substantially all assets or direct and/or indirect Equity Interests of the relevant IAC shall be deemed to have occurred for all purposes of this Agreement.

(c) The Sackler Parties' Representative shall be responsible for (i) the structuring of the Sales, including the tax structuring of any Sale, distribution of proceeds therefrom and the type of consideration to be received, taking into account tax efficiency considerations, (ii) the design and execution of one or more marketing processes to make or solicit offers to or from prospective Purchasers in respect of the IACs and their businesses, (iii) the preparation, negotiation and execution of the definitive documentation for the Sales and (iv) the consummation of the Sales.

Section 3.02 IAC Information Rights.

(a) The Sackler Parties' Representative shall provide, or shall cause to be provided, the following information to the MDT:

(i) (A) on a semi-annual basis, IAC income statements, balance sheets, cash flow statements and consolidated financial statements (including summary income statements for IACs by regions – i.e., China, Canada and the remaining regions) within thirty (30) calendar days following management's receipt of the same, (B) audited annual financial statements to the extent provided to IAC directors (annual financial statements to include disclosures on any significant litigation as required by applicable accounting principles; parties to agree on a reasonable template for semi-annual statements, reasonable confidentiality provisions and universe of recipients) and (C) on a quarterly basis, the IAC cash balance by IAC;

(ii) on an annual basis, a legal organization chart for the IACs along with a summary of (A) any changes to IAC Holding Company or any Subsidiary of an IAC Payment Party, and (B) any newly-formed entities, solely to the extent in clauses (A) and (B) within the ownership structure of the IACs;

(iii) copies of amendments, modifications or supplements to any Collateral Documents with respect to changes described above in the immediately preceding clause (ii), within sixty (60) calendar days of the relevant change;

(iv) upon the termination of any sale process related to the IACs, copies of any indications of interest and letters of intent, and any analyses prepared for the board of same (names of bidding parties may be redacted if required by executed confidentiality agreements); and

(v) within forty-five (45) calendar days after the end of each quarter, and within sixty (60) calendar days after the closing of each IAC sale, an internally-prepared report detailing all IAC gross sale proceeds and IAC Distributions (aggregating IAC Tax Distributions and IAC Non-Tax Distributions), and repayments of IAC Loans made by the IACs and actually received by IAC Payment Parties.

(b) On a semi-annual basis, the Sackler Parties' Representative shall make IAC management and the Advisors available for a teleconference with the MDT (such teleconference not to exceed two (2)

hours). Prior to each teleconference, the Sackler Parties' Representative shall provide the MDT, no later than seven (7) calendar days in advance, with a written report that includes:

(i) for each sale process, anonymized summaries of significant events/milestones prior to such consultation and since the prior consultation, including the number of potential bidders who have done any of the following: (A) executed an NDA, (B) accessed the dataroom, (C) met with management, (D) submitted bids or other indications of interest, or (E) submitted final bids and delivered markups or other comments on definitive transaction documents;

(ii) on an anonymous basis any bona fide inquiries, as determined in the Sackler Parties' Representative's reasonable judgment, outside of a formal sale process;

(iii) assets under consideration being sold;

(iv) subject to redaction for confidentiality, copies of marketing materials provided to potential buyers in any sale process of the IACs; and

(v) commentary on the ongoing financial performance of the unsold IACs.

(c) Notwithstanding anything herein to the contrary, information shall only be provided pursuant to this Section 3.02 to the extent that the provision of such information is: (i) subject to confidentiality obligations pursuant to a mutually acceptable confidentiality agreement and (ii) in compliance with applicable Law and not in contravention of any confidentiality or similar obligations of the IACs or the IAC Payment Parties or their respective Subsidiaries are subject to; *provided* that, (x) if information is withheld under this clause (ii), a general description of the withheld information and the reason for its exclusion shall be provided and (y) no such confidentiality or similar obligations with respect to the information described in this Section 3.02 shall be entered into after the Settlement Effective Date outside the ordinary course without prior approval of the MDT (which shall not be unreasonably withheld).

Section 3.03 Other IAC-Related Covenants.

(a) The IAC Payment Parties covenant and agree that, with respect to each IAC directly or indirectly owned by the IAC Payment Parties in whole or in part, from the Settlement Effective Date until the consummation of the Sale of all or substantially all assets or direct and/or indirect Equity Interests in such IAC, except as expressly provided for herein or with the consent of the MDT (which shall not be unreasonably withheld), such IAC Payment Party will use IACPP Efforts to cause such IAC not to:

(i) enter into any material transaction or series of related transactions that would materially restrict the ability of such IAC to participate in a Sale (other than the renewal, amendment or modification of agreements in effect as of the Settlement Effective Date; *provided* that such renewal, amendment or modification is not more restrictive, taken as a whole, compared to the applicable agreement prior to such renewal, amendment or modification);

(ii) enter into any material transaction or series of related transactions between such IAC or any of its Subsidiaries on the one hand, and any Related Party (other than any IACs or their respective Subsidiaries, or any officers, directors or employees of any IACs or any Subsidiaries thereof (in their capacity as such)), on the other hand (each, a "Related Party Transaction"; provided, a Permitted Withdrawal made in compliance with this Agreement and each applicable IAC Collateral Document shall not be considered a Related Party Transaction), except for a Related Party Transaction on terms no less favorable to such IAC than those that would reasonably have been obtained in a comparable transaction on an arm's-length basis with an unrelated Person;

provided that (A) with respect to any Related Party Transaction or series of Related Party Transactions (other than commercially reasonable overhead payments to Related Parties that provide services to IACs and IAC Holding Companies (such as TXP Services, Inc.), one hundred percent (100%) of the equity of which is pledged, directly or indirectly, to the MDT ("Excepted Transactions")) involving aggregate consideration in excess of $5,000,000, such IAC has delivered to the MDT an officers' certificate or a written opinion by an Approved Financial Advisor certifying that such Related Party Transaction or series of Related Party Transactions complies with this covenant, (B) with respect to any Related Party Transaction or series of Related Party Transactions, other than Excepted Transactions, involving aggregate consideration in excess of $10,000,000, such IAC has delivered a written opinion by an Approved Financial Advisor certifying that such Related Party Transaction or series of Related Party Transactions complies with this covenant and has been approved by a majority of the disinterested members of the board of directors or equivalent governing body of such IAC, if any, and if such governing body does not exist, such IAC shall have obtained the written consent of the MDT with respect to such Related Party Transaction and (C) the entry into and the performance of all obligations under the A-Side Settlement Date Loan shall be permitted; *provided*, *further* that this subparagraph (ii) shall not restrict any IAC Distribution permitted hereunder, the renewal or extension of any financing arrangements on terms no less favorable in the aggregate to the borrower than those currently in place (except as required by applicable law, such as with respect to minimum interest rate requirements to be treated as indebtedness for Tax purposes), or any other transaction permitted hereunder (including transactions described in clause (ii) of the definitions of "Sale Proceeds Deductions" and "IAC Distribution Deductions," and in the definitions of "IAC Loans" and "Intercompany Loans") or in any of the IAC Collateral Documents;

(iii) take any action in violation of (A) any applicable Law or any material order, writ, injunction and decree of any Governmental Authority applicable to such IAC or to its business or property, to the extent such violation would be materially adverse to such IAC, or (B) the Confirmation Order;

(iv) declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, other than a Restricted Payment that constitutes a distribution of Sale Proceeds or an IAC Distribution with respect to the IAC Payment Parties and IAC Holding Companies and Subsidiaries of IAC Payment Parties that receive such Restricted Payment;

(v) transfer, or grant a Lien in respect of, any direct or indirect equity interests in any IAC, IAC Holding Company, or any other Subsidiary of an IAC, IAC Holding Company or IAC Payment Party that owns interests in IACs (directly or indirectly) other than (A) to another IAC Payment Party that is within the same Payment Group so long as the interests in each IAC held, directly or indirectly, by such IAC Payment Party continue to be IAC Pledged Entities or owned, directly or indirectly, by an IAC Pledged Entity, *provided*, such actions do not adversely affect the perfection or priority of the Secured Party's security interest in the IAC Pledged Shares, (B) in connection with and in furtherance of a Sale, or (C) to the MDT pursuant to the IAC Collateral Documents;

(vi) amend, restate, supplement or otherwise modify or waive any of its organizational documents or the organizational documents of its Subsidiaries, in each case, to the extent the same would reasonably be expected to be material and adverse to the MDT or the ability of the IAC to be sold; or

(vii) vote to enable, or take any other action to permit, any IAC Pledged Entity or its Subsidiaries to issue any additional Equity Interests, or to issue any Equity Interests or other securities convertible or exchangeable into additional Equity Interests of any IAC Pledged Entity or its Subsidiaries, other than transactions permitted pursuant to Sections 3.01 or 3.03(b), unless such additional Equity Interests are pledged by an IAC Payment Party or Subsidiary thereof pursuant to Section 3.06.

With respect to an IAC, if, at any time from the Settlement Effective Date until a Sale of all or substantially all assets or direct and/or indirect Equity Interests has been consummated with respect to such IAC in accordance with Section 3.01(a), such IAC is not or ceases to be Controlled by any IAC Payment Party but is Controlled by one or more other Sackler Parties, then each such Sackler Party shall use IACPP Efforts to cause such IAC to comply with this Section 3.03.

In the event any Sackler Party or Family Member receives consideration in any transaction with an IAC, IAC Holding Company, IAC Payment Party (or Subsidiary thereof) that is prohibited by this Section 3.03(a), such Sackler Party (or the Payment Parties in the Family Group of such Family Member) shall deposit such amount into one or more of their IAC Accounts, in which event no Breach with respect to this Section 3.03(a) shall have occurred in connection with such transaction, subject to the terms of Section 9.01(b) (and so long as such payment has been made within the applicable cure period under Section 9.01(b)).

(b) Notwithstanding anything in this Section 3.03 to the contrary, any IAC, IAC Holding Company, IAC Payment Party or any entity Controlled (whether individually or as a group) by one or more IAC Payment Parties may take all appropriate steps to complete a Permitted Restructuring and (x) take commercially reasonable steps to reorganize the business and/or ownership structure of such IAC to the extent desirable to facilitate a Sale, including engaging in any internal corporate restructuring, reorganization or similar transaction of the applicable IACs or IAC Holding Companies (whether by way of conversion, recapitalization, reorganization or exchange of equity interests of one or more IACs or into one or more corporations, limited liability companies, limited partnerships or other business entities); *provided* that the Sackler Parties' Representative shall use commercially reasonable efforts to consult with the Advisors and the Tax Advisor and take into account in good faith advice, including advice on tax efficiency considerations, received in connection with such consultation, prior to any material decisions being made in respect of the actions in the foregoing clause (x); *provided further* that (I) the resulting, surviving, or transferee Person is an IAC, IAC Holding Company or an entity Controlled (whether individually or as a group) by the same IAC Payment Parties (or by IAC Payment Parties within the same Payment Group as such IAC Payment Party) and is subject to the Sale Obligations hereunder and (II) the interests in each IAC held, directly or indirectly, by each IAC Payment Party continue to be IAC Pledged Entities or owned, directly or indirectly, by an IAC Pledged Entity, and (y) make payments to, or receive payments from, any other IAC, any IAC Holding Company or any Subsidiary of an IAC Holding Company (whether in the form of indebtedness or otherwise), and the IAC Payment Parties may cause any IAC under their Control to take such actions as they deem appropriate, including incurring indebtedness, or providing funds in the form of dividends, IAC Loans, Intercompany Loans or otherwise to another IAC, an IAC Holding Company or an IAC Payment Party, in each case, in order to satisfy the Obligations pursuant to this Agreement; *provided* that, with respect to the foregoing clauses (x) and (y), such actions shall only be permitted if (A) (I) such reorganized, newly-formed or transferee IAC is an entity wholly-owned (whether individually or as a group), directly or indirectly by the same IAC Payment Parties (or by Payment Parties within the same Payment Group as such IAC Payment Party) and an IAC Pledged Entity and (II) the interests in each IAC held, directly or indirectly, by each IAC Payment Party continue to be IAC Pledged Entities or owned, directly or indirectly, by an IAC Pledged Entity, (B) such actions do not result in a disproportionate change to a Payment Group's aggregate level of direct or indirect ownership interests in an IAC, relative to any other Payment Group and (C) such actions do not adversely affect the perfection or

priority of the Secured Parties' security interest in the IAC Pledged Shares; provided, however, that this clause (C) shall not apply to any Permitted Restructuring that satisfies the conditions set forth in the paragraph immediately following this Section 3.03(b).

Notwithstanding Section 3.03(b)(C) and, solely to the extent necessary to effect a Permitted Restructuring, any provision of this Agreement or any IAC Collateral Document to the contrary, an IAC Pledgor may transfer, eliminate, consolidate, reclassify or otherwise modify its ownership of IAC Pledged Shares, so long as all of the following conditions are satisfied:

I. At the time of such Permitted Restructuring, each IAC Pledgor involved in the Permitted Restructuring shall not hold any Cash and Cash Equivalents in excess of $10,000, and no distributions of Sale Proceeds or IAC Distributions (if any) may be made to or by any such IAC Pledgor involved with a Permitted Restructuring until the Permitted Restructuring is completed pursuant to this section;

II. Upon consummation of such Permitted Restructuring, (A) the transferring IAC Pledgor shall have granted to the MDT pursuant to the applicable IAC Collateral Documents, a valid, perfected, first-priority Lien on the Equity Interests of the resulting or transferee IAC Pledgor, and (B) the resulting or transferee IAC Pledgor shall receive any Equity Interests issued or received in substitution for, or in connection with, the elimination, consolidation, reclassification or reorganization of, the IAC Pledged Shares, and such resulting or transferee IAC Pledgor(s) shall grant to the MDT, contemporaneously with such transfer, pursuant to the applicable IAC Collateral Documents, a valid, perfected, first-priority Lien on such Equity Interests, in each case, to secure the Obligations to the same extent and with the same priority as immediately prior to such Permitted Restructuring;

III. Each IAC Payment Party that is an owner (directly or indirectly) of any IAC involved in the Permitted Restructuring shall have one or more IAC Accounts pledged to the MDT pursuant to the applicable IAC Collateral Documents at all times during and following the Permitted Restructuring, and such pledges shall be maintained continuously and shall not lapse in connection with the Permitted Restructuring; and

IV. Promptly following completion of the Permitted Restructuring (and, in any event, within thirty (30) days, subject to extension with the prior written consent of the MDT, such consent not to be unreasonably withheld, delayed or conditioned), each applicable IAC Pledgor involved in the Permitted Restructuring shall:

A. Represent and warrant to the MDT that the Permitted Restructuring complied in all material respects with the requirements of Section 3.03(b) (other than clause (C) thereof), and that immediately after consummation of the Permitted Restructuring, the MDT has a valid, perfected, first-priority Lien on the applicable Equity Interests securing the Obligations, in each case, to the same extent and with the same priority as immediately prior to such Permitted Restructuring; and

B. Provide any necessary amendments, supplements or joinders to the IAC Collateral Documents (including joinders with respect to any new IAC Pledgors), together with legal opinions substantially similar to those delivered in connection with the Settlement Effective Date addressing the due organization

and corporate and/or trustee authority of any new IAC Pledgors to enter into, and the enforceability of, the applicable IAC Collateral Documents.

Notwithstanding anything to the contrary in this Agreement or any IAC Collateral Document, in all events, any IAC Pledgor may be dissolved, wound up and terminated (and shall thereupon cease to be an IAC Pledgor) if either (x) such IAC Pledgor no longer owns any IAC Pledged Shares (whether as a result of a Sale permitted under this Agreement or a Permitted Restructuring), (y) the only IAC Pledged Shares owned by such IAC Pledgor are Equity Interests in an entity that is dormant, non-operating and holds no material assets (other than de minimis cash or administrative or wind-up assets), or (z) such IAC Pledgor or the applicable IAC Pledged Entity is dormant, non-operating and holds no material assets (other than de minimis cash or administrative or wind-up assets). In no event may an IAC Pledgor be dissolved, wound up, or terminated while it holds any Sale Proceeds or IAC Distributions.

(c) Each IAC Payment Party shall, subject to Section 3.03(d) and Section 3.03(e), cause all proceeds from any IAC Distribution that are received by an IAC, an IAC Holding Company, an IAC Payment Party or any other Subsidiary of an IAC Payment Party, to be:

(i) paid directly to a Tax authority to the extent used to satisfy a liability for any Tax imposed with respect to IAC Distribution,

(ii) paid, to the applicable Third-Party Payees, in respect of IAC Distribution expenses, or

(ii) distributed or otherwise paid to one or more IAC Payment Parties (which may include a Person who agrees in writing to become bound by the obligations of an IAC Payment Party hereunder) or Subsidiaries of such IAC Payment Parties (in which case such proceeds shall be further distributed or paid to the parent entities of such Subsidiaries until they are actually received by an IAC Payment Party) and, upon the receipt by an IAC Payment Party of such proceeds, deposited into an IAC Account in accordance with Section 3.06(c).

(d) If any entity owned by an IAC Payment Party (including PRA L.P.) (a "Transitory IAC Company") receives any Sale Proceeds or IAC Distributions (or other funds that would be Sale Proceeds or IAC Distributions received by such Transitory IAC Company but for any contribution of funds contemplated by the definition of IAC Non-Tax Distribution, or any repayment of Intercompany Loans contemplated by the definitions of IAC Non-Tax Distribution and Sale Proceeds), then, solely with respect to such funds, such Transitory IAC Company may (x) contribute such funds, or use such funds to repay Intercompany Loans, as contemplated by the definitions of IAC Non-Tax Distribution and Sale Proceeds or (y) retain, hold and/or use all or any portion thereof to the extent reasonably necessary (i) to make or reserve for payments contemplated by Sections 2.01(d) and 2.01(e) and (ii) to support its operations (and the liquidation and winding up of any unsold IAC or IAC Holding Company) and satisfy its obligations and to further or preserve the Sackler Parties' ability to complete Sales of IACs; *provided* that (1) no Sackler family members shall receive remuneration from such Transitory IAC Company, except for distributions that will be subject to Sections 3.01(a)(iii) and 3.03(c), and this Section 3.03(d), as applicable, and (2) to the extent any such application is not expressly permitted by this Agreement, the amount retained or otherwise applied pursuant to clause (ii) must be determined in good faith to be commercially reasonable for: (x) satisfying statutory capital requirements and other requirements imposed by applicable law, (y) bona fide ordinary course operating, winding up or liquidation expenses and any other bona fide expenses reasonably necessary to comply with this Settlement, and (z) bona fide financial obligations that existed prior to the decision to use the applicable funds for such payment, or that arose in the ordinary course of business without regard to the availability or intended use of such funds, and that are payable to persons other than Sackler family members, Sackler Parties and their Related Parties (and all such uses in (x), (y) and (z) shall also comply with Section 3.03(a)(ii)). Except to the extent so retained, such Sale Proceeds and

IAC Distributions shall be applied in accordance with Sections 3.01(a)(iii) and 3.03(c), as applicable. Any amounts so retained shall remain subject to this Agreement and shall be applied in accordance with Sections 3.01(a)(iii) and 3.03(c) when no longer required for the foregoing purposes.

(e) Notwithstanding anything to the contrary in this Agreement (including Section 3.06), if any Sale Proceeds or IAC Distributions are received by any Holding Company Pledgor (as defined in the applicable Credit Support Annex) or any wholly owned Subsidiary of a Holding Company Pledgor whose Equity Interests are, directly or indirectly, entirely pledged to MDT (each, a "CSA Entity"), such amounts may be deposited into a non-IAC Account owned by such CSA Entity, and any such deposit shall be deemed to satisfy the requirement under Section 3.06 to contribute such amounts to an IAC Account. In all cases, such funds remain subject to the applicable Credit Support Annex.

Section 3.04 Implementation Limitations. The Sale Obligations of the IAC Payment Parties shall be subject to compliance with and may be limited by any applicable Laws (including the applicable Laws of any jurisdiction outside of the U.S. where any IAC Payment Parties, entities Controlled (whether individually or as a group) by one or more IAC Payment Parties, IACs or IAC Holding Companies are located and any fiduciary or other duties applicable under such Laws) (collectively, "Implementation Limitations"). In the event any Implementation Limitation prohibits, restricts, limits or conflicts with any of the obligations of the IAC Payment Parties to comply with the Sale Obligations, the IAC Payment Parties shall (and shall cause the IACs and their Subsidiaries to) use their commercially reasonable best efforts to seek any Consent from any applicable Governmental Authority or other Person required to eliminate any such prohibition, restriction, limitation or conflict, with any expenses related thereto deemed to be expenses incurred in connection with the Sale or prospective Sale of IACs for purposes of computing Net Proceeds; *provided* that no such Person shall be required to (i) compensate any Governmental Authority or other Person or (ii) offer or grant any accommodation (financial or otherwise) to any Governmental Authority or other Person to obtain any such Consent, but if any such compensation is made, any such action commenced or any such accommodation is granted, expenses in connection therewith shall be deemed to be expenses incurred in connection with the Sale or prospective Sale of IACs for purposes of computing Net Proceeds; *provided* that if, after the expiration of the Sale Period, the MDT takes any of the actions or otherwise makes a payment referenced in clause (i) or (ii) of this sentence, such payment of compensation, costs or expenses shall be repaid solely from proceeds of the relevant Sale prior to the application of any Sale Proceeds to the relevant Settlement Payment Obligations. Such compensation, costs and expenses, shall (x) be included in the calculation of Net Proceeds and (y) not be considered Payment Obligations hereunder, or obligations of any party to such Sale.

Section 3.05 Termination of Sale Obligations. All obligations of the IAC Payment Parties set forth in Section 3.01 through Section 3.04 and Section 3.07 (collectively, the "Sale Obligations") shall terminate when all interests of the Sackler Parties in the IACs other than the Retained Interests have been disposed of. For the avoidance of doubt, the obligations set forth in the other provisions of this Agreement shall not be affected by the termination of the Sale Obligations.

Section 3.06 Pledge of Shares; Collateral Account.

(a) Each IAC Payment Party as collateral security for the payment in full when due of all Obligations of such IAC Payment Party (in each of its capacities hereunder, including as an IAC Payment Party, an A-Side General Obligor, and/or a Payment Party with respect to any Payment Group, as applicable), (i) shall grant a security interest in and Lien on the IAC Pledged Shares (and the proceeds and products thereof) held by such IAC Payment Party, and shall cause each Subsidiary of such IAC Payment Party that is an IAC Pledgor to grant a security interest in and Lien on the IAC Pledged Shares (and the proceeds and products thereof) held by each such Subsidiary to secure such Obligations, and (ii) shall grant a security interest in and Lien on each IAC Account (other than any IAC Account established in the name

of the escrow agent in respect of such IAC Account and subject to an IAC Escrow Agreement) of such IAC Payment Party (and the proceeds and products thereof), in each case in favor of and for the benefit of the Secured Party pursuant to the terms and conditions of the IAC Collateral Documents.

(b) Each IAC Payment Party hereby agrees, and shall cause each of its Subsidiaries that are IAC Pledgors to agree, (i) to be bound by the terms of the IAC Collateral Documents applicable to it as the same may be in effect from time to time and (ii) to perform, or cause to be performed, its obligations thereunder in accordance therewith.

(c) Notwithstanding the termination of obligations pursuant to Section 3.05, each IAC Payment Party shall promptly deposit and maintain on deposit at all times (subject to the provisions of this Section 3.06), all Sale Proceeds or IAC Distributions (and in the case of any A-Side IAC Payment Party or Subsidiary thereof, any refunds of Taxes previously paid to a Tax authority out of Sale Proceeds received by such IAC Payment Party or a Subsidiary thereof (in which case such refund shall be further distributed or paid to the parent entities of such Subsidiaries until it is actually received by an IAC Payment Party)) received by such IAC Payment Party in an IAC Account in accordance with Section 3.01(a)(iii) and Section 3.03(c)(iii) (as though such provisions remained in effect, even if otherwise terminated in accordance with Section 3.05); *provided*, that (i) Permitted Withdrawals may be made by such IAC Payment Party pursuant to this Agreement; and (ii) such IAC Payment Party or its Subsidiary may (A) pay all or a portion of such Sale Proceeds or IAC Non-Tax Distributions to another IAC Payment Party for deposit in its IAC Account pursuant this Agreement or (B) make payments to Third-Party Payees or Tax authorities or to the MDT (or to satisfy any obligation arising under this Agreement, any other Settlement Agreement or settlements under the Plan that are not payable to the MDT).

(d) Until the date on which the MDT has been paid all Payment Obligations of the Payment Group(s) of which such IAC Payment Party is a member (including by way of prepayment or other advance payment pursuant to Section 2.03), (i) such IAC Payment Party shall have no right of withdrawal from an IAC Account other than pursuant to Section 3.06(c); *provided* that, notwithstanding the provisions of this Section 3.06(d), if the remaining unpaid Settlement Payment Obligations of any Payment Group of which such IAC Payment Party is a member are $0, and no IAC Sale Bonus Payment is then owed by such IAC Payment Party, then such IAC Payment Party shall have the right (but not the obligation) to withdraw from its IAC Account an amount not to exceed the product of (1) the total amount then held in such IAC Account *multiplied by* (2) a fraction, the numerator of which is the number of Payment Groups of which such IAC Payment Party is a member whose remaining unpaid Payment Obligations are $0 and the denominator of which is the total number of Payment Groups of which such IAC Payment Party is a member, and (ii) the funds on deposit in IAC Accounts shall be collateral security for the Obligations of the Payment Group(s) of which such IAC Payment Party is a member. In the event that, notwithstanding the provisions of this Section 3.06(d), any IAC Payment Party or any of its Subsidiaries receives any Sale Proceeds or IAC Distributions that are not otherwise permitted to be withdrawn from an IAC Account or are required to be deposited into an IAC Account, in each case pursuant to this Agreement, such Sale Proceeds or IAC Distribution shall be held in trust by such IAC Payment Party or such Subsidiary for the MDT, shall not be commingled with any of such Person's other funds or deposited in any account of such Person other than an IAC Account and shall be promptly deposited in the IAC Account pursuant to Section 3.06(c) hereof.

(e) Each IAC Payment Party shall promptly and duly take, execute, acknowledge and deliver, and shall cause each of its Subsidiaries that is an IAC Pledgor or IAC Pledged Entity to promptly and duly take, execute, acknowledge and deliver, all such further acts, documents and assurances as may from time to time be necessary or as the Secured Party may from time to time reasonably request in order to carry out the intent and purposes of this Article 3 in accordance with the IAC Collateral Documents, including all such actions to establish, create, preserve, protect, perfect, and maintain perfection of a first priority Lien

on the IAC Collateral in favor of and for the benefit of the Secured Party (including IAC Collateral acquired after the date hereof) and to exercise any and all remedies in respect thereof.

(f) The IAC Collateral Documents shall provide that if an IAC Payment Party or any of its Subsidiaries becomes the direct or indirect owner of all or a portion of the Equity Interests of any IAC Pledged Entity, which Equity Interests have not previously been pledged pursuant to the IAC Collateral Documents, such IAC Payment Party shall promptly give notice of such acquisition to the Secured Party, and within sixty (60) calendar days (or such longer period as permitted by MDT, which permission shall not be unreasonably withheld) after the acquisition thereof (i) deliver or cause to be delivered to the Secured Party any certificates in respect of the Equity Interests of such IAC Pledged Entity, together with related transfer powers duly executed in blank, (ii) in the case of Equity Interests of such IAC Pledged Entity in the form of uncertificated securities, execute and deliver (or cause to be executed and delivered) uncertificated securities control agreements, (iii) execute and/or deliver (or cause to be executed and delivered) such other IAC Collateral Documents or amendments, modifications or supplements thereto, in form and substance reasonably acceptable to the Secured Party, in order to maintain the validity and perfection of the security interests in such additional IAC Pledged Shares without lapse or change in priority and (iv) deliver proof of corporate (or comparable) action or incumbency of officers as any Secured Party shall reasonably request. If any IAC Payment Party or any of its Subsidiaries that is an IAC Pledgor or an IAC Pledged Entity (x) changes its legal name, (y) converts to a different form or to a different jurisdiction of organization or (z) changes the location of its chief executive office or principal place of business (or, if applicable, the location of the chief executive office, principal place of business or residence of any trustee of such IAC Payment Party or Subsidiary), such IAC Payment Party (A) shall promptly give notice to the Secured Party of such change describing such change, and (B) within sixty (60) calendar days (or such longer period as permitted by MDT, which permission shall not be unreasonably withheld) of such change shall execute and/or deliver (or cause its Subsidiaries to execute and deliver) such other IAC Collateral Documents and/or amendments, modifications or supplements to the IAC Collateral Documents, in form and substance reasonably acceptable to the Secured Party, in order to maintain the validity and perfection of the security interests in the relevant IAC Pledged Shares without change in priority. Notwithstanding the foregoing, nothing in this Section 3.06(f) shall restrict a Permitted Restructuring.

(g) Until the date on which the MDT has been paid the Payment Obligations of the Payment Group(s) of which such IAC Payment Party is a member (including by way of prepayment or other advance payment pursuant to Section 2.03), no Restricted Payment of any asset owned by any IAC, any IAC Holding Company or any Subsidiary of an IAC or IAC Holding Company (such asset, an "IAC Asset") may be made by an IAC, IAC Holding Company or any Subsidiary of any of the foregoing, unless (i) such IAC Assets remain subject to the Sale Obligations or (ii) such Restricted Payment consists of Sale Proceeds or qualifies as an IAC Distribution that (to the extent required by this Agreement) is deposited into an IAC Account; *provided*, that if such Restricted Payment is of IAC Pledged Shares, such Restricted Payment shall not affect the perfection or priority of the Liens in such IAC Pledged Shares granted in favor of the Secured Party. For the avoidance of doubt and notwithstanding anything to the contrary herein, (i) nothing in this paragraph limits or restricts any Person's ability to use, apply, or make distributions of, and the terms and conditions of Section 3.06(a), (b), (f) and this (g) and the IAC Collateral Documents shall not apply to, assets that are not IAC Accounts, IAC Assets or IAC Pledged Shares (to the extent such IAC Pledged Shares do not otherwise constitute IAC Assets), or proceeds of the foregoing (including IAC Distributions and Sale Proceeds) and (ii) nothing in this paragraph limits or otherwise modifies the definition of IAC Non-Tax Distributions.

(h) Following the Settlement Effective Date, if any Lower-Tier IAC Payment Party receives any Sale Proceeds or IAC Distributions, and such Lower-Tier IAC Payment Party's Equity Interests are owned, directly or indirectly, by one or more other IAC Payment Parties, then Sections 3.01(a)(iii) and 3.03(c) of this Agreement shall apply to such amounts, subject to applicable Law, to require additional

transfers at each level of ownership until such amounts are received by an IAC Payment Party(ies) that is not a Crossover Member, in proportion to their respective ownership interests for further deposit in the IAC Accounts of such IAC Payment Party(ies). Such Lower-Tier IAC Payment Party shall, subject to applicable Law and this Agreement, promptly distribute such amounts to its IAC Payment Party owners in proportion to their respective ownership, and each such owner shall comply with Sections 3.01(a)(iii), 3.03(c) and 3.06(c) hereof with respect to the amounts received.

Section 3.07 Failure to Sell IACs.

(a) If any IAC Payment Party has not completed the sale of all or substantially all of (A) its direct and/or indirect Equity Interests in all of the IACs and/or (B) the assets of each of the IACs on or prior to the expiration of the Sackler Sale Period (other than any Retained Interests and without giving effect to the subsequent term of the Sackler Sale Period following the MDT Sale Period), then the Sackler Parties' Representative shall provide written notice to the MDT (an "Unsold IAC Notice"). If an IAC Payment Party has not delivered an Unsold IAC Notice to the MDT on or prior to the expiration of the Sackler Sale Period, the MDT may request that such IAC Payment Party either (x) certify that it has completed the sale of all or substantially all of (A) its direct and/or indirect Equity Interests in all of the IACs and/or (B) the assets of each of the IACs on or prior to the expiration of the Sackler Sale Period (other than any Retained Interests) or (y) deliver an Unsold IAC Notice, and such IAC Payment Party shall promptly comply with such request.

(b) During the period beginning on the date of delivery of an Unsold IAC Notice to the MDT and ending on the one hundred eightieth (180th) calendar day following the date of such delivery (the "MDT/IAC Sale Notice Deadline"), the MDT may notify the Sackler Parties' Representative that it intends to initiate a sale process with respect to the IAC(s) that are the subject of such Unsold IAC Notice (an "MDT/IAC Sale Process Notice"). If the MDT delivers an MDT/IAC Sale Process Notice to the Sackler Parties' Representative on or prior to the MDT/IAC Sale Notice Deadline, then:

(i) The Parties will determine the value of the applicable IAC(s) pursuant to the appraisal process set forth below:

(A) Each of (x) the MDT and (y) the IAC Payment Parties shall appoint an independent appraiser to complete a fair market value appraisal of the applicable IAC, which appointment shall include an instruction to the appraiser to exclude from the value of such IAC the effect of any actual or contingent liabilities related to pending, threatened or potential opioid-related litigation.

(B) If the value provided by the appraisals by each of the appraisers are within a fifteen percent (15%) variance of the other, the average of the two appraisals will be used. In the event that the appraisals are not within fifteen percent (15%) variance of each other, a third appraiser shall be jointly appointed by the MDT and the IAC Payment Parties and provided with the same direction with regard to potential opioid-related litigation as was provided to the initial appraisers, the median valuation from the three fair market value appraisals shall serve as the value of the applicable IAC(s).

(ii) The MDT shall have twenty-four (24) months from the delivery of the MDT/IAC Sale Process Notice to identify one or more buyers for a Sale of the IAC(s) referenced in the Unsold IAC Notice. In furtherance thereof, the MDT may direct the IAC Payment Parties to evaluate in good faith any proposed transaction involving the disposition of all or substantially all of the direct or indirect Equity Interests of such IAC or all or substantially all of its assets (excluding Retained

Interests), as applicable. This may include directing the IAC Payment Parties to cooperate in an auction of the IAC Pledged Shares or any other direct or indirect Equity Interests in such IAC(s).

(iii) For a period of twenty-four (24) months following the delivery of such MDT/IAC Sale Process Notice (as the same may be extended in accordance with the terms below, the "MDT Sale Period"), each IAC Payment Party shall, and shall cause its relevant Affiliates to, take all actions reasonably necessary to comply with a good faith direction (if any) delivered by the MDT in furtherance of a Sale of such IAC, including entering into a binding Sale agreement; *provided*, the IAC Payment Parties shall not be obligated (and shall not be obligated to cause any IAC) to enter into any such Sale agreement with respect to such IAC unless (A) the Sale Proceeds from such Sale would be greater than eighty percent (80%) of the appraised value of such IAC as determined pursuant to Section 3.07(b)(i) and (B) such Sale agreement is otherwise on customary and reasonable terms, as reasonably determined by the Sackler Parties' Representative, and *provided, further*, that the MDT Sale Period may be extended for a period of twelve (12) months at the sole option of the MDT if at the time of the expiry of such MDT Sale Period, the MDT has received bona fide expressions of interest from third parties regarding a transaction involving the disposition of all or substantially all of the direct or indirect Equity Interests of such IAC or all or substantially all of its assets (excluding Retained Interests) that the MDT intends to pursue.

(c) If the MDT has not completed a Sale of the IAC(s) referenced in the Unsold IAC Notice by the end of the MDT Sale Period, and so long as a Sale is not otherwise pending consummation in accordance with binding transaction documents related thereto, then the rights of the MDT to conduct the sale process pursuant to Section 3.07(b) shall revert to the IAC Payment Parties, and the IAC Payment Parties shall continue to have the obligations set forth (i) in Section 3.01(a), Section 3.01(b), and Section 3.01(c), subject to Section 3.04 (*provided*, the obligations set forth in Section 3.07(a) and Section 3.07(b) shall terminate) and (ii) in Section 3.02, Section 3.03, and Section 3.06; and *provided further*; that the IAC Payment Parties shall continue to provide the MDT with information described in Section 3.02(a)(i), (ii),(iii) and (on an annual basis only) (v), in each case, delivered to such IAC Payment Parties with respect to any IAC(s) that remain unsold following completion of the sale process contemplated by Section 3.07(b).

(d) THE REMEDIES SET FORTH IN THIS SECTION 3.07 ARE THE SOLE AND EXCLUSIVE REMEDIES OF THE MDT OR ANY PARTY TO ANY SETTLEMENT AGREEMENT OR THE PLAN WITH RESPECT TO ANY BREACH OR ALLEGED BREACH OF SECTION 3.01 OF THIS AGREEMENT. FOR THE AVOIDANCE OF DOUBT, THE MDT WAIVES ANY RIGHT TO ENFORCE THE OBLIGATIONS OF THE IAC PAYMENT PARTIES PURSUANT TO SECTION 3.01 WITH RESPECT TO ANY IAC PRIOR TO THE EXPIRATION OF THE SACKLER SALE PERIOD APPLICABLE TO SUCH IAC.

ARTICLE 4.
TAX MATTERS

Section 4.01 Restitution Payments.

(a) The Restitution Amounts (as defined in the following paragraph) paid in Cash and Cash Equivalents, in kind (by transfers of property) or otherwise, directly or indirectly, by, on behalf of, or at the direction of the Debtors, the IAC Payment Parties, or PRA L.P. or any of its direct or indirect interest holders (the "Payors") pursuant to the Plan and/or this Agreement are hereby, in each case, based on the origin of the liability and the nature and purpose of the payments (as more fully described in the Disclosure Statement, the Plan, the Governmental Remediation Trust and the Tribe TDP), identified as amounts paid for restitution, remediation or that are paid to come into compliance with any law which was violated, in accordance with Section 162(f)(2)(A)(ii) of the Code (and the applicable Treasury Regulations promulgated

thereunder) (collectively, "Restitution"), in each case in relation to the damage done and Alleged Harms suffered in connection with or arising out of Opioid-Related Activities with respect to the Products, as more fully described in the Disclosure Statement, the Plan, the Governmental Remediation Trust and the Tribe TDP. Restitution Amounts are paid by or on behalf of the Payors in order to restore, in whole or in part, the MDT, the Settling States, the Participating Subdivisions, the Private Claimants, and persons to the same or substantially similar position or condition that they would be in had the MDT, the Settling States, the Participating Subdivisions, the Private Claimants, and persons not suffered the Alleged Harms. Nothing in this Agreement, the Plan, Confirmation Order or any documents submitted in connection with the Plan is a binding determination on the IRS regarding whether the amounts paid as described herein satisfy the requirements of Section 162(f)(2) of the Code or any other requirements of Section 162(f) of the Code and applicable Treasury Regulations.

(b) To the extent relevant for purposes of Section 162(f)(2)(A)(ii) of the Code, the term "Restitution Amounts" shall comprise (i) the payment or transfer pursuant to the Plan of the Initial Public Creditor Trust Distributions; the NewCo Transferred Assets; and the Plan Effective Date Cash transferred to fund the MDT Operating Reserve, (ii) the payments to be made to the MDT pursuant to this Agreement up to the Settlement Amount plus any payments made pursuant to Section 2.06 and (iii) any other amounts paid or properties transferred to, or at the direction of, any government or governmental entity, pursuant to the Plan and/or this Agreement in relation to Opioid-Related Activities with respect to the Products and within the scope of Section 162(f) of the Code. The Restitution Amounts are less than or equal to the amount, in the aggregate, of the Alleged Harms allegedly suffered by the Settling States, the Participating Subdivisions, the Private Claimants and the General Unsecured Creditors; and the portion of the Restitution Amounts received by each of the Settling States, the Participating Subdivisions, the Private Claimants and the General Unsecured Creditors is less than or equal to the amount of the Alleged Harms allegedly suffered by the Settling States, the Participating Subdivisions, the Private Claimants and the General Unsecured Creditors.

(c) Notwithstanding the foregoing, (i) no amounts described in Section 5.9 of the Plan or reported in connection with Section 4.01(f)(ii) and paid in connection with the Plan and/or this Agreement as reimbursement for costs of any government investigation or litigation concerning the violation or potential violation of any law, including attorney's fees, shall be treated as Restitution Amounts, (ii) neither the DOJ Forfeiture Payment, nor any amount paid to the United States pursuant to Section 4.3(b) of the Plan for Federal Government Unsecured Claims (Class 3), shall be treated as Restitution Amounts, (iii) no portion of the Settlement Payments constitutes the disgorgement of any allegedly ill-gotten gains; and (iv) no portion of the Settlement Payments is paid for, is in place of, or is properly characterized as the payment of any fine, penalty, punitive damages, or other punitive assessments. All Restitution Amounts shall be used in accordance with the terms of the Plan, this Agreement and the Creditor Trust Documents, including for Opioid Remediation (as defined in the Governmental Remediation Trust and the Tribe TDP, as applicable), as more fully set forth in such documents.

(d) For purposes of this Section 4.01, (x) the amount of any payment made in Cash and Cash Equivalents shall be equal to the face amount of such Cash and Cash Equivalents, and the amount of any payment made through a transfer of other property shall be equal to the fair market value of such property as of the time of each such transfer; (y) the terms used in this Section 4.01 shall be interpreted in conformity with the meaning of such terms as used in Section 162(f) of the Code and the Treasury Regulations promulgated thereunder; and (z) the term "Plan" shall include the Plan, any other documents and agreements contemplated by the Plan, any other documents and agreements which are supplemental or ancillary to the Plan and any court order or judgment relating to the foregoing.

(e) For the avoidance of doubt, nothing in this Section 4.01 shall bind the IRS with respect to tax treatment, tax reporting or information reporting, and (i) no party other than PRA L.P., the IAC Payment

Parties, the Shareholder Released Parties and their non-Debtor Related Persons and other Sackler Parties (collectively, the "Relevant Parties") shall be responsible for obtaining any Tax deductions or other Tax treatment claimed by any Relevant Party in connection any payments or transfers under this Agreement or the Plan, including all amounts intended to constitute Restitution (collectively the "Tax Treatment"), (ii) nothing in this Agreement shall impose on the Debtors, any Holder of an Allowed Claim, the MDT, any Creditor Trust, the Plan Administration Trust or any other entity created pursuant to the Plan (including without limitation Foundation, NewCo and their Subsidiaries), or any Related Person of any of the foregoing (collectively, the "Other Parties") any liability with respect to the Tax Treatment (including without limitation the failure of any Relevant Party to obtain such Tax Treatment) and (iii) none of the Other Parties shall have any obligation to indemnify, defend, or otherwise hold harmless any party with respect to any loss, denial, deferral, curtailment or impairment of such Tax Treatment or any related costs, interest or penalties, nor shall the failure of any party to obtain such Tax Treatment give rise to any right of any Relevant Party to any deduction, counterclaim, defense, recoupment or setoff with respect to any payments they are required to make pursuant to this Agreement or the Plan.

(f) Use of Settlement Payments.

(i) Other than with respect to Estate Payments allocated in accordance with Section 5.9(a) and (b) of the Plan, it is the intent of the Parties that the Estate Payments disbursed to Settling States and Participating Subdivisions be for Opioid Remediation, subject to exceptions that must be documented in accordance with Section 4.01(f)(ii). In no event may less than ninety-five (95%) of the Payment Groups' amount of such Estate Payments disbursed to Settling States and Participating Subdivisions over the entirety of all such Estate Payments (but not for any single Payment Date) be spent on Opioid Remediation.

(ii) While disfavored by the Parties, a Settling State or a Participating Subdivision set forth on Exhibit G to the Governmental Entity & Shareholder Direct Settlement Agreement may use monies from Estate Payments (excepting Estate Payments allocated in accordance with Section 5.9(a) and (b) of the Plan) for purposes that do not qualify as Opioid Remediation. If, at any time, a Settling State or a Participating Subdivision set forth on Exhibit G to the Governmental Entity & Shareholder Direct Settlement Agreement uses any monies from such Estate Payments for a purpose that does not qualify as Opioid Remediation, such Settling State or such Participating Subdivision shall identify such amounts and report to the Settlement Administrator and the Sackler Parties' Representative how such funds were used, including if used to pay attorneys' fees, investigation costs, litigation costs, or costs related to the operation and enforcement of this Agreement, respectively; provided, however, that because such fees and costs are anticipated to be funded from Estate Payments and other sources, such reporting shall be provided on aggregate basis regardless of source. It is the intent of the Parties that the limited reporting duty contemplated under this Section shall be discharged by the public posting of such information. Such reporting shall be made to the Settlement Administrator with respect to each six-month period ending on June 30 or December 31 of any year in which funds are received from the Settlement Fund. Settling States and Participating Subdivisions shall make each such report within ninety (90) days of the end of the applicable six-month period. The Settlement Administrator shall set up a system to receive and preserve reports from Settling States and Participating Subdivisions that have used monies from the Settlement Fund for purposes that do not qualify as Opioid Remediation. The Settlement Administrator will not require Settling States and Participating Subdivisions without any such uses of money to submit a report, and the Settlement Administrator may treat the failure to submit a report as confirmation that a Settling State or Participating Subdivision had no such uses of money. For the avoidance of doubt, (i) any Estate Payment amounts (excepting Estate Payments allocated in accordance with Section 5.9(a) and (b) of the Plan) not identified under this Section as used to pay attorneys' fees, investigation costs, or litigation costs shall be included in the Compensatory Restitution Amount and (ii) Participating Subdivisions not listed on Exhibit G to

the Governmental Entity & Shareholder Direct Settlement Agreement may only use monies from such Estate Payments for purposes that qualify as Opioid Remediation.

Section 4.02 Settlement Payments. For the avoidance of doubt, all Parties agree that no Settlement Payments or portion thereof are "payments in compensation for late or delayed transfers" under Treasury Regulations Section 1.468B-2 and shall treat and report all such payments consistent with such characterization, unless otherwise required by applicable Law.

Section 4.03 Qualified Settlement Funds. All Parties agree to treat the Master Disbursement Trust, each Creditor Trust, and the Tribe Trust (other than any Tribe Trust entity that is formed as a legal entity other than a trust) as QSFs, and all Parties shall report consistently with the foregoing for all applicable U.S. federal income or other Tax purposes. Accordingly, all parties acknowledge and agree notwithstanding anything to the contrary in this Agreement that (i) the Settlement Payments are intended to be treated as amounts transferred to a QSF by, or on behalf of, a Transferor to resolve or satisfy a liability for which the QSF is established, and (ii) the actual or deemed payment or reimbursement of an amount by MDT or any Creditor Trust, if any, is intended to be permitted hereunder solely for claims that are either of the same type as the claims for which MDT and the Creditor Trusts are established or of another type that arises from the same event or related series of events for which MDT and the Creditor Trusts are established within the meaning of QSF Regulations 1.468B-1(h)(2).

Section 4.04 Settlement Agreement. All Parties intend and agree that this Agreement shall be treated for all applicable Tax purposes as a contractual agreement to make payments in respect of an agreed settlement of claims. Breach Fees payable pursuant to Section 9.05 of this Agreement shall be treated for all applicable Tax purposes as a contractual late payment fee in respect of late or delayed transfer of payments due pursuant to this Agreement.

Section 4.05 Forms W-9. On or before the Settlement Effective Date, each of PRA L.P. and MDT shall provide the other with a properly completed and validly executed IRS Form W-9 (or any successor form) certifying that it is exempt from U.S. federal backup withholding and U.S. federal income withholding tax. Each of PRA L.P. and the Master Disbursement Trust agrees that if the IRS Form W-9 (or any successor form) previously delivered expires or becomes obsolete or inaccurate in any respect, it shall promptly provide the other party with a properly completed and validly executed IRS Form W-9 (or any successor form).

Section 4.06 Intentionally Omitted.

Section 4.07 Tax Reporting. For U.S. federal income tax purposes, the relevant IAC Payment Party(ies) is intended to be treated as the owner of each IAC Account. All interest or other income earned in any IAC Account shall be properly reported to all relevant taxing authorities by the relevant IAC Payment Party(ies) as owner of the IAC Account for all tax purposes whether or not such income has been distributed during such year.

Section 4.08 Tax Cooperation.

(a) Subject to the limitations set forth herein, upon the reasonable written request by the Sackler Parties' Representative or PRA LP to the MDT or the Designated State, each of the MDT and the Designated State agrees to cooperate in good faith with the Sackler Party Representative or PRA LP, as the case may be, to timely provide such further information and documents in its possession or reasonably available to it or to the Settling States, and use reasonable efforts to timely execute and deliver such further documents in its possession or in the possession of the Settling States as may be reasonably necessary for Payment Parties or PRA LP to establish the statements set forth in Section 4.01 to the reasonable satisfaction

of their tax advisors and their independent financial auditors, including as contemplated by Section 162(f) of the Internal Revenue Code of 1986, as amended, and 26 C.F.R § 1.162-21(b)(3)(ii) and any subsequently proposed or finalized relevant regulations or administrative guidance, or that are reasonably necessary with respect to any tax claim, dispute, investigation, audit, examination, contest, litigation, or other proceeding with the Internal Revenue Service or other governmental authority relating to such matters ("Tax Matters"). All requests must reasonably detail the purpose for requesting the documents or other information at that time.

(b) The MDT and the Settling States agree to timely and reasonably cooperate with the Designated State in connection with any reasonable requests made hereunder. Such cooperation shall be limited to (x) the retention and provision (upon reasonable written request by the Sackler Parties' Representative or PRA LP) of records and information which are reasonably relevant to any such Tax Matters, and which are in the possession of the MDT or the Settling States or reasonably available to them, and (y) making employees and other personnel reasonably available on a mutually convenient basis to timely provide additional information reasonably requested and explain any material provided hereunder to the extent such cooperation does not materially and adversely affect the cooperating party. The Sackler Parties' Representative shall use reasonable efforts to make requests under this Section 4.08 no more frequently than quarterly, other than in connection with circumstances in which a more timely response is required to respond to a request from a taxing authority.

(c) Nothing in this Section 4.08 shall require the MDT, the Designated State, any Settling State or any Participating Subdivision to (i) provide any information or document that has been filed with the Bankruptcy Court or otherwise made publicly available by the public posting of such information or document; (ii) retain information or records other than in accordance with any applicable retention policy except with respect to reasonable written requests by the Sackler Parties' Representative or PRA LP made to the MDT or the Designated State; (iii) provide information or documents that have been previously provided to the Sackler Parties' Representative or PRA LP; (iv) search and/or produce e-mail or physical records, except to the extent reasonably necessary to identify information or documents relevant to any reasonable request made hereunder; (v) provide information or documents that would result in a violation of applicable law; (vi) provide information or documents that are privileged; (vii) bear any out-of-pocket costs or expenses; or (viii) provide information or documents that would result in a breach of a confidentiality agreement or obligation. In each such case where the MDT, the Designated State, a Settling State or a Participating Subdivision does not provide a document or other information solely pursuant to the preceding sentence, the MDT, the Designated State, Settling State or Participating Subdivision shall inform the Sackler Parties' Representative, or PRA LP to the extent legally permissible, of the basis on which information was not provided. Other than with respect to Section 4.01(f)(ii), and notwithstanding anything else herein to the contrary, the MDT, the Designated State, the Settling States and Participating Subdivisions shall have no obligation to trace funds received pursuant to this Agreement or the Governmental Entity & Shareholder Direct Settlement Agreement; and no Settling State or Participating Subdivision shall have any obligation or responsibility for any other Settling State or Participating Subdivision under this Section 4.08.

(d) Pursuant to 26 C.F.R. § 1.6050X-1(a) and (b), the Designated State, on behalf of the MDT and all Settling States and Participating Subdivisions shall designate one of its officers or employees to act as the "appropriate official" within the meaning of 26 C.F.R. § 1.6050X- 1(f)(1)(ii)(B) (the "Appropriate Official"). The Designated State shall use reasonable best efforts to direct and ensure that the Appropriate Official timely (a) files (i) at the time this Agreement becomes binding on the Parties, an IRS Form 1098-F in the form attached as Exhibit U to the Governmental Entity & Shareholder Direct Settlement Agreement with respect to PRA LP and the Payment Parties and (ii) any legally required forms, returns or amended returns with any applicable governmental authority, or any returns reasonably requested by PRA LP or a Payment Party, and (b) provides the Sackler Parties' Representative a copy of (i) the IRS Form 1098-F filed

with respect to PRA LP or such Payment Party and (ii) any legally required written statement pursuant to any applicable law and any other document referred to in clause (a)(ii) above. Any such forms, returns, or statements shall be prepared and filed in a manner fully consistent with Section 4.08 and as set forth in Section 4.08(e).

(e) Any form, return, amended return, or written statement filed or provided pursuant to Section 4.08(d), and any similar document, shall be prepared and filed in a manner consistent with reporting on IRS Form 1098-F. If the Designated State or Appropriate Official shall be required to file any form, return, amended return, or written statement contemplated by this Section 4.08 other than an IRS Form 1098-F in the form attached as Exhibit U to the Governmental Entity & Shareholder Direct Settlement Agreement, the Designated State shall use reasonable best efforts to direct and ensure that the Appropriate Official provides to the Sackler Parties' Representative or PRA LP a draft of such form, return, amended return, or written statement in respect of the Payment Parties or PRA LP no later than sixty (60) calendar days prior to the due date thereof, and shall accept and reflect any reasonable revisions from or on behalf of the Sackler Parties' Representative or PRA LP on the return, amended return, or written statement in respect of the Payment Parties or PRA LP.

(f) For the avoidance of doubt, none of the Payment Parties, the MDT, the Designated State, or the Settling States make any warranty or representation to any Payment Party, the MDT, Settling State, or Releasor as to the tax consequences of the payment of the Compensatory Restitution Amount (or any portion thereof), and nothing in this Agreement shall impose on the MDT, the Designated State, or the Settling States any liability with respect to any tax or related obligation of the Shareholder Released Parties, or obligation to indemnify, defend, or otherwise hold harmless any Shareholder Released Party for any tax or other obligations.

Section 4.09 Private Trusts Reporting. Notwithstanding anything to the contrary herein or otherwise, none of the Private Creditor Trusts or the Public Schools Trust shall be required to provide any tax information or cooperation, or to assist in tax reporting or other tax compliance, to or for benefit of the Shareholder Released Parties or the Sackler Parties' Representative or otherwise hereunder in connection with tax matters, except for (a) periodic forwarding, not more frequently than every three months, of applicable bank statements, or, (b) solely at the applicable trustee's election, such other reporting as provides the Sackler Parties' Representative with substantially similar relevant information as appears in such bank statements, in each case, which the applicable trustee may redact (or cause to be redacted) to exclude information that it considers not reasonably necessary for the Shareholder Released Parties' tax reporting. In the event of any conflict between this Section 4.09 and Section 3.01(d) of Exhibit Z, Section 3.01(d) of Exhibit Z shall control.

ARTICLE 5.
RESERVES.

Section 5.01 PAT Disputed Claims Reserves, Creditor Trust Non-Participating Claims Reserves and Released Claims Reserves.

(a) On the Plan Effective Date, the Plan Administration Trust and each Creditor Trust shall establish the PAT Disputed Claims Reserves and Creditor Trust Non-Participating Claims Reserves (collectively, "Reserves" and each individual reserve, a "Reserve"), by funding amounts in accordance with Sections 7.2(b), 7.2(c) and 7.2(d) of the Plan, as applicable. Following the Plan Effective Date, additional amounts shall be funded to the Reserves in accordance with the terms of the Plan.

(b) Following the Plan Effective Date, if any Disputed Claim or Non-Participating Claim becomes an Allowed Claim, then (A) the amount reserved for such formerly Disputed Claim or Non-

Participating Claim (net of expenses incurred) shall be released from the relevant Reserve(s) and transferred in accordance with the terms of Sections 7.7(a), 7.7(b), and 7.7(c) of the Plan, as applicable, and (B) thereafter, amounts that would have been funded to such Reserve(s) with respect to such Disputed Claim or Non-Participating Claim shall instead be distributed in accordance with the terms of Sections 7.7(a), 7.7(b), and 7.7(c) of the Plan, as applicable. If any Disputed Claim or Non-Participating Claim becomes a Disallowed Claim at any time, then: (A) any amount reserved for such Disputed Claim or Non-Participating Claim and funded to a Reserve from Settlement Payments shall be released from such Reserve, and transferred to the corresponding Released Claims Reserve, in accordance with Sections 7.8(a), 7.8(b), and 7.8(c) of the Plan, and (B) thereafter, amounts of Settlement Payments that would have been funded to a Reserve with respect to such Disputed or Non-Participating Claim shall instead be funded to the relevant Released Claims Reserve, as provided in the Plan. Amounts in a Reserve that were funded from sources other than Settlement Payments and any future such amounts shall be addressed in accordance with the Plan. On the Plan Effective Date (and thereafter to the extent reasonably practicable), all Reserve(s) shall be funded from Settlement Payments.

(c) Each Payment Group shall comply with the funding, reimbursement and reporting obligations with respect to the Released Claims Reserves and its associated Litigation Costs as set forth in Exhibit N, and in furtherance thereof may access the Released Claims Reserves for Litigation Costs related to a given Plan Class on the terms and subject to the conditions and limitations set forth in Exhibit N, other than a Payment Group or Payment Party in respect of which a Specified Breach has occurred and is continuing.

(d) Amounts shall be released from the Released Claims Reserves at the times and in the amounts, subject to the terms and conditions, as provided in Exhibit N. Amounts released from the Released Claims Reserve to any Creditor Trust, including amounts initially funded by RCR Top Off Payments, if any, shall be distributed in the same manner as Estate Payments under the Settlement.

(e) For the avoidance of doubt, and notwithstanding anything to the contrary in this Section 5.01, Exhibit N, or elsewhere, none of the A-Side Payment Parties comprising A-Side Payment Group 8 shall have any funding or reimbursement obligations under this Section 5.01 or Exhibit N, except for their obligation to pay a portion of the Estate Payment on the Settlement Effective Date, the fifth (5^{th}) Payment Date and the sixth (6^{th}) Payment Date to the Reserve(s) and/or the Special Operating Reserve.

Section 5.02 Special Operating Reserve Initial Funding and Mechanics.

(a) On the Plan Effective Date, the MDT shall establish a separate segregated, interest-bearing escrow account (the "Special Operating Reserve") and fund the Special Operating Reserve with $200 million from Estate Payments made on the Plan Effective Date and, by withholding from distributions otherwise included in Estate Payments as follows: (A) $20 million from distributions to the Private Claimants, and (B) $180 million from distributions to the non-federal governmental entities and tribes, in each case, as set forth in the Plan.

(b) On the terms and subject to the conditions and limitations set forth in Exhibit N:

(i) Each Payment Group shall comply with the funding, reimbursement and reporting obligations with respect to the Special Operating Reserve and associated Litigation Costs as set forth in Exhibit N, and in furtherance thereof may access the Special Operating Reserve if and to the extent its Litigation Costs exceed its Retained Payment Amount, other than a Payment Group or Payment Party in respect of which a Specified Breach has occurred and is continuing.

(ii) If a Payment Group withdraws funds from the Special Operating Reserve and its Retained Payment Amount subsequently exceeds its Litigation Costs, such Payment Group shall be obligated to top up the Special Operating Reserve, as set forth in Exhibit N.

(iii) As set forth in Exhibit N, on the second Payment Date and each Payment Date thereafter, until there has been reversion as contemplated by Exhibit N (x) if the balance in the Special Operating Reserve is less than $300 million, the MDT shall deposit out of Estate Payments made on such Payment Date additional amounts into the Special Operating Reserve to the extent necessary to increase the balance in the Special Operating Reserve to $300 million and (y) if the balance of the Special Operating Reserve is more than $300 million, the MDT may withdraw the excess and apply such Sweep Amount (as defined in Exhibit N) as set forth in Exhibit N.

(iv) Following the later of the sixth (6^{th}) Payment Date and the date that no Material Litigation is pending, amounts will be released from the Special Operating Reserve as set forth in Exhibit N.

(c) Amounts released from the Special Operating Reserve to the MDT, including SOR Top Off Payments, if any, shall be distributed in the same manner as Estate Payments under the Settlement.

(d) So long as funds remain in the Special Operating Reserve that can be used by a Payment Group, all proposed settlement agreements between that Payment Group and non-federal governmental entities or the Private Claimants, or decisions not to appeal an appealable judgment, must be submitted to the MDT Advisory Council for consent in the manner set forth in Exhibit N.

(e) The MDT and the Sackler Parties' Representative shall be subject to the notification, reporting and review rights and obligations in respect of matters relating to the Released Claims Reserves, the Special Operating Reserve, Retained Payment Amounts and Litigation Costs set forth in Exhibit N.

(f) In case of any conflict between the provisions herein and the provisions of Exhibit N, the provisions of Exhibit N shall control.

(g) For the avoidance of doubt, and notwithstanding anything to the contrary in this Section 5.02, Exhibit N, or elsewhere, none of the A-Side Payment Parties comprising A-Side Payment Group 8 shall have any funding or reimbursement obligations under this Section 5.02 or Exhibit N, except for their obligation to pay a portion of the Estate Payment, on the fifth (5^{th}) Payment Date and/or sixth (6^{th}) Payment Date, to the Reserve(s) and/or the Special Operating Reserve.

ARTICLE 6.
TERMINATION.

Section 6.01 Termination of Agreement. This Agreement shall terminate under the circumstances set forth on Exhibit I or Section 11.06(c).

ARTICLE 7.
REPRESENTATIONS AND WARRANTIES OF THE SACKLER PARTIES

The Sackler Parties' Representative (with respect to Section 7.07), and each Sackler Party (with respect to each Section in this Article 7 other than Section 7.07) represents and warrants (in each case, solely as to itself) to the MDT that, as of the Agreement Effective Date (*provided* that (i) any A-Side Payment Party that is a Trust governed in whole or in part by the law of Jersey (Channel Islands) makes such representation and warranty as of the date such A-Side Payment Party receives a Court Order

applicable to it as described in Section 10.01(a)(viii) and (ii) each Estate and any other Payment Party subject to Section 10.01(c) and Section 10.01(d) makes such representation and warranty as of the date it receives the court approval described in Section 10.01(c)), the Settlement Effective Date, and each anniversary of the Settlement Effective Date (in each case, except to the extent a representation or warranty is expressly made as of a specific date, in which case it is made only as of such date):

Section 7.01 Formation and Power.

(a) Each such Sackler Party that is not a Trust, decedent's estate or natural person, including a corporation, limited liability company or limited partnership, (i) is duly formed, validly existing and in good standing or the equivalent thereof (to the extent such concepts are recognized under applicable Law) under the Laws of its jurisdiction of formation, with full power and authority to enter into this Agreement and the Collateral Documents to which it is a party and perform all of its obligations hereunder and thereunder; *provided*, that solely with respect to any Trust subject to Section 10.01(c) and Section 10.01(d), such power and authority, solely as it relates to the guarantee of an estate's obligations, shall be subject to the approval of the applicable court, (ii) is duly qualified and authorized to do business and in good standing or the equivalent thereof (to the extent such concepts are recognized under applicable Law) under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification and (iii) has all requisite governmental licenses, authorizations, consents and approvals to operate its business as currently conducted; in the case of clauses (ii) and (iii), except as would not materially adversely affect the ability of such Sackler Party to enter into this Agreement or the Collateral Documents to which it is a party and perform its obligations hereunder or thereunder.

(b) Each such Sackler Party that is a Trust (i) was duly created under the laws of its Original Jurisdiction of Creation as set forth on Exhibit R, (ii) has its situs and principal place of administration, and validly exists under the laws of, its Jurisdiction of Administration as set forth on Exhibit R and (iii) is governed (taking into account any express provisions in its organizational documents) by the laws of its Governing Law Jurisdiction as set forth on Exhibit R. With respect to such Trust, Exhibit R sets forth a true and complete list of (A) its currently acting trustees, (B) its Power Holders, (C) its Required Interested Persons, (D) its Beneficiary Interested Persons and beneficiaries under a legal disability (with an accurate notation identifying each such beneficiary, if any, that is under a legal disability (e.g., is a minor) and the date of birth of any such individual under a legal disability who is not a minor and with minors identified by year of birth and familial relationship such as "Child # 1 of [Name], [year of birth]" and not by actual name) and (E) its Possible Refunding Trusts, if any. The information on Exhibit R related to the information regarding the Trusts described in this Section 7.01(b) may be amended by the Sackler Parties' Representative at any time and from time to time to reflect changes occurring with respect thereto after the date hereof, *provided* that notice and a copy of such amendment shall be provided promptly to the MDT, in which case the representation and warranty set forth above with respect to such Exhibit R shall be true and correct as of the date of such amendment.

(c) With respect to the Sackler Party that is an Estate (i) has its situs and principal place of administration as set forth on Exhibit R, and (ii) has a governing instrument that was admitted to original probate, with permanent letters issuing to its personal representative(s), by the court set forth on Exhibit R. Exhibit R sets forth a true and complete list of (A) the Estate's currently acting personal representatives, (B) the Estate's Required Interested Persons, and (C) the Estate's Beneficiary Interested Persons and beneficiaries under a legal disability (with an accurate notation identifying each such beneficiary, if any, that is under a legal disability (e.g., is a minor) and the date of birth of any such beneficiary under a legal disability who is not a minor and with minors identified by year of birth and familial relationship such as "Child # 1 of [Name], [year of birth]" and not by actual name).

(d) In the case of a Sackler Party that is a Trust or an Estate, the trustees of each Trust and the personal representatives of each Estate (i) have been duly appointed and are validly acting as the trustees and personal representatives of each Trust and Estate, (ii) are resident and/or have their respective principal place of business as set forth on Exhibit R, (iii) in the case of trustees and personal representatives that are not individuals (x) are duly formed, validly existing and in good standing or the equivalent thereof (to the extent such concepts are recognized under applicable Law) under the Laws of their jurisdiction of formation, with full power and authority to act and exercise their powers and authorities as a trustee or personal representative of such Sackler Party, (y) are duly qualified and authorized to do business and in good standing or the equivalent thereof (to the extent such concepts are recognized under applicable Law) under the Laws of their jurisdiction of formation and each other jurisdiction where their acting as trustees or personal representatives of such Sackler Party requires such qualification, authorization and good standing (with respect to the administration of the Trust or the Estate as currently conducted) and (z) have all requisite governmental licenses, authorizations, consents and approvals to operate its businesses (to the extent relevant to acting as a trustee, personal representative or otherwise join in the administration, of the Trust and the Estate) as currently conducted; in the case of clauses (y) and (z), except as would not materially adversely affect the ability of such Sackler Party (or such trustee or personal representative in its own capacity on their behalf) to enter into this Agreement or the Collateral Documents to which such Sackler Party is a party and perform its obligations hereunder and thereunder (if applicable), (iv) have all requisite power and authority in their own capacities acting on their own behalf to serve as trustees and personal representatives of such Sackler Party, and (v) have all requisite power and authority in their capacities as trustees and personal representatives of such Sackler Party to execute, deliver and perform such Sackler Party's obligations (which for the avoidance of doubt are the obligations of the trustees or personal representatives thereof in their capacities as trustees and personal representatives thereof) under this Agreement and the Collateral Documents to which such Sackler Party is a party.

(e) Except (i) to the extent investment discretion has been delegated to investment managers, and (ii) for contractual restrictions related to specific investments, each trustee of such Sackler Party that is a Trust and each personal representative of an Estate (or, for the avoidance of doubt but subject to the proviso of this Section 7.01(e), in the case of a Trust with more than one trustee or if at the time of the making of this representation there shall be more than one personal representative of an Estate, the trustees of such Trust and the personal representatives of such Estate) has sole discretion, power and authority to manage and control the assets of the Trust and the Estate, as applicable, for both investments and determinations of distributions, to sell, exchange, invest, reinvest, dispose of, or pledge the assets of the Trust and the Estate, as applicable, including the IAC Pledged Shares and the other Collateral owned by such Person, and to incur debt and enter into agreements to pay or make binding guarantees, subject to the restrictions and qualifications (if any) set forth in the governing instruments of such Trust or such Estate requiring the trustee or personal representative, as applicable, to obtain the consent of a protector or other Person (a "Consent Person"), which restrictions and qualifications (including the identity of all Consent Persons) are each listed on Exhibit Q, in order to take certain actions; *provided* that, for the avoidance of doubt, in the case of a Trust with more than one trustee whose Trust instrument confers any such discretion, power or authority on one or more but less than all of the trustees (or if at the time of the making of this representation there shall be more than one personal representative of an Estate), the representation made in this Section 7.01(e) shall, insofar as such discretion, power or authority is concerned, be read to apply only to the trustee or trustees (or personal representative or representatives) having such discretion, power or authority.

Section 7.02 Authority; Enforceability

(a) The execution, delivery and performance of this Agreement and the Collateral Documents to which it is a party by each Sackler Party that is not a Trust, an Estate or a natural person, including a corporation, limited liability company or limited partnership, and the consummation by such Sackler Party

of the transactions contemplated hereby and thereby have been duly and validly authorized by all requisite corporate, limited liability company, partnership or other entity action by such Sackler Party, and no other proceedings on the part of such Sackler Party are necessary to authorize the execution, delivery or performance of this Agreement or the Collateral Documents to which it is a party by such Sackler Party. This Agreement and the Collateral Documents to which it is a party have been duly and validly executed and delivered by such Sackler Party, and this Agreement and the Collateral Documents to which it is a party constitute valid and binding obligations of such Sackler Party, enforceable against such Sackler Party in accordance with their terms, except as such enforceability may be limited by Bankruptcy Matters, or by general equitable principles.

(b) The execution, delivery and performance of this Agreement and the Collateral Documents to which it is a party by each Sackler Party that is a Trust or an Estate and the consummation by such Sackler Party of the transactions contemplated hereby and thereby have been duly and validly authorized by all requisite trust or estate administration action, as applicable (including without limitation by any requisite action of any applicable Consent Person and approval by the Royal Court of Jersey (Channel Islands) ("Court Approval")) and no other proceedings on the part of such Sackler Party is necessary to authorize the execution, delivery or performance of this Agreement or the Collateral Documents to which it is a party by such Sackler Party or any Consent Person. This Agreement and the Collateral Documents to which it is a party have been duly and validly executed and delivered by such Sackler Party, and this Agreement and the Collateral Documents to which it is a party constitute valid and binding obligations of such Sackler Party, enforceable against such Sackler Party in accordance with their terms, except as such enforceability may be limited by Bankruptcy Matters, or general equitable principles which, for the avoidance of doubt, do not include for these purposes any limitations for such purpose by reason of trustee or personal representative fiduciary duties, including duties of prudence and undivided loyalty.

(c) The execution, delivery and performance of this Agreement and the Collateral Documents to which it is a party by each Sackler Party that is a natural person have been duly and validly executed and delivered by such Sackler Party, and this Agreement and the Collateral Documents to which it is a party constitute valid and binding obligations of such Sackler Party, enforceable against such Sackler Party in accordance with their terms, except as such enforceability may be limited by Bankruptcy Matters, or by general equitable principles.

Section 7.03 No Contravention. Subject to the Implementation Limitations, the execution, delivery and performance of this Agreement and the Collateral Documents to which it is a party by each Sackler Party (including for the avoidance of doubt by the trustees of a Sackler Party that is a Trust) does not (a) contravene the terms of any such Sackler Party's organization documents (including trust documentation), (b) violate any Law, (c) violate any fiduciary duty owed to any Person, (d) violate any other agreement, instrument or trust or other restrictions to which such Sackler Party (or the trustees thereof in their capacities as such trustees) are subject or (e) violate or contravene any order or approval of any court or other governmental or judicial authority; in the case of clauses (b) through (e), except as would not materially adversely affect the ability of such Sackler Party (or the applicable trustee on their behalf) to enter into this Agreement or the Collateral Documents to which it is a party and perform its obligations hereunder and thereunder.

Section 7.04 Net Asset Reports. Except with respect to any projections, forecasts or other forward-looking information set forth therein, and subject to the qualifications, estimates and methodology set forth therein, (i) if such Sackler Party is an Initial Covered Sackler Person (as defined in the Case Stipulation), then the applicable Net Asset Presentations fairly present, in all material respects, the balance sheets of such Sackler Party as of the respective dates set forth therein, and (ii) if such Sackler Party is not an Initial Covered Sackler Person, then the additional balance sheet information provided to the Debtors and their advisors by Huron Consulting Group with respect to such Sackler Party and the other members

of such Sackler Party's Family Group fairly presents, in all material respects, the balance sheets of such Persons as of the respective dates set forth therein.

Section 7.05 List of IACs. Each of the representations made in clauses (a) through (i) of this Section 7.05 is made by the members of each Payment Group, as of the date hereof, solely with respect to the members of their Family Group, and, any such representation made by the members of a particular Payment Group, to the extent necessary, assumes the accuracy of any corresponding representation made by any Sackler Party that is not a member of such Payment Group.

(a) Exhibit E-1 sets forth:

(i) a true and complete list of all non-U.S. (and certain U.S.) pharmaceutical companies that are operating companies Controlled, directly or indirectly, individually or acting together with other Sackler Parties or their Affiliates, by one or more Sackler Parties, other than those entities set forth on Exhibit E-2 (which for the avoidance of doubt, are not IACs for purposes of this Agreement); and

(ii) with respect to the A-Side IAC Payment Parties and the B-Side IAC Payment Parties, respectively, a true and complete list of all Subsidiaries of such A-Side IAC Payment Parties and B-Side IAC Payment Parties that directly or indirectly holds any common and preferred equity interests in any IAC (and with respect to each such Subsidiary that is not wholly owned by a single A-Side IAC Payment Party or B-Side IAC Payment Party, each other equity owner and the percentage interest thereof).

(b) Besides the IACs and the entities listed on Exhibit E-2, the members of each Payment Group are, solely with respect to the members of their Family Group, not aware of any other operating non-U.S. pharmaceutical headquartered company in which any of their members holds an equity interest in excess of 5% of such company's outstanding equity.

(c) All Equity Interests in each IAC that are owned, directly or indirectly by a member of a Family Group or any other Sackler Party are owned through one or more IAC Pledged Entities.

(d) All of the debt that has been provided directly or indirectly to an IAC or Subsidiary of an IAC by a Related Party of such IAC or Subsidiary of such IAC is ultimately owed, directly or indirectly, to the IAC Payment Parties.

(e) Except as set forth on Exhibit E-3, (i) the A-Side IAC Payment Parties directly or indirectly own 50% of the Equity Interests of the IACs and (ii) the B-Side IAC Payment Parties directly or indirectly own 50% of the Equity Interests of the IACs.

(f) Each IAC Pledgor is the record owner, and holds good and valid title to, the IAC Pledged Shares to be pledged by it pursuant to Section 3.06, free and clear of any and all Liens, and has not granted any option to purchase or agreed to sell any such IAC Pledged Shares to any third party. All Equity Interests in each IAC Pledged Entity are held directly by one or more IAC Pledgors and, collectively, the IAC Pledgors hold one hundred percent (100%) of the Equity Interests in the IAC Pledged Entities.

(g) The IAC Pledgors are comprised of all or certain of (i) the IAC Payment Parties and their Subsidiaries and (ii) entities that directly or indirectly hold one hundred percent (100%) of one or more Persons listed in clause (i).

(h) All loans owed by an IAC to a Sackler Party are either an Intercompany Loan or an IAC Loan.

(i) Any option to purchase any Equity Interests in an IAC held by any IAC Holding Company or any Subsidiary of an IAC Payment Party has been exercised.

Section 7.06 List of Assuring Parties. Exhibit K represents a true and complete list of each of the Assuring Parties included in such Sackler Party's Family Group as of the date hereof.

Section 7.07 IAC Incentive Compensation Arrangements. The IAC Incentive Compensation Arrangements are, and during the Sackler Sale Period will remain, in place.

ARTICLE 8.
COVENANTS

Section 8.01 Non-Circumvention. Each Sackler Party covenants and agrees that it shall not, and shall cause all Persons under its Control not to, intentionally take or fail to take any action a purpose or material effect of which is to avoid, circumvent, frustrate or impair the ability of any Sackler Party to satisfy its Obligations or other obligations under this Agreement or the Collateral Documents to which it is a party, the enforcement thereof or the ability of the MDT to recover any unpaid Obligations (a "Prejudicial Impact"); *provided* that, notwithstanding the foregoing, any Sackler Party may (i) for the avoidance of doubt, take any action expressly permitted by this Agreement (including the Credit Support Annexes) or the Collateral Documents to which it is a party and (ii) undergo a conversion, recapitalization, reorganization, division, appointment in further trust, appointment of new trustees or personal representatives or exchange of securities into one or more corporations, limited liability companies, limited partnerships, trusts or other entities, or otherwise terminate or restructure and distribute its assets and liabilities (in whole or in part) to one or more other Sackler Parties, and such action shall not constitute a Prejudicial Impact, but only, in each case, to the extent that (A) the resulting entity or trust assumes the obligations of such Sackler Party in this Agreement pursuant to a joinder agreement in the form attached hereto as Exhibit W, (B) to the extent such Sackler Party has provided Collateral to the MDT or any other Secured Party pursuant to any Collateral Document, such conversion, recapitalization, reorganization, division, appointment, exchange or other transaction shall not have the effect of rendering any liens in favor of the MDT or any other Secured Party granted by such Sackler Party pursuant to any Collateral Document invalid, unenforceable or unperfected or adversely affect the priority thereof and any surviving or resulting trust or entity shall take any and all steps as are necessary to maintain the MDT's or such other Secured Party's perfected security interest (without lapse or change in priority) and also complies with all applicable limitations and requirements imposed under each Collateral Document to which such Sackler Party is a party, (C) the resulting entity or Trust is in the same Payment Group as its predecessor, or, in the case of a Crossover Member, the Crossover Member allocates its assets and liabilities proportionately among all Payment Groups it belongs to, (D) in the case of a Trust, each trustee and each Assuring Party that is a Power Holder of the continuing or resulting Trust shall have delivered to the MDT a Trust Certification and Further Assurances Undertaking, respectively, and (E) in the case of any change in the personal representatives of an Estate, each personal representative shall have delivered to the MDT an Estate Certification.

Section 8.02 No Interference. Each Sackler Party hereby covenants and agrees that it will not, and shall cause all Persons under its Control not to, intentionally take any action that would in any material respect interfere with, delay, impede, postpone or frustrate the confirmation or consummation of the Plan and implementation of the transactions contemplated in this Agreement and under the Collateral Documents to which such Sackler Party is a party. Each Sackler Party further covenants and agrees to comply with the provisions of the Plan applicable to it.

Section 8.03 Consent to Cancellation of PPLP Interests and De Minimis PRALP Interests.

(a) PRA L.P. hereby agrees, subject to the terms and conditions of this Agreement, to the deemed surrender, cancellation and/or redemption of the PPLP Interests pursuant to the Plan and that the direct and indirect holders thereof shall not receive or retain any property under the Plan on account of the PPLP Interests.

(b) The Parties agree, subject to the terms and conditions of this Agreement, to the deemed surrender, cancellation and/or redemption of the PPI Interests and the De Minimis PRALP Interests (with any taxes of Purdue Pharma Inc. and any other after-tax costs to Purdue Pharma Inc. attributable to its De Minimis PRALP Interests and resulting from the transactions contemplated in the Plan and this Agreement including, for the avoidance of doubt, any sales of IACs, being borne by the Sackler Parties) pursuant to the Plan and that (i) Purdue Pharma Inc. shall not receive or retain any property under the Plan on account of the De Minimis PRALP Interests and (ii) the direct and indirect holders of Purdue Pharma Inc. shall not receive or retain any property under the Plan on account of the PPI Interests.

Section 8.04 MDT Shareholder Insurance Rights. The Sackler Parties agree to the treatment of the MDT Shareholder Insurance Rights on the terms and conditions set forth in the Plan.

Section 8.05 Naming Rights.

(a) Each Payment Party covenants and agrees that it shall not, and the Confirmation Order shall provide that each Family Member that is a member of the Payment Group to which such Payment Party is a member shall not seek, request, or permit any new naming rights for the "Sackler" name with respect to charitable or similar donations to organizations (irrespective of when such funds were donated or from what source) until the later to occur of (1) the date on which the remaining unpaid Payment Obligations of the Payment Groups that such Family Member is a member have been reduced to zero (accounting, in the case of an A-Side Payment Group, for the maximum amount the A-Side Payment Group may be liable for hereunder) and (2) the first date on which the IAC Payment Parties of such Payment Groups are no longer the owners or holders of any interest in any IAC (other than Retained Interests permitted by Section 3.01(b)); *provided* that at such time such Payment Party and its associated Payment Group and Family Members are in compliance with their obligations under Section 8.08. For the avoidance of doubt, nothing in this Section 8.05 or the Confirmation Order shall prohibit (x) any Payment Party or Family Member from making any charitable or similar donations or (y) the publication of the name of any Payment Party or Family Member making a charitable or similar donation in connection with such donation, *provided* such publication is not pursuant to a naming right.

(b) Each Payment Party further covenants and agrees that it shall, and the Confirmation Order shall provide that each Family Member that is a member of the Payment Group to which such Payment Party is a member shall, upon occurrence of the Plan Effective Date, allow any institution or organization in the United States that has provided naming rights to any such Payment Party or Family Member to remove the "Sackler" name from any applicable (i) physical facilities and (ii) academic, medical, and cultural programs, scholarships, endowments, and the like, subject to the following conditions: (A) such institution or organization shall provide the respective Payment Party or Family Member with forty-five (45) calendar days' confidential notice of its intention to remove the "Sackler" name; (B) if such institution or organization in its discretion determines that an announcement or other disclosure regarding the removal of the "Sackler" name is necessary, such announcement or disclosure shall include a statement that indicates that such removal is pursuant to an agreement reached in mediation in the Bankruptcy Cases; and (C) any statements issued by such institution or organization in connection with or substantially concurrent with such removal shall not disparage any Payment Party or Family Member, *provided* that nothing in this clause (C) shall restrict any academic or similar work at such institution or organization.

For the avoidance of doubt, the removal rights provided in this Section 8.05(b) shall not limit any rights that any applicable institution or organization otherwise may have irrespective of this Agreement.

Section 8.06 Intentionally omitted.

Section 8.07 Notification of Breach. If any Party becomes aware that a Breach Trigger or Breach has occurred, such Party shall provide notice in accordance with Section 11.01 of this Agreement to all other Parties of the occurrence of such Breach Trigger or Breach within five (5) Business Days (for the avoidance of doubt, any such notice provided by the Sackler Parties' Representative shall constitute notice provided on behalf of all applicable Sackler Parties (other than any A-Side Payment Party that comprises A-Side Payment Group 8). Until the earlier of (i) the commencement of a Dispute Proceeding and (ii) the time at which the MDT is permitted to exercise remedies pursuant to Section 9.02(a) of this Agreement, the Parties shall not disclose any occurrence or notice of Breach Trigger or Breach except (a) to the other Parties, (b) to their respective representatives and advisors to whom the confidential nature of such information is also disclosed, (c) as required by applicable law, rule, regulation, or ethical requirement, or by any governmental, judicial, administrative, regulatory or quasi-regulatory body or process or any self-regulatory organization or (d) as necessary, in the sole discretion of the MDT, to evaluate or consider enforcement of its rights and remedies in connection with such Breach Trigger or Breach or as necessary to notify potential affected parties as to the impact of such Breach Trigger or Breach on the MDT's abilities to fulfill its contractual or fiduciary duties (including its obligations under the Plan); *provided* that notice to potential affected parties shall not be through the making of a public announcement or public disclosure (whether by press release, social media posting or otherwise).

Section 8.08 Opioid Business. Each Person listed on Exhibit H-1 (each, a "Restricted Person") shall not, other than by way of ownership of the IACs (unless and to the extent such IAC is no longer owned (directly or indirectly) by such Person (other than Retained Interests)), engage directly or indirectly in the manufacturing or sale of opioids, *provided*, *however*, that this provision shall not prohibit: (a) any investment in any third-party investment vehicle that is not controlled by any Restricted Person(s) and that makes investment decisions over which such Restricted Person has no discretion; *provided* that it is not an express investment purpose or objective of such third-party investment vehicle to make investments in the opioid business or in entities engaged in the manufacturing or sale of opioids; (b) any investment in less than 5% of the equity of any Person; (c) investments in any Person for whom the researching, development, manufacturing, distribution or sale of opioids is incidental or does not constitute one of such Person's principal businesses or business segments (including, without limitation, the practice of medicine or engaging in academic research on opioids); (d) investments held by such Restricted Person on the Agreement Effective Date and identified on Exhibit H-2 (or received as proceeds from dispositions of such investments); (e) activities related to MN Consulting LLC (as identified on Exhibit H-2), including serving as a director or officer thereof, only for so long as any IAC Payment Party directly or indirectly owns an IAC, to the extent such activities would otherwise violate this Section 8.08; or (f) engaging in activities for which the researching, development, manufacturing, distribution or sale of opioids is incidental, including, without limitation, the practice of medicine or engaging in academic research on opioids. To the extent that any Restricted Person engages in dispositions, sales or other transfers in order to comply with this provision, such dispositions, sales or other transfers shall not be with Persons known to such Restricted Person to be Related Parties, *provided* that for the purposes of this provision, Related Parties shall not include any IAC, any IAC Holding Company or any IAC Pledged Entity that is as of the time of determination not still owned or controlled by any of the Sackler Parties. In the event a Restricted Person holds an investment or interest in a Person and such Person makes acquisitions or changes its business to cause such investment or the holding of such interest to be impermissible under this Section 8.08 but for this sentence, the holding of such interest or investment shall not be a violation of Section 8.08 so long as (i) such Restricted Person uses its commercially reasonable best efforts to dispose of all or a portion of

such investment sufficient to cause it no longer to be impermissible within ninety (90) calendar days (in the case of marketable securities) or one-hundred and eighty (180) calendar days (in the case of non-marketable securities) of learning of the pertinent facts of such acquisitions or change in business, and (ii) such Restricted Person has disposed of all or a portion of such investment sufficient to cause it no longer to be impermissible hereunder prior to the second anniversary of learning of the pertinent facts of such acquisitions or change in business.

Each Restricted Person that has any ownership interest in any entity listed on Exhibit H-2 (except for MN Consulting LLC) (each, a "Exhibit H-2 Entity") shall (i) not actively participate in the ongoing management of any of the Exhibit H-2 Entities; (ii) not provide their consent (where required under the relevant documentation) to any action intended to lead to a material expansion of the opioid business of the Exhibit H-2 Entities; (iii) use commercially reasonable best efforts to explore exit options with regard to their investments in those of the Exhibit H-2 Entities the ownership of which would be prohibited by this Section 8.08 but for the fact that such entities are listed on Exhibit H-2; and (iv) at such time as applicable restrictions on their rights to exit their investments in the Exhibit H-2 Entities lapse, use their commercially reasonable best efforts to dispose of such investments, if and to the extent that their ownership of such entities would be prohibited by this Section 8.08 but for the fact that such entities are listed on Exhibit H--2.

Section 8.09 Additional Assuring Parties. The Sackler Parties shall use commercially reasonable best efforts to cause each Power Holder promptly to execute a Further Assurances Undertaking upon such Person becoming a new Power Holder with respect to any relevant power and promptly notify the MDT of any difficulties encountered in obtaining the same.

Section 8.10 Opinions of Counsel. If counsel to the Ad Hoc Committee or counsel to the Creditors' Committee seeks to secure any Opinions of Counsel as to (1) the enforceability of the security interests with respect to the Collateral granted by the applicable Payment Parties and the IAC Pledgors to the Secured Party pursuant to the Collateral Documents or (2) the perfection of the security interests with respect to the Collateral granted by the applicable Payment Parties and the IAC Pledgors to the Secured Party pursuant to the Collateral Documents, then the applicable Payment Parties and IAC Pledgors shall cooperate with the reasonable requests of such counsel related to the provision of such Opinions of Counsel, *provided* that such cooperation shall not be required if counsel to the applicable Sackler Party has provided the applicable Opinion of Counsel or has communicated to counsel to the Ad Hoc Committee and counsel to the Creditors' Committee that it will provide the applicable Opinion of Counsel (and such Opinion of Counsel is actually provided).

Section 8.11 Refunding. Each Trust hereby covenants and agrees that any property reverting or required to be refunded to such Trust by or from any other Trust shall be held by the trustees of such recipient Trust as a separate resulting trust that will remain subject to the transferring Trust's obligations under the Settlement Agreements or the Plan as if still held by such transferring Trust (with the satisfaction of obligations due MDT having, with respect to such resulting trust and the property thereof, priority over all other obligations of the recipient Trust to the fullest extent permitted by applicable law), and to execute such further documents as the MDT may reasonably request to evidence and confirm the same.

Section 8.12 IAC Incentive Compensation. The IAC Payment Parties shall ensure that the IACs and/or their Affiliates and associated entities maintain incentive compensation arrangements designed to incentivize key individuals who, in the judgment of the Sackler Parties' Representative, are critical to the Sale of the IACs in accordance with this Agreement ("IAC Incentive Compensation Arrangements").

Section 8.13 Additional IACs. Each Sackler Party hereby covenants and agrees that, in the event there is an entity that is as of the Agreement Effective Date a non-U.S. pharmaceutical operating

company Controlled, directly or indirectly, individually or acting together with other Sackler Parties or their Affiliates, by one or more Sackler Parties is not listed on Exhibit E-1 (other than those entities set forth on Exhibit E-2), the applicable Sackler Parties shall, within ninety (90) calendar days of becoming aware of any such entity and that it is not listed on Exhibit E-1, deliver to the Parties an amended Exhibit E-1 that includes such company and such company shall constitute an "IAC" for all purposes under this Agreement as of the date of such delivery. Each Sackler Party that owns (directly or indirectly) Equity Interests in such IAC, as may reasonably be requested by the MDT, shall become an IAC Payment Party under this Agreement and/or shall cause any of its Controlled Affiliates that own any Equity Interest in such IAC to become an IAC Payment Party under this Agreement (in each case to the extent it is not already an IAC Payment Party). Each such Sackler Party shall (or shall cause a Controlled Affiliate to) grant a security interest in an entity that directly or indirectly owns one hundred percent (100%) of the Equity Interests of such IAC owned (directly or indirectly) by such Sackler Party to the MDT pursuant to Section 3.06. For the avoidance of doubt, any IAC Payment Party that becomes party to this Agreement subsequent to the Agreement Effective Date pursuant to this Section 8.13 shall be bound by, and subject to the terms of, this Agreement applicable to IAC Payment Parties (including with respect to such newly added IAC) as of the date an amended Exhibit E-1 is delivered to the Parties pursuant to this Section 8.13 (and any representations and warranties made pursuant to this Agreement shall be made as of the date of such delivery) and all references in this Agreement to "Agreement Effective Date" and "Settlement Effective Date" shall, with respect to any such new IAC Payment Party and IAC, be understood to be the date of such delivery.

Section 8.14 First Day Payments. If the MDT has not been formed by January 1, 2026, then the Settlement Administrator shall assume the role of the MDT with respect to the determination of the Settlement Payment Obligations required to be satisfied on the Settlement Effective Date. The parties to the Governmental Entity & Shareholder Direct Settlement Agreement and the Tribes Settlement Agreement shall be entitled to enforce their respective rights under those Settlement Agreements related to the determination of such Settlement Payment Obligations (and the Settlement Administrator shall be entitled to enforce the MDT's rights under those Settlement Agreements) to the same extent, and subject to the same conditions and limitations, as though the Master Disbursement Trust had been available to perform its obligations thereunder.

Section 8.15 Cooperation. In connection with any claims by the MDT related to matters that are the subject of the Shareholder Released Claims, if the MDT believes in good faith that one or more documents relevant to any such claim may exist that (a) are not available in the Document Repository and (b) may be in the possession of a Payment Party that is a Covered Party (as defined in the Amended and Restated Case Stipulation Among the Debtors, the Official Committee of Unsecured Creditors, and Certain Related Parties [D.I. No. 518]), then (x) the MDT may deliver a request to such Covered Party, which request shall include the name of each document requested in sufficient detail to identify it, and (y) such Covered Party shall (i) conduct a review of its records to ascertain whether such Covered Party possesses any document identified in a request made in accordance with the immediately preceding clause (x) and (ii) provide a copy of such document or documents to the MDT at the MDT's sole cost and expense; provided that no Covered Party shall be obligated to provide any document hereunder if doing so would result in the loss of any privilege for such Covered Party.

Section 8.16 Certain Matters related to Probate and Death of a Payment Party. The Sackler Parties' Representative shall provide written notice to the MDT: (i) upon the death of any Payment Party or when any such Payment Party's probate estate is accepting claims and (ii) upon any Sackler Party becoming aware, in each case promptly following any Sackler Party becoming aware of such matter that any Payment Party (or the estate of a Payment Party) is preparing or intending to distribute or transfer material assets to any Person in connection with such death or the death of any Family Member.

ARTICLE 9. BREACH AND REMEDIES

Section 9.01 Breach. The events described in this Section 9.01 shall, as specified herein, constitute a "Breach Trigger", "Specified Breach" or "Non-Specified Breach":

(a) Non-Payment. The Payment Parties in a Payment Group fail to pay when due all or any portion of (A) the Payment Obligations (excluding the IAC Sale Bonus Payment, but including any Payment Date Obligation) owed by such Payment Group pursuant to Article 2) or (B) any Breach Fee pursuant to Section 9.05, each of which, upon notice by the MDT to the Sackler Parties' Representative pursuant to Section 11.01, shall constitute a Specified Breach with respect to all the Payment Parties in such Payment Group. For the avoidance of doubt, no Specified Breach by any Payment Group under this Section 9.01(a) shall be a Specified Breach by any other Payment Group and no obligations of any Payment Group shall be affected by a Breach by any Payment Party pursuant to this Section 9.01(a), other than a Payment Party in such Payment Group. For the avoidance of doubt, there shall be no Breach Trigger associated with the Specified Breaches in this Section 9.01(a).

(b) IAC-Related Specified Breaches. Each of the following shall, upon notice by the MDT to the Sackler Parties' Representative pursuant to Section 11.01, constitute a Breach Trigger, and if such Breach Trigger continues for thirty (30) or more days (or such different period solely to the extent set forth in this Section 9.01(b)), shall constitute a Specified Breach (x) with respect to a Breach Trigger other than as described in Section 9.01(b)(i)(B), only with respect to the breaching IAC Payment Party and (y) with respect to a Breach Trigger described in Section 9.01(b)(i)(B), by all of the IAC Payment Parties in the Payment Group of which the breaching IAC Payment Party is a party pursuant to Section 2.06:

(i) Any IAC Payment Party fails to (A) deposit Sale Proceeds or IAC Distributions in an IAC Account pursuant to Section 3.06(c) or (B) pay when due all or any portion of any IAC Sale Bonus Payment it owes pursuant to Section 2.06;

(ii) Any IAC Payment Party fails to perform or observe any term, covenant or agreement contained in Section 3.06(d), Section 3.06(e) or Section 3.06(f); *provided* that the Breach Trigger for this subparagraph shall constitute a Specified Breach if such Breach Trigger continues for sixty (60) or more days; or

(iii) Any IAC Payment Party fails to cause any Sale Proceeds or IAC Distributions, in each case, that are received by an IAC, an IAC Holding Company, an IAC Payment Party or any other Subsidiary of an IAC Payment Party to be to be applied pursuant to Section 3.01(a)(iii) or Section 3.03(c), respectively, unless such failure, after using commercially reasonable efforts, is due to events or circumstances outside its control.

(c) Confessions of Judgment. Any Sackler Party fails to perform or observe any term, covenant or agreement contained in Section 11.05, which shall (i) with respect to the obligation to maintain regular renewals as necessary under applicable law of the Confessions of Judgment, constitute a Breach Trigger, and if such Breach Trigger continues for thirty (30) or more days, shall constitute a Specified Breach with respect to such Sackler Party (but not, for the avoidance of doubt, with respect to other Sackler Parties); and (ii) with respect to any other term, covenant or agreement contained in Section 11.05, constitute a Breach Trigger upon notice by the MDT to the Sackler Parties' Representative or A-Side Payment Group 8 Representative (as applicable) of such Breach Trigger, and if such Breach Trigger continues for thirty (30) or more days, shall constitute a Non-Specified Breach with respect to such Sackler Party (but not, for the avoidance of doubt, with respect to other Sackler Parties).

(d) Clawback of Payment. If the MDT, any Creditor Trust or any recipient of a distribution from a Creditor Trust is required in any Insolvency Proceeding or otherwise to disgorge, turn over or otherwise pay any amount to the estate of any Payment Party (or any trustee, receiver or similar Person therefor), because the payment of such amount was declared to be fraudulent or preferential in any respect or for any other reason, any amount (a "Recovery") to the estate of any Sackler Party (or any trustee, receiver or similar Person therefor), because the payment of such amount was declared to be fraudulent or preferential in any respect or for any other reason, whether received as proceeds of security, enforcement of any right of setoff or otherwise, and the MDT has not been made whole with respect to such amount, which, upon notice by the MDT to the Sackler Parties' Representative or A-Side Payment Group 8 Representative (as applicable) pursuant to Section 11.01, shall constitute a Breach Trigger, and which, if such Breach Trigger continues for thirty (30) or more days, shall constitute a Specified Breach with respect to the Payment Group that includes such Sackler Party.

(e) Contest of Validity of Agreement. If any Sackler Party, through a legal proceeding, (i) contests in writing the validity or enforceability of any provision of this Agreement or any Definitive Document (including in any judicial forum or by asserting that the Agreement or any Definitive Document to which such Sackler Party is a party does not constitute a valid or binding obligation of such Sackler Party), (ii) denies in writing that it has any further liability or obligation under the Agreement or any other Definitive Document (other than in accordance with its terms including as a result of payment in full of its Payment Group's Settlement Payment Obligations and all other Obligations), (iii) purports in writing to revoke or rescind the Agreement or the Collateral Documents to which it is a party or (iv) purports in writing to challenge the validity, enforceability or perfected nature of the liens created thereby (such actions set forth in clauses (i)-(iv), collectively, the "Challenges") which, upon notice by the MDT to the Sackler Parties' Representative or A-Side Payment Group 8 Representative (as applicable) pursuant to Section 11.01, and (x) such Challenge is not withdrawn or otherwise remedied within fifteen (15) calendar days of such notice, then such Challenge shall constitute a Specified Breach with respect to such Sackler Party and, (y) unless each other member of the related Payment Group of which such Sackler Party is a member delivers, within forty-five (45) calendar days of such notice, a written undertaking to the MDT that: (A) reaffirms its liability and obligations with respect to this Agreement and/or any Definitive Document which was the subject of the Challenge by the applicable Sackler Party; (B) disavows expressly the applicability of such Challenge to such other member; (C) agrees not to rely on such Challenge (or any resulting decision or judgment); and (D) confirms its obligations and commits to fully perform under this Agreement and the Definitive Documents to which it is a party, then such Challenge shall also constitute a Specified Breach with respect to each such member of the related Payment Group which fails to timely reaffirm and disavow the Challenge of the applicable Sackler Party in accordance with the terms of this Section 9.01(e).

(f) Invalidity and Enforceability of Agreement. If a court of competent jurisdiction, in a final judgment, determines that any Obligation of a Payment Party (including any successor trustees thereof) under this Agreement or the Collateral Documents (i) is not a valid or binding obligation of such Payment Party (or any successor trustee thereof) or (ii) is not enforceable against such Payment Party (or any successor trustee or property thereof) in accordance with its terms, in either case: (x) to the extent such judgment relates to a Payment Obligation of a Payment Party, upon notice by the MDT to the Sackler Parties' Representative or A-Side Payment Group 8 Representative (as applicable) pursuant to Section 11.01, such judgment shall constitute a Specified Breach with respect to such Payment Party, and unless each other member of the Payment Group of which such Payment Party is a member delivers, within thirty (30) calendar days of such notice, a written undertaking to the MDT that: (A) reaffirms its liability and obligations with respect to their Obligations, including as necessary and appropriate, to reformulate such Obligations to address infirmities identified by the judgment; (B) expressly disavows the applicability of such judgment to such other member; (C) agrees not to rely on such finding, judgement or decision; and (D) confirms its obligations and commits to fully perform its Obligations, such judgment shall also constitute a Specified Breach with respect to each such member of the related Payment Group which does

not so reaffirm and disavow such judgment in accordance with this Section 9.01(f); and (y) to the extent such judgment relates to an Obligation other than a Payment Obligation, (i) the breach of which would be a Specified Breach, such judgment shall constitute a Specified Breach with respect to such Payment Party or (ii) the breach of which would be a Non-Specified Breach, such judgment shall constitute a Non-Specified Breach with respect to such Payment Party, and, in the case of either clauses (y)(i) and (y)(ii), unless each other member of the related Payment Group reaffirms its liability and obligations with respect to this Agreement and/or the Collateral Documents which were the subject of such judgment in accordance with clauses (A)-(D) of this Section 9.01(f), within forty-five (45) calendar days of such notice, then such judgment shall constitute a Specified Breach or a Non-Specified Breach, respectively, with respect to each such member of the related Payment Group which does not so reaffirm and disavow such judgment in accordance with this Section 9.01(f).

(g) Collateral. Except as otherwise provided in this Agreement or any Collateral Document, including to the extent any such perfection is not required hereunder or thereunder, and except as the direct and exclusive result of an action or a failure to act on the part of the Secured Party (including the failure to maintain possession of certificates or instruments actually delivered to it representing securities or other possessory collateral pledged under the Collateral Documents or to file Uniform Commercial Code continuation statement), (i) except as set forth in clause (ii) of this Section 9.01(g), any Sackler Party's security interest and Lien on any of the Collateral purported to be created by any Collateral Document shall cease to be in full force and effect, or shall cease to give the Secured Party the Liens, rights, powers and privileges purported to be created and granted under such Collateral Document (including a valid, enforceable, perfected, first priority (except as otherwise expressly provided in this Agreement or such Collateral Document) security interest in and Lien on the Collateral thereunder in favor of the Secured Party), (ii) the Secured Party fails to have a validly perfected, first priority lien on and security interest in one hundred percent (100%) of any Sackler Party's Equity Interests of the IAC Pledged Entities or (iii) it shall be asserted by or on behalf of any Sackler Party not to be, a valid, enforceable, perfected, first priority (except as otherwise expressly provided in this Agreement or such Collateral Document) security interest in or Lien on the Collateral covered thereby, which shall, upon notice by the MDT to the Sackler Parties' Representative or A-Side Payment Group 8 Representative (as applicable) pursuant to Section 11.01, constitute a Breach Trigger and which, if such Breach Trigger continues for thirty (30) or more days shall constitute a Specified Breach only with respect to such Sackler Party.

(h) Credit Support Annex Breaches. Each Breach Trigger, Specified Breach or Non-Specified Breach set forth in the Credit Support Annexes shall constitute a Breach Trigger, Specified Breach or Non-Specified Breach as expressly specified in and pursuant to the terms of the Credit Support Annexes.

(i) A-Side Payment Group 1 Cross-Breach. If any of A-Side Payment Group 5, A-Side Payment Group 6, A-Side Payment Group 7 (each of which includes the Fourth Tier Obligor as a member) breaches this Agreement in a manner that constitutes a Specified Breach, such breach shall also constitute a Specified Breach with respect to A-Side Payment Group 1.

(j) Breach of the Governmental Entity & Shareholder Direct Settlement Agreement. The occurrence of any events under Sections 13.04(d)(ii)(E)-(F) and 13.04(e)(ii)(E)-(F) of the Governmental Entity & Shareholder Direct Settlement Agreement shall be considered a "Specified Breach" under this Agreement and parties identified therein under the Governmental Entity & Shareholder Direct Settlement Agreement shall be permitted to exercise all remedies against the relevant Payment Party in accordance with this Article 9.

(k) Other Breaches. To the extent not enumerated in this Section 9.01 or otherwise under this Agreement as a Specified Breach (or Breach Trigger associated with a Specified Breach), any Sackler Party fails to perform or observe any term, covenant or agreement contained in this Agreement or any other

Definitive Document on its part to be performed or observed, which, upon notice by the MDT to the Sackler Parties' Representative or A-Side Payment Group 8 Representative (as applicable) pursuant to Section 11.01, shall constitute a Breach Trigger, and which, if such Breach Trigger continues for thirty (30) or more days, shall constitute a Non-Specified Breach with respect to the Payment Group that includes such Sackler Party.

Section 9.02 Remedies

(a) Payment Group and Payment Party Breaches.

(i) Upon notice (such notice, a "Breach Notice") from the MDT of either a Specified Breach Trigger or a Specified Breach with respect to a Payment Group or, in the case of certain Specified Breaches as described in Section 9.01, a Payment Party (such Payment Group or Payment Party, as applicable, asserted to be in breach, the "Breaching Party"), the MDT shall forbear from exercising any and all remedies (including the Payment Remedy or the Release Remedy) with respect to such Breaching Party on account of such Breach Trigger or Specified Breach for a period of ten (10) Business Days following such Breach Notice, during which period such Breaching Party shall have the opportunity to contest in good faith that such Breach Trigger or Specified Breach, as applicable, has occurred pursuant to an expedited hearing in the Bankruptcy Court pursuant to Section 11.11(b) of this Agreement or otherwise (such proceeding brought pursuant to this paragraph (a), a "Dispute Proceeding"); *provided* that (A) the motion, application or other pleading filed with the Bankruptcy Court commencing such Dispute Proceeding includes a statement in writing that the Breaching Party believes in good faith that such Breach Trigger or Specified Breach has not occurred and the basis therefor, (B) the foregoing provision shall not apply, and shall not require MDT to forbear from exercising any and all remedies with respect to such Breaching Party, if such Dispute Proceedings are not brought within ten (10) Business Days following the Breach Notice (and the Remedies Forbearance Period shall be deemed to have expired after such ten (10) Business Day period if such Dispute Proceedings are not brought), (C) the sole issue that such Breaching Party may bring before the Bankruptcy Court in any such Dispute Proceeding is whether or not such Breach Trigger or Specified Breach has occurred and/or is continuing, (D) the MDT shall be entitled to contest before the Bankruptcy Court in any such Dispute Proceeding whether or not the Remedies Forbearance Period is applicable to the MDT due to the lack of a good faith dispute and (E) the Breaching Party shall seek to have the matters giving rise to the Dispute Proceeding heard on an emergency or expedited basis by the Bankruptcy Court (and all Sackler Parties party to the Dispute Proceeding hereby consent that the MDT shall also be entitled to seek such emergency or expedited hearing without further notice of any kind). If a Dispute Proceeding has been brought before the Bankruptcy Court in accordance with the foregoing, the MDT shall further forbear from exercising any and all remedies (including the Payment Remedy or the Release Remedy) with respect to such Breaching Party on account of such Breach Trigger or Specified Breach until the later of (I) the end of the period specified by this Agreement during which the relevant Breach Trigger may be cured in accordance herewith before the occurrence of a corresponding Specified Breach, if applicable and (II) in the event the Bankruptcy Court determines in such Dispute Proceeding, after a good faith dispute, that a Breach Trigger or Specified Breach has occurred, ten (10) Business Days after the Bankruptcy Court has made its determination as to whether such Breach Trigger or Specified Breach has occurred. The forbearance periods described in this Section 9.02(a) shall be referred to herein as the "Remedies Forbearance Period". Notwithstanding anything to the contrary in this Section 9.02(a), the right to seek a Dispute Proceeding hereunder and the Remedies Forbearance Period shall not apply to (x) Specified Breaches referenced in Section 9.01(a) with respect to amounts that are not disputed in good faith pursuant to Section 2.07, and (y) Non-Specified Breaches (and Breach Triggers with respect thereto). For the avoidance of doubt, a Breaching Party shall not be permitted to bring a Dispute

Proceeding with respect to a Specified Breach if a Dispute Proceeding has previously been brought with respect to a Breach Trigger that matured into such Specified Breach, except to the extent that the facts underlying such Specified Breach differ from those underlying such Breach Trigger. For the avoidance of doubt, the MDT may exercise its rights and remedies under Article 9 through a Secured Party or a designee (as appropriate), in its sole discretion.

(ii) If a Specified Breach has occurred and is continuing, then, to the extent applicable, following the expiration of the Remedies Forbearance Period and subject to the limitations set forth in Section 9.03, with respect to each applicable Breaching Party, the MDT may:

(A) Option 1:

(1) Declare the Payment Obligations (other than the IAC Bonus Payment) of the Payment Group of which the Breaching Party is a member to be immediately due and payable in whole by the Breaching Party, and thereupon such Payment Obligations so declared to be due and payable shall become due and payable immediately by the Breaching Party (the "Payment Remedy"), without presentment, demand, protest, or other notice of any kind, all of which are hereby waived by each Sackler Party; *provided*, that the MDT may, in its sole discretion, rescind any such declaration and its consequences if the rescission would not conflict with any judgment or decree (it being understood that no such rescission shall affect any subsequent Breach or impair any right or consequence thereto);

(2) The Secured Party shall have the right to foreclose on the Collateral securing the Obligations of the Breaching Party or liquidate or direct the liquidation of such Collateral in accordance with the applicable Collateral Documents and otherwise exercise remedies against such Collateral as provided in (and subject to) this Agreement (including the Credit Support Annexes) and the applicable Collateral Documents. Additionally, the MDT may pursue any other available remedy at law or in equity to collect the payment of the Settlement Payment Obligations and other Obligations, as applicable, and to the extent payable, of the applicable Payment Group from the Breaching Party or to enforce the Breaching Party's performance under this Agreement and the Collateral Documents;

(3) The Breaching Party shall reimburse the Secured Party for all costs and out-of-pocket expenses incurred while the Breach Trigger or Specified Breach is continuing. Such reimbursement shall include (I) all costs and expenses incurred by the Secured Party related to any contest of such Breach Trigger or Breach, and (II) costs of collection and expenses, disbursements and advances of the Secured Party's agents, counsel, accountants and experts and all amounts due to the Secured Party under the Collateral Documents; and

(4) In the case of Specified Breach by a Breaching Party, such Breaching Party shall forfeit all rights pursuant to Section 2 of Exhibit N with respect to any Released Claims Reserve and the Special Operating Reserve;

or

(B) Option 2:

If the Breaching Party is a Payment Party or a Payment Group, (1) declare the Shareholder Releases to be immediately void *ab initio* and of no further force or effect with respect to (I) if the Breaching Party is a Payment Party, such Payment Party and, PRA L.P. (but only as necessary for the limited purpose to pursue such Breaching Party) or (II) if the Breaching Party is a Payment Group, or if the Breaching Party is a Payment Party whose Breach leads to a Specified Breach by the Payment Group as specified in this Agreement or the Collateral Documents, in each case and to the extent applicable, the Family Group of which the members of such Payment Group in Breach are members, (it being understood for all purposes of this section that with respect to any such member of a Family Group that is an officer, director, trustee or protector with respect to trusts in the pertinent Family Group, such party is liable solely in their capacities as such), PRA L.P. (but only as necessary for the limited purpose to pursue such members of the Family Group), and, if a Designated Release Remedy Event has occurred, the Designated Shareholder Released Parties; whereupon; (2) the following parties shall be deemed to not be Shareholder Released Parties under the Plan *nunc pro tunc* to the Plan Effective Date: in the case of the foregoing clause (1)(I), the parties identified therein, and in the case of the foregoing clause (1)(II), the parties identified therein; (3) the *status quo ante* shall be restored with respect to the Shareholder Releases of the Debtors, the MDT, and each of the Releasing Parties (as defined in the Plan) with respect to such parties identified in such foregoing clause (1)(I), or clause (1)(II), as applicable; (4) this Agreement and all related documents, including the Collateral Documents, shall be of no further force and effect with respect to such parties identified in such foregoing clause (1)(I), or clause (1)(II), as applicable, except for any provisions thereof regarding reinstatement or any provisions contemplated to survive pursuant to Section 11.18 that shall survive indefinitely, *provided* that this Agreement and all related documents, including the Collateral Documents, and the Obligations thereunder (including the security interests under the Collateral Documents), shall be automatically reinstated in the event the Release Remedy or the related provisions of this Agreement are declared invalid, void or unenforceable; (5) for the avoidance of doubt, the Master Disbursement Trust and/or, if any Releasing Parties' claims are not otherwise assignable to the Master Disbursement Trust, such Releasing Parties (solely for the benefit of the Master Disbursement Trust), shall be entitled to bring any claim or Cause of Action (on behalf of the Debtors and third parties subject to the Settlement) against such parties identified in such foregoing clause (1)(I), or clause (1)(II), as applicable as if the Shareholder Releases had never been granted; *provided* that, for the avoidance of doubt, the Shareholder Releases shall continue in effect for, and shall be fully enforceable by, all other Shareholder Released Parties (collectively, the "Release Remedy"); and (6) in case of the foregoing clause (1)(I), such Payment Party and in case of the foregoing clause (1)(II), such Payment Group, in each case, shall forfeit all rights pursuant to Section 2 of Exhibit N with respect to the Special Operating Reserve and any Released Claims Reserve. The rights exercised pursuant to Option 2 shall be exercisable with respect to all claims against PRA L.P., the applicable Payment Party and/or Family Group, and if applicable, any relevant Designated Shareholder Released Party, that (i) existed as of the Petition Date and (ii) arose between the Petition Date and the Plan Effective Date (as

defined in the Plan), including without limitation, estate and third-party direct claims, regardless of the allocation of payments of direct and estate claims among the Settlement Agreements. Such claims may be pursued by the Master Disbursement Trust and, if any Releasing Parties' claims are not otherwise assignable to the Master Disbursement Trust, such Releasing Parties (solely for the benefit of the Master Disbursement Trust). Subject to the last sentence of this Section 9.02(a)(ii)(B), all claims released pursuant to the Shareholder Releases against PRA L.P., each member of each Family Group, and each of the Designated Shareholder Released Parties, including without limitation, estate and third-party direct claims, are referred to herein as "Tolled Claims." To effectuate the intent of this section, each of the Shareholder Released Parties and the other signatories hereto agree that (and the Confirmation Order shall also independently provide that) any and all periods for commencing or continuing any Tolled Claim, whether fixed by statute, agreement, order, or otherwise, shall not expire until the Payment Obligations are paid in full, and no Shareholder Released Party or any other signatory hereto shall assert otherwise (including through defenses of (x) statute of limitations, statute of repose, laches or inadequate tolling, or (y) that any release granted to any other Shareholder Released Party, but not made void pursuant to the terms of this Section 9.02(a)(ii)(B), has the effect of precluding such claim against such Shareholder Released Party or other signatory hereto, but excluding any defense of inadequate tolling to the extent it could have been raised on and as of the Petition Date) in the litigation of any such Tolled Claim. For the avoidance of doubt, the Shareholder Released Claims shall include potential claims against initial and subsequent transferees of fraudulent conveyances that occurred prior to the Settlement Effective Date, regardless of when such subsequent transfer of the funds or proceeds occurred (including transfers made after the Settlement Effective Date), and as such these claims are included in the Tolled Claims.

(C) Cause the Breaching Party to forfeit all rights pursuant to Section 2 of Exhibit N with respect to the Special Operating Reserve and any Released Claims Reserve, regardless of whether the MDT exercises Option 1 or Option 2.

(iii) The MDT shall be entitled to elect to exercise the Payment Remedy and all other remedies set forth in Section 9.02(a)(ii)(A) or the Release Remedy and all other remedies set forth in Section 9.02(a)(ii)(B), but in no event shall the MDT be entitled to elect or exercise the Payment Remedy or any other remedy set forth in Section 9.02(a)(ii)(A) simultaneously with the Release Remedy. If the MDT elects the Payment Remedy (or other remedies set forth in Section 9.02(a)(ii)(A)), it shall not be prohibited from electing the Release Remedy (subject to Section 9.02(a)(iii)(A) below), but if the MDT elects the Release Remedy, it shall be prohibited from electing the Payment Remedy (or other remedies set forth in Section 9.02(a)(ii)(A)). The MDT's exercise of remedies shall also be subject to the following:

(A) Following the election of the Payment Remedy with respect to a Breaching Party, the MDT may, at any time, but only upon thirty (30) calendar days' prior written notice to the Sackler Parties' Representative or A-Side Payment Group 8 Representative (as applicable) (*provided* that during such period, the MDT shall be entitled to seek (without limitation) a temporary restraining order or similar relief enjoining the Breaching Party (and if the Breaching Party is a Payment Group all members of the corresponding Family Group) from taking actions with respect to any material amount of his, her or its property with the intent or material effect of frustrating the enforcement of the Shareholder Released Claims), elect to

forgo any and all rights to exercise or continue to exercise the Payment Remedy with respect to such Breaching Party and to instead exercise the Release Remedy with respect to such Breaching Party (and if the Breaching Party is a Payment Group the members of the corresponding Family Group) of which the members of such Payment Group in Breach are members and, if a Designated Release Remedy Event has occurred, the Designated Shareholder Released Parties. For the avoidance of doubt, if the MDT exercises the Release Remedy in respect of a Family Group, any payments of the Settlement Payment Obligations, Breach Fee or any other Obligations made by or on behalf of a Family Group (including, without limitation, in connection with the exercise of a Payment Remedy) prior to the exercise of the Release Remedy shall not be returned to the Breaching Party, but such Breaching Party shall be entitled to credit (without duplication) any such amounts that were actually received by the MDT against future judgments related to litigation in connection with the exercise of the Release Remedy. For the avoidance of doubt, the MDT shall be permitted to elect the Release Remedy at the outset (without first electing the Payment Remedy), in which case, the thirty (30) day notice period above shall not apply.

(B) If, following the election of the Release Remedy with respect to a Family Group, any court of competent jurisdiction enters an order declaring the Release Remedy or the related provisions of this Agreement invalid, void or unenforceable with respect to such Family Group, the MDT's rights to exercise the Payment Remedy with respect to the Payment Group in Breach related to such Family Group pursuant to this Agreement and all related documents, including the Collateral Documents (and the liens granted therein), shall be automatically reinstated, and the MDT may exercise such Payment Remedy with respect to such Payment Group.

(iv) With respect to A-Side Payment Group 1 and A-Side Payment Group 7 (each of which includes Millennium Trust and Perelle Bay Trust as members), a Breach by any such Payment Group shall give rise to remedies in respect of, and the MDT shall be entitled to exercise any and all remedies (including the Payment Remedy or the Release Remedy) pursuant to Section 9.02 with respect to, Millennium Trust and Perelle Bay Trust in addition to all other Payment Parties within such Payment Group that are not Crossover Members; *provided* that the proceeds resulting from any such exercise of remedies shall be allocated ratably (i.e., 50/50) to A-Side Payment Group 1 and A-Side Payment Group 7, with the proceeds segregated and allocated to any breaching Payment Group being applied in accordance with Section 9.02(d) and any proceeds allocated to a non-breaching Payment Group being deposited into one or more escrow accounts of the Secured Party to secure the obligations of such non-breaching Payment Group; provided that each such escrow account receives proceeds attributable to a single Transferor (Millenium Trust or Perelle Bay Trust).

(v) In the event the MDT is entitled to exercise remedies (including the Payment Remedy or the Release Remedy) pursuant to Section 9.02 with respect to any A-Side General Obligor, the proceeds resulting from any such exercise of remedies shall be segregated and shall be allocated (x) solely in the event that the $133 million payable on the Settlement Effective Date pursuant to Section 2.01(g) has not been paid, to A-Side Payment Group 8 until such amount has been paid and (y) in all other circumstances, ratably (i.e., one-seventh each) to each A-Side Payment Group other than A-Side Payment Group 8, with the proceeds allocated to any breaching such A-Side Payment Group being applied in accordance with Section 9.02(d) and the proceeds allocated to the non-breaching Payment Groups being deposited into one or more escrow accounts

of the Secured Party for the benefit of each A-Side Payment Groups that are not in Breach until the next Payment Date (or until the exercise of rights and remedies against such A-Side Payment Group if it subsequently is in Breach), at which time such amounts shall be applied against such A-Side Payment Group's obligations; provided that each such escrow account receives proceeds attributable to a single Transferor (i.e. no escrow account will hold proceeds from more than one A-Side General Obligor).

(vi) If a Non-Specified Breach has occurred and is continuing, the MDT shall have the right to seek, pursuant to an expedited hearing in the Bankruptcy Court pursuant to Section 11.11(b) of this Agreement, any additional remedy available at law or equity, including injunctive relief, specific performance, attorneys' fees and costs, damages and/or default interest, and if appropriate, subject to the discretion of the Bankruptcy Court, sanctions.

(vii) The Confirmation Order shall provide that each Party is required to comply in good faith with the terms of this Agreement and applicable Collateral Documents to which it is party.

(b) Delay or Omission. A delay or omission by the MDT in exercising any right or remedy accruing upon a Breach shall not impair the right or remedy or constitute a waiver of or acquiescence in such Breach or any other Breach. Except as set forth in Section 9.02(a)(iii) above, no remedy is exclusive of any other remedy, and all remedies are cumulative.

(c) Waiver of Past Breaches. The MDT may waive an existing Breach and its consequences. When a Breach is waived, it is deemed cured and the MDT and the Sackler Party or Payment Group in Breach will be restored to its former positions and rights under this Agreement, but no such waiver shall extend to any subsequent or other Breach or impair any consequent right.

(d) Priorities. If a Breach has occurred, and the Secured Party collects any cash or property from the members of the Payment Group in Breach (including any Crossover Member that is a part of such Payment Group, but subject to Section 9.03), it shall apply the cash or property (upon conversion of the property to cash) in the following order: *first*, to the Secured Party for all costs out-of-pocket expenses incurred or made by it, including costs of collection and expenses, disbursements and advances of the Secured Party's agents, counsel, accountants and experts and all amounts due to the Secured Party under the relevant Collateral Documents and hereunder; *second*, to pay Breach Fees due hereunder; *third*, to pay the Payment Obligations of the relevant Payment Group to which the Breaching Party belongs pursuant to this Agreement; and *fourth*, with respect any remaining cash or property collected from (i) A-Side Payment Group 1 (including the Fourth Tier Obligor but excluding Millennium Trust and Perelle Bay Trust), to be deposited by the Secured Party into an escrow account to secure, on a pro rata basis, the Obligations of A-Side Payment Group 5, A-Side Payment Group 6 and A-Side Payment Group 7 and (ii) Millennium Trust and Perelle Bay Trust, to be deposited by the Secured Party into an escrow account to secure the Obligations of A-Side Payment Group 7.

(e) Application of Payment Shortfall. If a Payment Party fails to make a payment required to be made on a Payment Date, the MDT shall ratably reduce the amounts paid under each Settlement Agreement and the Plan, such that the aggregate reductions equal the amount of the payment shortfall from such Payment Party. For the avoidance of doubt, the reductions made pursuant to this Section 9.02(e) shall not reduce the amount of the Settlement Payment owed by the applicable Payment Group and shall not affect any rights of the MDT related to such nonpayment pursuant to this Agreement.

Section 9.03 Certain Limitations. Notwithstanding anything to the contrary set forth herein, with respect to any A-Side General Obligor or any other Crossover Member (other than Millennium Trust and Perelle Bay Trust or as expressly set forth in the IAC Pledge and Security Agreements with respect to

any B-Side Payment Party), and any Payment Group that contains any such Crossover Member (including each A-Side Payment Group with respect to the A-Side General Obligors):

(a) No A-Side General Obligor shall have any liability or obligation in respect of any covenant or other obligation of any other Payment Party, but shall be liable only for the obligations specifically applicable to such A-Side General Obligor (excluding, for the avoidance of doubt, any such obligations that arise solely as a result of being included in a Payment Group but including, for the avoidance of doubt, its obligations as an A-Side General Obligor under Section 2.01(b)).

(b) A Breach by a Crossover Member (including any A-Side General Obligor, but excluding Millennium Trust and Perelle Bay Trust) shall not constitute a Breach by, or give rise to any remedies in respect of, any Payment Party other than such Crossover Member, and the MDT shall be entitled to exercise any and all remedies (including the Payment Remedy or the Release Remedy) pursuant to Section 9.02 solely with respect to such Crossover Member and not any other Payment Party or Family Group member as a result of such Breach by such Crossover Member.

(c) A Breach by any Payment Party that is not a Crossover Member (or a Breach by any Payment Group of which such Crossover Member is a member that is not the result of a Breach by such Crossover Member) shall not constitute a Breach by, or give rise to remedies in respect of, any Crossover Member (including any A-Side General Obligor but excluding Millennium Trust and Perelle Bay Trust). For the avoidance of doubt, upon any such Breach, the MDT shall be entitled to exercise any and all remedies (including the Payment Remedy or the Release Remedy) pursuant to Section 9.02 with respect to each Payment Party that is not a Crossover Member within the breaching Payment Party's Payment Group and, as applicable, the Designated Shareholder Released Parties.

(d) No A-Side General Obligor shall have any obligation in respect of any Breach Fee payable by any Payment Group (or by any other Payment Party), but shall be liable only for any Breach Fee payable in respect of a Breach by such A-Side General Obligor pursuant to Section 9.01.

Section 9.04 Trustee and Personal Representative Liability. The MDT agrees and acknowledges that certain of the Sackler Parties are trustees for the Trusts; that the trustees of such Trusts are entering into this Agreement solely in their capacities as trustees and not individually; any remedy, recourse or right of recovery against a Trust or an Estate is limited to the assets of such Trust or Estate, as the case may be; and the trustees of such Trusts or personal representative of such Estate shall have no personal liability hereunder except in the case of a trustee's or personal representative's own fraud or willful misconduct. For purposes of this Section 9.04, the term "willful misconduct" means action taken (or not taken) in bad faith and with actual knowledge that such action (or failure to act) is unlawful, prohibited or false and will be harmful to the MDT with respect to its rights or remedies under this Agreement.

Section 9.05 Breach Fee.

(a) In light of the impracticability and extreme difficulty of ascertaining actual damages, the Breaching Party shall pay a fee, as a liquidated damage, to the MDT on (i) the Settlement Payment Obligations and (ii) any other Payment Obligations (other than Breach Fee amounts) that are, in the case of this clause (ii), then due and owing by the Breaching Party, in each case in an amount equal to 10% per annum (a "Breach Fee"), which fee shall accrue from and after the date of the occurrence of a Specified Breach and be payable upon demand and shall continue until the earlier of the date (x) such Specified Breach is no longer continuing or (y) the Settlement Payment Obligations and all other Obligations (including accrued Breach Fees) have been paid; *provided* that:

(i) no Breach Fee shall accrue from and after the date of the occurrence of a Specified Breach or be payable in accordance with the foregoing if the Breaching Party has cured such Specified Breach prior to the expiration of the Remedies Forbearance Period;

(ii) if the Breaching Party initiates a Dispute Proceeding in accordance with Section 9.02(a), the Breaching Party shall reimburse the MDT for all legal fees and expenses incurred in connection with such Dispute Proceeding unless the Bankruptcy Court determines that a Specified Breach has not occurred; and

(iii) the Breaching Party acknowledges and agrees that if no Breach Fee is payable as a result of clause (A) of this proviso, the MDT may seek compensatory damages from the Breaching Party (either during a Dispute Proceeding or in a subsequent proceeding) in connection with such Specified Breach.

(b) For the avoidance of doubt:

(i) If the Breaching Party seeks to initiate a Dispute Proceeding in accordance with Section 9.02(a) and the Bankruptcy Court determines that there is not a good faith dispute with respect to the Specified Breach, (I) the Breach Fee shall accrue from and after the date of the occurrence of a Specified Breach and be payable upon demand and shall continue until the earlier of the date (x) such Specified Breach is no longer continuing or (y) the Settlement Payment Obligations and all the other Payment Obligations, including accrued Breach Fees, have been paid, and (II) the Breaching Party will reimburse the MDT for all legal fees and expenses incurred in connection with such Dispute Proceeding; and

(ii) if the Bankruptcy Court determines following a Dispute Proceeding in accordance with Section 9.02(a) that a Specified Breach has not occurred, no Breach Fee or any other amounts shall be owed or payable in connection therewith by the Breaching Party (and the Breaching Party shall not be required to reimburse the MDT for any legal fees or expenses incurred in connection with such Dispute Proceeding).

The foregoing computation shall be made on the basis of a year of 365 or 366 days, as the case may be.

Section 9.06 Reinstatement. In the event the MDT, any Creditor Trust or any recipient of a distribution from a Creditor Trust is required in any insolvency or liquidation proceeding or otherwise to disgorge, turn over or otherwise pay any Recovery as contemplated under Section 9.01(d) then the Settlement Payment Obligations shall be reinstated to the extent of such Recovery and deemed to be outstanding and the MDT shall be entitled to the benefits of this Agreement until the payment in full of the Settlement Payment Obligations with respect to such Recovery. If this Agreement and/or the Collateral Documents shall have been terminated prior to such Recovery, this Agreement and/or the Collateral Documents (and the Liens granted thereunder) shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto, until such time as such Recovery has been paid to the MDT pursuant to Section 9.01(e).

Section 9.07 Turnover. Except to the extent direct payment to such Person is contemplated in the applicable Settlement Agreement, any and all distributions paid directly to any of the non-federal governmental entities or the Private Claimants by any of the Sackler Parties shall be received in trust for the benefit of all non-federal governmental entities and Private Claimants, and shall be segregated from other funds of such non-federal governmental entity or Private Claimant and shall be paid over to the MDT, Private Creditor Trusts or the Public School Trust, as applicable, which shall be distributed in accordance with the terms of this Agreement.

Section 9.08 Special Provisions Regarding Insolvencies and Judgments

(a) If, except as part of any probate proceeding, (i) a Payment Party (other than a De Minimis Payment Party) files for or consents to any insolvency, bankruptcy, reorganization, winding-up, administration, insolvency-related dissolution, composition or similar proceeding under applicable law, (ii) a Payment Party appoints, applies for or consents to the appointment of any receiver, administrator, administrative receiver, trustee, custodian, conservator, liquidator, rehabilitator, judicial manager, provisional liquidator, administrator, receiver and manager, controller, monitor or similar officer for it or for all or any material part of its property in connection with an insolvency related event, (iii) an administrator, administrative receiver, trustee, custodian, conservator, liquidator, rehabilitator, judicial manager, provisional liquidator, administrator, receiver and manager, controller, monitor or similar officer is appointed in connection with an insolvency-related event without the application or consent of such Payment Party and the appointment is undischarged or unstayed for thirty (30) calendar days, or (iv) any insolvency, bankruptcy, reorganization, winding-up, administration, dissolution, composition or similar proceeding relating to any Payment Party or to all or a material part of its property is instituted without the consent of such Payment Party and continues undismissed or unstayed for thirty (30) calendar days (clauses (i)-(iv), collectively, "Insolvency Proceedings"), such event shall cause the total aggregate amount of Payment Obligations of such Payment Group to automatically become immediately due and payable in whole, and be deemed accelerated against such Payment Party (but not any other Payment Party in its Payment Group), in each case, without presentment, demand, protest or other notice of any kind, or any action by the Master Disbursement Trust, and claims for such amount may be asserted without reduction or adjustment in such Insolvency Proceeding on account of the Settlement Payment Obligations hereunder of other Payment Parties in such Payment Group, all of which are waived by each Payment Party hereby (for the avoidance of doubt, without limiting the application of Section 9.08(d);

(i) If any party files a motion pursuant to section 105(a) of the Bankruptcy Code (as defined in the Plan) or otherwise seeks to extend any injunction in such Insolvency Proceeding to enjoin any Sackler Party not party to the Insolvency Proceeding from performing under this Agreement and/or the MDT or Settling Parties from enforcing their rights against a Sackler Party not party to the Insolvency Proceeding under this Agreement, each member of the related Payment Group(s) shall be obligated to use reasonable best efforts: (A) to have such motion withdrawn or modified to permit enforcement of this Agreement in advance of any objection deadline or, (B) in the absence of the withdrawal or modification of the motion, to object to such motion on a timely basis. If, notwithstanding such foregoing efforts such motion is granted, each member of the related Payment Group(s) prospectively waives in connection herewith, and shall be obligated to use reasonable best efforts to retroactively waive following the granting of such motion, any and all benefits of any such injunction and to otherwise reaffirm the enforceability of the Agreement and related Definitive Documents within twenty (20) calendar days of the entry of such order. Each member of the related Payment Group(s) shall be further obligated to use reasonable best efforts to appeal any order granting the motion on a timely basis. If any member of the related Payment Group(s) fails (X) to object to the motion, (Y) to waive the benefits of the injunction and/or (Z) to pursue appeals in respect of the order granting such motion, in each case, as set forth in this Section 9.08(a)(i), such failure shall constitute a Specified Breach with respect to each such breaching Payment Party and shall cause the total aggregate amount of Payment Obligations of such Payment Group of such Payment Party as against such failing additional member(s), to automatically become immediately due and payable in whole, and be deemed accelerated, in each case, without presentment, demand, protest or other notice of any kind, or any action by the Master Disbursement Trust, and claims for such amount may be asserted without reduction or adjustment on account of the Payment Obligations hereunder of other Payment Parties in such Payment Group, all of which are waived by each Payment Party hereby (for the avoidance of doubt, without limiting the application of Section 9.08(d)).

(ii) In light of the Master Disbursement Trust's status as a secured creditor, the Master Disbursement Trust shall be entitled to seek and the Payment Party(ies) in such Insolvency Proceeding shall consent to, a traditional adequate protection package, including replacement liens, superpriority administrative expense claims and current payments of (A) Payment Obligations and (B) professional fees in such Insolvency Proceeding, as further documented in the Collateral Documents. The Master Disbursement Trust shall be entitled to seek, and the Payment Party in such Insolvency Proceeding shall consent to, an additional Allowed Claim in such Insolvency Proceeding solely against such insolvent Payment Party for (i) reasonable and documented fees and expenses incurred in the enforcement of Master Disbursement Trust's rights under this Agreement in connection with such proceedings, which such Allowed Claim shall be payable consistent with the priorities set forth in Section 9.02(d) and (ii) the amount of then unpaid Settlement Payment Obligations for all other Payment Groups, determined for these purposes and solely for these purposes as though such Payment Party's Obligations were instead joint and several across all Payment Groups (the "Limited Deemed Joint and Several Allowed Claim"), and not solely within its Payment Group, in respect of the potential for the Master Disbursement Trust to exercise the Release Remedy to otherwise facilitate the actual recovery in full of the Master Disbursement Trust from such Payment Party on account of the Settlement Payment Obligations of its Payment Group, with any Shareholder Release and Channeling Injunction for such Payment Party deemed modified, to the extent necessary and appropriate, to permit the assertion by the Master Disbursement Trust of such Claim in respect of direct and estate Causes of Action previously released by the Settling Parties; *provided*, *however*, that it shall be understood that for purposes of the Limited Deemed Joint and Several Allowed Claim, the Parties agree that: (x) the Limited Deemed Joint and Several Allowed Claim is reasonable in light of the potential Release Remedy and such an agreement on the liquidated amount of such Claim is the product of an arm's length transaction between sophisticated business people, ably represented by counsel; (y) there has been a course of conduct between Settling Parties and the Shareholder Released Parties giving specific consideration in this settlement for such agreement to permit the assertion and allowance of the Limited Deemed Joint and Several Allowed Claim; and (z) such Payment Party expressly acknowledges that its agreement to permit the assertion and allowance of the Limited Deemed Joint and Several Allowed Claim herein described is a material inducement to the Settling Parties; *provided, further, however*, the aggregate amounts recovered on account of such Limited Deemed Joint and Several Allowed Claim in excess of amounts otherwise owing under this Agreement by such Payment Party shall be paid directly to the applicable Payment Group or Payment Groups, if such Payment Party is a part of multiple Payment Groups. The Limited Deemed Joint and Several Allowed Claim and the related limited exception to the Shareholder Release is granted in lieu of, and to avoid any litigation with respect to, any Causes of Action (including contingent Causes of Action) that otherwise may be asserted in connection with any rights that exist on account of the potential Release Remedy against any applicable Payment Party subject to an Insolvency Proceeding, and such claim and exception is conditioned upon no Settling Party asserting any Causes of Action in such Insolvency Proceeding in connection with the Release Remedy, including asserting any argument on the merits of any Cause of Action subject to the Shareholder Releases.

(b) If any Payment Party is subject to a Major Judgment, then the full amount of the aggregate Payment Obligations of the Payment Group of such Payment Party shall, upon notice from the Master Disbursement Trust, be deemed accelerated and immediately due and payable in whole by such Payment Party (but only such Payment Party); *provided* that if at any subsequent time the Major Judgment no longer exists, then such aggregate Payment Obligations shall no longer be accelerated or immediately due and payable and such amounts shall instead by payable in accordance with the terms of this Agreement as if no such Major Judgment had existed.

(c) Reserved.

(d) Any amounts recovered by the Master Disbursement Trust in any Insolvency Proceeding of a Payment Party or any other proceeding of any type or nature in which claims of creditors of any Payment Party subject to a Major Judgment are determined or payment or distribution is made on account of such claims (including a foreclosure sale) shall be applied to prepay, in each case, without any discount, the Payment Obligations of such Payment Party's Payment Group or Payment Groups in direct order of maturity and on a dollar-for-dollar basis (with payments applied equally across Payment Groups if such Payment Party is a member of multiple Payment Groups).

Section 9.09 Effect of Acceleration. For the avoidance of doubt: (i) the acceleration of Payment Obligations pursuant to this Agreement as against a Payment Party but not all of other the Payment Parties in such Payment Party's Payment Group (whether as the result of (a) commencement of an Insolvency Proceedings, the occurrence of a Major Judgment or otherwise or (b) the exercise of remedies by the MDT following a Specified Breach) shall not result, on its own, in the acceleration of any Obligation as against any other Person, including other Payment Parties in the same Payment Group, and no other Person shall be obligated jointly or otherwise to satisfy such Payment Obligations on an accelerated basis or shall be in default for not satisfying all or any portion of the accelerated Payment Obligations until it would have been due if not accelerated in accordance with the terms of this Agreement; (ii) the exercise of the Payment Remedy against a Payment Party but not all the Payment Parties in such Payment Party's related Payment Group (whether the result of the occurrence of a Specified Breach, the occurrence of a Non-Specified Breach, the commencement of an Insolvency Proceeding, the occurrence of a Major Judgment or otherwise) shall not constitute, or form the basis for, on its own, a Specified Breach, a Non-Specified Breach, or an accelerated Obligation of any other Payment Party, a related Payment Group, or any other Person and (iii) the acceleration of Payment Obligations pursuant to this Agreement with respect to a Payment Group as opposed to an individual Payment Party as the result of the exercise of remedies by the MDT following a Specified Breach shall result in the acceleration of the Payment Obligations of such Payment Group against all of the Payment Parties in such Payment Group (subject to Section 9.03) and shall not, in and of itself, result in the acceleration of Payment Obligations against any other Payment Group.

ARTICLE 10.
CONDITIONS PRECEDENT

Section 10.01 Settlement Effective Date.

(a) The "Settlement Effective Date" shall be the first date on which each of the following conditions has been satisfied or waived by the Sackler Parties' Representative and the MDT, with the consent of the Governmental Consent Parties and the Creditors' Committee (which consent shall not be unreasonably withheld or delayed) (except with respect to the conditions in subparagraphs (iv), (vi), (viii)-(x), and (xii)-(xvii) in this Section 10.01(a)), which may be waived by the MDT in its sole discretion, with the consent of the Governmental Consent Parties and the Creditors' Committee (which consent shall not be unreasonably withheld or delayed), *provided* that should the MDT waive any such conditions with respect to a Sackler Party without the consent of the Sackler Parties' Representative (pursuant to this Section 10.01(a)), then in no event may the MDT (or any other Party) subsequently claim that there has been a Breach due to the failure of the Sackler Parties to satisfy any such condition or any matter related thereto:

(i) the Disclosure Statement Order (A) shall be in full force and effect and (B) shall not have been reversed, modified or stayed, or be subject to a motion to stay;

(ii) the Confirmation Order (A) shall be in full force and effect and (B) shall not have been reversed, modified or stayed, or be subject to a motion to stay;

(iii) the Definitive Documents shall have been executed and delivered by each of the parties thereto and are in form and substance acceptable to the Sackler Parties' Representative in accordance with Section 11.08, and to the other parties thereto in accordance with the consents set forth therein or in the Plan;

(iv) the Rosetta Trust shall have been funded by one or both of the Funding Trusts with Cash Equivalents (as defined in Annex A) in an amount not less than the amount set forth in subpart (i) of the Initial Cash Collateral Amount (as defined in Annex A);

(v) the approval of the terms of this Agreement and the Settlement Agreements, and of the appointment in further trust of the funding of the Rosetta Trust by one or both of the Funding Trusts as set forth in Section 10.01(a)(iv) and the confirmation of the authority of the trustees of each A-Side Payment Party that is a Trust whose Governing Law Jurisdiction is or includes the law of Jersey (Channel Islands) to enter into and perform all obligations thereunder (including, but not limited to, all payment obligations, provision of security and disclosure of documents) by the Royal Court of Jersey (Channel Islands) in connection with a pleading to be brought before that court by each Relevant Jersey Trust and to which all beneficiaries required for the Royal Court of Jersey to issue an order binding on all trust beneficiaries thereof (including those not in attendance) are to be convened and shall have the ability/opportunity to object to the grant of such approval to the trustees of each such Relevant Jersey Trust;

(vi) the MDT shall have received a certificate executed by the trustee of the Rosetta Trust certifying which of the Funding Trusts provided all or any portion of the funding set forth in Section 10.01(a)(iv) and that attached thereto is a true and correct copy of the Funding Trust Appointment with respect to each such Funding Trust;

(vii) the Master Disbursement Trust has become party to and bound by this Agreement and has assumed all obligations of the MDT as provided in this Agreement;

(viii) the MDT shall have received a copy of the Court Order issued by the Royal Court of Jersey (Channel Islands) or an extract thereof verifying the approval and confirmation set out in Section 10.01(a)(v) above;

(ix) the MDT shall have received Opinions of Counsel regarding:

(A) The corporate and/or trustee authority of the Sackler Parties that are not natural persons to enter into this Agreement and the Collateral Documents except with respect to any Trust, solely to the extent such authority is addressed to the reasonable satisfaction of the MDT in the Court Order received by the MDT pursuant to Section 10.01(a)(viii); and

(B) The corporate and/or trustee authority of the IAC Payment Parties that are not natural persons and the IAC Pledgors to enter into the IAC Collateral Documents;

(x) each of the Persons listed on Exhibit K shall have executed and delivered to the MDT a Further Assurances Undertaking substantially in the form of Exhibit P;

(xi) the Plan Effective Date shall occur substantially simultaneously with the occurrence of the Settlement Effective Date;

(xii) the MDT and other applicable parties shall have collectively received the payment of the first Settlement Payment from the Payment Groups and pursuant to the IAC Settlement Agreement and the Sackler Parties shall have caused the terms of Section 2.01(a)(vi) to be complied with in all respects;

(xiii) the conditions precedent set forth in each of the Credit Support Annexes shall have been satisfied (or waived) in accordance therewith;

(xiv) the Trustees of each Sackler Party that is a Trust shall have provided a Trust Certification to the MDT substantially in the form of Exhibit Q;

(xv) the personal representative of the JDS Estate shall have provided an Estate Certification to the MDT substantially in the form of Exhibit S;

(xvi) each Restricted Person that is not a Sackler Party shall have delivered an agreement reasonably satisfactory to the MDT to the effect that such Restricted Person has agreed to abide by the covenant set forth in Section 8.09;

(xvii) each Secondary Restricted Person that is not a Sackler Party shall have delivered an agreement reasonably satisfactory to the MDT to the effect that such Secondary Restricted Person has agreed to abide by the covenant set forth on Exhibit H-3;

(xviii) each of the Settling States and Participating Subdivisions under the Governmental Entity & Shareholder Direct Settlement Agreement have delivered Third Party Releases and, concurrently with the Settlement Effective Date, such releases are effective;

(xix) with respect to each Opt-Out Class Action Settlement and the Settlement with the Tribes, (x) the applicable Settlement Agreement shall have been executed and all amounts required to be paid thereunder on the Settlement Effective Date shall have been paid or will be paid on the Settlement Effective Date, or (y) all amounts payable by the Payment Parties to the MDT and members of the corresponding Class pursuant to this Agreement (and under the Plan) on the Settlement Effective Date shall be funded on the Settlement Effective Date by the Payment Parties into a Grantor Trust Arrangement in a manner reasonably acceptable to the Creditors' Committee;

(xx) with respect to any direct settlement between the Sackler Parties and any other creditor group pursuant to the Plan, all amounts payable by the Payment Parties to the MDT and members of the corresponding Class pursuant to this Agreement (and under the Plan) on the Settlement Effective Date shall be funded on the Settlement Effective Date by the Payment Parties either to the applicable Class Trust or into a Grantor Trust Arrangement in a manner reasonably acceptable to the Creditors' Committee;

(xxi) other than the Opt-Out Class Action Settlements, the Settlements with the Tribes, any direct settlement between the Sackler Parties and any other creditor group pursuant to the Plan and this Agreement, each Settlement Agreement shall have been executed and all amounts required to be paid thereunder on the Settlement Effective Date shall have been received or will be funded simultaneously with the consummation of the Plan, and all of the conditions precedent to the effectiveness of each Settlement Agreement shall have been satisfied or waived in accordance with the terms of such Settlement Agreement;

(xxii) the MDT shall have executed and delivered this Agreement and any other Settlement Agreement to which it is intended to be a party; and

(xxiii) the Credit Support Annexes, Collateral, and Collateral Documents shall be in a form and manner that is acceptable to all Parties, the Governmental Consent Parties and the Creditors' Committee.

(b) The obligations of each Party under this Agreement are subject to, and shall become effective upon, the occurrence of the Settlement Effective Date. Notwithstanding the foregoing sentence, the following obligations (and only the following obligations) shall become effective upon the Agreement Effective Date (*provided* that the obligations of any A-Side Payment Party that is a Trust whose Governing Law Jurisdiction is or includes the law of Jersey (Channel Islands) shall become effective only on the date such A-Side Payment Party receives a Court Order applicable to it described in Section 10.01(a)(v)):

(i) the obligations set forth in Section 8.02 (No Interference), Section 8.07 (Notification of Breach), Section 8.08 (Opioid Business), and Section 8.10 (Opinions of Counsel);

(ii) each obligation expressly provided to be effective upon the Agreement Effective Date herein; and

(iii) the obligation of the Payment Parties to pay the first Settlement Payment Obligation on the Settlement Effective Date.

(c) In addition to the conditions to the Settlement Effective Date set forth above, the Settlement Effective Date shall not occur until either (x) any Payment Party that is a decedent's estate, as well as any Payment Party that is a Trust that explicitly guarantees such estate's obligations (to the extent such Payment Party determines court approval is required), shall have secured final approval to the entry into and performance under the relevant Definitive Documents (including the consummation of the transactions contemplated thereby) by the applicable court, and any time period to lodge an initial appeal of such court's approval has expired without any such appeal being lodged, or if such an appeal is timely lodged, it has been denied or withdrawn or (y) the other Payment Parties of each applicable Payment Group shall have agreed with the MDT on alternative collateral accommodations acceptable to the MDT, the Governmental Consent Parties and the Creditors' Committee in their sole and absolute discretion. This condition may not be waived with respect to any Payment Party that is a decedent's estate, or Payment Party that is a Trust that explicitly guarantees such estate's obligations, without the prior written consent of the MDT, the Governmental Consent Parties and the Creditors' Committee. For the avoidance of doubt, none of the Sackler Parties' Representative or any Payment Party or any other member of a Family Group shall have any rights related to the waiver of this condition.

(d) For the avoidance of doubt, (i) any Payment Party that is a decedent's estate shall not be bound by the terms of this Agreement or the Definitive Documents until final approval has been granted by the applicable court as described in Section 10.01(c) and any time period to lodge an initial appeal of such court's approval has expired without any such appeal being lodged, or if such an appeal is timely lodged, it has been denied or withdrawn, and (ii) with respect to any Trust explicitly guaranteeing the Obligations of a Payment Party that is a decedent's estate, such guarantee shall not be binding on such Trust until final approval has been granted by the applicable court if such Payment Party determines that such approval is necessary. Once such approvals are obtained, each such Payment Party shall be bound by this Agreement and the Definitive Documents.

ARTICLE 11.
MISCELLANEOUS

Section 11.01 Notices. All notices, requests and other communications required or permitted under, or otherwise made in connection with, this Agreement, shall be in writing and shall be deemed to

have been duly given (a) when delivered in person, (b) upon receipt after dispatch by registered or certified mail, postage prepaid, (c) on the next Business Day if transmitted by national overnight courier (with confirmation of delivery) or (d) on the date delivered if sent by email (with confirmation of delivery), in each case, addressed as provided in a separately provided addendum to this Agreement (the "Notices Addendum").

Notices and other communications sent shall be deemed to have been given when received unless otherwise provided in this Section 11.01; *provided* that if such notice or other communication is not received during the normal business hours of the recipient, such notice or communication shall be deemed to have been received at the opening of the business on the next Business Day for the recipient. Each of the Parties may change its notice address provided for in the Notices Addendum by notice to the other Parties hereto.

Section 11.02 Payments Received. Each payment made by or on behalf of the Payment Groups under this Agreement shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff (except as set forth in Exhibit N) and shall be made to the MDT to an account as the MDT may designate from time to time in U.S. dollars, and in immediately available funds by 11:59 p.m. (New York City time) on the date specified herein. Except as otherwise set forth herein, if any payment to be made by the Payment Groups would have come due on a day other than a Business Day, payment shall be due on the next following Business Day.

Section 11.03 Survival of Representations and Warranties. All representations and warranties made by a Sackler Party hereunder and in any other document delivered pursuant hereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof for so long as the Payment Obligations of the Payment Groups of which such Sackler Party is a member and any other amounts owed hereunder by such Payment Groups remain outstanding (accounting, in the case of an A-Side Payment Group, for the maximum amount the A-Side Payment Group may be liable for hereunder). Such representations and warranties have been or will be relied upon by each Party, regardless of any investigation made by any Party or on their behalf, and shall continue in full force and effect as long as any Payment Obligations of the Payment Groups of which such Sackler Party is a member and any other amounts owed hereunder by such Payment Groups remains outstanding (accounting, in the case of an A-Side Payment Group, for the maximum amount the A-Side Payment Group may be liable for hereunder).

Section 11.04 Remedies Cumulative; Specific Performance. Subject to Section 3.07, (a) the rights and remedies of the Parties shall be cumulative (and not alternative) and not exclusive of any rights, remedies, powers and privileges provided by Law, (b) the Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and (c) that the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions of this Agreement in addition to any other remedy to which they are entitled at law or in equity, in each case without the requirement of posting any bond or other type of security. For avoidance of doubt, no failure of the MDT or Settling States under any provision of this Agreement or the Collateral Documents shall excuse performance by the Sackler Parties of their respective Obligations.

Section 11.05 Confession of Judgment.

(a) On or before the Settlement Effective Date, each Sackler Party shall execute and deliver a confession of judgment, in substantially the form attached hereto as Exhibit Y (each, a "Confession of Judgment") and agrees, from time to time upon written request by the MDT, to deliver all supplements (or if so required, new Confessions of Judgment) that the MDT determines are reasonably necessary to maintain the effectiveness and validity of any such Confession of Judgment. For the avoidance of doubt,

such supplements or new Confessions of Judgment may be signed on behalf of a Sackler Party by a guardian, conservator or other Person duly appointed to represent such Sackler Party and empowered to execute a Confession of Judgment binding on such Sackler Party under all applicable Law. Notwithstanding the foregoing, if, on the Settlement Effective Date, A-Side Payment Group 8 funds all of the amounts payable by A-Side Payment Group 8 pursuant to Section 2.01(g) (i.e., $85,000,000) (including making prepayment in full, subject to appropriate discount as contemplated herein, of A-Side Payment Group 8's Settlement Payment Obligations due on the fifth (5th) and sixth (6th) Payment Dates), no Sackler Party that is a member of A-Side Payment Group 8 shall be required hereby to deliver a Confession of Judgment.

(b) Each Sackler Party hereby irrevocably authorizes any attorney-at-law to, upon the occurrence of any Breach, appear for such Sackler Party in the Bankruptcy Court or other court of competent jurisdiction, admit the Payment Obligations of the Sackler Party that have come due and are unpaid, and waive the issuing and service of process and confess judgment against such Sackler Party solely for the amount then due, together with costs of suit, and thereupon to waive all errors and all rights of appeal and stay of execution.

(c) Each confession of judgment executed and delivered under this Section 11.05(c) shall include submission by the executing Sackler Party to the personal jurisdiction of the court in which such confession of judgment is filed, but solely to the extent necessary to effectuate such confession of judgment, and shall otherwise preserve all defenses of such Sackler Party (including jurisdictional defenses) in litigation of any Cause of Action that is not a Shareholder Released Claim.

Section 11.06 Entire Agreement; Severability; Amendments and Waivers.

(a) This Agreement constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement and supersedes all prior agreements and understandings, both oral and written, between the Parties with respect to the subject matter of this Agreement.

(b) Except as provided in Section 11.06(c), if any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other Governmental Authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

(c) Notwithstanding anything else contained in this Agreement or in the Plan or the Plan Documents, the Plan provisions effectuating the Third-Party Releases provided by the Debtors, their Estates, and the Releasing Parties and the Channeling Injunction, (i) are integrated with and integral to this Agreement and the Settlement, (ii) are not and shall not be severable from this Agreement, the Settlement, and those provisions of the Plan or the Plan Documents that do not relate to releases, and (iii) shall not be excised or modified other than in accordance with the Plan and this Agreement. If the Plan provisions effectuating the Third-Party Releases provided by the Debtors, their Estates, and the Releasing Parties and the Channeling Injunction are deemed null, void, illegal or unenforceable, then the terms, provisions, covenants, and restrictions of this Agreement shall be void and shall not remain in force or effect, except as specifically and expressly stated otherwise in this Agreement or the Plan, or as specifically and expressly agreed in writing by all Parties to this Agreement.

(d) No failure or delay by any Party in exercising any right, remedy, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

(e) Any provision of this Agreement or the exhibits hereto may be (i) amended only in a writing signed by the MDT, the Sackler Parties' Representative and the A-Side Payment Group 8 Representative (but in the case of the A-Side Payment Group 8 Representative, only (A) with respect to an increase or advancement of the Payment Obligations of A-Side Payment Group 8 or (B) if the effect of such amendment would materially and adversely affect the rights, interests, or obligations of the A-Side Payment Group 8 in a manner that would be disproportionate to the effect of such amendment on the other Payment Parties, taken as a whole), or (ii) waived only in a writing executed by the Person against which enforcement of such waiver is sought; *provided*, that the Sackler Parties' Representative shall act on behalf of the Sackler Parties in respect of any waiver under this clause (e) (unless the rights, interests, or obligations of A-Side Payment Group 8 are materially and adversely affected in a manner that is disproportionate relative to the effects of such waiver on the rights, interests, or obligations of the other Payment Parties, taken as a whole, in which case the A-Side Payment Group 8 Representative shall so act on behalf of A-Side Payment Group 8); and *provided, further*, that the Sackler Parties' Representative shall be permitted to, solely with the prior consent of the MDT (which shall be given or denied in its reasonable discretion with respect to administrative matters such as changes to exhibits and schedules hereto due to the passage of time and transactions permitted hereunder, but otherwise in its sole discretion), amend Exhibit A hereto at any time and from time to time, to add or remove Sackler Parties, including as a result of any Sackler Party that is a Trust splitting into separate trusts or combining with one or more other trusts or being distributed or appointed (in whole or in part) to another trust, the winding up of a Sackler Party that is a deceased individual's estate or replacing a Sackler Party that is an individual with his or her estate (subject to compliance with Section 11.09 in each case). No waiver of any provision hereunder or any breach thereof shall extend to or affect in any way any other provision or prior or subsequent breach. However, the MDT shall not unreasonably withhold or delay consent for a qualifying restructuring under Section 8.01.

Section 11.07 Sackler Parties' Representative.

(a) Designation. Subject to the terms and conditions of this Section 11.07, the Sackler Parties' Representative is hereby designated as the representative of the Sackler Parties with respect to the matters set forth in this Agreement, and solely to the extent set forth therein, the Collateral Documents and the other documents or agreements contemplated hereby or thereby to be performed by the Sackler Parties.

(b) Authority. By the approval of this Agreement, each of the Sackler Parties hereby irrevocably constitutes and appoints the Sackler Parties' Representative as the representative, agent, proxy and attorney-in-fact for each of the Sackler Parties for all purposes authorized under this Agreement, including the full power and authority on behalf of the Sackler Parties to (i) take all other actions to be taken by or on behalf of each Sackler Party (or the Sackler Parties collectively) in connection herewith and (ii) do each and every act and exercise any and all rights which each Sackler Party (or the Sackler Parties collectively) is permitted or required to do or exercise under this Agreement or any other agreement contemplated hereby. Each of the Sackler Parties agrees that such agency and proxy are coupled with an interest, are therefore irrevocable without the written consent of the Sackler Parties' Representative and shall survive the bankruptcy, dissolution, liquidation, death or incapacity of any Sackler Party. All decisions and actions by the Sackler Parties' Representative (to the extent authorized by this Agreement) shall be binding upon each of the Sackler Parties, and no Sackler Party shall have the right to object, dissent, protest or otherwise contest the same.

(c) Reliance. Each Sackler Party agrees that the other Parties shall be entitled to rely on any action taken by the Sackler Parties' Representative on behalf of such Sackler Party (an "Authorized

Action"), and that each Authorized Action shall be binding on each Sackler Party as fully as if such Sackler Party had taken such Authorized Action.

(d) Limitation of Liability. Each Sackler Party (including but not limited to each Sackler Party) acknowledges and agrees that the Sackler Parties' Representative shall have no liability to, and shall not be responsible for any costs or expenses, judgments, fines, losses, claims, damages or liabilities of, any Party or to or of any of their respective officers, directors, employees, Affiliates and/or agents in connection with any actions taken or omitted to be taken by the Sackler Parties' Representative under or in respect of this Agreement, except to the extent resulting from fraud, or willful misconduct by the Sackler Parties' Representative.

(e) Survival. All of the immunities and powers granted to the Sackler Parties' Representative hereunder shall survive the termination of this Agreement.

(f) Exclusion of A-Side Payment Group 8. For the avoidance of doubt, notwithstanding anything to the contrary in this Section 11.07 or otherwise in this Agreement, the Sackler Parties' Representative shall not (i) be the representative of A-Side Payment Group 8 or any A-Side Payment Party that comprises A-Side Payment Group 8, or (ii) be the attorney-in-fact of, have any authority to take any action or exercise any right on behalf of, consent to any action on behalf of, agree to any amendment of this Agreement on behalf of, or otherwise bind, A-Side Payment Group 8 or any A-Side Payment Party that comprises A-Side Payment Group 8. Instead, by the approval of this Agreement, A-Side Payment Group 8 hereby irrevocably constitutes and appoints the A-Side Payment Group 8 Representative as the representative, agent, proxy and attorney-in-fact for each of the A-Side Payment Parties comprising A-Side Payment Group 8 for all purposes authorized under this Agreement. In addition, wherever in this Agreement any notice, information or other communication is to be given to the Sackler Parties' Representative, the Parties agree that such notice, information or other communication shall instead or also be given to A-Side Payment Group 8 Representative to the extent that the same relates to or affects any of the rights or obligations of A-Side Payment Group 8 under this Agreement.

Section 11.08 Sackler Parties' Consent Rights.

(a) In addition to and in no instance limiting the consent rights of the Sackler Parties' Representative as otherwise set forth in this Agreement and/or in the Definitive Documents, the Definitive Documents shall be in form and substance acceptable to the Sackler Parties' Representative (i) in its sole discretion solely with respect to the Specified Shareholder Provisions and (ii) in its reasonable discretion with respect to all other matters outside the scope of the foregoing clause (i) solely with respect to those terms relating to the rights, obligations, or interests of the Shareholder Released Parties; *provided* that the Sackler Parties' Representative's rights to consent to any provisions in the Creditor Trust Documents related to the administration of claims shall be limited to the rights set forth in the preceding subclause (i), and no additional rights shall accrue pursuant to subclause (ii). For the avoidance of doubt, the Sackler Parties agree that the Creditor Trust Documents filed at [D.I. 7877], [D.I. 8171] and [D.I. 8201], on the docket of the Bankruptcy Cases is in form and substance acceptable to the Sackler Parties in accordance with this Section 11.08.

Section 11.09 Binding Effect; Third Party Beneficiaries; Assignment.

(a) The provisions of this Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns. No provision of this Agreement (including, without limitation, any right to access the Special Operating Reserve or Released Claims Reserves or receive any information related thereto) is intended to confer any rights, benefits, remedies, obligations or liabilities hereunder upon any Person other than the Parties hereto and their respective successors and

assigns, except that the Creditors' Committee and Governmental Consent Parties shall be third-party beneficiaries of Section 2.01(g), Section 2.04, Section 8.10, Article 10 and Exhibit I, the Private Creditor Trusts and the Public Schools Trust shall be third-party beneficiaries of Section 4.09, and the Private Creditor Trust MFN Representative shall be a third-party beneficiary of Section 11.13 and Section 11.20, the Settling States shall be third-party beneficiaries under this Agreement with respect to Section 8.05 and Section 8.08 for purposes of enforcing any Breach thereof in the Bankruptcy Court or any appropriate state court), in each case, entitled to enforce the provisions thereof as if party hereto, as applicable.

(b) No Sackler Party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement, whether by operation of law or otherwise, without the prior written consent of the MDT (*provided*, for the avoidance of doubt, any amendment to any other provision of this Agreement, including without limitation amendments to Exhibit F hereto to reflect changes not expressly contemplated by this Section 11.09, shall require the consent of the MDT). Any purported assignment of this Agreement in violation of this Section 11.09(b) shall be null and *void ab initio*. The MDT shall not unreasonably withhold or delay consent for any qualifying restructuring under Section 8.01.

Section 11.10 Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of New York (including in respect of the statute of limitations or other limitations period applicable to any claim, controversy or dispute hereunder), without giving effect to principles of conflicts of laws that would require the application of the laws of any other jurisdiction. For the avoidance of doubt, each of the MDT and the Debtors shall have the benefit in connection with any matter with respect to a Sackler Party that is a Trust arising from or related to this Agreement and the Collateral Documents of the most protective protections afforded third-parties dealing in good faith with trustees in their capacities as such in good faith reliance on representations made by them in their capacities as trustees under the internal laws of such Trust's Jurisdiction of Administration as set forth on Exhibit R, but giving effect to the extent they are even more protective, to the terms of such Trust's governing instrument and the effect of any choice of law provisions contained therein.

Section 11.11 Jurisdiction; Contested Matter.

(a) Except as otherwise set forth in this Agreement, the parties hereto agree that any Proceeding seeking to enforce any provision of, or based on a matter arising out of or in connection with, this Agreement (other than a Confession of Judgment) shall be brought in the Bankruptcy Court, and each of the parties hereby irrevocably consents for such purpose to the jurisdiction of the Bankruptcy Court (and of the appropriate appellate courts therefrom) or, in the event Bankruptcy Court does not have or accept such jurisdiction, in any federal court sitting in the Southern District of New York and any appellate court therefrom or, in the event such federal court does not have or accept jurisdiction, a New York State court and any appellate court therefrom in any such Proceeding; with respect to a Confession of a Judgment, any Proceeding seeking to obtain judgment in respect of a Confession of Judgment shall be brought in any federal court sitting in the District of Delaware and any appellate court therefrom or, in the event such federal court does not have or accept jurisdiction, a Delaware State court and any appellate court therefrom in any such Proceeding and each of the parties hereby irrevocably consents for such purpose to the jurisdiction of the Delaware federal and state courts. Each of the parties hereto irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such Proceeding in any such court or that any such Proceeding brought in any such court has been brought in an inconvenient forum. Process in any such Proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided this Section 11.11(a) shall be deemed effective service of process on such party. For the avoidance of doubt, nothing in this Section 11.11(a) shall prevent any Party from initiating a Proceeding in any relevant jurisdiction to enforce any order, ruling or judgment of any of the courts above.

(b) The Parties agree that any Proceeding arising under, related to, or in connection with this Agreement, including any action seeking specific performance of any provision of this Agreement or declaratory judgment concerning this Agreement, shall be heard and determined by the Bankruptcy Court as a contested matter under Rule 9014 of the Federal Rules of Bankruptcy Procedure. With respect to such Proceeding, each Party agrees to (i) submit to the jurisdiction of the Bankruptcy Court, (ii) consent to the authority of the Bankruptcy Court to enter Final Orders or judgments, and (iii) waive and not advance any argument that such dispute is or must be adjudicated as an adversary proceeding governed by Part VII of the Federal Rules of Bankruptcy Procedure or that the Bankruptcy Court is an improper or inconvenient forum or venue. Any party to such Proceeding shall be permitted to request that the Bankruptcy Court adjudicate such dispute on an expedited basis, and all other parties shall consent to such expedited adjudication. This Section 11.11(b) shall not apply to actions brought in connection with the exercise of the Release Remedy or a Confession of Judgment.

(c) Notwithstanding the foregoing, any disputes that relate to matters contemplated to be resolved in accordance with Article 6 of the Governmental Entity & Shareholder Direct Settlement Agreement, shall be resolved on the terms and conditions set forth in the Governmental Entity & Shareholder Direct Settlement Agreement.

Section 11.12 Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 11.13 Dispute Resolution.

(a) For purposes of any provision of this Agreement requiring "fast-track arbitration", this Section 11.13 shall apply.

(b) The National Arbitration Panel shall be comprised of three (3) arbitrators. One (1) arbitrator shall be chosen by the Sackler Parties' Representative, one (1) arbitrator shall be chosen by the MDT, and the third arbitrator shall be agreed upon by the first two (2) arbitrators (the "National Arbitration Panel"); *provided* that if a panel is constituted on matters arising out of disputes primarily between the Sackler Parties' Representative (or any other Sackler Party) on the one hand and Private Claimants (or a trustee for the Private Creditor Trusts) on the other: (i) related to Section 11.20 where Private Claimants, any Private Creditor Trusts, or the Private Claimant MFN Representative are a party to the dispute, or (ii) related to Released Claims Reserves pursuant to Section 2(f) of Exhibit N where Private Claimants (or a trustee for one or more Private Creditor Trusts) are a party to the dispute then, (A) in lieu of an arbitrator being selected by the MDT, one arbitrator shall be selected by the Private Claimant MFN Representative; (B) accordingly, the third arbitrator shall be selected by the arbitrators chosen by the Private Claimant MFN Representative and the Sackler Parties' Representative; and (C) upon receipt of notice in accordance with Section 11.01, the MDT shall have the right, but not the obligation, to participate in such arbitration for the limited purpose of representing and asserting the rights of any other Holder that may be affected by the potential decision therein, upon demonstrating a potential interest in such dispute. Other than in situations described in the immediately preceding proviso, the membership of the National Arbitration Panel is intended to remain constant throughout the term of this Agreement, but in the event that replacements are required, or otherwise requested, the retiring arbitrator shall be replaced by the party that selected him/her.

(c) The National Arbitration Panel shall make reasonable best efforts to decide all matters within one hundred eighty (180) calendar days of filing, and in no event shall it take longer than one (1) year. The National Arbitration Panel shall make reasonable efforts to decide all contractual interpretation issues and payment calculation disputes that may arise in connection with this agreement within sixty (60)

calendar days of filing, and in no event shall it take longer than one hundred eighty (180) calendar days of filing.

(d) The National Arbitration Panel shall conduct all proceedings in a reasonably streamlined process consistent with an opportunity for the parties to be heard. Issues shall be resolved without the need for live witnesses where feasible and with a presumption in favor of remote participation to minimize the burdens on the parties.

(e) The decisions of the National Arbitration Panel shall be binding on the Parties; *provided, however*, that consistent with principles of res judicata and collateral estoppel, the MDT, as a potential non-party to the dispute matters described in the proviso set forth in Section 11.13(b), shall not be bound, in unrelated disputes, by matters of contractual interpretation determined by such decisions that might otherwise affect such unrelated disputes.

(f) Each party shall bear its own costs in any arbitration or court proceeding arising under this Section 11.13. The costs for the arbitrators on the National Arbitration Panel shall be divided and paid equally by the disputing sides for each individual dispute, e.g., a dispute between Payment Groups and/or the Sackler Parties' Representative and the relevant counterparty from the MDT, the Settling States, the Private Claimants and the General Unsecured Creditors shall be split fifty percent (50%) by the relevant Payment Parties and fifty percent (50%) by the relevant counterparty(ies) from the MDT, the Settling States, the Private Claimants and the General Unsecured Creditors that are parties to the dispute.

(g) Each arbitrator shall be impartial and independent regarding any dispute. If any party disputes the independence or impartiality of any arbitrator on the National Arbitration Panel, the party may request the National Arbitration Panel to replace such arbitrator. The National Arbitration Panel shall have the authority to remove an arbitrator on these grounds.

(h) The seat of arbitration shall be New York, New York.

Section 11.14 Counterparts; Trustee of Multiple Trusts; Effectiveness. This Agreement may be signed in any number of counterparts, each of which shall be an original (subject to the last sentence in this Section 11.14), with the same effect as if the signatures thereto and hereto were upon the same instrument. To the extent any Sackler Party signs this agreement in his, her or its capacity as trustee (to the extent such Trusts are Sackler Parties) of a Trust, such signature shall be deemed to be in respect of all Trusts of which such Person is trustee. This Agreement shall become effective on the Agreement Effective Date upon execution by each of the Parties. The exchange of a fully executed Agreement (in counterparts or otherwise) by electronic transmission in .PDF format or by facsimile shall be sufficient to bind the parties to the terms and conditions of this Agreement, subject to the provisions of Article 10.

Section 11.15 Document Repository. The Sackler Parties agree to participate in the public document repository to be established pursuant to the Plan on the terms and conditions set forth in the Plan.

Section 11.16 Defense of Third-Party Releases. If any Person initiates, pursues, or prosecutes in any United States forum any civil proceeding, claim, or Cause of Action of any kind whatsoever against any Shareholder Released Party, in violation of the Third-Party Releases or based on an allegation that the Third-Party Releases do not apply to such Shareholder Released Party or Released Party with respect to such proceeding, claim, or Cause of Action (and the Shareholder Released Party has a reasonable basis to believe that the Third-Party Releases do apply with respect to such proceeding, claim or Causes of Action), including by making a request for leave under Section 11.1(f) of the Plan that the applicable Shareholder Released Party or Released Party has a reasonable basis to challenge, then the MDT shall appear in the

relevant United States forum as soon as reasonably practicable after any Shareholder Released Party has provided notice to the MDT of such proceeding, claim, or Cause of Action and shall use commercially reasonable best efforts, based on the advice of the MDT's legal counsel, to assist the applicable Shareholder Released Party or Released Party and its counsel with their enforcement of the provisions of this Agreement (which may include, for example and if appropriate under the applicable facts and circumstances, filing motions, pleadings, briefs, or other documents or papers; advancing arguments or positions; seeking available relief or remedies; supporting any arguments and any requests for a determination that such proceeding, claim, or Cause of Action is covered and barred by the Third-Party Releases; and taking other actions reasonably necessary and appropriate consistent with applicable Law to enforce the provisions of this Agreement), and the costs of doing so shall be borne exclusively by the MDT. For the avoidance of doubt, any Shareholder Released Party or Released Party that is determined by a court of competent jurisdiction not to be covered by the Third-Party Releases with respect to any civil proceeding, claim, or Cause of Action shall retain, or shall have restored, all associated defenses, cross-claims, counterclaims, third-party claims, offsets and recoupments under applicable law that were, or would otherwise have been, transferred to the MDT or subsequently transferred to any Creditor Trust in accordance with Section 5.6(g) of the Plan and Section 11 of the Master TDP (as included in the Plan Documents) for the purposes of such civil proceeding, claim, or Cause of Action; *provided* that (i) no such defenses, claims or rights may be asserted by any Person, directly or indirectly, to seek or obtain any affirmative monetary recovery from any such Protected Party, unless such Protected Party is the Person initiating, pursuing, or prosecuting the applicable civil proceeding, claim, or Cause of Action and (ii) nothing in the foregoing shall limit or affect the transfer of the MDT Shareholder Insurance Rights to the MDT under Section 5.6(j) of the Plan.

Notwithstanding anything to the contrary herein, (a) nothing in this Section 11.16 shall require the MDT to appear or participate in any proceeding, or pursue any strategy or advance any argument or position, to the extent the MDT determines in good faith, based on advice of its legal counsel, that the claim or Cause of Action that is the subject of such proceeding is not being advanced in violation of the Third-Party Releases, or such argument, position or strategy is not legally justifiable or correct (including that it is not consistent with ethical obligations of its legal counsel (other than any ethical obligation related to a conflict of interest of such counsel)); and (b) nothing in this Section 11.16 shall require the MDT to take any further action in respect of any claim or Cause of Action following a determination by a court of competent jurisdiction that such claim or Cause of Action is not in violation of the Third-Party Releases (or any other determination in a proceeding under Section 11.1(f) of the Plan that is adverse to the Shareholder Released Parties) or the Released Parties.

Section 11.17 Certain Shareholder Released Party Insolvencies. Notwithstanding the Plan or anything to the contrary in this Agreement, if any 11.17 Assuring Party or Subsidiary of a Payment Party, in each case, other than a Payment Party, who received a Shareholder Release, (i) is subject to an unpaid judgment on account of liability for Causes of Action that would have been released had the respective plaintiff been a Settling Party and (ii) voluntarily or involuntarily becomes subject to an Insolvency Proceeding, then such Shareholder Release Party's Shareholder Release shall be modified and the Channeling Injunction solely as relates to such Shareholder Release shall be lifted, in each case, solely to the minimum extent necessary to facilitate the assertion, solely in such proceeding, by the Master Disbursement Trust of Claims on account of the estate and direct Causes of Action against such Shareholder Released Party that were previously held by the Settling Parties for (i) fees and expenses incurred in the enforcement of Master Disbursement Trust's rights under this Agreement in connection with such proceeding (and, in any such proceedings, the Master Disbursement Trust may seek such fees and expenses to be paid currently (with such claim to be afforded status as a superpriority administrative expense), which such Allowed Claim shall be payable consistent with the priorities set forth in Section 9.02(d)) and (ii) the amount of then unpaid Settlement Payment Obligations for all Payment Groups (the "Non-Payment Party Deemed Allowed Claim") in respect of the potential for the Master Disbursement

Trust to exercise the Release Remedy to otherwise facilitate the actual recovery in full of the Master Disbursement Trust from such party on account of the Settlement Payment Obligations of the Payment Group(s) associated with the Family Group(s) of which it is a member; *provided, further, however*, the aggregate amounts recovered on account of any such Non-Payment Party Deemed Allowed Claim in excess of amounts otherwise owing under this Agreement by the Payment Group(s) associated with the Family Group(s) of which such party is a member shall be paid directly to the applicable Payment Group or Payment Groups (if such Payment Party is a part of multiple Payment Groups). The Non-Payment Party Deemed Allowed Claim and the related limited exception to the Shareholder Release is being agreed in lieu of, and to avoid any litigation with respect to, any Causes of Action (including contingent Causes of Action) that otherwise may be asserted in connection with any rights that exist on account of the potential Release Remedy against any applicable party subject to an Insolvency Proceeding, and the agreement to such claim and exception is conditioned upon no Settling Party asserting any Causes of Action in such Insolvency Proceeding in connection with the Release Remedy, including asserting any argument on the merits of any Cause of Action subject to the Shareholder Releases.

Section 11.18 Survival. Notwithstanding anything to the contrary in this Agreement, Section 2.01(f)(i) and Section 2.01(f)(iii), shall survive termination of this Agreement solely as between the Sackler Parties and shall continue in full force and effect for the benefit of the applicable Parties in accordance with the terms hereof.

Section 11.19 Acknowledgment. The "allocation" of settlement amounts on account of Estate Releases, on the one hand, and the Direct Release, on the other, is part of an overall compromise and settlement under Bankruptcy Rule 9019 between the Debtors, the Creditors' Committee, all creditor groups that are Mediation Parties, and the Sackler Parties, and, upon confirmation of the Plan will be deemed to be a settlement between the Debtors, the Creditors' Committee, all creditor groups that are Mediation Parties, and the Sackler Parties in which, among other things, the Sackler Parties are providing the Settlement Payments in consideration over fifteen (15) years. The "allocation" is intended by the Sackler Parties and the other Mediation Parties, among other things, to facilitate the distribution of proceeds for opioid abatement, victim compensation, and other permitted uses under the Plan and otherwise. All parties, including the public side claimants and the Sackler Parties (as well as the Shareholder Released Parties), agree that neither the amount of the Settlement Payments nor the "allocation" (including any allocation between the Sackler Parties of the payment responsibility) reflects any concession or agreement by any party as to the strength, validity, merits, collectability, amount, or otherwise, of the Estate Released Claims or of the Direct Released Claims or any defenses to the Estate Released Claims or the Direct Released Claims, and that if for whatever reason the agreement in principle is not consummated, neither the amount of the Settlement Payments nor the "allocation" shall be cited or used by the Debtors, the Creditors' Committee, all creditor groups that are Mediation Parties, or the Sackler Parties (or the Shareholder Released Parties) – or any party hereto – for any purpose whatsoever in any pleading or proceeding wherever or whenever. Further, all parties hereto agree that no party hereto will be bound by this Agreement (other than as set forth in this paragraph and in the last sentence of each of Section 9.08(a) and Section 11.17) with regard to what it may state in a pleading, court hearing, proceeding or otherwise about the strength, validity, merits, collectability, amount, or otherwise, of the Estate Released Claims or of the Direct Released Claims, or any defenses thereto, including, without limitation, in any pleading filed in connection with this Agreement or the Plan. In addition, all parties hereto agree that this paragraph shall be binding forever upon all parties from March 18, 2025, regardless of whether this Agreement becomes effective or any other settlement is consummated, and shall be specifically enforceable by the Bankruptcy Court (with no cap on damages that may be awarded).[1] All parties agree that this provision is non-severable from the overall compromise and settlement, and is an integral part

[1] This sentence shall not apply to the States.

hereof. This paragraph is specifically subject to Federal Rule of Evidence 408 and analogous state provisions barring the use of settlement offers and communications to prove the validity or amount of disputed claims.

Section 11.20 Most Favored Nation Provisions. If (x) a Private Claimant MFN Representative has been appointed and has notified the Sackler Parties' Representative of such appointment and (y) a Payment Party or Payment Parties within a Payment Group (a "Separately Settling Payment Group") enters into a settlement agreement with any Non-Settling Private Claimant that resolves a Cause of Action similar in scope to those released by a Settling Private Claimant under this Agreement on overall payment terms that are more favorable to the Non-Settling Private Claimant on a net present value basis (calculated with a seven percent (7.0%) discount rate, discounted back to the date of the first payment) than the overall payment terms the Non-Settling Private Claimant would have received under this Agreement based on the same level of participation, the Private Claimant MFN Representative shall have thirty (30) calendar days after receiving notice of such settlement to review, pursuant to Section 11.20(b), of the overall payment terms of this Agreement solely concerning that Separately Settling Payment Group and the Non-Settling Private Claimant agreement, pursuant to clauses (a) through (f) below. This review allows such Private Claimant MFN Representative to obtain overall payment terms at least as favorable as those secured by the Non-Settling Private Claimant, solely with respect to the Separately Settling Payment Group. "Overall payment terms" include consideration of all payment terms of both agreements, including, but not limited to, the amount, timing, and any conditions or contingencies of payments. Any changes to a Separately Settling Payment Group's overall payment terms shall not adversely affect any other Payment Group.

(a) For any settlement involving Shareholder Released Claims entered into with a Non-Settling Private Claimant, the Separately Settling Payment Group shall provide the MDT (with a copy to the Sackler Parties' Representative) with the settlement agreement or relevant consent judgment within thirty (30) calendar days of the settlement's consummation. The MDT shall promptly distribute a copy to the Private Claimant MFN Representative, which notice shall start the thirty (30) day review period.

(b) In the event that a Private Claimant MFN Representative believes that the overall payment terms of an agreement by a Separately Settling Payment Group with a Non-Settling Private Claimant are more favorable to the Non-Settling Private Claimant as set forth in Section 11.20(a), the Private Claimant MFN Representative and the Separately Settling Payment Group shall engage in the following process:

(i) Within sixty (60) calendar days of the date on which the MDT provides a settlement agreement or consent judgment to the Private Claimant MFN Representative, the Private Claimant MFN Representative shall provide notice to the Separately Settling Payment Group (with a copy to the Sackler Parties' Representative) of its intent to seek revision of this Agreement to provide payment terms to the Settling Private Claimants that are, on an overall basis, as favorable as those obtained by the Non-Settling Private Claimant as described above. To the extent allowed by law, such notice shall be confidential and not disclosed publicly and shall provide, in detail, the basis for the Private Claimant MFN Representative's belief that it is entitled to a revision of the Agreement.

(ii) The Separately Settling Payment Group shall, within thirty (30) calendar days, provide a response to the Private Claimant MFN Representative (with a copy to the Sackler Parties' Representative), explaining its position, in detail, as to whether the Settling Private Claimant(s) are entitled to more favorable overall payment terms than those provided for in this Agreement.

(iii) In the event the Private Claimant MFN Representative and the Separately Settling Payment Group do not reach agreement as to the application of this Section 11.20(b), the Private Claimant MFN Representative may, at the sole cost of the Settling Private Claimant(s) and the

Separately Settling Payment Group, petition the National Arbitration Panel to seek a ruling from the National Arbitration Panel as to the applicability of this Section 11.20(b), *provided* that the Private Claimant MFN Representative shall not seek such review without the consent of Trustees of Private Creditor Trusts representing trusts that received a majority of the Initial Private Credit Trust Distributions. The National Arbitration Panel shall consider submissions and argument by the parties pursuant to the procedures set forth in Section 2.07(e) and this Section 11.13. The parties to any such dispute before the National Arbitration Panel shall request that the National Arbitration Panel allocate its fees and expenses to the non-prevailing party as part of its determination, which allocation shall be final and binding on the parties to such dispute absent manifest error; provided that if the National Arbitration Panel fails to make such an allocation, the fees and expenses of the National Arbitration Panel shall be borne equally on a 50/50 basis by the Settling Private Claimant(s) and the Separately Settling Payment Group.

(iv) The Private Claimant MFN Representative and Non-Settling Private Claimant(s) and the Separately Settling Payment Group shall be bound by the determination of the National Arbitration Panel of the overall payment terms of this Agreement and the Non-Settling Private Claimant agreement so that such Private Claimant MFN Representative may obtain, with respect to the Separately Settling Payment Group, overall payment terms at least as favorable as those obtained by such Non-Settling Private Claimant. A copy of the Panel's decision shall be promptly shared with the Sackler Parties' Representative.

(c) This Section 11.20(c) does not apply to, and there is no ability of any Settling Private Claimant to seek or obtain revision of this Agreement based on, any agreement with a Shareholder Released Party that is entered into with a Non-Settling Private Claimant after: (a) either the earlier of (i) after the close of expert discovery or (ii) after a date ninety (90) calendar days prior to the scheduled start date of a trial (including an administrative proceeding) between the Shareholder Released Party and the Non-Settling Private Claimant, *provided* that, where, in order to complete a settlement, a Non-Settling Private Claimant and the Released Party jointly request an adjournment of the scheduled start date of a trial within ninety (90) calendar days of that date, this exception will take account of such adjournment; or (b) a Non-Settling Private Claimant that has obtained any court order or judicial determination that grants judgment (in whole or in part) against any Released Party in the Non-Settling Private Claimant's case. The National Arbitration Panel shall have no power to review agreements that satisfy any of the conditions described in this paragraph.

(d) This Section 11.20 does not apply to, and there is no ability of any Settling Private Claimant to seek or obtain revision of this Agreement based on, any agreement between a Shareholder Released Party and federally recognized tribes, Non-Participating Subdivisions (as defined in the Governmental Entity & Shareholder Direct Settlement Agreement), Non-Settling States (as defined in the Governmental Entity & Shareholder Direct Settlement Agreement), or Non-Participating Special Districts (as defined in the Governmental Entity & Shareholder Direct Settlement Agreement.

(e) This Section 11.20 will not apply to any agreement entered into more than eighteen (18) months after the Plan Effective Date.

(f) This Section 11.20 may be waived by the Private Claimant MFN Representative.

Section 11.21 Debtor Asset Sales. The Debtors shall not sell or otherwise dispose of any of their assets (other than in the ordinary course) at any time on or before the Settlement Effective Date without the written consent of the Sackler Parties' Representative unless such asset sale or other disposition would not impose tax costs or liabilities on, or otherwise adversely impact, any Shareholder Released Party. This Section 11.21 shall be effective as of the Agreement Effective Date.

Section 11.22 Grantor Trust. To the extent that this Agreement requires any payment from a Grantor Trust Arrangement, the Parties agree that the Sackler Parties' Representative (on behalf of the applicable Sackler Party) and the Master Disbursement Trust shall take such actions as are necessary to cause such Grantor Trust Arrangement to make such payment (including delivery of joint instructions authorizing such payment to any agent on behalf of such Grantor Trust Arrangement).

Section 11.23 Reservation of Rights. The Confirmation Order entered on November 18, 2025 and this Agreement are intended, among other things, to implement the obligations set forth in the Settlement Stipulation Dismissing Proceedings Without Prejudice attached as Exhibit A to the Joint Stipulation of Dismissal Without Prejudice filed on August 1, 2025 on the docket of the Bankruptcy Cases [D.I. 7713] ("Settlement Stipulation"). Consistent with the Confirmation Order (including without limitation paragraph 33(a) thereof, which is incorporated herein by reference), nothing in this Agreement shall extend, broaden, modify or limit any rights, defenses, claims, or positions of any of the parties to the Settlement Stipulation in the litigation that is the subject of the Settlement Stipulation. Nothing herein shall modify or limit the rights of any party under the Settlement Stipulation, nor shall any provision herein be construed to affect any party's rights under the Settlement Stipulation or in the litigation that is the subject of the Settlement Stipulation. Nothing in this Agreement shall be deemed to waive, release, modify, or otherwise affect any rights, remedies, claims, or defenses that any party may have under the Settlement Stipulation, or any rights that any party may have in connection with the litigation underlying the Settlement Stipulation. All such rights are expressly reserved. This Agreement shall not modify, amend, or supersede any provision of the Settlement Stipulation. The duties and obligations of the trustees of the B-Side Family Group 1 trusts to all beneficiaries of the B-Side Family Group 1 trusts are preserved and not waived by any provision herein; provided, however, that nothing herein shall prevent or preclude such trustees from complying in all respects with their fiduciary duties as trustees, including taking all actions necessary to comply with the B-Side Payment Group 1's payment obligations under this Agreement. Notwithstanding anything to the contrary herein (including the immediately preceding sentence), nothing in this Section 11.23 shall be construed or implied to excuse any party from its obligation to comply with (or affect any remedy for breach under) this Agreement and any other document delivered pursuant thereto, including the Collateral Documents.

[*Signature Page Follows*]

MEMORANDUM OF AGREEMENT
BETWEEN THE STATE OF NORTH CAROLINA AND LOCAL GOVERNMENTS ON PROCEEDS RELATING TO THE SETTLEMENT OF OPIOID LITIGATION

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Background Statement

Capitalized terms not defined below have the meanings set forth in the Definitions section of the Statement of Agreement.

WHEREAS, the State of North Carolina (the "State"), North Carolina counties and municipalities, and their people have been harmed by misconduct committed by certain entities that engage in or have engaged in the manufacture, marketing, promotion, distribution, or dispensing of an opioid analgesic ("Pharmaceutical Supply Chain Participants"); and

WHEREAS, certain North Carolina counties and municipalities, through their counsel, and the State, through its Attorney General, are separately engaged in ongoing investigations, litigation and settlement discussions seeking to hold Pharmaceutical Supply Chain Participants accountable for the damage caused by their misconduct; and

WHEREAS, the State and the Local Governments share a common desire to abate and alleviate the impacts of the misconduct described above throughout North Carolina and in its local communities; and

WHEREAS, while the Local Governments and the State recognize the sums which may be available from the aforementioned litigation will likely be insufficient to fully abate the public health crisis caused by the opioid epidemic, they share a common interest in dedicating the most resources possible to the abatement effort; and

WHEREAS, settlements resulting from the investigations and litigation with Johnson & Johnson, AmerisourceBergen, Cardinal Health, and McKesson are anticipated to take the form of a National Settlement Agreement; and

WHEREAS, this Memorandum of Agreement ("MOA") is intended to facilitate compliance by the State and by the Local Governments with the terms of the National Settlement Agreement and, to the extent appropriate, in other settlements related to the opioid epidemic reached by the state of North Carolina; and

WHEREAS, North Carolina's share of settlement funds from the National Settlement Agreement will be maximized only if all North Carolina counties, and municipalities of a certain size, participate in the settlement; and

WHEREAS, the National Settlement Agreement will set a default allocation between each state and its political subdivisions unless they enter into a state-specific agreement regarding the distribution and use of settlement amounts (a "State-Subdivision Agreement"); and

WHEREAS, this MOA is intended to serve as such a State-Subdivision Agreement under the National Settlement Agreement; and

WHEREAS, the aforementioned investigations and litigation have caused some Pharmaceutical Supply Chain Participants to declare bankruptcy, and it may cause additional entities to declare bankruptcy in the future; and

WHEREAS, this MOA is also intended to serve as a State-Subdivision Agreement under resolutions of claims concerning alleged misconduct in manufacture, marketing, promotion, distribution, or dispensing of an opioid analgesic entered in bankruptcy court that provide for payments (including payments through a trust) to both the State and North Carolina counties and municipalities and allow for the allocation between a state and its political subdivisions to be set through a state-specific agreement ("Bankruptcy Resolutions"); and

WHEREAS, specifically, this MOA is intended to serve under the Bankruptcy Resolution concerning Purdue Pharma L.P. as a statewide abatement agreement, and under this MOA, a statewide abatement agreement is a type of State-Subdivision Agreement.

Statement of Agreement

The parties hereto agree as follows:

A. Definitions

As used in this MOA:

The terms "Bankruptcy Resolution," "MOA," "Pharmaceutical Supply Chain Participant," "State," and "State-Subdivision Agreement" are defined in the recitals to this MOA.

"Coordination group" refers to the group described in **Section E.7** below.

"County Incentive Fund" is defined in **Section G** below.

"Governing Body" means (1) for a county, the county commissioners of the county, and (2) for a municipality, the elected city council, town council, board of commissioners, or board of aldermen for the municipality.

"Incentive Eligible Local Government" is defined in **Section G** below.

"Local Abatement Funds" are defined in **Section B.2** below.

"Local Government" means all counties and municipalities located within the geographic boundaries of the State of North Carolina that have chosen to sign on to this MOA.

"MDL Matter" means the matter captioned *In re: National Prescription Opiate Litigation,* MDL 2804 pending in the United States District Court for the Northern District of Ohio.

"MDL Parties" means all parties who participated in the matter captioned *In re: National Prescription Opiate Litigation,* MDL 2804 pending in the United States District Court for the Northern District of Ohio as Plaintiffs.

"National Settlement Agreement" means a national opioid settlement agreement with the Parties and one or all of the Settling Defendants concerning alleged misconduct in manufacture, marketing, promotion, distribution, or dispensing of an opioid analgesic.

"Opioid Settlement Funds" shall mean all funds allocated by the National Settlement Agreement and any Bankruptcy Resolutions to the State or Local Governments for purposes of opioid remediation activities or restitution, as well as any repayment of those funds and any interest or investment earnings that may accrue as those funds are temporarily held before being expended on opioid remediation strategies. Not included are funds made available in the National Settlement Agreement or any Bankruptcy Resolutions for the payment of the Parties' litigation expenses or the reimbursement of the United States Government.

"Parties" means the State of North Carolina and the Local Governments.

"Settling Defendants" means Johnson & Johnson, AmerisourceBergen, Cardinal Health, and McKesson, as well as their subsidiaries, affiliates, officers, and directors named in a National Settlement Agreement.

"State Abatement Fund" is defined in **Section B.2** below.

B. Allocation of Settlement Proceeds

1. Method of distribution. Pursuant to the National Settlement Agreement and any Bankruptcy Resolutions, Opioid Settlement Funds shall be distributed directly to the State and to Local Governments in such proportions and for such uses as set forth in this MOA, provided Opioid Settlement Funds shall not be considered funds of the State or any Local Government unless and until such time as each annual distribution is made.

2. Overall allocation of funds. Opioid Settlement Funds shall be allocated as follows: (i) 15% directly to the State ("State Abatement Fund"), (ii) 80% to abatement funds established by Local Governments ("Local Abatement Funds"), and (iii) 5% to a County Incentive Fund described in **Section G** below.

3. Allocation of funds between Local Governments. The Local Abatement Funds shall be allocated to counties and municipalities in such proportions as set forth in **Exhibit G**, attached hereto and incorporated herein by reference, which is based upon the MDL Matter's Opioid Negotiation Class Model. The proportions shall not change based on population changes during the term of the MOA. However, to the extent required by the terms of the National Settlement Agreement, the proportions set forth in **Exhibit G** shall be adjusted: (i) to provide no payment from the National Settlement Agreement to any listed county or municipality that does not participate in the National Settlement Agreement; and (ii) to provide a reduced payment from the National Settlement Agreement to any listed county or municipality that signs onto the National Settlement Agreement after the initial participation deadline.

4. Municipal allocations. Within counties and municipalities:

a. Local Governments receiving payments. The proportions set forth in **Exhibit G** provide for payments directly to (i) all North Carolina counties, (ii) North Carolina municipalities with populations over 75,000 based on the United States Census Bureau's Vintage 2019 population totals, and (iii) North Carolina municipalities who are also MDL Parties as of January 1, 2021.

b. Municipality may direct payments to county. Any municipality allocated a share in **Exhibit G** may elect to have its share of current or future annual distributions of Local Abatement Funds instead directed to the county or counties in which it is located. Such an election may be made by January 1 each year to apply to the following fiscal year. If a municipality is located in more than one county, the municipality's funds will be directed based on the MDL Matter's Opioid Negotiation Class Model.

5. Use of funds for opioid remediation activities. This MOA requires that except as related to the payment of the Parties' litigation expenses and the reimbursement of the United States Government, all Opioid Settlement Funds, regardless of allocation, shall be utilized only for opioid remediation activities.

6. Relationship of this MOA to other agreements and resolutions. All Parties acknowledge and agree the National Settlement Agreement will require a Local Government to release all its claims against the Settling Defendants to receive Opioid Settlement Funds. All Parties further acknowledge and agree based on the terms of the National Settlement Agreement, a Local Government may receive funds through this MOA only after complying with all requirements set forth in the National Settlement Agreement to release its claims. This MOA is not a promise from any Party that any National Settlement Agreement or Bankruptcy Resolution will be finalized or executed.

C. Payment of Litigating and Non-Litigating Parties

No Party engaged in litigating the MDL Matter shall receive a smaller payment than a similarly situated non-litigating Party, other than as based on the Allocation Proportions in **Exhibit G** or based on the eligibility criteria for payments from the County Incentive Fund as provided by **Section G** below.

D. Special Revenue Fund

1. Creation of special revenue fund. Every Local Government receiving Opioid Settlement Funds shall create a separate special revenue fund, as described below, that is designated for the receipt and expenditure of the Opioid Settlement Funds.

2. Procedures for special revenue fund. Funds in this special revenue fund shall not be commingled with any other money or funds of the Local Government. The funds in the

special revenue fund shall not be used for any loans or pledge of assets, unless the loan or pledge is for an opioid remediation purpose consistent with the terms of this MOA and adopted under the process described in **Section E.6** below. Although counties or municipalities may make contracts with or grants to a nonprofit, charity, or other entity, counties or municipalities may not assign to another entity their rights to receive payments from the national settlement or their responsibilities for funding decisions.

3. Interest earned on special revenue fund. The funds in the special revenue fund may be invested, consistent with the investment limitations for local governments, and may be placed in an interest-bearing bank account. Any interest earned on the special revenue fund must be used in a way that is consistent with this MOA.

E. Opioid Remediation Activities.

1. Limitation on use of funds. Local Governments shall expend Opioid Settlement Funds only for opioid-related expenditures consistent with the terms of this MOA and incurred after the date of the Local Government's execution of this MOA, unless execution of the National Settlement Agreement requires a later date.

2. Opportunity to cure inconsistent expenditures. If a Local Government spends any Opioid Settlement Funds on an expenditure inconsistent with the terms of this MOA, the Local Government shall have 60 days after discovery of the expenditure to cure the inconsistent expenditure through payment of such amount for opioid remediation activities through budget amendment or repayment.

3. Consequences of failure to cure inconsistent expenditures. If a Local Government does not make the cure required by **Section E.2** above within 60 days, (i) future Opioid Fund payments to that Local Government shall be reduced by an amount equal to the inconsistent expenditure, and (ii) to the extent the inconsistent expenditure is greater than the expected future stream of payments to the Local Government, the Attorney General may initiate a process up to and including litigation to recover and redistribute the overage among all eligible Local Governments. The Attorney General may recover any litigation expenses incurred to recover the funds. Any recovery or redistribution shall be distributed consistent with **Sections B.3 and B.4** above.

4. Annual meeting of counties and municipalities within each county. Each county receiving Opioid Settlement Funds shall hold at least one annual meeting with all municipalities in the Local Government's county invited in order to receive input as to proposed uses of the Opioid Settlement Funds and to encourage collaboration between local governments both within and beyond the county. These meetings shall be open to the public.

5. Use of settlement funds under Option A and Option B. Local Governments shall spend Opioid Settlement Funds from the Local Abatement Funds on opioid remediation activities using either or both of the processes described as Option A and Option B below, unless the relevant National Settlement Agreement or Bankruptcy Resolution further limit the spending.

a. Option A.

i. Without any additional strategic planning beyond the meeting described in **Section E.4** above, Local Governments may spend Opioid Settlement Funds from the list of High-Impact Opioid Abatement Strategies attached as **Exhibit A**. This list is a subset of the initial opioid remediation strategies listed in the National Settlement Agreement.

ii. **Exhibit A** may be modified as set forth in Exhibit D below; provided, however, that any strategy listed on **Exhibit A** must be within the list of opioid remediation activities for the then-current National Settlement Agreement. Opioid remediation activities undertaken under a previously authorized strategy list may continue if they were authorized at the time of the Local Government's commitment to spend funds on that activity.

b. Option B.

i. A Local Government that chooses to participate in additional voluntary, collaborative, strategic planning may spend Opioid Settlement Funds from the broader list of categories found in **Exhibit B**. This list contains all the initial opioid remediation strategies listed in the National Settlement Agreement.

ii. Before spending any funds on any activity listed in **Exhibit B**, but not listed on **Exhibit A**, a Local Government must first engage in the collaborative strategic planning process described in **Exhibit C**. This process shall result in a report and non-binding recommendations to the Local Government's Governing Body described in **Exhibit C** (right-hand column).

iii. A Local Government that has previously undertaken the collaborative strategic planning process described in **Exhibit C** and wishes to continue implementing a strategy listed in **Exhibit B**, but not listed in **Exhibit A**, shall undertake a new collaborative strategic planning process every four years (or more often if desired).

iv. A Local Government that has previously undertaken the collaborative strategic planning process described in **Exhibit C** that wishes to implement a new strategy listed in **Exhibit B** but not listed in **Exhibit A**, shall undertake a new collaborative strategic planning process.

v. Two or more Local Governments may undertake a single collaborative strategic planning process resulting in a report and recommendations to all of the Local Governments involved.

6. Process for drawing from special revenue funds.

   a. Budget item or resolution required. Opioid Settlement Funds can be used for a purpose when the Governing Body includes in its budget or passes a separate resolution authorizing the expenditure of a stated amount of Opioid Settlement Funds for that purpose or those purposes during a specified period of time.

   b. Budget item or resolution details. The budget or resolution should (i) indicate that it is an authorization for expenditure of opioid settlement funds; (ii) state the specific strategy or strategies the county or municipality intends to fund pursuant to Option A or Option B, using the item letter and/or number in **Exhibit A** or **Exhibit B** to identify each funded strategy, and (iii) state the amount dedicated to each strategy for a stated period of time.

7. Coordination group. A coordination group with the composition and responsibilities described in **Exhibit D** shall meet at least once a year during the first three years that this MOA is in effect. Thereafter, the coordination group shall meet at least once every three years until such time as Opioid Settlement Funds are no longer being spent by Local Governments.

F. Auditing, Compliance, Reporting, and Accountability

1. Audits under Local Government Budget and Fiscal Control Act. Local Governments' Opioid Settlement Funds are subject to financial audit by an independent certified public accountant in a manner no less than what is required under G.S. 159-34. Each Local Government must file an annual financial audit of the Opioid Settlement Funds with the Local Government Commission. If any such audit reveals an expenditure inconsistent with the terms of this MOA, the Local Government shall immediately report the finding to the Attorney General.

2. Audits under other acts and requirements. The expenditure of Opioid Settlement Funds is subject to the requirements of the Local Government Budget and Fiscal Control Act, Chapter 159 of the North Carolina General Statutes; Local Government Commission rules; the Federal Single Audit Act of 1984 (as if the Opioid Settlement Funds were federal funds); the State Single Audit Implementation Act; Generally Accepted Government Auditing Standards; and all other applicable laws, rules, and accounting standards. For expenditures for which no compliance audit is required under the Federal Single Audit Act of 1984, a compliance audit shall be required under a compliance supplement approved by the coordination group.

3. Audit costs. Reasonable audit costs that would not be required except for this Section F may be paid by the Local Government from Opioid Settlement Funds..

4. Access to persons and records. During and after the term of this MOA, the State Auditor and Department of Justice shall have access to persons and records related to this MOA and expenditures of Opioid Settlement Funds to verify accounts and data affecting fees or

performance. The Local Government manager/administrator is the point of contact for questions that arise under this MOA.

5. Preservation of records. The Local Government must maintain, for a period of at least five years, records of Opioid Settlement Fund expenditures and documents underlying those expenditures, so that it can be verified that funds are being or have been utilized in a manner consistent with the National Settlement Agreement, any Bankruptcy Resolutions, and this MOA.

6. Reporting.

   a. Annual financial report required. In order to ensure compliance with the opioid remediation provisions of the National Settlement Agreement, any Bankruptcy Resolutions, and this MOA, for every fiscal year in which a Local Government receives, holds, or spends Opioid Settlement Funds, the county or municipality must submit an annual financial report specifying the activities and amounts it has funded.

   b. Annual financial report timing and contents. The annual financial report shall be provided to the North Carolina Attorney General by emailing the report to opioiddocs@ncdoj.gov, within 90 days of the last day of the state fiscal year covered by the report. Each annual financial report must include the information described on **Exhibit E**.

   c. Reporting to statewide opioid settlement dashboard. Each Local Government must provide the following information to the statewide opioid settlement dashboard within the stated timeframes:

      i. The budget or resolution authorizing the expenditure of a stated amount of Opioid Settlement Funds for a specific purpose or purposes during a specified period of time as described in **Section E.6.b** above (within 90 days of the passage of any such budget or resolution);
      ii. If the Local Government is using Option B, the report(s) and non-binding recommendations from collaborative strategic planning described in **Section E.5.b.ii** above and **Exhibit C** (right hand column) (within 90 days of the date the report and recommendations are submitted to the local governing body for consideration);
      iii. The annual financial reports described in Section F.6.a and **Exhibit E** (within 90 days of the end of the fiscal year covered by the report); and
      iv. The impact information described in **Exhibit F** (within 90 days of the end of the fiscal year covered by the report).

      The State will create an online portal with instructions for Local Governments to report or upload each of these four items by electronic means.

d. Copy to NCDOJ of any additional reporting. If the National Settlement Agreement or any Bankruptcy Resolutions require that a Local Government file, post, or provide a report or other document beyond those described in this MOA, or if any Local Government communicates in writing with any national administrator or other entity created or authorized by the National Settlement Agreement or any Bankruptcy Resolutions regarding the Local Government's compliance with the National Settlement Agreement or Bankruptcy Resolutions, the Local Government shall email a copy of any such report, document, or communication to the North Carolina Department of Justice at opioiddocs@ncdoj.gov.

e. Compliance and non-compliance.

i. Every Local Government shall make a good faith effort to comply with all of its reporting obligations under this MOA, including the obligations described in **Section F.6.c** above.

ii. A Local Government that engages in a good faith effort to comply with its reporting obligations under **Section F.6.c** but fails in some way to report information in an accurate, timely, or complete manner shall be given an opportunity to remedy this failure within a reasonable time.

iii. A Local Government that does not engage in a good faith effort to comply with its reporting obligations under this MOA, or that fails to remedy reporting issues within a reasonable time, may be subject to action for breach of contract.

iv. Notwithstanding anything to the contrary herein, a Local Government that is in substantial compliance with the reporting obligations in this MOA shall not be considered in breach of this MOA or in breach of contract.

7. Collaboration. The State and Local Governments must collaborate to promote effective use of Opioid Settlement Funds, including through the sharing of expertise, training, technical assistance. They will also coordinate with trusted partners to collect and share information about successful regional and other high-impact strategies and opioid treatment programs.

G. County Incentive Fund

A Local Government receiving Settlement Proceeds pursuant to **Section B.4.a** shall be an Incentive Eligible Local Government if every municipality in the Local Government's county with population of at least 30,000 has executed this MOA by October 1, 2021, but no later than any such deadline set in the National Settlement Agreement for the highest possible participation in incentive structures for North Carolina. Each Incentive Eligible Local Government shall receive a share of the 5% County Incentive Fund set forth in **Section B.2.iii**, distributed pro rata among only Incentive Eligible Local Governments as set forth in **Exhibit G**. For purposes of the calculations required by this Section, populations will be based on United States Census Bureau's Vintage 2019 population totals, and a municipality with populations in multiple counties will be counted only toward the county which has the largest share of that municipality's population.

H. Effectiveness

1. When MOA takes effect. This MOA shall become effective at the time a sufficient number of Local Governments have joined the MOA to qualify this MOA as a State-Subdivision Agreement under the National Settlement Agreement or any Bankruptcy Resolution. If this MOA does not thereby qualify as a State-Subdivision Agreement, this MOA will have no effect.

2. Amendments to MOA.

    a. Amendments to conform to final national documents. The Attorney General, with the consent of a majority vote from a group of Local Government attorneys appointed by the Association of County Commissioners, may initiate a process to amend this MOA to make any changes required by the final provisions of the National Settlement Agreement or any Bankruptcy Resolution. The Attorney General's Office will provide written notice of the necessary amendments to all the previously joining parties. Any previously joining party will have a two-week opportunity to withdraw from the MOA. The amendments will be effective to any party that does not withdraw.

    b. Coordination group. The coordination group may make the changes authorized in **Exhibit D**.

    c. No amendments to allocation between Local Governments. Notwithstanding any other provision of this MOA, the allocation proportions set forth in **Exhibit G** may not be amended.

    d. General amendment power. After execution, the coordination group may propose other amendments to the MOA, subject to the limitation in **Section H.2.c** above. Such amendments will take effect only if approved in writing by the Attorney General and at least two-thirds of the Local Governments who are Parties to this MOA. In the vote, each Local Government Party will have a number of votes measured by the allocation proportions set forth in **Exhibit G**.

3. Acknowledgement. The Parties acknowledge that this MOA is an effective and fair way to address the needs arising from the public health crisis due to the misconduct committed by the Pharmaceutical Supply Chain Participants.

4. When MOA is no longer in effect. This MOA is effective until one year after the last date on which any Opioid Settlement Funds are being spent by Local Governments pursuant to the National Settlement Agreement and any Bankruptcy Resolution.

5. Application of MOA to settlements and bankruptcy resolutions. This MOA applies to all settlements under the National Settlement Agreement with the Settling Defendants and any Bankruptcy Resolutions. The Parties agree to discuss the use, as the Parties may deem appropriate in the future, of the settlement terms set out herein (after any necessary

amendments) for resolutions with Pharmaceutical Supply Chain Participants not covered by the National Settlement Agreement or a Bankruptcy Resolution.

6. Applicable law and venue. Unless required otherwise by the National Settlement Agreement or a Bankruptcy Resolution, this MOA shall be interpreted using North Carolina law and any action related to the provisions of this MOA must be adjudicated by the Superior Court of Wake County. If any provision of this MOA is held invalid by any court of competent jurisdiction, this invalidity does not affect any other provision which can be given effect without the invalid provision.

7. Scope of MOA. The Parties acknowledge that this MOA does not excuse any requirements placed upon them by the terms of the National Settlement Agreement or any Bankruptcy Resolution, except to the extent those terms allow for a State-Subdivision Agreement to do so.

8. No third party beneficiaries. No person or entity is intended to be a third party beneficiary of this MOA.

9. No effect on authority of parties. Nothing in this MOA shall be construed to affect or constrain the authority of the Parties under law.

10. Signing and execution of MOA. This MOA may be signed and executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. A signature transmitted by facsimile or electronic image shall be deemed an original signature for purposes of executing this MOA. Each person signing this MOA represents that he or she is fully authorized to enter into the terms and conditions of, and to execute, this MOA, and that all necessary approvals and conditions precedent to his or her execution have been satisfied.

(Signature pages follow.)

- Exhibit C -

Signature pages will be structured as one page for the State of North Carolina, followed by separate signature pages for each county.

These signature pages will also include blanks for the county's municipalities.

To avoid having 101 signature pages in the middle of this file, the signature pages are in a separate document.

EXHIBIT A TO NC MOA:
HIGH-IMPACT OPIOID ABATEMENT STRATEGIES ("OPTION A" List)

In keeping with the National Settlement Agreement, opioid settlement funds may support programs or services listed below that serve persons with Opioid Use Disorder (OUD) or any co-occurring Substance Use Disorder (SUD) or mental health condition.

As used in this list, the words "fund" and "support" are used interchangeably and mean to create, expand, or sustain a program, service, or activity.

1. **Collaborative strategic planning.** Support collaborative strategic planning to address opioid misuse, addiction, overdose, or related issues, including staff support, facilitation services, or any activity or combination of activities listed in Exhibit C to the MOA (collaborative strategic planning).

2. **Evidence-based addiction treatment.** Support evidence-based addiction treatment consistent with the American Society of Addiction Medicine's national practice guidelines for the treatment of opioid use disorder – including Medication-Assisted Treatment (MAT) with any medication approved for this purpose by the U.S. Food and Drug Administration – through Opioid Treatment Programs, qualified providers of Office-Based Opioid Treatment, Federally Qualified Health Centers, treatment offered in conjunction with justice system programs, or other community-based programs offering evidence-based addiction treatment. This may include capital expenditures for facilities that offer evidence-based treatment for OUD. (If only a portion of a facility offers such treatment, then only that portion qualifies for funding, on a pro rata basis.)

3. **Recovery support services.** Fund evidence-based recovery support services, including peer support specialists or care navigators based in local health departments, social service offices, detention facilities, community-based organizations, or other settings that support people in treatment or recovery, or people who use drugs, in accessing addiction treatment, recovery support, harm reduction services, primary healthcare, or other services or supports they need to improve their health or well-being.

4. **Recovery housing support.** Fund programs offering recovery housing support to people in treatment or recovery, or people who use drugs, such as assistance with rent, move-in deposits, or utilities; or fund recovery housing programs that provide housing to individuals receiving Medication-Assisted Treatment for opioid use disorder.

5. **Employment-related services.** Fund programs offering employment support services to people in treatment or recovery, or people who use drugs, such as job training, job skills, job placement, interview coaching, resume review, professional attire, relevant courses at community colleges or vocational schools, transportation services or transportation vouchers to facilitate any of these activities, or similar services or supports.

6. **Early intervention.** Fund programs, services, or training to encourage early identification and intervention for children or adolescents who may be struggling with problematic use of drugs or mental health conditions, including Youth Mental Health

First Aid, peer-based programs, or similar approaches. Training programs may target parents, family members, caregivers, teachers, school staff, peers, neighbors, health or human services professionals, or others in contact with children or adolescents.

7. **Naloxone distribution.** Support programs or organizations that distribute naloxone to persons at risk of overdose or their social networks, such as Syringe Service Programs, post-overdose response teams, programs that provide naloxone to persons upon release from jail or prison, emergency medical service providers or hospital emergency departments that provide naloxone to persons at risk of overdose, or community-based organizations that provide services to people who use drugs. Programs or organizations involved in community distribution of naloxone may, in addition, provide naloxone to first responders.

8. **Post-overdose response team.** Support post-overdose response teams that connect persons who have experienced non-fatal drug overdoses to addiction treatment, recovery support, harm reduction services, primary healthcare, or other services or supports they need to improve their health or well-being.

9. **Syringe Service Program.** Support Syringe Service Programs operated by any governmental or nongovernmental organization authorized by section 90-113.27 of the North Carolina General Statutes that provide syringes, naloxone, or other harm reduction supplies; that dispose of used syringes; that connect clients to prevention, treatment, recovery support, behavioral healthcare, primary healthcare, or other services or supports they need; or that provide any of these services or supports.

10. **Criminal justice diversion programs.** Support pre-arrest or post-arrest diversion programs, or pre-trial service programs, that connect individuals involved or at risk of becoming involved in the criminal justice system to addiction treatment, recovery support, harm reduction services, primary healthcare, prevention, or other services or supports they need, or that provide any of these services or supports.

11. **Addiction treatment for incarcerated persons.** Support evidence-based addiction treatment, including Medication-Assisted Treatment with at least one FDA-approved opioid agonist, to persons who are incarcerated in jail or prison.

12. **Reentry Programs.** Support programs that connect incarcerated persons to addiction treatment, recovery support, harm reduction services, primary healthcare, or other services or supports they need upon release from jail or prison, or that provide any of these services or supports.

EXHIBIT B TO NC MOA:
Additional Opioid Remediation Activities ("OPTION B" List)
This list shall be automatically updated to match the list of approved strategies in the most recent National Settlement Agreement.

PART ONE: TREATMENT

A. TREAT OPIOID USE DISORDER (OUD)

Support treatment of Opioid Use Disorder (OUD) and any co-occurring Substance Use Disorder or Mental Health (SUD/MH) conditions through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:[1]

1. Expand availability of treatment for OUD and any co-occurring SUD/MH conditions, including all forms of Medication-Assisted Treatment (MAT) approved by the U.S. Food and Drug Administration.

2. Support and reimburse evidence-based services that adhere to the American Society of Addiction Medicine (ASAM) continuum of care for OUD and any co-occurring SUD/MH conditions.

3. Expand telehealth to increase access to treatment for OUD and any co-occurring SUD/MH conditions, including MAT, as well as counseling, psychiatric support, and other treatment and recovery support services.

4. Improve oversight of Opioid Treatment Programs (OTPs) to assure evidence-based or evidence-informed practices such as adequate methadone dosing and low threshold approaches to treatment.

5. Support mobile intervention, treatment, and recovery services, offered by qualified professionals and service providers, such as peer recovery coaches, for persons with OUD and any co-occurring SUD/MH conditions and for persons who have experienced an opioid overdose.

6. Treatment of trauma for individuals with OUD (e.g., violence, sexual assault, human trafficking, or adverse childhood experiences) and family members (e.g., surviving family members after an overdose or overdose fatality), and training of health care personnel to identify and address such trauma.

7. Support evidence-based withdrawal management services for people with OUD and any co-occurring mental health conditions.

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[1] As used in this Exhibit B, words like "expand," "fund," "provide" or the like shall not indicate a preference for new or existing programs.

8. Training on MAT for health care providers, first responders, students, or other supporting professionals, such as peer recovery coaches or recovery outreach specialists, including telementoring to assist community-based providers in rural or underserved areas.

9. Support workforce development for addiction professionals who work with persons with OUD and any co-occurring SUD/MH conditions.

10. Fellowships for addiction medicine specialists for direct patient care, instructors, and clinical research for treatments.

11. Scholarships and supports for behavioral health practitioners or workers involved in addressing OUD and any co-occurring SUD or mental health conditions, including but not limited to training, scholarships, fellowships, loan repayment programs, or other incentives for providers to work in rural or underserved areas.

12. Provide funding and training for clinicians to obtain a waiver under the federal Drug Addiction Treatment Act of 2000 (DATA 2000) to prescribe MAT for OUD, and provide technical assistance and professional support to clinicians who have obtained a DATA 2000 waiver.

13. Dissemination of web-based training curricula, such as the American Academy of Addiction Psychiatry's Provider Clinical Support Service-Opioids web-based training curriculum and motivational interviewing.

14. Development and dissemination of new curricula, such as the American Academy of Addiction Psychiatry's Provider Clinical Support Service for Medication-Assisted Treatment.

B. SUPPORT PEOPLE IN TREATMENT AND RECOVERY

Support people in treatment for or recovery from OUD and any co-occurring SUD/MH conditions through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

1. Provide comprehensive wrap-around services to individuals with OUD and any co-occurring SUD/MH conditions, including housing, transportation, education, job placement, job training, or childcare.

2. Provide the full continuum of care of treatment and recovery services for OUD and any co-occurring SUD/MH conditions, including supportive housing, peer support services and counseling, community navigators, case management, and connections to community-based services.

3. Provide counseling, peer-support, recovery case management and residential treatment with access to medications for those who need it to persons with OUD and any co-occurring SUD/MH conditions.

4. Provide access to housing for people with OUD and any co-occurring SUD/MH conditions, including supportive housing, recovery housing, housing assistance programs, training for housing providers, or recovery housing programs that allow or integrate FDA-approved medication with other support services.

5. Provide community support services, including social and legal services, to assist in deinstitutionalizing persons with OUD and any co-occurring SUD/MH conditions.

6. Support or expand peer-recovery centers, which may include support groups, social events, computer access, or other services for persons with OUD and any co-occurring SUD/MH conditions.

7. Provide or support transportation to treatment or recovery programs or services for persons with OUD and any co-occurring SUD/MH conditions.

8. Provide employment training or educational services for persons in treatment for or recovery from OUD and any co-occurring SUD/MH conditions.

9. Identify successful recovery programs such as physician, pilot, and college recovery programs, and provide support and technical assistance to increase the number and capacity of high-quality programs to help those in recovery.

10. Engage non-profits, faith-based communities, and community coalitions to support people in treatment and recovery and to support family members in their efforts to support the person with OUD in the family.

11. Training and development of procedures for government staff to appropriately interact and provide social and other services to individuals with or in recovery from OUD, including reducing stigma.

12. Support stigma reduction efforts regarding treatment and support for persons with OUD, including reducing the stigma on effective treatment.

13. Create or support culturally appropriate services and programs for persons with OUD and any co-occurring SUD/MH conditions, including new Americans.

14. Create and/or support recovery high schools.

15. Hire or train behavioral health workers to provide or expand any of the services or supports listed above.

C. CONNECT PEOPLE WHO NEED HELP TO THE HELP THEY NEED (CONNECTIONS TO CARE)

Provide connections to care for people who have – or at risk of developing – OUD and any co-occurring SUD/MH conditions through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

1. Ensure that health care providers are screening for OUD and other risk factors and know how to appropriately counsel and treat (or refer if necessary) a patient for OUD treatment.

2. Fund Screening, Brief Intervention and Referral to Treatment (SBIRT) programs to reduce the transition from use to disorders, including SBIRT services to pregnant women who are uninsured or not eligible for Medicaid.

3. Provide training and long-term implementation of SBIRT in key systems (health, schools, colleges, criminal justice, and probation), with a focus on youth and young adults when transition from misuse to opioid disorder is common.

4. Purchase automated versions of SBIRT and support ongoing costs of the technology.

5. Expand services such as navigators and on-call teams to begin MAT in hospital emergency departments.

6. Training for emergency room personnel treating opioid overdose patients on post-discharge planning, including community referrals for MAT, recovery case management or support services.

7. Support hospital programs that transition persons with OUD and any co-occurring SUD/MH conditions, or persons who have experienced an opioid overdose, into clinically-appropriate follow-up care through a bridge clinic or similar approach.

8. Support crisis stabilization centers that serve as an alternative to hospital emergency departments for persons with OUD and any co-occurring SUD/MH conditions or persons that have experienced an opioid overdose.

9. Support the work of Emergency Medical Systems, including peer support specialists, to connect individuals to treatment or other appropriate services following an opioid overdose or other opioid-related adverse event.

10. Provide funding for peer support specialists or recovery coaches in emergency departments, detox facilities, recovery centers, recovery housing, or similar settings; offer services, supports, or connections to care to persons with OUD and any co-occurring SUD/MH conditions or to persons who have experienced an opioid overdose.

11. Expand warm hand-off services to transition to recovery services.

12. Create or support school-based contacts that parents can engage with to seek immediate treatment services for their child; and support prevention, intervention, treatment, and recovery programs focused on young people.

13. Develop and support best practices on addressing OUD in the workplace.

14. Support assistance programs for health care providers with OUD.

15. Engage non-profits and the faith community as a system to support outreach for treatment.

16. Support centralized call centers that provide information and connections to appropriate services and supports for persons with OUD and any co-occurring SUD/MH conditions.

D. ADDRESS THE NEEDS OF CRIMINAL-JUSTICE-INVOLVED PERSONS

Address the needs of persons with OUD and any co-occurring SUD/MH conditions who are involved in, are at risk of becoming involved in, or are transitioning out of the criminal justice

system through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

1. Support pre-arrest or pre-arraignment diversion and deflection strategies for persons with OUD and any co-occurring SUD/MH conditions, including established strategies such as:

a. Self-referral strategies such as the Angel Programs or the Police Assisted Addiction Recovery Initiative (PAARI);

b. Active outreach strategies such as the Drug Abuse Response Team (DART) model;

c. "Naloxone Plus" strategies, which work to ensure that individuals who have received naloxone to reverse the effects of an overdose are then linked to treatment programs or other appropriate services;

d. Officer prevention strategies, such as the Law Enforcement Assisted Diversion (LEAD) model;

e. Officer intervention strategies such as the Leon County, Florida Adult Civil Citation Network or the Chicago Westside Narcotics Diversion to Treatment Initiative; or

f. Co-responder and/or alternative responder models to address OUD-related 911 calls with greater SUD expertise.

2. Support pre-trial services that connect individuals with OUD and any co-occurring SUD/MH conditions to evidence-informed treatment, including MAT, and related services.

3. Support treatment and recovery courts that provide evidence-based options for persons with OUD and any co-occurring SUD/MH conditions.

4. Provide evidence-informed treatment, including MAT, recovery support, harm reduction, or other appropriate services to individuals with OUD and any co-occurring SUD/MH conditions who are incarcerated in jail or prison.

5. Provide evidence-informed treatment, including MAT, recovery support, harm reduction, or other appropriate services to individuals with OUD and any co-occurring SUD/MH conditions who are leaving jail or prison, have recently left jail or prison, are on probation or parole, are under community corrections supervision, or are in re-entry programs or facilities.

6. Support critical time interventions (CTI), particularly for individuals living with dual-diagnosis OUD/serious mental illness, and services for individuals who face immediate risks and service needs and risks upon release from correctional settings.

7. Provide training on best practices for addressing the needs of criminal-justice-involved persons with OUD and any co-occurring SUD/MH conditions to law enforcement, correctional, or judicial personnel or to providers of treatment, recovery, harm reduction, case management, or other services offered in connection with any of the strategies described in this section.

E. ADDRESS THE NEEDS OF PREGNANT OR PARENTING WOMEN AND THEIR FAMILIES, INCLUDING BABIES WITH NEONATAL ABSTINENCE SYNDROME

Address the needs of pregnant or parenting women with OUD and any co-occurring SUD/MH conditions, and the needs of their families, including babies with neonatal abstinence syndrome (NAS), through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

1. Support evidence-based or evidence-informed treatment, including MAT, recovery services and supports, and prevention services for pregnant women – or women who could become pregnant – who have OUD and any co-occurring SUD/MH conditions, and other measures to educate and provide support to families affected by Neonatal Abstinence Syndrome.

2. Expand comprehensive evidence-based treatment and recovery services, including MAT, for uninsured women with OUD and any co-occurring SUD/MH conditions for up to 12 months postpartum.

3. Training for obstetricians or other healthcare personnel that work with pregnant women and their families regarding treatment of OUD and any co-occurring SUD/MH conditions.

4. Expand comprehensive evidence-based treatment and recovery support for NAS babies; expand services for better continuum of care with infant-need dyad; expand long-term treatment and services for medical monitoring of NAS babies and their families.

5. Provide training to health care providers who work with pregnant or parenting women on best practices for compliance with federal requirements that children born with Neonatal Abstinence Syndrome get referred to appropriate services and receive a plan of safe care.

6. Child and family supports for parenting women with OUD and any co-occurring SUD/MH conditions.

7. Enhanced family supports and child care services for parents with OUD and any co-occurring SUD/MH conditions.

8. Provide enhanced support for children and family members suffering trauma as a result of addiction in the family; and offer trauma-informed behavioral health treatment for adverse childhood events.

9. Offer home-based wrap-around services to persons with OUD and any co-occurring SUD/MH conditions, including but not limited to parent skills training.

10. Support for Children's Services – Fund additional positions and services, including supportive housing and other residential services, relating to children being removed from the home and/or placed in foster care due to custodial opioid use.

PART TWO: PREVENTION

F. PREVENT OVER-PRESCRIBING AND ENSURE APPROPRIATE PRESCRIBING AND DISPENSING OF OPIOIDS

Support efforts to prevent over-prescribing and ensure appropriate prescribing and dispensing of opioids through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

1. Fund medical provider education and outreach regarding best prescribing practices for opioids consistent with Guidelines for Prescribing Opioids for Chronic Pain from the U.S. Centers for Disease Control and Prevention, including providers at hospitals (academic detailing).

2. Training for health care providers regarding safe and responsible opioid prescribing, dosing, and tapering patients off opioids.

3. Continuing Medical Education (CME) on appropriate prescribing of opioids.

4. Support for non-opioid pain treatment alternatives, including training providers to offer or refer to multi-modal, evidence-informed treatment of pain.

5. Support enhancements or improvements to Prescription Drug Monitoring Programs (PDMPs), including but not limited to improvements that:

    a. Increase the number of prescribers using PDMPs;

    b. Improve point-of-care decision-making by increasing the quantity, quality, or format of data available to prescribers using PDMPs, by improving the interface that prescribers use to access PDMP data, or both; or

    c. Enable states to use PDMP data in support of surveillance or intervention strategies, including MAT referrals and follow-up for individuals identified within PDMP data as likely to experience OUD in a manner that complies with all relevant privacy and security laws and rules.

6. Ensuring PDMPs incorporate available overdose/naloxone deployment data, including the United States Department of Transportation's Emergency Medical Technician overdose database in a manner that complies with all relevant privacy and security laws and rules.

7. Increase electronic prescribing to prevent diversion or forgery.

8. Educate Dispensers on appropriate opioid dispensing.

G. PREVENT MISUSE OF OPIOIDS

Support efforts to discourage or prevent misuse of opioids through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

1. Fund media campaigns to prevent opioid misuse.

2. Corrective advertising or affirmative public education campaigns based on evidence.

3. Public education relating to drug disposal.

4. Drug take-back disposal or destruction programs.

5. Fund community anti-drug coalitions that engage in drug prevention efforts.

6. Support community coalitions in implementing evidence-informed prevention, such as reduced social access and physical access, stigma reduction – including staffing, educational campaigns, support for people in treatment or recovery, or training of coalitions in evidence-informed implementation, including the Strategic Prevention Framework developed by the U.S. Substance Abuse and Mental Health Services Administration (SAMHSA).

7. Engage non-profits and faith-based communities as systems to support prevention.

8. Fund evidence-based prevention programs in schools or evidence-informed school and community education programs and campaigns for students, families, school employees, school athletic programs, parent-teacher and student associations, and others.

9. School-based or youth-focused programs or strategies that have demonstrated effectiveness in preventing drug misuse and seem likely to be effective in preventing the uptake and use of opioids.

10. Create or support community-based education or intervention services for families, youth, and adolescents at risk for OUD and any co-occurring SUD/MH conditions.

11. Support evidence-informed programs or curricula to address mental health needs of young people who may be at risk of misusing opioids or other drugs, including emotional modulation and resilience skills.

12. Support greater access to mental health services and supports for young people, including services and supports provided by school nurses, behavioral health workers or other school staff, to address mental health needs in young people that (when not properly addressed) increase the risk of opioid or other drug misuse.

H. PREVENT OVERDOSE DEATHS AND OTHER HARMS (HARM REDUCTION)

Support efforts to prevent or reduce overdose deaths or other opioid-related harms through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

1. Increase availability and distribution of naloxone and other drugs that treat overdoses for first responders, overdose patients, individuals with OUD and their friends and family members, individuals at high risk of overdose, schools, community navigators and outreach workers, persons being released from jail or prison, or other members of the general public.

2. Public health entities that provide free naloxone to anyone in the community.

3. Training and education regarding naloxone and other drugs that treat overdoses for first responders, overdose patients, patients taking opioids, families, schools, community support groups, and other members of the general public.

4. Enable school nurses and other school staff to respond to opioid overdoses, and provide them with naloxone, training, and support.

5. Expand, improve, or develop data tracking software and applications for overdoses/naloxone revivals.

6. Public education relating to emergency responses to overdoses.

7. Public education relating to immunity and Good Samaritan laws.

8. Educate first responders regarding the existence and operation of immunity and Good Samaritan laws.

9. Syringe service programs and other evidence-informed programs to reduce harms associated with intravenous drug use, including supplies, staffing, space, peer support services, referrals to treatment, fentanyl checking, connections to care, and the full range of harm reduction and treatment services provided by these programs.

10. Expand access to testing and treatment for infectious diseases such as HIV and Hepatitis C resulting from intravenous opioid use.

11. Support mobile units that offer or provide referrals to harm reduction services, treatment, recovery supports, health care, or other appropriate services to persons that use opioids or persons with OUD and any co-occurring SUD/MH conditions.

12. Provide training in harm reduction strategies to health care providers, students, peer recovery coaches, recovery outreach specialists, or other professionals that provide care to persons who use opioids or persons with OUD and any co-occurring SUD/MH conditions.

13. Support screening for fentanyl in routine clinical toxicology testing.

PART THREE: OTHER STRATEGIES

I. FIRST RESPONDERS

In addition to items in sections C, D, and H of this Exhibit relating to first responders, support the following:

1. Educate law enforcement or other first responders regarding appropriate practices and precautions when dealing with fentanyl or other drugs.

2. Provision of wellness and support services for first responders and others who experience secondary trauma associated with opioid-related emergency events.

J. LEADERSHIP, PLANNING AND COORDINATION

Support efforts to provide leadership, planning, coordination, facilitation, training and technical assistance to abate the opioid epidemic through activities, programs, or strategies that may include, but are not limited to, the following:

1. Statewide, regional, local, or community regional planning to identify root causes of addiction and overdose, goals for reducing harms related to the opioid epidemic, and areas and populations with the greatest needs for treatment intervention services; to support training and technical assistance; or to support other strategies to abate the opioid epidemic described in this opioid abatement strategy list.

2. A dashboard to share reports, recommendations, or plans to spend Opioid Settlement Funds; to show how Opioid Settlement Funds have been spent; to report program or strategy outcomes; or to track, share, or visualize key opioid-related or health-related indicators and supports as identified through collaborative statewide, regional, local, or community processes.

3. Invest in infrastructure or staffing at government or not-for-profit agencies to support collaborative, cross-system coordination with the purpose of preventing overprescribing, opioid misuse, or opioid overdoses, treating those with OUD and any co-occurring SUD/MH conditions, supporting them in treatment or recovery, connecting them to care, or implementing other strategies to abate the opioid epidemic described in this opioid abatement strategy list.

4. Provide resources to staff government oversight and management of opioid abatement programs.

K. TRAINING

In addition to the training referred to throughout this document, support training to abate the opioid epidemic through activities, programs, or strategies that may include, but are not limited to, the following:

1. Provide funding for staff training or networking programs and services to improve the capability of government, community, and not-for-profit entities to abate the opioid crisis.

2. Support infrastructure and staffing for collaborative cross-system coordination to prevent opioid misuse, prevent overdoses, and treat those with OUD and any co-occurring SUD/MH conditions, or implement other strategies to abate the opioid epidemic described in this opioid abatement strategy list (e.g., health care, primary care, pharmacies, PDMPs, etc.).

L. RESEARCH

Support opioid abatement research that may include, but is not limited to, the following:

1. Monitoring, surveillance, data collection, and evaluation of programs and strategies described in this opioid abatement strategy list.

2. Research non-opioid treatment of chronic pain.

3. Research on improved service delivery for modalities such as SBIRT that demonstrate promising but mixed results in populations vulnerable to opioid use disorders.

4. Research on novel harm reduction and prevention efforts such as the provision of fentanyl test strips.

5. Research on innovative supply-side enforcement efforts such as improved detection of mail-based delivery of synthetic opioids.

6. Expanded research on swift/certain/fair models to reduce and deter opioid misuse within criminal justice populations that build upon promising approaches used to address other substances (e.g. Hawaii HOPE and Dakota 24/7).

7. Epidemiological surveillance of OUD-related behaviors in critical populations including individuals entering the criminal justice system, including but not limited to approaches modeled on the Arrestee Drug Abuse Monitoring (ADAM) system.

8. Qualitative and quantitative research regarding public health risks and harm reduction opportunities within illicit drug markets, including surveys of market participants who sell or distribute illicit opioids.

9. Geospatial analysis of access barriers to MAT and their association with treatment engagement and treatment outcomes.

EXHIBIT C to NC MOA:
COLLABORATIVE STRATEGIC PLANNING PROCESS UNDER OPTION B

	ACTIVITY NAME	ACTIVITY DETAIL	CONTENT OF REPORT & RECOMMENDATIONS
A	Engage diverse stakeholders	Engage diverse stakeholders, per "ITEM A DETAIL" below, throughout the collaborative strategic planning process	Report on stakeholder engagement per "ITEM A DETAIL" below
B	Designate facilitator	Designate a person or entity to facilitate the strategic collaborative planning process. Consider a trained, neutral facilitator.	Identify the facilitator
C	Build upon any related planning	Build upon or coordinate with prior or concurrent planning efforts that address addiction, drug misuse, overdose, or related issues, including but not limited to community health assessments.	Report any related planning efforts you will build upon or coordinate with
D	Agree on shared vision	Agree on a shared vision for positive community change, considering how strategic investments of Opioid Settlement Funds have the potential to improve community health and well-being and address root causes of addiction, drug misuse, overdose, and related issues	Report on shared vision for positive community change
E	Identify key indicator(s)	Identify one or more population-level measures to monitor in order to gauge progress towards the shared vision. (The NC Opioid Action Plan Data Dashboard contains several such measures.)	Report on the key indicators selected
F	Identify and explore root causes	Explore root causes of addiction, drug misuse, overdose, and related issues in the community, using quantitative data as well as stakeholder narratives, community voices, the stories of those with lived experience, or similar qualitative information	Report on root causes as described
G	Identify and evaluate potential strategies	Identify potential strategies to address root causes or other aspects of the opioid epidemic; identify these strategies (by letter or number) on EXHIBIT A or EXHIBIT B, and consider the effectiveness of each strategy based on available evidence	Identify and evaluate potential strategies
H	Identify gaps in existing efforts	For each potential strategy identified (or for favored strategies), survey existing programs, services, or supports that address the same or similar issues; and identify gaps or shortcomings	Report on survey of and gaps in existing efforts
I	Prioritize strategies	Prioritize strategies, taking into account your shared vision, analysis of root causes, evaluation of each strategy, and analysis of gaps in existing efforts	Report on prioritization of strategies
J	Identify goals, measures, and evaluation plan	For each strategy (or favored strategy), develop goals and an evaluation plan that includes at least one process measure (How much did you do?), at least one quality measure (How well did you do it?), and at least one outcome measure (Is anyone better off?)	Report on goals, measures, and evaluation plan for each chosen strategy
K	Consider ways to align strategies	For each potential strategy identified (or for favored strategies), consider opportunities to braid Opioid Settlement Funds with other funding streams; develop regional solutions; form strategic partnerships; or to pursue other creative solutions	Report on opportunities to align strategies as described
L	Identify organizations	Identify organizations and agencies with responsibility to implement each strategy; and identify the human, material, and capital resources to implement each strategy	Identify organizations and needs to implement each strategy

M	Develop budgets and timelines	Develop a detailed global budget for each strategy with anticipated expenditures, along with timelines for completing components of each strategy	Report budgets and timelines for each strategy
N	Offer recommen-dations	Offer recommendations to local governing body (e.g., the county board, city council, or other local governing body)	Report recommendations to governing body

ITEM A DETAIL: STAKEHOLDER INVOLVEMENT

	STAKE-HOLDERS	DESCRIPTION	CONTENT OF REPORT & RECOMMENDATIONS
A-1	Local officials	County and municipal officials, such as those with responsibility over public health, social services, and emergency services	Report stakeholder involvement (who and how involved in process)
A-2	Healthcare providers	Hospitals and health systems, addiction professionals and other providers of behavioral health services, medical professionals, pharmacists, community health centers, medical safety net providers, and other healthcare providers	same as above
A-3	Social service providers	Providers of human services, social services, housing services, and community health services such as harm reduction, peer support, and recovery support services	same
A-4	Education and employment service providers	Educators, such as representatives of K-12 schools, community colleges, and universities; and those providing vocational education, job skills training, or related employment services	same
A-5	Payers and funders	Health care payers and funders, such as managed care organizations, prepaid health plans, LME-MCOs, private insurers, and foundations	same
A-6	Law enforcement	Law enforcement and corrections officials	same
A-7	Employers	Employers and business leaders	same
A-8	Community groups	Community groups, such as faith communities, community coalitions that address drug misuse, groups supporting people in recovery, youth leadership organizations, and grassroots community organizations	same
A-9	Stakeholders with "lived experience"	Stakeholders with "lived experience," such as people with addiction, people who use drugs, people in medication-assisted or other treatment, people in recovery, people with criminal justice involvement, and family members or loved ones of the individuals just listed	same
A-10	Stakeholders reflecting diversity of community	Stakeholders who represent the racial, ethnic, economic, and cultural diversity of the community, such as people of color, Native Americans, members of the LGBTQ community, and members of traditionally unrepresented or underrepresented groups	same

EXHIBIT D TO NC MOA: COORDINATION GROUP

COMPOSITION

The Coordination Group shall consist of the following twelve members:

Five Local Government Representatives

- Four appointed by the North Carolina Association of County Commissioners including:
  - One county commissioner
  - One county manager
  - One county attorney
  - One county local health director or consolidated human services director

- One municipal manager appointed by the North Carolina League of Municipalities

Four Experts Appointed by the Department of Health and Human Services

- Four appointed by the Secretary of the Department of Health and Human Services, having relevant experience or expertise with programs or policies to address the opioid epidemic, or with behavioral health, public health, health care, harm reduction, social services, or emergency services.

One Expert Appointed by the Attorney General

- One appointed by the Attorney General of North Carolina from the North Carolina Department of Justice or another state agency, having drug policy or behavioral health experience or expertise.

Two Experts Appointed by Legislative Leaders

- One representative from the University of North Carolina School of Government with relevant expertise appointed by the Speaker of the North Carolina House of Representatives.
- One representative from the board or staff of the North Carolina Institute of Medicine with relevant expertise appointed by the President Pro Tem of the North Carolina Senate.

The coordination group may appoint a non-voting administrator to convene meetings and facilitate the work of the coordination group. The administrator will not be paid from the Opioid Settlement Funds distributed under this MOA.

Appointees shall have relevant experience or expertise with programs or policies to address the opioid epidemic, behavioral health, public health, health care, social services, emergency services, harm reduction, management of local government, or other relevant areas.

Those responsible for making appointments to the coordination group are encouraged to appoint individuals who reflect the diversity of North Carolina, taking into consideration the need for geographic diversity; urban and rural perspectives; representation of people of color and

traditionally underrepresented groups; and the experience and perspective of persons with "lived experience." Those responsible for making appointments may appoint a successor or replace a member at any time. Members of the coordination group serve until they resign or are replaced by the appointer. Eight members of the coordination group constitutes a quorum.

RESPONSIBILITIES

a. As provided in **Section F.2** of the MOA, where no compliance audit would be required under the Federal Single Audit Act of 1984 for expenditures of Opioid Settlement Funds, a compliance audit shall be required under a compliance supplement established by a vote of at least 8 members of the coordination group. The compliance supplement shall address, at least, procedures for determining:

   i. Whether the Local Government followed the procedural requirements of the MOA in ordering the expenditures.

   ii. Whether the Local Government's expenditures matched one of the types of opioid-related expenditures listed in **Exhibit A** of the MOA (if the Local Government selected Option A) or **Exhibit B** of the MOA (if the Local Government selected Option B).

   iii. Whether the Local Government followed the reporting requirements in the MOA.

   iv. Whether the Local Government (or sub-recipient of any grant or loan, if applicable) utilized the awarded funds for their stated purpose, consistent with this MOA and other relevant standards.

   v. Which processes (such as sampling) shall be used:
      i. To keep the costs of the audit at reasonable levels; and
      ii. Tailor audit requirements for differing levels of expenditures among different counties.

b. The coordination group may, by a vote of at least 8 members, propose amendments to the MOA as discussed in **Section H** of the MOA or modify any of the following:

   i. The high-impact strategies discussed in **Section E.5** of the MOA and described in **Exhibit A** to the MOA;

   ii. The collaborative strategic planning process discussed in **Section E.5** of the MOA and described in **Exhibit C** to the MOA;

   iii. The annual financial report discussed in **Section F.4** of the MOA and described in **Exhibit E** to the MOA;

   iv. The impact information discussed in **Section F.4** of the MOA and described in **Exhibit F** to the MOA; or

   v. Other information reported to the statewide opioid dashboard.

c. The coordination group may, by consensus or by vote of a majority of members present and voting, work with the parties to this MOA, the North Carolina Association of County Commissioners, the North Carolina League of Municipalities, other associations, foundations, non-profits, and other government or nongovernment entities to provide support to Local Governments in their efforts to effectuate the goals and implement the terms of this MOA. Among other activities, the coordination group may coordinate, facilitate, support, or participate in any of the following activities:

   i. Providing assistance to Local Governments in identifying, locating, collecting, analyzing, or reporting data used to help address the opioid epidemic or related challenges, including data referred to in **Exhibit F**;

   ii. Developing resources or providing training or technical assistance to support Local Governments in addressing the opioid epidemic and carrying out the terms of this MOA;

   iii. Developing pilot programs, trained facilitators, or other resources to support the collaborative strategic planning process described in this MOA;

   iv. Developing and implementing a voluntary learning collaborative among Local Governments and others to share best practices in carrying out the terms of this MOA and addressing the opioid epidemic, including in-person or virtual convenings or connections;

   v. Developing voluntary leadership training programs for local officials on strategies to address the opioid epidemic, opportunities for Local Governments to harness the ongoing transition to value-based healthcare, and other relevant topics;

   vi. Taking other actions that support Local Governments in their efforts to effectuate the goals and implement the terms of this MOA but do not in any way change the terms of this MOA or the rights or obligations of parties to this MOA.

EXHIBIT E TO NC MOA:
ANNUAL FINANCIAL REPORT

Each annual financial report must include the following financial information:

1. The amount of Opioid Settlement Funds in the special revenue fund at the beginning of the fiscal year (July 1).
2. The amount of Opioid Settlement Funds received during the fiscal year.
3. The amount of Opioid Settlement Funds disbursed or applied during the fiscal year, broken down by funded strategy (with any permissible common costs prorated among strategies).
4. The amount of Opioid Settlement Funds used to cover audit costs as provided in Section F.3 of this MOA.
5. The amount of Opioid Settlement Funds in the special revenue fund at the end of the fiscal year (June 30).

All Local Governments that receive two-tenths of one percent (0.2 percent) or more of the total Local Government Allocation as listed in **Exhibit G** shall provide the following additional information:

6. For all Opioid Settlement Funds disbursed or applied during the fiscal year as reported in item 3 above, a single breakdown of the total amount disbursed or applied for all funded strategies during the fiscal year into the following categories:
   a. Human resource expenditures.
   b. Subcontracts, grants, or other payments to sub-recipients involved in implementing of the funded strategies listed item 4 above.
   c. Operational expenditures.
   d. Capital expenditures.
   e. Other expenditures.

7. With respect to item 6.b above, the Local Government shall provide the following information for any sub-recipient that receives ten percent or more of the total amount that the Local Government disbursed or applied during the fiscal year:
   a. The name of the sub-recipient.
   b. The amount received by the sub-recipient during the fiscal year.
   c. A very brief description of the goods, services, or other value provided by the sub-recipient (for example, “addiction treatment services” or “peer-support services” or “syringe service program” or “naloxone purchase”).

The coordination group may clarify or modify specifications for this annual financial report as provided in Exhibit D.

EXHIBIT F TO NC MOA:
IMPACT INFORMATION

Within 90 days of the end of any fiscal year in which a Local Government expends Opioid Settlement Funds, the Local Government shall report impact information for each strategy that it funded with Opioid Settlement Funds during that fiscal year ("funded strategy"), using the STANDARD FORM or the SHORT FORM for each funded strategy.

The STANDARD FORM is recommended to all Local Governments for all funded strategies. However, Local Governments may use the SHORT FORM as follows:

- All Local Governments that receive less than 0.2 percent (two-tenths of one percent) of the total Local Government Allocation as shown on **Exhibit G** may use the SHORT FORM for all funded strategies.

- All Local Governments that receive 0.2 percent (two-tenths of one percent) or more but less than 0.3 percent (three-tenths of one percent) of the total Local Government Allocation as shown on **Exhibit G** must use the STANDARD FORM for the funded strategy that received the largest amount of settlement funds during the fiscal year and may use the SHORT FORM for all other funded strategies.

- All Local Governments that receive 0.3 percent (three-tenths of one percent) or more but less than 0.4 percent (four-tenths of one percent) of the total Local Government Allocation as shown on **Exhibit G** must use the STANDARD FORM for the two funded strategies that received the largest amount of settlement funds during the fiscal year and may use the SHORT FORM for all other funded strategies.

STANDARD FORM

1. County or municipality and fiscal year covered by this report.

2. Name, title, and organization of person completing this report.

3. Name of funded strategy, letter and/or number of funded strategy on **Exhibit A** or **Exhibit B** to the MOA, and number and date of resolution(s) authorizing expenditure of settlement funds on funded strategy.

4. **Brief progress report** describing the funded strategy and progress made during the fiscal year. Recommended length: approximately one page (250 words).

5. **Brief success story** from a person who has benefitted from the strategy (de-identified unless the person has agreed in writing to be identified). Recommended length: approximately one page (250 words).

6. **One or more process measures,** addressing the question, "How much did you do?" Examples: number of persons enrolled, treated, or served; number of participants trained; units of naloxone or number of syringes distributed.

7. **One or more quality measures,** addressing the question, "How well did you do it?" Examples: percentage of clients referred to care or engaged in care; percentage of staff with

certification, qualification, or lived experience; level of client or participant satisfaction shown in survey data.

8. **One or more outcome measures,** addressing the question, "Is anyone better off?" Examples: number or percentage of clients with stable housing or employment; self-reported measures of client recovery capital, such as overall well-being, healthy relationships, or ability to manage affairs; number or percentage of formerly incarcerated clients receiving community services or supports within X days of leaving jail or prison.

9. In connection with items 6, 7, and 8 above, **demographic information** on the participation or performance of people of color and other historically marginalized groups.

The State will provide counties and municipalities with recommended measures and sources of data for common opioid remediation strategies such as those listed in **Exhibit A**.

Counties or municipalities that have engaged in collaborative strategic planning are encouraged to use the measures for items 6 through 8 above identified through that process.

SHORT FORM

1. County or municipality and fiscal year covered by this report.

2. Name, title, and organization of person completing this report.

3. Name of funded strategy, letter and/or number of funded strategy on **Exhibit A** or **Exhibit B** to the MOA, and number and date of resolution(s) authorizing expenditure of settlement funds on strategy.

4. **Brief progress report** describing the funded strategy and progress made on the funded strategy during the fiscal year. Recommended length: approximately one-half to one page (125-250 words).

EXHIBIT G TO NC MOA:
LOCAL GOVERNMENT ALLOCATION PROPORTIONS

Counties:

Alamance	1.378028967612490%
Alexander	0.510007879580514%
Alleghany	0.149090598929352%
Anson	0.182192960366522%
Ashe	0.338639188321974%
Avery	0.265996766935006%
Beaufort	0.477888434887858%
Bertie	0.139468575095652%
Bladen	0.429217809476617%
Brunswick	2.113238507591200%
Buncombe	2.511587857322730%
Burke	2.090196827047270%
Cabarrus	1.669573446626000%
Caldwell	1.276301146194650%
Camden	0.073036400412663%
Carteret	1.128465593852300%
Caswell	0.172920237524674%
Catawba	2.072695222699690%
Chatham	0.449814383077585%
Cherokee	0.782759152904478%
Chowan	0.113705596126821%
Clay	0.224429948904576%
Cleveland	1.119928027749120%
Columbus	1.220936938986050%
Craven	1.336860190247190%
Cumberland	2.637299659634610%
Currituck	0.186778551294444%
Dare	0.533126731273811%
Davidson	1.940269530393250%
Davie	0.513147526867745%
Duplin	0.382785147396895%
Durham	1.797994362444460%
Edgecombe	0.417101939026669%
Forsyth	3.068450809484740%
Franklin	0.500503643290578%
Gaston	3.098173886907710%
Gates	0.079567516632414%
Graham	0.183484561708488%
Granville	0.590103409340146%

Greene	0.123274818647799%
Guilford	3.375015231147900%
Halifax	0.453161173976264%
Harnett	0.988980772198890%
Haywood	0.803315110111045%
Henderson	1.381595087040930%
Hertford	0.206843050128754%
Hoke	0.332485804570157%
Hyde	0.027237354085603%
Iredell	2.115931374540020%
Jackson	0.507757731330674%
Johnston	1.250887468217670%
Jones	0.087966986994631%
Lee	0.653115683614534%
Lenoir	0.604282592625687%
Lincoln	0.926833627125253%
Macon	0.466767666100745%
Madison	0.237776496104888%
Martin	0.232882220579515%
McDowell	0.587544576492856%
Mecklenburg	5.038301259920550%
Mitchell	0.309314151564137%
Montgomery	0.226050543041193%
Moore	0.971739112775481%
Nash	0.845653639635102%
New Hanover	2.897264892001010%
Northampton	0.120996238921878%
Onslow	1.644001364710850%
Orange	1.055839419023090%
Pamlico	0.119936151028001%
Pasquotank	0.374816210815334%
Pender	0.585749331860312%
Perquimans	0.111833180344914%
Person	0.403024296727131%
Pitt	1.369008066415930%
Polk	0.266142985954851%
Randolph	1.525433986174180%
Richmond	0.749132839979529%
Robeson	1.359735343574080%
Rockingham	1.365368837477560%
Rowan	2.335219287913370%
Rutherford	0.928941617994687%
Sampson	0.619513740526226%
Scotland	0.449148274209402%

Stanly	0.724974208589555%
Stokes	0.623953112434303%
Surry	1.410826706091650%
Swain	0.281162928604502%
Transylvania	0.497595509451435%
Tyrrell	0.041440907207785%
Union	1.466702679869700%
Vance	0.536258255282162%
Wake	4.902455667205510%
Warren	0.106390583495122%
Washington	0.074770720453604%
Watauga	0.469675799939888%
Wayne	0.970699333078804%
Wilkes	1.997177160589100%
Wilson	0.646470841490459%
Yadkin	0.562147145073638%
Yancey	0.382114976889272%

Municipalities:

Asheville	0.235814724255298%
Canton	0.011453823221205%
Cary	0.144151645370137%
Charlotte	1.247483814366830%
Concord	0.227455870287483%
Durham	0.380405026684971%
Fayetteville	0.309769055181433%
Gastonia	0.257763823789835%
Greensboro	0.527391696384329%
Greenville	0.162656474659432%
Henderson	0.032253478794181%
Hickory	0.094875835682315%
High Point	0.206428762905859%
Jacksonville	0.095009869783840%
Raleigh	0.566724612722679%
Wilmington	0.119497493968465%
Winston-Salem	0.494459923803644%

EXHIBIT V

ATTORNEY GENERAL'S RELEASE PURSUANT TO GOVERNMENTAL ENTITY & SHAREHOLDER DIRECT SETTLEMENT AGREEMENT

WHEREAS the Governmental Entity & Shareholder Direct Settlement Agreement (the "Agreement"),[1] provides that each Settling State, on behalf of itself and its Releasors shall deliver this Release, which shall be effective upon the occurrence of the Effective Date, provided that such Release may be subject to the pursuit by the MDT of a Release Remedy (as defined in the Master Settlement Agreement) under Master Settlement Agreement Section 9.02(a)(ii)(B) with respect to a Payment Party.

WHEREAS "State Releasors" means (1) each Settling State; (2) without limitation and to the maximum extent of the power of each Settling State's Attorney General to release Causes of Action, (a) the Settling State's departments, agencies, divisions, boards, commissions, Subdivisions, districts, instrumentalities of any kind and attorneys, including its Attorney General, and any person in his or her official capacity whether elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, (b) any public entities, public instrumentalities, public educational institutions, unincorporated districts, fire districts, irrigation districts, and other Special Districts in a Settling State, and (c) any person or entity acting in a *parens patriae*, sovereign, quasi-sovereign, private attorney general, *qui tam*, taxpayer, or other capacity seeking relief on behalf of or generally applicable to the general public with respect to a Settling State or Subdivision in a Settling State, whether or not any of them participate in this Agreement; (3) all past and present executive departments, state agencies, divisions, boards, commissions and instrumentalities with the regulatory authority to enforce state and federal controlled substances acts within a Settling State; and (4) any of the Settling State's past and present executive departments, agencies, divisions, boards, commissions, and instrumentalities that have the authority to bring Shareholder Released Claims or Released Claims, whether or not any of them participate in the Agreement (for the purposes of this clause (4), executive departments, agencies, divisions, boards, commissions, and instrumentalities are those that are under the executive authority or direct control of the Settling State's Governor).

WHEREAS the Agreement provides in Section 10.06 that signatories to the Agreement on behalf of their respective Settling States expressly represent and warrant that they have (or have obtained, or will obtain no later than the deadline set forth in section 8.01 of the Agreement) the authority to settle and release, to the maximum extent of each Settling State's power, all Shareholder Released Claims and such other Claims released pursuant to this Release of (1) their respective Settling States, (2) all past and present executive departments, state agencies, divisions, boards, commissions and instrumentalities with the regulatory authority to enforce state and federal controlled substances acts, and (3) any of their respective Settling State's past and present executive departments, agencies, divisions, boards, commissions, and instrumentalities that have the authority to bring a Shareholder Released Claim or Released Claim. For the purposes of clause (3) above, executive departments, agencies, divisions, boards, commissions, and instrumentalities are those that are under the executive authority or direct control of the Settling State's Governor.

WHEREAS pursuant to the Agreement, a release from a Settling State's Governor is sufficient to demonstrate that the appropriate releases have been obtained for the purposes of clause (3) of section 10.06 of the Agreement, and the Settling State represents and warrants that the Governor of the State of North

[1] Capitalized terms used in this Exhibit V but not otherwise defined in this Exhibit V have the meanings given to them in the Agreement or, if not defined in the Agreement, the MSA. For the avoidance of doubt, Section 1.02 of the Agreement shall apply to this Exhibit V.

Carolina has provided (or will provide no later than the deadline set forth in section 8.01 of the Agreement) a release;

THEREFORE, to the maximum extent of the power of the Attorney General, for good and valuable consideration, the adequacy of which is hereby confirmed, the Shareholder Released Parties and Released Parties are, as of the Effective Date, hereby released and forever discharged by the State of North Carolina and its State Releasors from: any and all Causes of Action, including, without limitation, any Estate Cause of Action and any claims that the State of North Carolina or its Releasors would have presently or in the future been legally entitled to assert in its own right (whether individually or collectively), notwithstanding section 1542 of the California Civil Code or any law of any jurisdiction that is similar, comparable or equivalent thereto (which shall conclusively be deemed waived), whether existing or hereinafter arising, in each case, (A) directly or indirectly based on, arising out of, or in any way relating to or concerning, in whole or in part, (i) the Debtors, as such Entities existed prior to or after the Petition Date, and their Affiliates, (ii) the Estates, (iii) the Chapter 11 Cases, or (iv) Covered Conduct and (B) as to which any conduct, omission or liability of any Debtor or any Estate is the legal cause or is otherwise a legally relevant factor (each such release, as it pertains to the Shareholder Released Parties, the "Shareholder Released Claims", and as it pertains to the Released Parties other than the Shareholder Released Parties, the "Released Claims").

THEREFORE, for the avoidance of doubt and without limiting the foregoing: the Shareholder Released Claims and Released Claims include any Cause of Action that has been or may be asserted against any Shareholder Released Party or Released Party by the State of North Carolina or its State Releasors (whether or not such party has brought such action or proceeding) in any federal, state, or local action or proceeding (whether judicial, arbitral, or administrative) (A) directly or indirectly based on, arising out of, or in any way relating to or concerning, in whole or in part, (i) the Debtors, as such Entities existed prior to or after the Petition Date, and their Affiliates, (ii) the Estates, (iii) the Chapter 11 Cases, or (iv) Covered Conduct and (B) as to which any conduct, omission or liability of any Debtor or any Estate is the legal cause or is otherwise a legally relevant factor.

THEREFORE, the State of North Carolina hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Shareholder Released Claim or Released Claim against any Shareholder Released Party or Released Party in any forum whatsoever, subject in all respects to section 9.02 of the Master Settlement Agreement.

THEREFORE, the State of North Carolina intends that these releases (including the term "Shareholder Released Claims" and "Released Claims") be broad and interpreted so as to give the Shareholder Released Parties and the Released Parties the broadest possible release of any liability relating in any way to the Shareholder Released Claims and Released Claims and extend to the full extent of the power of the State of North Carolina and its Attorney General to release claims.

THEREFORE, to the maximum extent of the State of North Carolina's power, the Shareholder Released Parties and Released Parties are, as of the Effective Date, hereby released and discharged from any and all Shareholder Released Claims and Released Claims of the State Releasors.

THEREFORE, notwithstanding anything to the contrary herein or in the Agreement, (x) nothing in this Release shall (A) release any Excluded Claims or (B) be construed to impair in any way the rights and obligations of any Person under the Agreement; and (y) the Releases set forth herein shall be subject to being deemed void to the extent set forth in Section 9.02 of the Master Settlement Agreement.

Jeff Jackson
Attorney General of the State of North Carolina

Date: 10/9/25