

**EXHIBIT N<sup>1</sup>**

**RELEASED CLAIMS RESERVES AND SPECIAL OPERATING RESERVE  
MECHANICS**

**Section 1**

**Defined Terms**

Capitalized terms used but not defined in these Exhibits have the meanings set forth in the Agreement. Unless otherwise noted, section references used herein refer sections in this Exhibit N.

“A-Side SOR Eligible Payment Groups” means, as of any date of determination, eight (8) less the number of A-Side Payment Groups for which a Specified Breach has occurred and is continuing as of such date.

“A-Side SOR Priority Fraction” means, as of any date of determination, the fraction with a numerator equal to 3.75% multiplied by the A-Side SOR Eligible Payment Groups as of such date and a denominator equal to (a) 35% multiplied by the B-Side SOR Eligible Payment Groups as of such date plus (b) 3.75% multiplied by the A-Side SOR Eligible Payment Groups as of such date.

“A-Side SOR Priority Limit” means, as of any date of determination, the amount determined as follows: (a) \$60 million; plus (b) the sum of amounts determined for each Replenishment Transfer is made on or prior to such date of determination: (i) the amount of such Replenishment Transfer, multiplied by (ii) the A-Side SOR Priority Fraction as of the date of such Replenishment Transfer; less (c) the sum of amounts determined for each Sweep Amount transfer is made on or prior to such date of determination: (i) the Sweep Amount, multiplied by (ii) the A-Side SOR Priority Fraction as of the date of such Sweep Amount transfer; less (d) the sum of amounts determined for each release of funds to the MDT from the Special Operating Reserve pursuant to Section 4 on or prior to such date of determination: (i) the amount of funds released, multiplied by (ii) the A-Side SOR Priority Fraction as of the date of such release.

“Acceleration Remedy” means the remedies MDT may exercise in Section 9.02(a)(ii)(A) of the Agreement.

“Appeal Bond Costs” are defined in the Agreement’s definition of “Litigation Costs.”

“Available Retained Payment Amount” means, as of any date of determination and for a given Payment Group, an amount (which may be positive or negative) equal to: (a) such Payment Group’s total Retained Payment Amounts as of such date, plus (b) total amounts returned to such

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<sup>1</sup> The parties contemplate that certain of the reserves described in this Exhibit N may be structured as grantor trusts funded by PRA LP and controlled by the MDT or certain creditor trusts. The parties will work together in good faith to reflect the foregoing in this Exhibit N and the Definitive Documents to the extent ultimately agreed.

Payment Group from any escrow account or a segregated account in connection with a Settlement Agreement (including a resolved dispute), plus (c) total amounts released to such Payment Group as of immediately prior to such date from the Released Claims Reserve as an RCR Litigation Cost Advance, plus (d) total amounts released to such Payment Group as of immediately prior to such date from the Special Operating Reserve as an SOR Litigation Cost Advance, less (e) such Payment Group's Total Litigation Costs as of such date, less (f) total amounts paid by or on behalf of such Payment Group as of immediately prior to such date to the Released Claims Reserve and the Special Operating Reserve as a Payment Group RCR Top-Off Payment or a Payment Group SOR Top-Off Payment.

"B-Side SOR Eligible Payment Groups" means, as of any date of determination, two (2) less the number of B-Side Payment Groups for which a Specified Breach has occurred and is continuing as of such date.

"B-Side SOR Priority Fraction" means, as of any date of determination, the fraction with a numerator equal to 35% multiplied by the B-Side SOR Eligible Payment Groups as of such date and a denominator equal to (a) 35% multiplied by the B-Side SOR Eligible Payment Groups as of such date plus (b) 3.75% multiplied by the A-Side SOR Eligible Payment Groups as of such date.

"B-Side SOR Priority Limit" means, as of any date of determination, the amount determined as follows: (a) \$140 million; plus (b) the sum of amounts determined for each Replenishment Transfer is made on or prior to such date of determination: (i) the amount of such Replenishment Transfer, multiplied by (ii) the B-Side SOR Priority Fraction as of the date of such Replenishment Transfer; less (c) the sum of amounts determined for each Sweep Amount transfer is made on or prior to such date of determination: (i) the Sweep Amount, multiplied by (ii) the B-Side SOR Priority Fraction as of the date of such Sweep Amount transfer; less (d) the sum of amounts determined for each release of funds to the MDT from the Special Operating Reserve pursuant to Section 4 on or prior to such date of determination: (i) the amount of funds released, multiplied by (ii) the B-Side SOR Priority Fraction as of the date of such release.

"Capped Payment Group" has the meaning set forth in Section 2(e).

"First Reversion Date" has the meaning set forth in Section 4.

"Interim Litigation Cost Advance Request" has the meaning set forth in Section 7(b)(ii)(A).

"Legal Expense Monitor" means [●], and any other entity mutually selected (i) prior to the Plan Effective Date, by the Sackler Parties' Representative, the Governmental Consent Parties and the Creditors' Committee, and (ii) following the Plan Effective Date, by the Sackler Parties' Representative and the MDT, which approval shall, in each case, not be unreasonably withheld, conditioned or delayed.

"Litigation Cost Advance Notice" has the meaning set forth in Section 7(a)(iii)(A).

"Litigation Cost Report" has the meaning set forth in Section 7(b)(i)(A).

“Litigation Cost Shortfall” means, as of any date of determination and for a given Payment Group, the extent, if any, that such Payment Group’s Available Retained Payment Amount is less than zero. A Litigation Cost Shortfall shall be expressed as a positive number.

“Payment Group” has the same meaning as defined in the Agreement’s definition of “Payment Group”.

“Payment Group RCR Top-Off Amount” has the meaning set forth in Section 3(a)(ii).

“Payment Group RCR Top-Off Payment” has the meaning set forth in Section 3(a)(ii).

“Payment Group SOR Top-Off Amount” has the meaning set forth in Section 3(a)(i).

“Payment Group SOR Top-Off Payment” has the meaning set forth in Section 3(a)(i).

“Private Claimants’ Priority Reversion” has the meaning set forth in Section 4(d).

“RCR Account Balance” has the meaning set forth in Section 5(j)(i).

“RCR Litigation Cost Advance” has the meaning set forth in Section 2(a)(i).

“RCR to SOR Balance Transfer” has the meaning set forth in Section 5(j)(i).

“Recovered RCR Bond Advance” has the meaning set forth in Section 3(a)(iii).

“Recovered SOR Bond Advance” has the meaning set forth in Section 3(a)(iv).

“Reimbursement Date” has the meaning set forth in Section 7(a)(iii)(A).

“Remaining SOR Replenishment Amount” means, as of any date of determination, (i) the SOR Replenishment Cap, minus (ii) the SOR Net Funded Amount.

“Replenishment Transfer” has the meaning set forth in Section 3(b).

“Reversion Funds” has the meaning set forth in Section 2(e).

“Reversion Notice” has the meaning set forth in Section 7(a)(iv).

“SOR Litigation Cost Advance” has the meaning set forth in Section 2(a)(ii).

“SOR Litigation Cost Funding Balance” has the meaning set forth in Section 5(j)(ii).

“SOR Net Funded Amount” means, as of any date of determination, (i) the \$200 million funded into the Special Operating Reserve on the Settlement Effective Date pursuant to Section 5.02(a) of the Agreement, plus (ii) total Replenishment Transfers (if any) as of immediately prior to such date, less (iii) total Sweep Amounts (if any) as of immediately prior to such date, less (iv) total amounts released to the MDT from the Special Operating Reserve pursuant to Section 4 (if any) as of immediately prior to such date.

“SOR Replenishment Cap” means as of the date of determination (a) \$800 million less (b) for each B-Side Payment Group for which a Specified Breach has occurred and is continuing an amount equal to the B-Side SOR Priority Fraction divided by the B-Side SOR Eligible Payment Groups multiplied by the Remaining SOR Replenishment Amount, in each case as of immediately prior to such Specified Breach less (c) for each A-Side Payment Group for which a Specified Breach has occurred and is continuing an amount equal to the A-Side SOR Priority Fraction divided by the A-Side SOR Eligible Payment Groups multiplied by the Remaining SOR Replenishment Amount, in each case as of immediately prior to such Specified Breach.

“SOR to RCR Balance Transfer” has the meaning set forth in Section 5(j)(ii).

“Suspension Event” has the meaning set forth in Section 4(b).

“Sweep Amount” has the meaning set forth in Section 3(c).

“Unreimbursed Litigation Cost” means a Litigation Cost that is eligible to be reimbursed, but has not been previously reimbursed, by an RCR Litigation Cost Advance or an SOR Litigation Cost Advance.

## Section 2

### Payment Group RCR and SOR Access Rights

(a) *Quarterly Advances.* On each Payment Date (and after giving effect to any applicable Replenishment Transfer, Payment Group SOR Top-Off Payment, or Payment Group RCR Top-Off Payment on such Payment Date) and no later than two (2) Business Days following each calendar date that is three (3) months, six (6) months and nine (9) months thereafter, the MDT shall cause the following reimbursements to be made to each Payment Group (other than any Payment Group (x) for which a Specified Breach has occurred and is continuing or (y) against which the Payment Remedy has been exercised):

(i) *First*, in the event and to the extent such Payment Group has Unreimbursed Litigation Costs related to a given Plan Class, the MDT, as administrative agent, shall cause the corresponding Released Claims Reserve to reimburse such Payment Group solely from the corresponding Released Claims Reserve funded by holdbacks from distributions otherwise payable to that Plan Class; *provided* that no funds shall be released from a Released Claims Reserve funded by a Plan Class if the trustee or other governing body of the corresponding Creditor Trust has disputed such release in accordance with Section 2(f). Subject to the limitations set forth in Section 2(c), the reimbursement shall equal the lesser of (i) the portion of such Released Claims Reserve's balance funded by such Plan Class and (ii) such Payment Group's Litigation Cost Shortfall with respect to the Plan Class. A Payment Group's total reimbursements for all Plan Classes under this Section 2(a)(i) are collectively referred to as an "RCR Litigation Cost Advance".

(ii) *Second*, in the event and to the extent (A) the Payment Group's Litigation Cost Shortfall exceeds the RCR Litigation Cost Advance it received pursuant to Section 2(a)(i) and (B) there are funds in the Special Operating Reserve, the MDT shall cause the Special Operating Reserve to reimburse the Payment Group. Subject to the limitations set forth in Section 2(d), the reimbursement shall equal the lesser of (A) the available funds in the Special Operating Reserve and (B) the Payment Group's remaining Litigation Cost Shortfall after deducting its RCR Litigation Cost Advance on such Payment Date (such reimbursement, an "SOR Litigation Cost Advance").

(b) *More Frequent Advances.* Subject to Section 2(f), if at any time the Sackler Parties' Representative informs the MDT pursuant to Section 7(b)(ii) that the total Litigation Cost Shortfall of all Payment Groups (other than any Payment Group for which a Specified Breach has occurred and is continuing) exceeds \$10 million in aggregate, each Payment Group (other than any Payment Group (x) that has committed a Specified Breach or (y) against which the Acceleration Remedy has been exercised) will receive the reimbursements specified in Section 2(a) within ten (10) Business Days of the notice date (instead of quarterly), *provided*, that reimbursements under this Section 2(b) shall occur no more frequently than once in any thirty (30) calendar day period.

(c) *Released Claims Reserves Limitations.* Subject to Section 2(e),

(i) At any given time, the A-Side Payment Groups' total RCR Litigation Cost Advances for a given Plan Class shall not exceed 42.5% of the total amount released into the Released Claims Reserve related to such Plan Class as of that date.

(ii) At any given time, the B-Side Payment Groups' total RCR Litigation Cost Advances for a given Plan Class shall not exceed 57.5% of the total amount released into the Released Claims Reserve related to such Plan Class as of that date.

(d) *Special Operating Reserve Limitations.*

(i) Subject to Section 2(e)(ii), at any given time, the A-Side Payment Groups' total SOR Litigation Cost Advances less their total Payment Group SOR Top-Off Payments shall not exceed the A-Side SOR Priority Limit.

(ii) The B-Side Payment Groups' total SOR Litigation Cost Advances less their total Payment Group SOR Top-Off Payments shall not exceed the B-Side SOR Priority Limit.

(iii) For the avoidance of doubt, at any given time, the A-Side SOR Priority Limit, plus the B-Side SOR Priority Limit shall equal the SOR Net Funded Amount.

(iv) The total RCR Litigation Cost Advances and SOR Litigation Cost Advances of A-Side Payment Group 8 shall not exceed \$30 million in aggregate.

(e) *Releases Prior to Reversions.* If a Payment Group (other than A-Side Payment Group 8 or any Payment Group that has committed a Specified Breach) has Unreimbursed Litigation Costs as of the date that is ten (10) Business Days prior to the date on which any funds in a Released Claims Reserve revert to the applicable Creditor Trust, or in the Special Operating Reserve revert to the MDT pursuant to Section 4 (such reverting funds, "Reversion Funds"), then the following shall occur with respect to such Payment Group (each, a "Capped Payment Group"):

(i) *First*, in the event and to the extent the Capped Payment Group has Unreimbursed Litigation Costs related to a Plan Class and the Reversion Funds consist of Released Claims Reserve money attributed to that Plan Class, subject to Section 2(f), such portion of such Reversion Funds will be transferred from the Released Claims Reserve to the Capped Payment Group as an RCR Litigation Cost Advance. If there are multiple Capped Payment Groups that have Unreimbursed Litigation Costs related to the same Plan Class, they will divide these Reversion Funds pro rata based on their respective Unreimbursed Litigation Costs.

(ii) *Second*, in the event and to the extent the Capped Payment Group that is an A-Side Payment Group still has Unreimbursed Litigation Costs after applying Section 2(e)(i), Reversion Funds will be transferred from the Special Operating Reserve to such Capped Payment Group as an SOR Litigation Cost Advance; *provided*, that the aggregate maximum reversion to the A-Side Payment Groups from the Special Operating Reserve pursuant to this Section 2(e)(ii) shall not exceed \$100 million. If there are multiple Capped Payment Groups that are (net of Payment Group SOR Top Off Payments) A-Side Payment Groups with Unreimbursed Litigation Costs after applying Section 2(e)(i), they will divide

these Reversion Funds *pro rata* based on their respective remaining Unreimbursed Litigation Costs.

(iii) *Third*, once there are no Unreimbursed Litigation Costs of any Payment Group, then any remaining Reversion Funds will be transferred to the MDT in accordance with Section 4.

(f) *Released Claims Reserves Consent Solicitation Procedures.*

(i) To extent that (A) there are Unreimbursed Litigation Costs related to a given Plan Class based on the most recent Litigation Cost Report delivered pursuant to Section 7(b)(i) and (B) the corresponding Released Claims Reserve has a positive balance as of such date, then ten (10) Business Days in advance of the calendar dates referenced in Section 2(a), the MDT shall provide notice to the trustee or other governing body of the corresponding Creditor Trust of the MDT's intent to access such Released Claims Reserve. If within five (5) Business Days of delivery of such notice, such trustee or other governing body of the corresponding Creditor Trust provides a dispute notice to the MDT that such party disputes the proposed access which shall include a detailed description as to the reason of such dispute, such amounts will not be withdrawn from such Released Claims Reserve and shall instead be withdrawn from the Special Operating Reserve, pending resolution of such dispute. If a dispute arises, the Creditor Trust, the MDT and the Sackler Parties' Representative shall engage in good-faith discussions to resolve the issue as promptly as reasonably possible. If the dispute remains unresolved after five (5) Business Days, it shall be submitted to fast track arbitration for final resolution pursuant to Section 11.13 of the Agreement. If no dispute notice is delivered in accordance with this Section 2(f)(i), the parties are deemed to have provided consent and such amounts may be withdrawn consistent with Section 2(a).

(ii) To extent that (A) there are Unreimbursed Litigation Costs related to a given Plan Class based on the most recent Litigation Cost Report delivered pursuant to Section 7(b)(i) and (B) the corresponding Released Claims Reserve has a positive balance as of such date, then upon receipt of a request in accordance with Section 2(b) or prior to taking an action contemplated by Section 2(e), the MDT shall provide notice to the trustee or other governing body of the corresponding Creditor Trust of the MDT's intent to access such Released Claims Reserve. If within five (5) Business Days of delivery of such notice, such trustee or other governing body of the corresponding Creditor Trust provides a dispute notice to the MDT that such party disputes the proposed access which shall include a detailed description as to the reason of such dispute, such amounts will not be withdrawn from such Released Claims Reserve and shall instead be withdrawn from the Special Operating Reserve, pending resolution of such dispute. If a dispute arises, the Creditor Trust, the MDT and the Sackler Parties' Representative shall engage in good-faith discussions to resolve the issue as promptly as reasonably possible. If the dispute remains unresolved after five (5) Business Days, it shall be submitted to fast track arbitration for final resolution pursuant to Section 11.13 of the Agreement. If no dispute notice is received within five (5) Business Days of delivery of the MDT notice in accordance with this Section 2(f)(ii), the parties are deemed to have provided consent and, such amounts may be withdrawn consistent with Section 2(a).

### Section 3

#### Funding of RCR and SOR after Settlement Effective Date

(a) *Reimbursement of Released Claims Reserves and Special Operating Reserve by Payment Groups.* Subject to the terms and conditions set forth herein, each Payment Party agrees, on a joint and several basis with the other Payment Parties within its Payment Group on the terms and subject to the limitations set forth herein, but on a several and not joint basis as among Payment Groups, to pay or cause to be paid the following reimbursements (if any) to the MDT on each Payment Date in accordance with the below, which reimbursements shall be in addition to (and not reduce) the Payment Group's Estate Payment and other Settlement Payments due on such Payment Date.

(i) First, to the extent that a Payment Group's total SOR Litigation Cost Advances as of the date that is thirty (30) calendar days prior to such Payment Date exceed its total Payment Group SOR Top-Off Payments as of such date (such excess, the "Payment Group SOR Top-Off Amount"), the Payment Group shall reimburse the Special Operating Reserve on such Payment Date. The reimbursement amount shall be equal to the lesser of (A) the Payment Group's Retained Payment Amount, if any, on such Payment Date and (B) the Payment Group SOR Top-Off Amount, if any, on such Payment Date (each such payment, a "Payment Group SOR Top-Off Payment");

(ii) Second, to the extent that a Payment Group's total RCR Litigation Cost Advances as of the date that is thirty (30) calendar days prior to such Payment Date exceed its total Payment Group RCR Top-Off Payments as of such date (such excess, the "Payment Group RCR Top-Off Amount"), the Payment Group shall reimburse the Released Claims Reserve on such Payment Date. The reimbursement amount shall be equal to the lesser of (A) the Payment Group's Retained Payment Amount, if any, on such Payment Date minus the amount paid to the Special Operating Reserve pursuant to Section 3(a)(i) above (not less than zero) and (B) the Payment Group RCR Top-Off Amount, if any, on such Payment Date (each such payment, a "Payment Group RCR Top-Off Payment"). Each Payment Group RCR Top-Off Payment shall be allocated among the Plan Classes proportionally based on the extent to which (A) the total RCR Litigation Cost Advances made to such Payment Group with respect to a Plan Class exceeds (B) the total prior Payment Group RCR Top-Off Payments made by such Payment Group with respect to the Plan Class;

(iii) Third, if at any time a Payment Group has received an RCR Litigation Cost Advance in respect of Appeal Bond Costs and any of such RCR Litigation Cost Advance has been recovered by such Payment Group (such recovered amount, an "Recovered RCR Bond Advance"), such Payment Group shall reimburse the Released Claims Reserve, within five (5) Business Days of the date of such recovery, in an amount equal to the lesser of (A) such Recovered RCR Bond Advance and (B) the excess, if any, calculated as of the fifth (5th) Business Day prior to such reimbursement, of (x) such Payment Group's total RCR Litigation Cost Advances over (y) such Payment Group's total Payment Group RCR Top-Off Payments; and



*Section 3 - Funding of RCR and SOR after Settlement Effective Date.*

(iv) Fourth, if at any time a Payment Group has received an SOR Litigation Cost Advance in respect of Appeal Bond Costs and any of such SOR Litigation Cost Advance has been recovered by such Payment Group (such recovered amount, an “Recovered SOR Bond Advance”), such Payment Group shall reimburse the Special Operating Reserve, within five (5) Business Days of the date of such recovery, in an amount equal to the lesser of (A) such Recovered SOR Bond Advance and (B) the excess, if any, calculated as of the tenth (10th) Business Day prior to such reimbursement, of (x) such Payment Group’s total SOR Litigation Cost Advances over (y) such Payment Group’s total Payment Group SOR Top-Off Payments.

(v) The total amount of any Payment Group RCR Top-Off Payment or Payment Group SOR Top-Off Payment made by a Crossover Member shall be deemed to have been made in equal proportions by each Payment Group of which such Crossover Member is a member.

(b) *Replenishment Transfers (MDT to Special Operating Reserve).* If, as of any Payment Date (other than the Settlement Effective Date), the Special Operating Reserve’s balance (after giving effect to all Payment Group SOR Top-Off Payments payable on such Payment Date and, in the case of the ninth (9th) Payment Date, after any reversion of the Private Claimants’ Priority Reversion to the Creditor Trusts for the Private Claimants (as defined in the Agreement)) is less than \$300 million, then the MDT shall use all Estate Payments paid by or on behalf of the Payment Parties to the MDT on such Payment Date and thereafter to return the balance of the Special Operating Reserve to \$300 million (each such transfer, a “Replenishment Transfer”); *provided that* the MDT shall not be required to (i) make Replenishment Transfers after (and so long as) the Remaining SOR Replenishment Amount equals zero or (ii) make any Replenishment Transfers following the First Reversion Date subject to Section 4. All obligations to make timely Replenishment Transfers in full shall always be senior to (and take priority over) all other obligations of the MDT.

(c) *Sweeps (Special Operating Reserve to MDT).* If on any Payment Date, after giving effect to all SOR Litigation Cost Advances, Payment Group SOR Top-Off Payments and Replenishment Transfers owed on such Payment Date, the Special Operating Reserve balance exceeds \$300 million, the MDT may transfer the excess amount to the MDT for the benefit of the Governmental Remediation Trust and Tribe Trust (such excess amount, a “Sweep Amount”), subject to the requirement to make Replenishment Transfers to the extent required by Section 3(b).

## Section 4

### Reversion of Reserves

Upon the later of (i) the sixth (6th) Payment Date and (ii) the date no Material Litigation is or has been pending for the prior thirty (30) days (the “First Reversion Date”), (A) one third (1/3) of the balance of each of the Special Operating Reserve and Released Claims Reserves will be released to the MDT or the applicable Creditor Trust, respectively, after completion of all requirements set forth in Section 2, Section 3 and this Section 4 and (B) Replenishment Transfers shall cease. For the avoidance of doubt, Material Litigation shall continue to “exist” during the pendency of any appeal concerning Material Litigation.

(a) Unless and until Material Litigation is commenced or continued prior to any of the times set forth below against any Shareholder Released Party after the First Reversion Date, then:

(i) Upon the first anniversary of the First Reversion Date, if and only if no Material Litigation is or has been pending for the prior thirty (30) days, fifty percent (50%) of each of the remaining balance of the Released Claims Reserves and Special Operating Reserves will be released to the applicable Creditor Trust or the MDT, respectively;

(ii) Upon the second anniversary of the First Reversion Date, if and only if no Material Litigation is or has been pending for the prior thirty (30) days, fifty percent (50%) of each of the remaining balance of the Released Claims Reserves will be released to the applicable Creditor Trust or the MDT, respectively; and

(iii) Thereafter, upon the date when no litigation is or has been pending for the prior thirty (30) days, the remaining balance of each of the Released Claims Reserves and Special Operating Reserve will be released to the applicable Creditor Trust or the MDT, respectively.

All reversions from the Released Claims Reserves shall be distributed pro rata to the Plan Classes in proportion to their respective contributions to the Released Claims Reserves, less each Plan Class’s share of Litigation Costs covered by the Released Claims Reserves.

(b) If, for any reason, Material Litigation is commenced or continued prior to any of the times set forth in subclauses (iii) through (vi) below against any Shareholder Released Party (a “Suspension Event”), then:

(i) All releases from the Released Claims Reserves and Special Operating Reserve described in Section 4(b) shall cease, and

(ii) If the Material Litigation is of the type referenced in clause (1)(a) of the definition of “Material Litigation” (i.e., any litigation by a Material Litigant against Shareholder Released Parties regarding Covered Conduct) or clause (2) thereof (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), the MDT shall resume Replenishment Transfers pursuant to Section 3(b).

(iii) Following a Suspension Event, a new First Reversion Date shall only occur when no Material Litigation is or has been pending for thirty (30) days, as shall be reported by the Sackler Parties' Representative to the MDT in accordance with Section 7(b)(v)(B). On such date or as soon as reasonably practicable thereafter, one third (1/3) of the balance of each of the Special Operating Reserve will be released to the MDT and Released Claims Reserves will be released to the applicable Creditor Trust according to Section 4(d), after completion of all requirements set forth in Section 2, Section 3 and this Section 4 and Replenishment Transfers shall cease. Thereafter:

(iv) Upon the first anniversary of the First Reversion Date, if and only if no Material Litigation is or has been pending for the prior thirty (30) days, one half (1/2) of the remaining balance of each of the Special Operating Reserve will be released to the MDT and Released Claims Reserves will be released to the applicable Creditor Trust; and

(v) Upon the second anniversary of the First Reversion Date, if and only if no Material Litigation is or has been pending for the prior thirty (30) days, one half (1/2) of the remaining balance of each of the Special Operating Reserve will be released to the MDT and Released Claims Reserves will be released to the applicable Creditor Trust.

(vi) Thereafter, upon the date when no litigation against any of the Shareholder Released Parties with respect to Covered Conduct is or has been pending for the prior thirty (30) days, the remaining balance of each of the Special Operating Reserve will be released to the MDT and Released Claims Reserves will be released to the applicable Creditor Trust;

*provided*, that if money remains in the Released Claims Reserves or the Special Operating Reserve after the twelfth (12th) Payment Date, then:

(i) All remaining funds in the Released Claims Reserves will be released to the applicable Creditor Trust no later than thirty (30) days after the first date that no Material Litigation against any of the Shareholder Released Parties with respect to Covered Conduct is pending.

(ii) All but \$25 million of the remaining funds in the Special Operating Reserve will be released to the MDT for the benefit of the applicable Creditor Trust(s) no later than six (6) months after the first date that no Material Litigation against any of the Shareholder Released Parties with respect to Covered Conduct is pending; and all funds remaining in the Special Operating Reserve from the \$25 million described in clause (ii) of this proviso will be released to the applicable Creditor Trust no later than six (6) months after the first date that no litigation against any of the Shareholder Released Parties with respect to Covered Conduct is pending.

(c) The Payment Parties shall use reasonable efforts to advance any pending litigation against them concerning Covered Conduct to final, non-appealable judgment, including prosecuting a Threshold Motion, without prejudice to their defenses or their right to assert good faith defenses.

(d) MDT shall first allocate all Reversion Funds from the Special Operating Reserve to the Private Creditor Trusts until they have received a cumulative amount of such Reversion

Funds equal to the Private Claimants' Priority Reversion. The "Private Claimants' Priority Reversion" means, on any date of determination, an amount equal to \$19.8 million less the total Litigation Costs paid from the Special Operating Reserve for claims pursued by any Non-Settling Private Claimant as of that date.

(e) If by the ninth (9th) Payment Date the MDT has not made allocations to the Private Creditor Trusts pursuant to Section 4(d) in an amount equal to the Private Claimants' Priority Reversion, then the Special Operating Reserve shall release funds to the MDT for distribution to the Private Creditor Trusts on the ninth (9th) Payment Date in an amount equal to the shortfall. Upon a release from the Special Operating Reserve to the MDT pursuant to Section 4(a)(iii) or Section 4(b)(iii), the MDT will allocate \$200,000 immediately prior to such release to the Private Creditor Trusts.

(f) The MDT shall distribute all Reversion Funds to the applicable Creditor Trusts in accordance with the Plan.

## Section 5

### Miscellaneous RCR and SOR Provisions

(a) *Offsets.*

(i) On any Payment Date, if a Payment Group owes a Payment Group SOR Top-Off Amount and is also owed an SOR Litigation Cost Advance, or if a Payment Group owes a Payment Group RCR Top-Off Amount and is also owed an RCR Litigation Cost Advance, in each case, these amounts will be offset to result in a single net payment obligation to or from the Special Operating Reserve or Released Claims Reserves, as applicable; *provided, however*, that the Payment Group RCR Top-Off Payments and RCR Litigation Cost Advances of one Plan Class may not be offset against the Payment Group RCR Top-Off Payments or RCR Litigation Cost Advances of another Plan Class, as applicable; *provided, further, however*, that offsets shall not be permitted as between amounts owed or owing in respect of Payment Group RCR Top-Off Payments and RCR Litigation Cost Advances associated with a Released Claims Reserve, on the one hand, and Payment Group SOR Top-Off Payments and SOR Litigation Cost Advances concerning the Special Operating Reserve, on the other hand.

(ii) On any Payment Date, if a Payment Group is owed an SOR Litigation Cost Advance or RCR Litigation Cost Advance, the Estate Payments owed by that Payment Group on the Payment Date may, at the election of the Sackler Parties' Representative, be offset to produce a single net payment obligation to or from the Released Claims Reserves or Special Operating Reserve, as applicable.

(iii) Offset amounts shall be deemed received or deemed paid, as the context requires, for purposes of the calculations set forth in the Agreement.

(b) *Instructions.* All transfers from the Special Operating Reserve or Released Claims Reserves to a Payment Group under this Exhibit N shall be made at the direction of the Sackler Parties' Representative. The Sackler Parties' Representative shall designate the recipient Payment Party (or Payment Parties) and the amount to be transferred, subject to the limitations in Section 2.

(c) *Professionals' Fees Review.* Professionals' fees (including attorneys' fees) to be classified as Litigation Costs shall be subject to a reasonableness review conducted by the Legal Expense Monitor. Such invoices must be submitted for approval, which shall be granted or denied promptly (in whole or in part), and in any case, within ten (10) Business Days of the date of submission. Upon approval in whole or part, such approved fees shall be deemed Litigation Costs. Any disputes arising under this provision shall be limited solely to the reasonableness of the fees and shall not extend to broader issues such as overall legal strategy. All such disputes shall be resolved by fast track arbitration for final resolution pursuant to Section 11.13 of the Agreement.

(d) *Specified Breaches.* Notwithstanding anything in the Agreement to the contrary, if a Specified Breach has occurred and is continuing against a Breaching Party:

(i) The Breaching Party (including its Payment Group) shall remain obligated to fund its Payment Group RCR Top-Off Payments and Payment Group SOR Top-Off Payments as they arise; and

(ii) The MDT shall provide the Sackler Parties' Representative with periodic updates regarding the amount of the Payment Group's Estate Payments collected through the MDT's exercise of its remedies against the Breaching Party;

(iii) The Breaching Party and its Payment Group (to the extent such Specified Breach applies to its Payment Group), subject to Section 9.02(c) of the Agreement, shall forfeit all rights pursuant to Section 2 with respect to the Released Claims Reserves and Special Operating Reserve.

(e) *Interest on SOR Funds.* Notwithstanding the foregoing, or anything to the contrary herein, any interest earned on funds in the Special Operating Reserve shall be the property of the MDT. The MDT may cause such earned interest to be released from the Special Operating Reserve to its general account at its discretion, including through regular payments or distributions and to pay any tax liabilities associated therewith. In furtherance of the foregoing, if, as of any time that advances or other amounts are sought from the Special Operating Reserve pursuant to this Exhibit N, (x) the Special Operating Reserve contains interest earned that has not yet been distributed to the MDT, and (y) the payment in full of such advance would require applying such interest, the amount of such advance shall be reduced to extent necessary to cause the Special Operating Reserve to retain such interest in full.

(f) *Status of Funds.* The MDT agrees that all funds, securities, and assets deposited into the Released Claims Reserves, which are established by each Creditor Trust and the Plan Administration Trust, in each case, with the MDT serving as administrative agent, and Special Operating Reserve shall be held solely for the benefit of the parties as described in the Agreement, including Exhibit N. The parties intend that the assets held in the Released Claims Reserves and the Special Operating Reserve shall remain separate from the MDT's liabilities and shall not be commingled with the MDT's assets or those of any other person; *provided, however*, that any tax liability of MDT or its beneficiaries associated with the Released Claims Reserves or the Special Operating Reserve, if any, shall be paid from such reserves. The MDT shall not use assets in the Released Claims Reserves or the Special Operating Reserve for its own purposes, including to satisfy its debts or obligations or to pledge as collateral, other than, in each case, interest as described in Section 5(e). Any unauthorized use of the assets included in the Released Claims Reserves or the Special Operating Reserve by the MDT shall constitute a material breach of the Agreement; *provided, however*, that notwithstanding any such breach, no Sackler Party or Assuring Party shall be excused from its respective obligations under the Agreement, any other Settlement Agreements, the Collateral Documents or any other Definitive Documents, all of which shall remain in full force and effect as if no such breach occurred. The sole and exclusive remedy for such breach shall be money damages in the amount of the proceeds so used in violation of Section 5(f).

(g) *Allocation.* Notwithstanding anything to the contrary herein or otherwise, (i) SOR Net Funded Amount that would otherwise be allocated to the Settling States, Subdivisions and Tribes shall not exceed \$780 million plus the amount that reverts to the Private Creditor Trusts in

accordance with Section 4(e) and (ii) the SOR Net Funded Amount that would otherwise be allocated to the Private Creditor Trusts shall not exceed \$20 million.

(h) *Confirmation of Cap.* For the avoidance of doubt, under no circumstances shall the Special Operating Reserve ever exceed or be, or have been, funded in any net amount that is in excess of \$800 million in the aggregate at any time, or from time to time.<sup>2</sup>

(i) *Existence of Liens.* For the avoidance of doubt, and notwithstanding anything to the contrary in this Agreement, the existence of liens granted pursuant to the Collateral Documents in connection with the Agreement shall not serve as an impediment to access by a member of a Payment Group to amounts from any Released Claims Reserve or the Special Operating Reserve for amounts that would qualify as Litigation Costs in the absence of such liens.

(j) *SOR/RCR Adjustments.*

(i) If at any time the SOR Litigation Cost Funding Balance is greater than zero, then the Released Claims Reserves will transfer to the Special Operating Reserve an amount determined for each Plan Class equal to the lesser of (A) the SOR Litigation Cost Funding Balance and (B) the RCR Account Balance for such Plan Class (such transfer, a “RCR to SOR Balance Transfer”). “RCR Account Balance” means, as of any date of determination and for a given Plan Class, an amount equal to (A) total amounts released to the Released Claims Reserves related to such Plan Class as of such date, plus (B) total Payment Group RCR Top-Off Payments allocated to such Plan Class as of such date, plus (C) total SOR to RCR Balance Transfers made for the benefit of such Plan Class as of immediately prior to such date, less (D) total RCR Litigation Cost Advances made related to such Plan Class as of such date, less (E) total Reversion Funds received by such Plan Class as of immediately prior to such date on behalf of such Plan Class, less (F) total RCR to SOR Balance Transfers made on behalf of such Plan Class as of immediately prior to such date.

(ii) If at any time the SOR Litigation Cost Funding Balance is less than zero, then the Special Operating Reserve will transfer to the Released Claims Reserves an amount equal to the amount that the SOR Litigation Cost Funding Balance is less than zero (such transfer, an “SOR to RCR Balance Transfer”). “SOR Litigation Cost Funding Balance” means, as of any date of determination, an amount (which may be positive or negative) equal to (A) total SOR Litigation Cost Advances, plus (B) total RCR to SOR Balance Transfers as of immediately prior to such date, less (C) total Payment Group SOR Top-Off Payments, less (D) SOR to RCR Balance Transfers as of immediately prior to such date. Such SOR to RCR Balance Transfer shall be allocated among the Plan Classes in

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<sup>2</sup> KL NTD: Under review. [Note to KL: It needs to be a “net amount” of \$800 million. Otherwise, it is a change to the business deal.] [Note to Milbank: To discuss what is deducted for the “net” calculation?] [Response: The Special Operating Reserve could be funded up to a target level, then drawn down and replenished multiple times during the SOR’s life. Although the balance in the SOR never exceeds the target amount at any given time (which serves as the “high water mark”), the total amount contributed over time (i.e., gross funding) may be higher. This is due to the repeated cycles of drawdowns and replenishments. For example, if funds revert to the MDT and a Suspension Event occurs, the SOR would be replenished again. As a result, while gross funding reflects the total contributions made to the reserve, the net funding — meaning the amount funded minus any amounts reverted — remains lower.]

proportion to an amount determined for each Plan Class equal to (1) total RCR Litigation Cost Advances of such a Plan Class, plus (2) total RCR to SOR Balance Transfers made on behalf of such Plan Class, less (3) total prior SOR to RCR Balance Transfers allocated to such Plan Class.



## **Section 6**

### **Consent to Settlements or Decisions Not to Appeal Judgments**

(a) 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 or decisions not to appeal judgments involving a State or Private Claimant, at least five (5) members of the MDT Advisory Council are required to consent.

(ii) For settlement or decision not to appeal a judgment 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 or payments of judgments that were not appealed shall be deemed Litigation Costs.

(b) 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 6 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.

(c) All disputes regarding determination of whether consent to a settlement or a decision not to appeal a judgment was unreasonably withheld or delayed shall be decided by fast track arbitration pursuant to Section 11.13 of the Agreement.

## Section 7

### Notifications and Review Rights

(a) MDT Reporting Obligations.

(i) *Released Claims Reserves.* The MDT shall promptly notify the Sackler Parties' Representative on a quarterly basis, as of the last day of each March, June, September and December, in writing upon the transfer of any funds from the Creditor Trust Non-Participating Claims Reserves to the an applicable Released Claims Reserve. Such notice shall specify the applicable Plan Class to which the transfer (i.e., the Disallowed Claim) is attributed.

(ii) [Reserved.]

(iii) *Litigation Cost Advance Notice related to Reimbursement Dates.*

(A) So long as the MDT has timely received a Litigation Cost Report from the Sackler Parties' Representative as provided in Section 7(b)(i)(A), ten (10) Business Days before each Reimbursement Date (defined below), the MDT shall provide the Sackler Parties' Representative with a written notice (a "Litigation Cost Advance Notice"). A "Reimbursement Date" refers to the end of each successive three-month period following a Payment Date; *provided, however*, that a Reimbursement Date shall not occur on a Payment Date (i.e., because the Payment Computations Notice addresses RCR Litigation Cost Advances and SOR Litigation Cost Advances, if any, that are payable on a Payment Date). Each Litigation Cost Advance Notice shall be based on data current as of five (5) Business Days before the date of delivery except as stated below, and to the extent Litigation Cost Report data is subject to a dispute as of that date, the disputed data shall not be reflected in a Litigation Cost Advance Notice until it is resolved to be correctly included in the Litigation Cost Report pursuant to the Agreement. A Litigation Cost Report that is submitted after the applicable cutoff date shall not be used for the upcoming Litigation Cost Advance Notice but shall be included in the calculation for the next subsequent Litigation Cost Advance Notice, to the extent it contains data that is not subject to a dispute at the relevant cutoff date for that notice as described above. The Litigation Cost Advance Notice shall include, for each Payment Group, the following information for the upcoming Reimbursement Date, along with reasonable calculation details:

i. Litigation Costs by Plan Class;

ii. Available Retained Payment Amount;

iii. Litigation Cost Shortfall (if any);

iv. 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 of the date which is thirty (30) calendar days prior

to such Reimbursement Date, along with a summary of transactions affecting these balances since the prior report of such balance, in each case based on the account statements most recently received by the MDT;

v. The balance in the Special Operating Reserve as of the date which is thirty (30) calendar days prior to such Reimbursement Date, along with a summary of transactions affecting this balance since the prior report of such balance; and

vi. The RCR Litigation Cost Advances by Plan Class and SOR Litigation Cost Advance payable to the Payment Group on the Reimbursement Date (if any).

(B) Other than items set forth in subparts (iv)-(vi), all other items reflected in the Litigation Cost Advance Notice shall be based on information provided by a Payment Group in such group's most recent Litigation Cost Report, as described above.

(C) The Sackler Parties' Representative shall have five (5) Business Days from receipt of a Litigation Cost Advance Notice to review and, in good faith, dispute any applicable item in the Litigation Cost Advance Notice by providing written notice to the MDT and describing the disputed item in reasonable detail. If no dispute is raised within this period, the Litigation Cost Advance Notice is deemed accurate for all purposes, and any undisputed portion of the Litigation Cost Advance Notice is also deemed accurate for all purposes. If a dispute arises, the MDT and the Sackler Parties' Representative shall engage in good faith discussions to resolve the issue as promptly as reasonably possible. If the dispute remains unresolved after five (5) Business Days, it shall be submitted to fast track arbitration for final resolution pursuant to Section 11.13 of the Agreement. Following resolution, the required amount, if any, shall be paid according to the Sackler Parties' Representative's instructions.

(D) Three (3) Business Days before each Reimbursement Date, the Sackler Parties' Representative shall provide MDT with the following information for any undisputed RCR Litigation Cost Advance or SOR Litigation Cost Advance specified in the Litigation Cost Advance Notice: (i) the account(s) to which any RCR Litigation Cost Advance and SOR Litigation Cost Advance should be transferred to cover the Litigation Cost Shortfall pursuant to the MSA and (ii) the amount to be transferred to each such account.

(iv) *Reversions.* The MDT shall provide the Sackler Parties' Representative with at least ten (10) Business Days' prior written notice (a "Reversion Notice") of any anticipated reversion of funds from the Released Claims Reserves or the Special Operating Reserve pursuant to Section 4. The Reversion Notice shall specify: (A) the amount of the anticipated reversion; (B) the scheduled reversion date; and (C) the specific section(s) of the Agreement that the MDT believes authorize the reversion. The Sackler Parties' Representative shall have seven (7) Business Days from receipt of the Reversion Notice to

(1) inform the MDT of any outstanding Material Litigation or other litigation that would otherwise prevent the reversion consistent with this Exhibit N; (2) dispute any item contained in the Reversion Notice in good faith; and (3) instruct the MDT as to which account(s) the reversion funds should be paid pursuant to Section 2(e) prior to any reversion of residual funds to the MDT. If no dispute is raised, and no outstanding litigation is identified within this period, the Reversion Notice shall be deemed accurate for all purposes. If a dispute arises, the MDT and the Sackler Parties' Representative shall engage in good faith discussions to resolve the issue as promptly as reasonably possible. If the dispute remains unresolved as of the scheduled reversion date, the reversion shall be temporarily stayed with respect to the disputed amount only, pending resolution. Any undisputed portion of the reversion shall proceed as scheduled. If the dispute remains unresolved after ten (10) Business Days (which may be extended only by mutual written consent), the matter shall be submitted to fast track arbitration for final resolution pursuant to Section 11.13 of the Agreement.

(v) *Reporting Alternatives.* In the event, that financial or administrative burden such contemplated reporting on the MDT becomes unreasonable, the MDT and the Sackler Parties' Representative shall engage in good faith discussions regarding modifications to the scope, extent and frequency of such reporting as promptly as reasonably possible. If the Parties are unable to agree on more streamlined reporting obligations after twenty (20) Business Days, such Parties shall submit the matter to fast track arbitration for resolution pursuant to Section 11.13 of the Agreement. To the extent possible, the MDT may, in its sole discretion, request for duplicate monthly bank statements to be delivered to the Sackler Parties' Representative by any financial institution when the MDT maintains bank accounts subject to the reporting contemplated by this Section 7(a).

(b) Sackler Parties' Representative Reporting Obligations.

(i) *Litigation Cost Reports.*

(A) Litigation Cost Reports. At least monthly on and as of the last Business Day of a month (or more frequently as contemplated by Section 2(b) or Section 7(b)(ii)), the Sackler Parties' Representative shall provide a written report to the MDT (a "Litigation Cost Report") specifying Litigation Costs that have arisen for each Payment Group since the date of the last Litigation Cost Report (or, in the case of the first Litigation Cost Report, since the date that Litigation Costs first arise). The Litigation Cost Report shall be used to prepare the Payment Computations Notice described in Section 7(b)(ii) and any Interim Litigation Cost Advance Request described in Section 7(b)(ii) and shall identify: (i) the Payment Group(s) to which each Litigation Cost is attributed; (ii) the allocated amount of any shared Litigation Costs per Payment Group; (iii) a reasonably detailed description of the Litigation Costs, by litigation, consisting of (x) the corresponding invoice pages showing only the Litigation Cost amount, the identity and number of the billing professionals, hours billed and their hourly rates, (y), reasonable detail on the status of such litigation (including whether any such litigation constitutes Material Litigation), and (z) the Sackler Parties' Representative's good faith estimate as to which Plan Class(es) gave rise to the Litigation Costs; (iv) evidence

of approval by the Legal Expense Monitor (for professional fees) or the MDT Advisory Council (for settlement payments or payments of judgments not appealed); and (v) the Available Retained Payment Amount(s) of the relevant Payment Group(s) after applying such Litigation Costs based on the most recently available inputs. The MDT shall have ten (10) Business Days from receipt of the Litigation Cost Report to review and, in good faith, dispute any applicable item in the Litigation Cost Report by providing written notice to the Sackler Parties' Representative and describing the disputed item in reasonable detail. If no dispute is raised within this period, the Litigation Cost Report shall be deemed accurate for all purposes, and any undisputed portion of the Litigation Cost Report shall also be deemed accurate for all purposes. If a dispute arises, then the MDT and the Sackler Parties' Representative shall engage in good faith discussions to resolve the dispute as promptly as reasonably possible. If the MDT and the Sackler Parties' Representative do not resolve such dispute within ten (10) Business Days (which may be extended only by mutual written consent), the MDT and the Sackler Parties' Representative shall submit the dispute to fast track arbitration for final resolution pursuant to Section 11.13 of the Agreement.

(B) Professional Fees. Any professional fees, including attorneys' fees, must satisfy the requirements of Section 5(c) to qualify as Litigation Costs. Upon approval by the Legal Expense Monitor, such expenses shall be Litigation Costs and shall not be subject to dispute.

(C) Settlements/Judgments. Any settlement payment or payment of a judgment not appealed that qualifies as a Litigation Cost must comply with the requirements of Section 6. Upon approval by the MDT Advisory Council, the settlement payment(s) or payments of judgments not appealed shall be a Litigation Cost and shall not be subject to dispute.

(D) Other Litigation Costs. For Litigation Costs that do not involve professional fees (including attorneys' fees), settlement payments or judgments not appealed, the Sackler Parties' Representative shall identify such Litigation Costs in the Litigation Cost Report pursuant to Section 7(b)(i)(A).

(E) Invoicing or Accrual. Litigation Costs shall be considered incurred upon payment or accrual (e.g., when invoiced) (in the cases of Litigation Costs other than judgments) or when rendered (in the case of any judgment), subject to any approval rights of the Legal Expense Monitor or the MDT Advisory Council set forth in the Agreement.

(F) Sharing of Litigation Costs. The A-Side Payment Groups (other than A-Side Payment Group 8) may allocate Litigation Costs among the respective A-Side Payment Groups (other than A-Side Payment Group 8) at their discretion, and the B-Side Payment Groups may allocate Litigation Costs among the respective B-Side Payment Groups at their discretion.

(ii) *Litigation Cost Shortfalls Exceeding \$10 Million.* Notwithstanding anything to the contrary in this Section 7, the Sackler Parties' Representative may notify the MDT at any time that it seeks RCR Litigation Cost Advances or SOR Litigation Cost Advances described in Section 2(b) by providing a Litigation Cost Report to the MDT and following these additional procedures:

(A) First, the Litigation Cost Report shall notify the MDT that the total Litigation Cost Shortfall of all Payment Groups exceeds \$10 million in aggregate and therefore constitutes an "Interim Litigation Cost Advance Request", which notice shall specify the following in addition to the information provided in Section 7(b)(i):

i. The amount of such Litigation Cost Shortfall by Payment Group, which amount shall be tied to the most recent Litigation Cost Advance Notice and Litigation Cost Report;

ii. The due date for reimbursement pursuant to Section 2(b);

iii. The account(s) to which any RCR Litigation Cost Advance and SOR Litigation Cost Advance should be transferred to cover the Litigation Cost Shortfall pursuant to Section 2; and

iv. The amount to be transferred to each such account.

(B) Second, the MDT shall have ten (10) Business Days from receipt of an Interim Litigation Cost Advance Request to dispute it in good faith by providing written notice to the MDT and describing the disputed item in reasonable detail. If a dispute arises, then the MDT and the Sackler Parties' Representative shall engage in good faith discussions to resolve the dispute as promptly as reasonably possible. If a dispute arises and is not resolved after five (5) Business Days, the MDT and the Sackler Parties' Representative shall submit the matter to fast track arbitration for resolution pursuant to Section 11.13 of the Agreement.

(C) If no dispute is raised within this period, the Interim Litigation Cost Advance Request shall be deemed accurate for all purposes, and any undisputed portion of the Interim Litigation Cost Advance Request shall also be deemed accurate for all purposes.

(D) Third, the MDT shall promptly cause the transfer of funds from the Released Claims Reserves and/or the Special Operating Reserve to the designated accounts, as specified in Section 7(b)(ii)(A), as RCR Litigation Cost Advances or SOR Litigation Cost Advances, within the timeframe specified in Section 2(b).

(E) Lastly, the MDT shall provide the Sackler Parties' Representative with written notice of the amount of the Litigation Cost Shortfall reimbursement that constitutes an RCR Litigation Cost Advance and the amount that constitutes an SOR Litigation Cost Advance. This determination shall be final and binding for all purposes of the Agreement, absent manifest error.

(iii) *Legal Expense Monitor.* The parties shall mutually agree to the standards and protocol on legal fees and expenses by the Legal Expense Monitor prior to the Plan Effective Date, which protocol shall be reasonably acceptable to the Sackler Parties' Representative, the MDT, the Creditors' Committee and the Governmental Consent Parties.

(iv) *Judgments:* The Sackler Parties' Representative shall deliver a notice to the MDT concerning the entry of any judgment against a Shareholder Released Party in excess of [\_\_\_\_], promptly following the Sackler Parties' Representative knowledge of the entry of the judgment; provided, that such obligation with respect to Shareholder Released Parties that are not Payment Parties shall be limited to judgments related to Covered Conduct.

(v) *Reversion Suspension Related Notices:* The Sackler Parties' Representative shall deliver a notice to the MDT concerning (A) the occurrence of a Suspension Event (including the basis thereof under Section 4(b)(ii)) in accordance with Section 4(b); and (B) the occurrence of a new First Reversion Date following a Suspension Event in accordance with Section 4(b)(iii), in each case, promptly following the Sackler Parties' Representative knowledge of the occurrence thereof.

(vi) *A-Side Payment Group 8 Representative:* Notwithstanding anything in this Exhibit N to the contrary, (i) all notices solely relating to A-Side Payment Group 8 (including any Litigation Cost Report relating to Litigation Costs incurred by A-Side Payment Group 8) shall be provided solely by the A-Side Payment Group 8 Representative, and the Sackler Parties' Representative shall have no obligation therefor, (ii) to the extent that any notice to be provided to the Sackler Parties' Representative relates to A-Side Payment Group 8, the MDT shall deliver such notice to the A-Side Payment Group 8 Representative when delivered to the Sackler Parties' Representative, and (iii) to the extent that any dispute arises relating to A-Side Payment Group 8's rights in respect of the Special Operating Reserve or Released Claims Reserves, the A-Side Payment Group 8 Representative (and not the Sackler Parties' Representative) shall represent the interests of A-Side Payment Group 8 in such dispute.