

EXHIBIT R

Agreement on Attorneys' Fees, Expenses and Costs

This Agreement on Attorneys' Fees, Expenses and Costs ("Fee Agreement") is entered between the MDT, the Payment Parties and the Plaintiffs' Executive Committee appointed in the multidistrict litigation in the Northern District of Ohio, *National Prescription Opiate Litigation*, No. 1:17-MD-2804 ("MDL PEC"), in connection with that certain Master Settlement Agreement dated as of [] (as amended from time to time in accordance with its terms, the "Master Settlement Agreement"), and the Governmental Entity & Shareholder Direct Settlement Agreement dated as of [____], 2025 (as amended from time to time in accordance with its terms, the "GESA"). This Fee Agreement becomes effective on the Effective Date of the GESA.¹

In the event of any conflict between this Fee 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 Fee Agreement, the Plan or Confirmation Order shall govern, as applicable, and (b) with respect to all other matters, this Fee Agreement shall govern. This Fee Agreement shall not be enforced against any Person not party to or otherwise bound thereto. The determination of whether there is any inconsistency between this Fee Agreement and the Plan or Confirmation Order shall be made by the Bankruptcy Court.

A Payment Group's sole responsibility for payments under this Fee Agreement shall be to make its designated share of each Local Government Fee Fund payment pursuant to the Master Settlement Agreement, the Plan and the GESA. Nothing in this Fee Agreement shall be construed to increase the amount or change the timing of any payment any Payment Group is required to make to the MDT or any other person. All such obligations, including any obligation of any Payment Party or Shareholder Released Party to make payments to the MDT or to any other person, and the computation and timing of any such payments, are governed exclusively by the Plan, the GESA, the Master Settlement Agreement, and not by this Fee Agreement.² Except as expressly provided herein, in the event of any conflict or inconsistency between this Fee Agreement and any Settlement Agreement, the terms of the applicable Settlement Agreement, and not this Fee Agreement, shall control.

I. Definitions

- A. This Fee Agreement incorporates all defined terms in the GESA and the Master Settlement Agreement (as applicable), unless otherwise defined herein, and shall be interpreted in a manner consistent with the GESA, the Master Settlement Agreement, and the Plan, as applicable. This Fee Agreement also incorporates the defined terms used in Section 5.9 of Plan, as applicable.

¹ The Effective Date of the GESA shall not occur prior to the Effective Date of the Plan.

² For the avoidance of doubt, the Payment Parties may have certain payment obligations relating to attorneys fees under other settlement agreements, including the Tribal Settlement Agreement.

- B. “*Aggregate LG Fund Cap.*” \$370,000,000, which is the maximum amount to be distributed to the Local Government Fee Fund pursuant to Section 5.9(a)(i) of the Plan, *provided* that the amounts set forth in Section 5.9(a)(ii) of the Plan shall not be subject to the Aggregate LG Fund Cap.
- C. “*Attorney.*” Any of the following retained prior to September 16, 2019 through a legal contingency fee or hourly fee contract: a solo practitioner, a multi-attorney law firm, or other legal representative of a Participating Subdivision or MDL Participating Counsel, in each case solely in their capacity as such. This does not include Subdivision in-house attorneys.
- D. “*Attorney Fee Fund.*” An account to be funded with an aggregate amount computed, adjusted as set forth below, and allocated to pay attorneys’ fees approved pursuant to Section II.B. of this Fee Agreement, and shall be established by order of, and under the ongoing jurisdiction of, the MDL Court, as provided below.
- E. “*Common Benefit Fund.*” The sub fund of the Attorney Fee Fund described in Section II.C.
- F. “*Common Benefit Order.*” The Ongoing Common Benefit Order (Dkt. #4428) in *In re National Prescription Opiate Litigation*, Case No. 1:17-md-2804, any subsequent amendments or modifications to that order, and any successor orders on common benefit, subject to the terms hereof.
- G. “*Contingency Fee Fund.*” The sub fund of the Attorney Fee Fund described in Section II.D.
- H. “*Cost and Expense Fund Administrator.*” The administrator appointed by the MDL Court on August 12, 2021 (MDL Docket No. 3828), to administer the Cost Fund and its sub fund provided in the Fee Agreement.
- I. “*Cost Fund.*” An account to be funded with \$20,000,000 in aggregate for the benefit of the MDL Expense Fund, as provided below.
- J. “*Direct Settlement Payment Amount.*” The total amount paid by the Payment Groups (in aggregate, and inclusive of amounts to be allocated to the Local Government Fee Fund pursuant to this Fee Agreement) to the MDT pursuant to the GESA on a given Payment Date and, in the case of a prepayment, the total amount paid to the MDT by the relevant Payment Group(s) on the prepayment date solely with respect to GESA payment obligations (inclusive of amounts to be allocated to the Local Government Fee Fund pursuant to this Fee Agreement).
- K. “*Fee Entitlement.*” Any right, entitlement, or expectation, including but not limited to a fee contract, contingent fee contract, agreement, referral arrangement, co-counsel arrangement, State Back-Stop Agreement, or any other arrangement by which counsel could receive compensation or other consideration.

- L. “*Fee Panel.*” The three-person panel appointed by the MDL Court to administer the Attorney Fee Fund and its sub funds as provided in the Fee Agreement.
- M. “*Initial LG Fund Funding Date.*” The second MDT Distribution Date, which shall be first date on which the Local Government Fee Fund shall be funded.
- N. “*Later Litigating State.*” A State that first files and/or serves a lawsuit bringing a Released Claim against a Shareholder Released Party after the earlier of the date the Preliminary Injunction is no longer in effect, or the Effective Date of the Plan.
- O. “*Later Litigating Subdivision.*” Solely for purposes of this Fee Agreement, a “Later Litigating Subdivision” is a Subdivision that first files and/or serves a lawsuit bringing a Released Claim against a Shareholder Released Party after the earlier of the date the Preliminary Injunction is no longer in effect, or the Effective Date of the Plan.
- P. “*Local Government Fee Fund.*” The fund established pursuant to Section 5.9(a) of the Plan for the payment of attorneys’ fees of Holders of Non-Federal Domestic Governmental Channeled Claims (other than States) in accordance with the terms set forth therein.
- Q. “*MDL Court.*” United States District Court for the Northern District of Ohio Eastern Division, Case No. 1:17-md-2804, Judge Dan Aaron Polster.
- R. “*MDL Expense Fund.*” The cost fund described in Section II.E below.
- S. “*MDL Participating Counsel.*” MDL Participating Counsel includes an attorney or firm authorized by [MDL 2804 Lead Counsel] to perform work for the common benefit of Participating Subdivisions. By way of example, it would include insurance counsel and appellant counsel.
- T. “*MDL Participation Agreement.*” An agreement executed by an Attorney that acknowledges the obligation to pay an appropriate MDL common benefit assessment.
- U. “*MDL PEC.*” The Plaintiffs’ Executive Committee appointed by the MDL Court.
- V. “*Non-Participating Litigating Subdivision.*” A Litigating Subdivision that is not a Participating Subdivision.
- W. “*Participating Litigating Subdivision.*” A Litigating Subdivision that is also a Participating Subdivision.

- X. “*Plan*” means the chapter 11 plan filed by Purdue Pharma L.P. and its affiliated debtors, including any schedules, annexes, exhibits and supplements thereto, as confirmed by the United States Bankruptcy Court for the Southern District of New York.
- Y. “*Preliminary Injunction*.” The injunction imposed by the Seventeenth Amended Order Pursuant to 11 U.S.C. § 105(a) Granting Motion for a Preliminary Injunction, Adv. Pro. No. 19-08289 (RDD) [D.I. 254], as amended from time to time, including by subsequent order further extending such injunction.
- Z. “*Qualifying Representation*.” Legal services provided for representation of the MDL PEC or a Participating Litigating Subdivision regarding Released Claims against Shareholder Released Parties or the Released Parties.
- AA. “*Qualifying Tribal Representation*.” Representation by an attorney of a Participating Tribal Government (as defined in the Tribal Settlement Agreement) regarding Released Claims against Shareholder Released Parties or the Released Parties. Such counsel are eligible for common benefit fee consideration pursuant to the requirements of Section II.A.7 to contribute to the Common Benefit Fund.
- BB. “*State Back-Stop Agreement*.” Any agreement by a Settling State and private counsel for Participating Subdivisions in that State (or legislation enacted in that State) to provide, adjust, or guarantee attorneys’ fees and costs, whether from the Attorney Fee Fund or any other source recognized in the agreement or legislation.
- CC. “*Tribal Settlement Agreement*.” That certain Tribes and Payment Parties Direct Settlement Agreement dated as of [____], 2025 (as amended from time to time in accordance with its terms).

II. Fees and Costs

A. Payments

1. Distributions to the Local Government Fee Fund shall be made in accordance with Section 5.9(a) of the Plan and, as applicable, the GESA.³

With respect to such distributions, Section 5.9(a) of the Plan states as follows:⁴

(a) **Local Government Fees.** On the Effective Date, the Local Government Fee Fund shall be established for the payment of attorneys’ fees of Holders of Non-Federal Domestic Governmental Channeled Claims (other than States) subject to the terms set forth

³ “Payment Dates” in this Fee Agreement refer to all Payment Dates under the Master Settlement Agreement, other than the first Payment Date. No attorneys’ fees and costs are payable on the first Payment Date.

⁴ [NTD: To conform to final version in Plan as necessary]

herein, other than amounts paid pursuant to the AHC Reimbursement Agreement Assumption Order, the MSGE Group Reimbursement Order.

(i) The Local Government Fee Fund shall be funded beginning on the second MDT Distribution Date (the “**Initial LG Fund Funding Date**”) and continuing on each Scheduled MDT Distribution Date thereafter, from periodic distributions in an amount equal to 8.5% of all Distributions made on account of Non-Federal Domestic Governmental Channeled Claims, excluding (A) any Distributions relating to MDT Insurance Proceeds and proceeds of MDT Causes of Action, which will be subject to subsection (ii), below, and (B) any amounts distributed on account of such Non-Federal Domestic Governmental Channeled Claims on the Effective Date, but including, for the avoidance of doubt, any Distributions on account of amounts payable under the Governmental Entity Shareholder Direct Settlement beginning on the second MDT Distribution Date; *provided* that the amount to be distributed to the Local Government Fee Fund pursuant to this subsection shall not exceed \$370 million in the aggregate (the “**Aggregate LG Fund Cap**”); *provided, further* that amounts funded pursuant to Section 5.9(a) of the Plan shall be allocated and applied in accordance with this Exhibit R in each case, as follows

- (A) \$4 million annually for a maximum of five (5) years (plus 4.25% of any Distribution constituting a Settlement Prepayment (as defined under the Master Settlement Agreement)), to the “Cost Fund” established in the MDL Proceeding, not to exceed \$20 million in the aggregate,
- (B) for any additional amounts (I) 40% to the “Contingency Fee Fund” established in the MDL Proceeding (which fund is to be managed by the fee panel appointed in connection with the MDL Proceeding), not to exceed \$140 million on account of Distributions to Non-Federal Domestic Governmental Channeled Claims other than as set forth in Section 5.9(a)(ii) of the Plan, and (II) 60% to the “Common Benefit [Fee] Fund” established in the MDL Proceeding, not to exceed \$210 million in the aggregate on account of Distributions to Non-Federal Domestic Governmental Channeled Claims other than as set forth in Section 5.9(a)(ii) of the Plan; and
- (C) as consideration for the settlement between holders of certain public and private Claims regarding the Special Operating Reserve, timing of payment and allocation matters, the Local Government Fee Fund shall also be funded, on or after the Initial LG Fund Funding Date, from Distributions made on account of Non-Federal Domestic Governmental Channeled Claims (as qualified in Section 5.9(a)(i) of the Plan) in an amount equal to (i) \$6.8

million⁵, and (ii) up to \$1.7 million,⁶ which amounts shall be subject in each case to the Aggregate LG Fund Cap;

(ii) In addition to the amounts described in subsection (i) above, the Local Government Fee Fund shall be funded on or after the Initial LG Fund Funding Date with additional amounts equal to (I) 12.4% of the MDT Insurance Proceeds which amounts, if any, shall be deposited into an account designated by the MDL Plaintiffs' Executive Committee for the benefit of the "Common Benefit [Fee] Fund" established in the MDL Proceeding (MDL Dkt. No. 4428, May 9, 2022) to be paid as directed by the MDL PEC Co-Leads in accordance with direction from the MDL Fee Panel and the MDL Court, and (II) 12.4% of the proceeds of any MDT Causes of Action which amounts, if any, shall be allocated and applied in accordance with this Exhibit R, (A) 40% to the "Contingency Fee Fund" established in the MDL Proceeding, and (B) 60% to the "Common Benefit [Fee] Fund" established in the MDL Proceeding; and all such amounts shall be incremental to, and not otherwise count against, the Aggregate LG Fund Cap; *provided*, for the avoidance of doubt, such funded amounts shall not be considered "Distributions" for the purpose of subsection (i) above; *provided, further*, such amounts shall be subject, if not paid prior to the second MDT Distribution Date, to the prior payment in full of the MDT PI Obligation pursuant to and in accordance with Section 5.2(e)(ii) of the Plan.

(iii) Payments from the Local Government Fee Fund shall be administered in accordance with this Exhibit R and be the exclusive means of payment from the Public Creditor Trusts for costs and expenses (including attorneys' fees) of any Holder of a Non-Federal Domestic Governmental Channeled Claim (other than a State) or any attorney therefor, other than (i) amounts paid or to be paid from the Public Creditor Trusts in accordance with existing agreements, contracts or statutes setting forth the allocation and uses of abatement funds or backstop fee arrangements between States and their Subdivisions; and (ii) amounts paid in accordance with the order of the MDL Court establishing the Common Benefit Fund; provided, however, nothing Section 5.9(a)(iii) of the Plan or this Exhibit R shall override the payment obligations contemplated by Section 5.9(a)(i) of the Plan.

(iv) Except as otherwise agreed in writing by the MSGE Group and the MDL Plaintiffs' Executive Committee, the MSGE Fee Allocation Agreement shall be and remain fully enforceable and shall apply to the Local Government Fee Fund; *provided* that the costs associated with the arbitration process

⁵ Such amount is equal to 8.5% of the incremental \$80 million of Initial Private Creditor Trust Distributions.

⁶ To be calculated as 8.5% of amounts up to \$20 million received by the Private Creditor Trusts in accordance with the Master Shareholder Settlement Agreement (and due when such amounts are received by the Private Creditor Trusts) in respect of (A) the Private Claimants' Priority Reversion and (B) the other amounts contemplated to be paid under Section 4(e) of Exhibit N to the Master Shareholder Settlement Agreement. For the avoidance of doubt, all of the consideration that is to be paid as part of Section 5.9(a)(i)(C) of the Plan shall be paid from Distributions made on account of Non-Federal Domestic Governmental Channeled Claims, and not from Distributions made to Private Creditor Trusts or the Public School Trust.

contemplated under the MSGE Fee Allocation Agreement shall not be paid by the Debtors, their Estates or any Creditor Trust.

2. On each Payment Date starting on the Initial LG Fund Funding Date, the Local Government Fee Fund shall first be used to fund the Cost Fund to the extent required below, with the remainder being deposited into the Attorney Fee Fund.
3. The MDL Court will be informed that Section 5.9(d) of the Plan provides that, beginning on the Effective Date, the assessments of the Private Creditor Trust and Initial Public Schools' Distribution, as and to the extent set forth in Section 5.9(d) of the Plan, will be made to the Common Benefit Fund.
4. The sub funds within the Attorney Fee Fund consist of the Common Benefit Fund and the Contingency Fee Fund. The Cost Fund shall consist of the MDL Expense Fund.
5. The Contingency Fee Fund and the Common Benefit Fund shall be administered by a Fee Panel to be appointed by the MDL Court that will be governed by the provisions of this Fee Agreement and shall design the process and procedures for the allocation of fees pursuant to this Fee Agreement and the MDL Court's order. The MDL Expense Fund shall be administered by Special Master David Cohen to be appointed by the MDL Court.⁷
6. The fees to be paid under this Fee Agreement are available for Attorneys engaged in Qualifying Representations and Qualifying Tribal Representations only. Fees to be paid for Qualifying Representations and/or Qualifying Tribal Representations under this Fee Agreement are not available prior to the Initial LG Costs Funding Date. In addition, fees under this Fee Agreement are not available for representation of any individual or entity in matters other than those claims against Shareholder Released Parties, but may include a reasonable share of representations that involve development of facts for pursuit of opioid-related claims against multiple defendants in the pharmacy, manufacturing, and distribution chain.
7. For purposes of Common Benefit Fund distribution, Attorneys representing Tribes (as defined in the Tribal Settlement Agreement) have also reached a settlement of Released Claims. This settlement shall be the subject of a separate agreement with Shareholder Released Parties. Attorneys representing Tribes are eligible for Common Benefit Fund

⁷ For the avoidance of doubt, the process and procedures may not modify or be inconsistent with Section 5.9 of the Plan, and may not impact the Holders of Private Claimant Claims or their counsel.

consideration provided the Tribal Settlement Agreement becomes effective under its terms and provides for contribution of required amounts into the Common Benefit Fund as determined by the MDL Court.

8. For purposes of Common Benefit Fund distribution, MDL Participating Counsel not engaged in Qualifying Representations of Participating Litigating Subdivisions but who performed work for the common benefit pursuant to authorization from the MDL co-leads and meet the eligibility criteria in Section II.F shall be eligible.
9. If the Preliminary Injunction ceases to be in effect at any time prior to the Effective Date, during the period between when such Preliminary Injunction ceases to be in effect and the Effective Date, the MDL PEC, as well as Participating Litigating Subdivisions, shall make best efforts to cease litigation activity against the Shareholder Released Parties, including by jointly seeking stays or severance of claims against Shareholder Released Parties where feasible, or postponements if a motion to stay or sever is not feasible or is denied, so long as such actions are not otherwise detrimental to the Litigating Subdivision.

B. Attorney Fee Fund and Sub Funds

1. There shall be a split of the Attorney Fee Fund into the Contingency Fee Fund and the Common Benefit Fund. The split shall be 40% to the Contingency Fee Fund and 60% to the Common Benefit Fund.
2. The amounts allocated to the Contingency Fee Fund and the Common Benefit Fund set by the Fee Panel shall be subject to the reductions and offsets set forth in this Fee Agreement.
3. Awards of fees from the Contingency Fee Fund shall be available to Attorneys with Qualifying Representations of Participating Litigating Subdivisions eligible to receive an allocation under the GESA, as set forth in Exhibit [G] to the GESA, and shall be made by applying the Mathematical Model attached as Exhibit 1 to this Fee Agreement ("Mathematical Model"). The collection of the data and calculations for the Mathematical Model has been a cooperative effort among private counsel for a large number of Litigating Subdivisions. The analysis has been spearheaded by Joseph Tann and Andrew Arnold. The Fee Panel shall continue working with those counsel in application of the Model. The Fee Panel shall oversee the application of the Model and resolve any questions or disputes concerning the eligibility of an Attorney to participate as required in Section II.G. The Panel is empowered to hear disputes concerning, and ensure the accuracy of, the mathematical calculation.

4. As to awards from the Contingency Fee Fund, there shall be no right of appeal.
5. Any appeal of an award of the Fee Panel from the Common Benefit Fund will be made to the MDL Court and be reviewed under an abuse of discretion standard.

C. *Common Benefit Fund* (60% of the Attorney Fee Fund)

1. Sixty percent of the funds in the Attorney Fee Fund shall be allocated to the Common Benefit Fund. The maximum potential total Common Benefit Fund payment to be made by the MDT into the Attorney Fee Fund is \$210,000,000 and in no event shall it exceed that amount; provided that additional amounts above this sum may be payable to the Common Benefit Fund pursuant to Section 5.9(a)(ii) of the Plan, as set forth in Section II.A above.
2. The Common Benefit Fund shall be available to compensate Attorneys engaged in Qualifying Representations of Participating Litigating Subdivisions and Qualifying Tribal Representations of Tribal Participating Governments who:
 - a. Have performed work for the common benefit of all Participating Subdivisions and/or Tribes consistent with the provisions to the guidelines established by Judge Polster set forth in MDL 2804 and the Order dated May 1, 2018, under docket number 358, which is included herein by reference solely with regard to such provisions; and
 - b. Satisfy the eligibility criteria set forth in Section II.F.
3. The Common Benefit Fund shall be overseen by the Fee Panel, which shall determine the allocation of funds to eligible Attorneys consistent with this Fee Agreement, the May 1, 2018 Order, Docket #358 and the May 9, 2022 Order, Docket #4428.
4. In assessing the benefits that an Attorney has conferred to Participating Subdivisions (including non-Litigating Subdivisions) and/or Participating Tribes for purposes of any compensation decision, the Fee Panel shall give significant weight to the extent to which (i) the Attorney and his or her clients have contributed to increasing (or reducing) Subdivision participation in the GESA as of the Initial Subdivision Participation Date; (ii) the Attorney and his or her clients have contributed to increasing (or reducing) the amounts achieved under Incentive Payments A-D through participation in the GESA; and (iii) the Attorney and his or her clients have contributed to the potential triggering of any suspension, reduction,

or offset of payment amounts under the GESA. The Fee Panel may also consider additional fee recoveries the Attorney may have obtained or may potentially obtain, including, but not limited to, from State Back-Stop Agreements, representations of States or Tribes, representations of other clients in opioid-related matters, or through the representation of Subdivision clients, whether they participated in the GESA or not. It is the intent of this provision to recognize that the goal of the GESA is to provide for maximum participation by the Subdivisions, maximum abatement funding for all Subdivisions nationally, and the maximum peace for Shareholder Released Parties. Therefore, representing one or more non-participating parties post-Effective Date does not further the goal of the GESA or the Master Settlement Agreement, and should not be considered common benefit because it does not increase funds available to abatement programs, but, for the avoidance of doubt, will not be considered a “common detriment”. Representing one or more non-participating parties that first commence litigation against the Shareholders Released Parties or Released Parties post-Effective Date is antithetical to the settlement and detracts from common benefit; the Fee Panel shall consider this concept of “common detriment” set forth in this paragraph in all of its decision making with respect to the allocation of the Attorney Fee Fund for Common Benefit among Attorneys. The Fee Panel shall consider the totality of the Attorney’s Participating Litigating Subdivisions as compared to the Attorney’s Non-Participating Litigating Subdivisions; the Parties recognize that, although the goal is for 100% participation, Attorneys with a higher number of clients have a higher probability of having one or more non-participating clients. As used in this paragraph II.C.4, “*client*” or “*representing*” a Subdivision shall include any Litigating Subdivision as to which the Attorney has a Fee Entitlement.

5. As set forth in Section II.G, the Fee Panel must consider the factors described in paragraph II.C.4 to determine how and whether to reduce the amounts to be paid by the MDT under this Fee Agreement and to determine how to allocate funds among Attorneys. They may also, at their discretion, consider other factors.

D. Contingency Fee Fund (40% of the Attorney Fee Fund)

1. Forty percent of the funds in the Attorney Fee Fund shall be allocated to the Contingency Fee Fund, subject to the reductions and offsets described in this Fee Agreement. The maximum potential total Contingency Fee Fund payment to be made by the MDT into the Attorney Fee Fund is \$140,000,000, and in no event shall it exceed that amount, *provided* that additional amounts above this sum may be payable to the Common Benefit Fund pursuant to Section 5.9(a)(ii) of the Plan, as set forth in Section II.A above.

2. The Contingency Fee Fund shall be available to compensate Attorneys engaged in Qualifying Representations of Participating Litigating Subdivisions that meet the criteria set forth in Section II.F.
3. [The Contingency Fee Fund shall be available to Attorneys who:
 - a. Represent Litigating Subdivisions that are Participating Subdivisions, whether their actions are filed in state or federal court; and
 - b. Meet the eligibility criteria of Section II.F.]
4. Participation in the Contingency Fee Fund by counsel that have a case that is not subject to the jurisdiction of the MDL Court shall not create, provide, or waive jurisdiction of the MDL Court over that Litigating Subdivision, that case or Attorneys, other than to oversee the fairness of the distribution process, and enforcement of this Fee Agreement.
5. The Contingency Fee Allocation shall be determined as set forth in the Mathematical Model attached.

E. Cost Fund / MDL Expense Fund

1. The maximum potential total payment to be made by the MDT into the Cost Fund / MDL Expense Fund is \$20,000,000, and in no event shall it exceed that amount and shall be paid from the first amounts due under Section 5.9(a) of the Plan on the following yearly schedule subject to the Payment Groups' prepayment rights under the Master Settlement Agreement:

Payment Date	Payment to Cost Fund / MDL Expense Fund (Assumes No Prepayments)
Payment Date 1	\$0
Payment Date 2	[\$4,000,000]
Payment Date 3	[\$4,000,000]
Payment Date 4	[\$4,000,000]
Payment Date 5	[\$4,000,000]
Payment Date 6	[\$4,000,000]
<i>Total</i>	<i>[\$20,000,000]</i>

In the case of a prepayment, the above-referenced amounts shall be augmented such that the Cost Fund / MDL Expense Fund shall be additionally funded with a portion of each prepayment made under the GESA to the extent required by the Plan, provided that the aggregate funding of the Cost Fund / MDL Expense Fund shall not exceed \$20,000,000.

F. *Eligibility*

1. It is the intention of all parties participating in the Fee Panel process that there should be total transparency to the Fee Panel and to all fund participants. In connection with the process to be developed by the Fee Panel, any and all monies in attorney's fees, including referral fees, expenses paid, promises for payment, or any other Fee Entitlement, to any applicant in any opioid litigation shall be disclosed to the Fee Panel as a condition of participating in the Attorney Fee Fund and prior to an award from the Fee Panel. Any payment, expectation of payment or perceived entitlement to participate in a State Back-Stop Agreement or any other agreement reached with a Settling State or any Subdivision or any other source regarding payment of fees must be disclosed to the Fee Panel. Similarly, any right to payment from any other fund, for example, a fund for payment to lawyers representing Settling States or Tribes or Subdivisions shall be disclosed to the Fee Panel.⁸ Because it is anticipated that there will be multiple firms listed on contingent fee agreements with Litigating Subdivisions, the Fee Panel shall establish procedures, with input from the MDL Fee Committee, for who should petition for fees from such groups and to whom the fee should be paid and thereafter distributed to co-counsel in accordance with applicable agreements. For the avoidance of doubt, all Attorneys that are part of such groups must meet the eligibility criteria in Section II.F.3, must be subject to the criteria set forth in Section II.C.4, and must be disclosed to the Fee Panel.
2. An Attorney may apply for and recover attorneys' fees from the Common Benefit Fund, the Contingency Fee Fund, and any fund created by a past or future State Back-Stop Agreement, provided the Attorney satisfies the requirements relevant to each such fund and requirements for disclosure to the Fee Panel.
3. An Attorney may not receive any payment from the Attorney Fee Fund (which includes both the Contingency Fee Fund and the Common Benefit Fund) unless the following eligibility criteria are met and annually certified by the Attorney:
 - a. The Attorney must expressly waive the enforcement against the Participating Litigating Subdivision client of all Fee Entitlements for the settlement with any Shareholder Released Parties and Released Parties (other than under State Back-Stop Agreements) arising out of or related to any or all Qualifying Representations

⁸ For the avoidance of doubt, those lawyers retained and/or paid pursuant to the AHC Reimbursement Assumption Order and the MSGE Group Reimbursement Order, and those lawyers representing the MDT, shall not have to make the aforementioned disclosures, and shall not seek reimbursement from the fund solely on account of such representations.

prior to applying for attorneys' fees from the Attorney Fee Fund. All applications for attorneys' fees or costs under this Fee Agreement shall include an affirmation by the Attorney of such waiver and notice to the client(s) of such waiver. Such waiver shall not preclude the Attorney from submitting such Fee Entitlements to the Fee Panel as a factor for consideration in allocating payments from the Attorney Fee Fund or in connection with a State Back-Stop Agreement. For the avoidance of doubt, no Attorney may recover fees under this Fee Agreement unless the Attorney expressly agrees not to enforce Fee Entitlements as to each and every Participating Litigating Subdivision represented by that Attorney, but such Attorneys may participate in and receive funds from a State Back-Stop Agreement.

- b. The Attorney must represent that s/he has no present intent to represent or participate in the representation of any Later Litigating Subdivision or Later Litigating State with respect to Released Claims against Shareholder Released Parties.
- c. The Attorney must represent that s/he has not and will not engage in any advertising or solicitation related to Released Claims against Shareholder Released Parties where such advertising or solicitation relates to a representation of a Subdivision eligible to be a Participating Subdivision after the Reference Date unless the Attorney is recommending participation in the GESA.
- d. The Attorney must represent s/he will not charge or accept any referral fees for any Released Claims brought against Shareholder Released Parties by Later Litigating Subdivisions or Later Litigating States. For the avoidance of doubt, this representation shall not prohibit Attorneys from receiving allocated shares of any future common benefit assessments arising out of settlements or judgments with Later Litigating Subdivisions or Later Litigating States represented by other Attorneys that are the result of the MDL Court's Common Benefit Order.
- e. The Attorney may not have and must represent that s/he does not have a Fee Entitlement related to a Later Litigating Subdivision or Later Litigating State, other than a potential common benefit fee.
- f. The Attorney must fully disclose the participation, or the anticipation of participation, in any agreement with a Settling State or Participating Subdivision concerning fees arising out of or related to the GESA, as applicable, including any fees paid or anticipated to be paid or any State Back-Stop Agreement.

- g. The Attorney must identify for the Fee Panel whether s/he utilized state litigation work product or MDL work product, including but not limited to ARCOS data, document repositories, experts developed in the MDL and deposition transcripts. The Attorney must identify whether s/he signed the MDL Participation Agreement, and for which case(s) it was signed.
 - h. Any Attorney who applies for fees from the Contingency Fee Fund and/or the Common Benefit Fund must represent that, having exercised his/her independent judgment, s/he believes the GESA to be fair and will make or has made best efforts to recommend the applicable Agreement to his or her Subdivision clients in Settling States. For the avoidance of doubt, each Attorney is expected to exercise his or her independent judgment in the best interest of each client individually before determining whether to recommend joining the settlement. All applications for attorneys' fees or costs under this Section shall include an affirmation by the Attorney in compliance with this Section II.F.
- 4. No Attorney receiving fees under this Fee Agreement may apply for or recover from the Attorney Fee Fund any fees arising from representing a Non-Settling State or a Non-Participating Subdivision. All applications for attorneys' fees under this Section shall include an affirmation by the Attorney of compliance with this Section.
- 5. An Attorney who has filed an application under this Section II and received an award of attorneys' fees shall provide a certification of compliance with this Fee Agreement annually during the years upon which they are still entitled to receive attorneys' fee payments under this Fee Agreement. However, such certifications shall cease on the date that is three (3) years following the date on which the Fee Panel makes its initial fee award under this Exhibit R.
- 6. If, at any time, the Attorney is unable to make the representations set forth in this Section II.F, such representations become untrue, or the Attorney falsely represents compliance with the eligibility criteria, the Attorney shall cease to be eligible to receive funds from the Attorney Fee Fund until further review by the Fee Panel of the Attorney's eligibility under and compliance with this Section II.
- 7. If an Attorney has a Fee Entitlement with a Later Litigating Subdivision or Later Litigating State or otherwise becomes unable to reaffirm compliance with the eligibility criteria set forth above, the Attorney shall notify the Sackler Parties' Representative, the Fee Panel, and the MDT. For the avoidance of doubt, any Attorney who undertakes any new representation of, or has a Fee Entitlement with, a Later Litigating

Subdivision or Later Litigating State shall be prohibited from receiving any future funds from the Attorney Fee Fund and be subject to additional obligations as set forth in Subsection 8 below. If an Attorney fails to notify the Sackler Parties' Representative, the Fee Panel, and the MDT of such Fee Entitlement with a Later Litigating Subdivision or Later Litigating State, the Attorney shall be required to refund amounts previously paid under this Fee Agreement to the Attorney Fee Fund.

8. To the extent an Attorney who has received compensation from the Attorney Fee Fund based on Qualifying Representations of Participating Litigating Subdivisions represents a Later Litigating Subdivision or Later Litigating State, such Attorney shall be obligated to refund such amounts received as compensation from the Attorney Fee Fund to the Attorney Fee Fund. The Sackler Parties' Representative may bring any dispute as to whether such Attorney shall be obligated to refund such amounts received from the Attorney Fee Fund to the Attorney Fee Fund to the Fee Panel. Nothing herein shall require a multi-attorney law firm that has received compensation from the Attorney Fee Fund to refund such amounts if an attorney of the firm that is no longer affiliated with such law firm, after such departure, represents a Later Litigating Subdivision or Later Litigating State provided that (a) neither the law firm nor any of its other attorneys have any contractual or financial arrangement regarding, stand to benefit directly or indirectly from, or directly or indirectly provide financial or other support of any kind to, the former attorney's representation of the Later Litigating Subdivision or Later Litigating State and (b) if the former attorney was a partner or owner of the multi-attorney law firm at the time that the law firm received compensation from the Attorney Fee Fund, the former attorney shall be obligated to refund such amounts as the former attorney earned as a result of the compensation that the law firm received from the Attorney Fee Fund.
9. In the event that an Attorney is deemed ineligible by the Fee Panel (whether based on its initial application or subsequent recertification), the Fee Panel shall provide notice to the Attorney and give the Attorney a period of thirty (30) days to provide additional information such that the Fee Panel could reconsider the Attorney's eligibility.
10. To the extent that an Attorney has a Fee Entitlement with a Participating Subdivision and is authorized to bring Released Claims against Shareholder Released Parties, but such authorization is, in scope, less broad than the category of Released Claims set forth in the GESA, such Attorney may participate fully in both the Contingency Fee Fund and the Common Benefit Fund, without any reduction imposed by the Fee Panel due to the scope of the authorization, so long as the Participating Subdivision fully releases all Released Claims against Shareholder Released Parties.

11. Attorneys applying to the Attorney Fee Fund knowingly and expressly agree to be bound by the decisions of the Fee Panel, subject to the limited appeal rights set forth in this Fee Agreement, and waive the ability to assert the lack of enforceability of the allocation reached through the procedures outlined herein.
12. Attorneys are under an ongoing obligation to inform the Fee Panel in writing of any additional fees earned, expected, or received related to any opioid litigation throughout the period of the Fee Panel's operation on or before the date that is three (3) years following the date on which the Fee Panel makes its initial fee award under this Exhibit R.

G. Calculation of Amounts Due

1. The Fee Panel shall be solely responsible for determining the amount of fees to be paid to each Attorney. None of the Shareholder Released Parties or the Debtors shall have any responsibility, obligation, or liability of any kind whatsoever with respect to how attorneys' fees are calculated under this Section, except that the Fee Panel may receive information from the Sackler Parties' Representative as to (a) the identity of Participating, Non-Participating, Litigating, Later Litigating, and Non-Litigating Subdivisions; (b) the impact of non-participation by a Litigating Subdivision as is relevant to the Fee Panel's determination in paragraph II.C.4; and (c) such other information as the Sackler Parties' Representative may voluntarily elect to provide.
2. The Fee Panel shall establish procedures for making determinations under this Fee Agreement consistent with this Fee Agreement and orders of the MDL Court. Such procedures may include submission of documentary and/or other evidence, interviews with Attorneys and/or other counsel (including counsel for Payment Parties) that the Fee Panel deems appropriate, and/or other means of creating a record upon which fee awards will be based.
3. In making determinations under this Fee Agreement, the Fee Panel must apply the eligibility criteria set forth in Section II.F of this Fee Agreement and the criteria set forth in Section II hereof. The Fee Panel shall ensure that payments are consistent with this Agreement. In addition, the Fee Panel will give consideration in regard to Common Benefit Fund awards to the *Johnson* factors, as well as the following factors, which factors may be applied and given relative weight in the Fee Panel's discretion:
 - a. The Attorney's contemporaneously recorded time and labor dedicated to Qualifying Representations along with the Attorney's financial commitment to such Qualifying Representations. Claimed

“time” will not be automatically accepted by the Fee Panel but will be critically reviewed and given substantially more weight and consideration if such time was subject to the audit process described in any Pretrial Order(s) governing the collection of common benefit time;

- b. The novelty, time, and complexity of the Qualifying Representations;
- c. The skill requisite to perform legal services properly and undesirability of the case;
- d. The preclusion of other employment by the Attorney due to time dedicated to Qualifying Representations;
- e. The “common benefit,” if any, alleged to have been conferred by the Attorney and whether such common benefit work product by that Attorney was used by others in parallel litigations against Shareholder Released Parties or the Debtors whether within or outside of the MDL, provided that any Attorney claiming that s/he substantially benefited cases other than those in which s/he entered an appearance as counsel must substantiate such claims by proffering factual support, such as proper supporting affidavits or other documents as determined by the Fee Panel with input from Attorneys for Participating Litigating Subdivisions;
- f. Any “common detriment,” as set forth in Section II.C.4;
- g. Any contingent fee agreement or other Fee Entitlement with Participating Subdivisions, enforcement of which, except for State Back-Stop Agreements, are waived in conjunction with the application, the nature and extent of any work for those Participating Subdivisions, whether such Participating Subdivisions actively litigated and, if so, the nature and procedural history of such case(s);
- h. The experience, reputation, and ability of the Attorney;
- i. Whether the Attorney’s clients brought Released Claims against Shareholder Released Parties or the Debtors;
- j. The status of discovery in cases primarily handled by the Attorney;
- k. The nature of any work by the Attorney on “bellwether” cases or cases that were similarly active in litigation;

- l. Any pressure points successfully asserted by the Attorney in cases against Shareholder Released Parties or the Debtors or any risk for Shareholder Released Parties or the Debtors created by the Attorney in cases against Shareholder Released Parties or the Debtors;
- m. Any risk for defendants created by Attorneys in cases against Shareholder Released Parties or the Debtors;
- n. Successful and unsuccessful motion practice in cases worked on by the Attorney;
- o. The date of filing of any cases filed by the Attorney;
- p. Obtaining consolidation of the litigation in the Attorney's jurisdiction;
- q. The number and population of entities represented by the Attorney and the fees that would have been awarded under extinguished contingent fee agreements;
- r. Whether the Attorney's clients brought claims against Shareholder Released Parties or the Debtors;
- s. Whether the Attorney has had a leadership role in the litigation, whether in state or federal court;
- t. Whether the Attorney has had a leadership role in any negotiations aimed at resolving the litigation;
- u. Whether the Attorney's cases have survived motions to dismiss;
- v. The extent to which the Attorney contributed to the work product used for the common benefit of opioids litigants, including, without limitation, work on ARCOS data, Prescription Data Monitoring Programs, IQVIA data, depositions, document production and analysis, experts, motions, briefs and pleadings, trial preparations, and trials;
- w. The extent to which litigation occurred prior to and contributed to completion of settlement negotiations, as distinct from litigation that occurred after the announcement of the GESA on [____], 2025, such later litigation both being of less value and potentially resulting in a common detriment to the settlement process; and
- x. Any other factors that the Fee Panel finds to be appropriate to consider after input from Attorneys to the Attorney Fee Fund.

4. The Fee Panel shall develop procedures for receiving a single application, which may be updated or amended based on new information (such as participation by additional Participating Litigating Subdivisions) from each Attorney seeking compensation from each sub fund of the Attorney Fee Fund pursuant to processes and procedures developed by the Fee Panel, which shall not be inconsistent with this Fee Agreement. Any request for attorneys' fees not included on the single application or through the updating/amendment process designed by the Fee Panel shall be deemed waived. For purposes of transparency and to permit the Fee Panel to conduct its work, the application from each Attorney shall, at a minimum, require each Attorney to:
- a. Identify all Participating Litigating Subdivisions for which s/he is seeking payment from the Attorney Fee Fund;
 - b. Identify all Subdivisions in both Settling and Non-Settling States (and, where applicable, Tribes) with respect to which s/he has a Fee Entitlement with respect to Relevant Claims against Shareholder Released Parties, and identify all co-counsel in such cases;
 - c. Identify which of those Subdivisions are Participating Subdivisions and which are not (with similar information for Tribes, where applicable);
 - d. Specify the specific fund or funds within the Attorney Fee Fund from which the Attorney is seeking compensation;
 - e. Demonstrate his or her eligibility for compensation from the relevant sub funds within the Attorney Fee Fund pursuant to the criteria set forth for the relevant sub fund; and
 - f. Identify any and all Fee Entitlements from representations of States, Tribes, or other plaintiffs related to Released Claims against Shareholder Released Parties or in opioids-related matters;
 - g. Notwithstanding "a-f" above, the Panel may consider a supplemental application if the Attorney shows good cause why circumstances exist that will lead to consideration for additional common benefit award.
 - h. Examples would include, but are not limited to, an Attorney having Non-Participating Litigating Subdivision clients that subsequently become Participating Subdivisions, a Bar date passes that increases participation or an allocation agreement is reached.

5. With respect to the Common Benefit Fund, the Fee Panel shall (subject to any applicable MDL Court order):
 - a. Review the applications of all Attorneys seeking compensation from the Common Benefit Fund, including determining eligibility for each Attorney as set forth in Section II.F.
 - b. Using criteria set forth in Sections II.C and II.F, allocate amounts from the Common Benefit Fund to eligible Attorneys, including payment amounts for each Payment Date. In making such allocations, the Panel shall apply the principles set forth in paragraph II.C.4 to the amounts paid to Attorneys with a common benefit fee Entitlement.
6. With respect to the Contingency Fee Fund, the Fee Panel shall:
 - a. Review the applications of all Attorneys seeking compensation from the Contingency Fee Fund, including determining eligibility for each Attorney as set forth in Section II.F.
 - b. Apply the Mathematical Model in Exhibit A.
7. In the event that the Fee Panel, through the use of the Mathematical Model set forth in Exhibit A, allocates funds from the Contingency Fee Fund for an Attorney based on a Qualifying Representation of a Participating Litigating Subdivision and that Subdivision is in a Settling State in which the Consent Judgment has not been approved, such funds shall be placed into escrow until the Consent Judgment is approved, after which time they shall be released.

H. *Miscellaneous*

1. The Fee Panel shall charge an hourly rate approved by the MDL Court. The pre-Effective Date costs associated with the Cost and Expense Fund Administrator shall be paid from funds in the MDL Expense Fund. Post-Effective Date, the cost of the Fee Panel shall be charged against the Attorney Fee Fund based on allocation by the Fee Panel and shall not be otherwise funded by any Shareholder Released Party or the MDT.
2. Promptly following the Effective Date, the MDL PEC shall provide to the Sackler Parties' Representative and the MDT information the PEC has that identifies Attorneys who represent Non-Participating Litigating Subdivisions and who have an obligation to pay a common benefit assessment, either due to the MDL Court's orders or pursuant to a MDL Participation Agreement.

3. The MDL PEC and the Payment Parties acknowledge that it would constitute a conflict of interest for an Attorney that had represented a Participating Subdivision or Settling State to represent a Later Litigating Subdivision or Later Litigating State. This Subsection shall be enforceable to the extent permitted by the equivalent to Rules 1.16 and 5.6 of the ABA Model Rules of Professional Conduct in the relevant jurisdictions. The MDL PEC represents that it will comply with this provision in the case of the MSA and GESA until the Effective Date of the MSA and GESA, as applicable, as well as thereafter, if the MSA and GESA proceed.
4. Participating Subdivisions agree to instruct their counsel to treat information, work product and expert materials as confidential under Rule 1.6 of the ABA Model Rules of Professional Conduct. Accordingly, an Attorney shall not share information or work product with, or experts or materials to, non-participants (other than the Attorney's own current clients or their lawyers, consultants, experts or other representatives or agents). However, nothing herein shall prevent MDL Leadership or PEC Counsel from fulfilling their obligations in any MDL and the MDL Court Order.

III. Other Provisions

- A. *Termination.* If the GESA does not proceed past the Reference Date, whether because the Sackler Parties' Representative does not determine to proceed or for any other reason, or if the Plan does not become effective and the Master Settlement Agreement's Settlement Effective Date does not occur, this Fee Agreement shall be null and void, and the Payment Groups and the MDL PEC shall take such steps as are necessary to restore the *status quo ante*.
- B. *MDL Court Consideration.* This Fee Agreement shall be attached as an exhibit to the GESA. This Fee Agreement shall also be submitted jointly by the Sackler Parties' Representative and the MDL PEC to the MDL Court for approval pursuant to the motion that shall be attached to this Fee Agreement as [Exhibit B].⁹ To the extent filed prior to the Effective Date, the aforementioned motion and proposed order will be provided to the UCC and the Governmental Consent Parties in advance of submitting such motion and proposed order to the MDL Court. Such documents may not be inconsistent with this Fee Agreement or the Plan. The Parties agree that the MDT shall have the right to appear and be heard in connection with any proceeding, and on any issue relating to the rights, obligations, and duties of the MDT, including with respect to the amount of any payments to be made by the MDT to the Local Government Fee Fund.

⁹ The MDL Court shall be informed of all terms of this Fee Agreement by its submission to the MDL Court for approval.

1. In the event that the MDL Court, through an order, makes any change to the amounts potentially to be paid by the Payment Groups to the MDT under this Fee Agreement or otherwise, makes any change to the Fee Panel's consideration of the factors set forth in Section II.C.4, or any other material change to the [draft order attached as part of Exhibit B], the Sackler Parties' Representative, the MDT and the MDL PEC shall meet and confer concerning such changes. The MDL Court shall have no authority to (i) increase the payments made by the MDT or Payment Groups related to fees and costs beyond the amounts described in this Fee Agreement, (ii) effect Distributions made to Holders of Claims in Classes 6 – 10 of the Plan (or the rights of any of their attorneys to receive payment) other than the recognition of the priority of Section 5.2(e)(ii) of the Plan in such provisions, (iii) interpret, decide, hear disputes, or enforce any provisions of or regarding the Plan, the Confirmation Order, or the agreements or documents related thereto, (iv) modify the Common Benefit Fund assessments set forth in Section 5.9(d) of the Plan (v) modify or amend this Fee Agreement or the Common Benefit Order in a manner inconsistent with the Plan or the Confirmation Order.
2. If the Sackler Parties' Representative, the MDT and the MDL PEC are unable to reach agreement and revisions to this Fee Agreement in the event discussed in Section III.B.1, this Fee Agreement shall be null and void, the Payment Groups and the MDT shall have no obligation to make any payments under this Fee Agreement, and the Sackler Parties' Representative and the MDL PEC shall take such steps as are necessary to restore the *status quo ante*.

C. *Amendment.* Once the MDL Court has entered an order implementing this Fee Agreement, this Fee Agreement can only be amended by (1) written agreement of the Sackler Parties' Representative and the MDL PEC and (2) approval by the MDL Court; provided that the consent of the MDT is required for any amendment relating to the rights, obligations, and duties of the MDT, including with respect to the amount of any payments to be made by the MDT to the Local Government Fee Fund. For the avoidance of doubt, all Parties agree that no amendment may have any impact or effect on any party that is not Party to this Agreement. Moreover, no amendment shall be inconsistent with the Plan, the Confirmation Order, or the MSGE Fee Allocation Agreement.

D. *Jurisdiction and Enforcement.* The MDL Court shall have exclusive and ongoing jurisdiction over the enforcement and implementation of this Fee Agreement as and to the extent set forth herein; provided that nothing herein is intended to limit or alter the agreed forums for adjudication of disputes identified in the Plan, MSA, and GESA, or the jurisdiction of the Bankruptcy Court set forth in the Plan. The MDL PEC shall be the Authorized Party to enforce this Fee Agreement as to Attorneys making application to the Funds under this Fee Agreement. Solely for purposes of assessing or allocating common benefit fees, the MDL Court will

continue to have jurisdiction over the work product developed in the MDL Court by and under the direction of the MDL PEC with respect to claims against Shareholder Released Parties, including data and documents, depositions, expert reports, briefs and pleadings; and the MDL Court's protective orders, management orders, and other decisions regarding such discovery and other work product, including but not limited to, conditions on its use, will continue in full force and effect. Nothing in this Section III.D authorizes the MDL Court to act contrary to this Fee Agreement, the GESA, the Plan, or the MSA, or to share any of the work product, or provides the MDL Court with jurisdiction over the GESA.

EXHIBIT A¹⁰

Description of Mathematical Model for the Allocation of the Contingency Fee Funds

This document describes the Mathematical Model for allocation of the Contingency Fee Fund described in Exhibit R (Agreement of Attorneys' Fees, Costs, and Expenses) to the GESA. Awards of fees from the Contingency Fee Funds shall be available to Attorneys with Qualifying Representations of Participating Litigating Subdivisions eligible to receive an allocation under the GESA. A Fee Panel shall oversee the application of the Model and resolve any questions or disputes concerning the eligibility of a counsel to participate. The Panel is empowered to hear disputes concerning and ensure the accuracy of the mathematical calculations.

In general terms, allocation of the Contingency Fee Fund shall be made by (1) determining the amount of the Settlement Fund that is attributable to each Participating Litigating Subdivision; (2) making certain adjustments to these amounts based on when the Subdivision filed suit and the terms of the applicable fee contract; and (3) dividing the Contingency Fee Fund proportionately among counsel for each Participating Litigating Subdivision based on the amounts calculated in subpart 2.

Each Payment Group is responsible only for its own share of payments to the MDT, consistent with the GESA and the Master Settlement Agreement.

To collect a fee award from the Contingency Fee Fund, a Participating Litigating Subdivision must have named any Shareholder Released Party or any of the Debtors in its lawsuit. The total maximum amount of the Contingency Fee Fund in the GESA is [\$_____].¹¹

Allocation of the Contingency Fee Fund shall be made according to the following steps. These calculations are made only for purpose of determining the percentage share of the Contingency Fee Fund that Attorneys for each Participating Litigating Subdivision should receive, not for determining the dollar amount each such Attorney will receive.

(1) For each Settling State, attribute 50% of the settlement funds for that State to its Subdivisions according to the Subdivision Allocation Percentage in Exhibit G to the GESA.

Illustrative example:

- Assume that State A is allocated 1.00000% of the [\$_____] "Maximum Annual Remediation Payment" (see Exhibit M of the GESA).
- 50% of the 1% share allocated to State A is [\$X].

¹⁰ Note: This is the same Exhibit A from prior Exhibit Rs, just with brackets to be filled in.

¹¹ [Note to Draft: 40% of Attorney Fee Fund.]

- Assume that, per Exhibit G of the Agreement, the Subdivision Allocation Percentage for City B in State A is 1.00000000%.
- For purposes of determining its counsel's share of the Contingency Fee Fund, City B is attributed 1.00000000% of [\$X], or [\$Y].

(2) Adjust the amounts in paragraph 1 as follows:

- a. *Upward Adjustment for Early Filers.* Increase the amount calculated in paragraph 1 above by 10% for any Litigating Subdivision that named a Shareholder Released Party or any of the Debtors in a suit [related to claims released under the GESA] before December 5, 2017, the date the National Prescription Opiate Litigation MDL was formed. If the Litigating Subdivision did not name a Shareholder Released Party or any of the Debtors in such a suit before the [Effective Date], then fees from the Contingency Fee Fund will not be awarded to Attorneys with otherwise Qualifying Representations of that Participating Litigating Subdivision.

Illustrative Example:

- Assume City C is attributed \$1,000,000 under paragraph 1 above.
 - If City C named a Shareholder Released Party or a Debtor in a qualifying lawsuit before 12/5/2017, the attributed amount would be adjusted to \$1,100,000.
- b. *Determine Amount Due under Contingency Fee Contract.* Determine the amount that would be due to Attorneys with Qualifying Representations of each Participating Litigating Subdivision under the terms of the applicable fee contract if the Participating Litigating Subdivision were to receive the amount calculated in paragraph 2.a. This amount can be referred to as the Contingency Fee Assumption.

Illustrative Example:

- Continuing the example given in paragraph 2.a, if Attorneys have a 20% contingency fee contract with City C for the relevant litigation, the amount calculated in this step would be 20% of \$1,100,000, or \$220,000.

In the next step, the Contingency Fee Assumption is used to determine the percentage share of the Contingency Fee Fund due to Attorneys for each Participating Litigating Subdivision.

(3) Divide the Contingency Fee Fund proportionately among Attorneys for each Participating Litigating Subdivision in two ways:

- a. *National Fee Pool Calculation.* Determine each Litigating Subdivision's percentage share of all amounts due under contingency fee contracts nationwide by dividing the Contingency Fee Assumption calculated for each Subdivision in paragraph 2.b by the sum of all Contingency Fee Assumptions. Then multiply that percentage by the Contingency Fee Fund to figure each Subdivision's dollar share of the Contingency Fee Fund (but only if the Subdivision timely named a Shareholder Released Party or any of the Debtors in a lawsuit).

Illustrative example:

- $\$220,000$ [from para. 2.b] \div $\$280,000,000$ [hypothetical total amount owed under contingency fee contracts nationwide] = 0.0785714% ¹²
- $0.0785714\% * [\text{\$}]^{13}$ [Contingency Fee Fund] = $[\text{\$Z}]$

- b. *Separate State Fee Pools Calculation.* Determine each Litigating Subdivision's percentage share of all amounts due under contingency fee contracts statewide by dividing the Contingency Fee Assumption calculated for each Subdivision in paragraph 2.b by the sum of all Contingency Fee Assumptions in the same State. Then multiply that percentage by the portion of the Contingency Fee Fund that corresponds to that State's Overall Allocation Percentage, shown in Exhibit F of the GESA, to figure each Subdivision's dollar share of the Contingency Fee Fund (but only if the Subdivision timely named a Shareholder Released Party or any of the Debtors in a lawsuit).

Illustrative example:

- $1\% * [\text{\$}]^{14}$ = $[\text{\$A}]$ [amount of the Contingency Fee Fund corresponding to State A]
- Assume a total of $\$2,500,000$ is owed under contingency fee contracts for State A.
- $\$220,000$ [from para. 2.b] \div $\$2,500,000$ = 8.8%
- $8.8\% * [\text{\$A}]$ = $[\text{\$B}]$

The award of fees to Attorneys with Qualifying Representations of Participating Litigating Subdivisions will be the average of the final amounts calculated in

¹² In this example, $\$280$ million is the amount theoretically owed under all contingency fee contracts for litigation against Shareholder Released Parties and the Debtors as calculated in paragraph 2.b. This amount is illustrative only; the actual amount will not be known until all Litigating Subdivisions are identified and the terms of their contingency fee contracts are collected.

¹³ [Note to Draft: 40% of Attorney Fee Fund.]

¹⁴ [Note to Draft: 40% of Attorney Fee Fund.]

paragraphs 3.a and 3.b above, less any amounts the Fee Panel is authorized to, and does, withhold.¹⁵

Paragraph 3.a represents allocation based on a proportional share of a National Fee Pool, while paragraph 3.b represents allocation based on a proportional share of the Separate State Fee Pools. In other words, for the National Fee Pool described above in paragraph 3.a, the contingency fee contract rate is compared to all other contingency fee contract rates in the nation. For the Separate State Fee Pools described above in paragraph 3.b, the contingency fee contract terms are compared to the other contingency fee contract terms in that same State. The National Fee Pool and the Separate State Fee Pools are given equal weighting.

Using the first methodology, Attorneys for two Subdivisions in different States with the same amount calculated under paragraph 2.b would be assigned the same amount under paragraph 3.a. Using the second methodology, Attorneys for the same two Subdivisions would be assigned different amounts under paragraph 3.b because they are in different States. Specifically, the Subdivision in the State with a smaller proportion of Participating Litigating Subdivisions would be allocated more than the Subdivision in the State with a greater proportion of Participating Litigating Subdivisions.

By: _____
Name:
Title:
Date:

*On behalf of the Sackler Parties’
Representative*

By: _____
Name: Paul T. Farrell, Jr.
Date:

By: _____
Name: Jayne Conroy
Date:

¹⁵ The model also enforces a maximum fee award of 20% of the amount calculated in paragraph 2.b. The description in this document of the Mathematical Model is by necessity an abstraction; the precise contours of the calculations are defined in the model itself.

Subject to Mediation Order and FRE 408 (and State Equivalents)

By: _____
Name: Joeseeph F. Rice
Date:

On behalf of Plaintiffs' Executive Committee

[Include signature block for MDT]

[EXHIBIT B]