AMNEAL SETTLEMENT AGREEMENT

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This Settlement Agreement, dated as of April 4, 2025 (the "*Agreement*"), sets forth the terms of settlement between and among the Settling States, the Participating Subdivisions, and Amneal (as those terms are defined below). Upon satisfaction of the conditions set forth in Sections II and VIII, this Agreement will be binding on the Settling States, Amneal, and the Participating Subdivisions. This Agreement will then be filed as part of a Consent Judgment in the respective courts of each of the Settling States, pursuant to the terms set forth in Section VIII.

I. Definitions

Unless otherwise specified, the following definitions apply:

A. *"Additional Remediation Amount."* The amount available to the Settling States totaling up to $2,101,518 to be paid in accord with the payment schedule at Exhibit M-3.

B. *"Adjusted Maximum Remediation Payment."* The Maximum Remediation Payment reduced by the State Allocation Percentage for each Non-Settling State on Exhibit F.

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

D. *"Alleged Harms."* The alleged past, present, and future damages, harms, losses and related expenditures allegedly incurred by the Settling States and Participating Subdivisions arising out of the use of Products, non-exclusive examples of which are described in the documents listed on Exhibit A, that have allegedly arisen as a result of the physical and bodily injuries sustained by individuals suffering from opioid-related addiction, , death, and other related diseases and disorders, and that have allegedly been caused by Released Entities.

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

F. "*Amneal*" means Amneal Pharmaceuticals LLC.

G. *"Annual Fees Payment."* The amounts payable by Amneal in each Payment Year comprised of the Additional Remediation Amount payment, State AG Fees payment and the Private Attorney Fees payment, and not including the Annual Remediation Payment.

H. *"Annual Remediation Maximum."* The total amount available to Eligible States for Annual Remediation Payments in each Payment Year as set forth in the "Maximum Annual Remediation Payment" column of Exhibit M-1. In no event shall an Annual Remediation Payment in Payment Years 1-2, or 5-10 exceed the Annual Remediation Maximum for that Payment Year set forth in Exhibit M-1. For Payment Years 3-4, the Annual Remediation Payment may exceed the Annual Remediation Maximum for that Payment Year only to the extent needed for the Incentive Payment A Catch-up Payment for a Settling State that has not earned some or all of Incentive Payment BC in prior Payment Years, having resulted in correspondingly lower Annual Remediation Payments in those prior Payment Years.

I. *"Annual Remediation Payment."* The amount payable to the Settlement Fund by Amneal for Settling States' Base Payments and Incentive Payments on the Payment Date for each Payment Year, as calculated by the Settlement Fund Administrator.

J. *"Appropriate Official."* As defined in Section XIII.E.3.

K. *"Bankruptcy Code."* Title 11 of the United States Code, 11 U.S.C. § 101, et seq.

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

M. "*Base Payment.*" As defined in Section IV.G.

N. *"Case-Specific Resolution."* Either: (1) a law barring the Subdivision at issue from maintaining any Released Claims against any Released Entities (either through a direct Bar or through a grant of authority to release claims and the exercise of such authority in full); or (2) a ruling by a court of competent jurisdiction over the Subdivision at issue that the Subdivision may not maintain any Released Claims at issue against any Released Entities, whether on the ground of this Agreement (or the release in it) or otherwise. For the avoidance of doubt, a law or ruling that is conditioned or predicated upon payment by a Released Entity (apart from the annual payments by Amneal under this Agreement) shall not constitute a Case-Specific Resolution.

O. *"Claim."* Any past, present or future cause of action, claim for relief, cross-claim or counterclaim, theory of liability, demand, derivative claim, request, assessment, charge, covenant, damage, debt, lien, loss, fine, penalty, restitution, reimbursement, disgorgement, expenses, remediation, judgment, right, obligation, dispute, suit, contract, controversy, agreement, *parens patriae* claim, promise, performance, warranty, omission, or grievance of any nature whatsoever, whether legal, equitable, statutory, regulatory or administrative, whether arising under federal, state or local common law, statute, regulation, guidance, ordinance or principles of equity, whether filed or unfiled, whether asserted or unasserted, whether known or unknown, whether

accrued or unaccrued, whether foreseen, unforeseen or unforeseeable, whether discovered or undiscovered, whether suspected or unsuspected, whether fixed or contingent, and whether existing or hereafter arising, in all such cases, including, but not limited to, any request for declaratory, injunctive, or equitable relief, compensatory, punitive, or statutory damages, absolute liability, strict liability, restitution, remediation, subrogation, contribution, indemnity, apportionment, disgorgement, reimbursement, attorney fees, expert fees, consultant fees, fines, penalties, expenses, costs or any other legal, equitable, civil, administrative, or regulatory remedy whatsoever.

P. *"Claim-Over."* A Claim asserted by a Non-Released Entity against a Released Entity on the basis of contribution, indemnity, or other claim-over on any theory relating to a Non-Party Covered Conduct Claim asserted by a Releasor.

Q. *"Compensatory Restitution Amount."* The aggregate amount paid or incurred by Amneal hereunder for Opioid Remediation, which includes each Annual Remediation Payment and does not include amounts paid as attorneys' fees and costs or identified pursuant to Section V.B.2 as being used to pay attorneys' fees, investigation costs or litigation costs, which shall be up to the amount of the Adjusted Maximum Remediation Payment.

R. *"Consent Judgment."* A consent judgment in a form to be agreed by the Settling States and Amneal prior to the Effective Date that, among other things, (1) approves this Agreement and (2) provides for the release set forth in Section X.A, including the dismissal with prejudice of any Released Claims that the Settling State has brought against Released Entities.

S. *"Covered Conduct" means* any actual or alleged act, failure to act, negligence, statement, error, omission, breach of any duty, conduct, event, transaction, agreement, service, work, sale misstatement, misleading statement or other activity of any kind whatsoever from the beginning of time through the Reference Date (and any past, present, or future consequence of any such act, failure to act, negligence, statement, error, omission, breach of duty, conduct, event, transaction, agreement, service, work, sale misstatement, misleading statement or other activity) relating in any way to (a) compounding, counseling and documentation relating to any Product or class of Products (b) the availability, discovery, research, development, manufacture, packaging, repackaging, marketing, promotion, advertising, labeling, re-labeling, recall, withdrawal, distribution, delivery, monitoring, reporting, regulatory compliance, supply, sale, prescribing, dispensing, physical security, warehousing, use or abuse of, or operating procedures relating to, any Product, or any system, plan, policy, procedure, or advocacy relating to any Product or class of Products, including, but not limited to, any unbranded or unbranded promotion, marketing, or advertising, information, patient support or assistance, educational programs, consultancy, research, other programs, or campaigns, lobbying, or grants, sponsorships, charitable donations, or other funding relating to any Product or class of Products; (c) the characteristics, properties, risks, or benefits of any Product; (d) the monitoring or non-monitoring of orders placed of any Product; (e) the reporting, disclosure, non-monitoring, nonreporting or non-disclosure to federal, state or other regulators of orders for any Product placed with any Released Entity; (f) the selective breeding, harvesting, extracting, purifying, exporting, importing, applying for quota for, procuring quota for, handling, promoting, manufacturing, processing, packaging, supplying, distributing, converting, or selling of, or otherwise engaging in any activity relating to, precursor or component Products, including but not limited to natural, synthetic, semi-synthetic or chemical raw materials,

starting materials, finished active pharmaceutical ingredients, drug substances, or any related intermediate Products; or (g) diversion control programs, suspicious order monitoring, or regulatory compliance related to any Product.

T. "*Designated State.*" The State of New York.

U. *"Effective Date."* January 29, 2026, or such other date as mutually agreed in writing by Amneal and the Enforcement Committee.

V. "*Eligible States*." The states, commonwealths, and territories of the United States of America, excluding New Mexico and West Virginia. The 54 Eligible States are listed in Exhibit F.

W. *"Enforcement Committee.*" A committee consisting of representatives of the Settling States and of the Participating Subdivisions. Exhibit B contains the organizational bylaws of the Enforcement Committee. Notice pursuant to Section XIII.Q shall be provided when there are changes in membership or contact information.

X. *"Final Order."* An order or judgment of a court of competent jurisdiction with respect to the applicable subject matter (1) which has not been reversed or superseded by a modified or amended order, is not currently stayed, and as to which any right to appeal or seek certiorari, review, reargument, stay, or rehearing has expired, and as to which no appeal or petition for certiorari, review, reargument, stay, or rehearing is pending, or (2) as to which an appeal has been taken or petition for certiorari, review, reargument, stay, or rehearing has been filed and (a) such appeal or petition for certiorari, review, reargument, stay, or rehearing has been resolved by the highest court to which the order or judgment was appealed or from which certiorari, review, reargument, stay, or rehearing was sought, or (b) the time to appeal further or seek certiorari, review, reargument, stay, or rehearing has expired and no such further appeal or petition for certiorari, review, reargument, stay, or rehearing is pending.

W. "*Force Majeure Event.*" Any event reasonably beyond the control of Amneal that prevents Amneal from manufacturing or distributing Settlement Product, including wars, hostilities, revolution, riots, civil commotion, national emergency, unavailability of supplies, epidemics, pandemics, health crisis, fire, flood, earthquake, force of nature, explosion, terrorist act, embargo, or any act of God, or any law, regulation, ordinance, or other act or order of any court or governmental authority.

Y. "*Global Settlement Amount.*" The Global Settlement Amount is $132,913,155, which is comprised of the Maximum Remediation Payment, Private Attorney Fees, State AG Fees, Additional Remediation Amount, and the Settlement Product Cash Conversion Amount. Notwithstanding any other language or provisions in this or any other agreement, the Global Settlement Amount is the maximum dollar amount Amneal can pay in connection with the Agreement.

Z. "*Implementation Administrator*." Rubris, Inc., which is the vendor that will be retained by Amneal to provide notice pursuant to Section VII.A and to manage the initial joinder period for Subdivisions, including the issuance and receipt of Subdivision Participation Agreements.

AA. *"Incentive Payment A."* The incentive payment described in Section IV.H.4.

BB. "*Incentive Payment A Catch-up Payment*." As defined in Section IV.H.4.f.

CC. *"Incentive Payment BC."* The incentive payment described in Section IV.H.5.

DD. *"Incentive Payment D."* The incentive payment described in Section IV.H.6

EE. *"Initial Participating Subdivision."* A Subdivision that meets the requirements set forth in Section VII.D.

FF. *"Initial Participation Date."* The date ninety (90) calendar days after the Preliminary Agreement Date, unless it is extended by written agreement of Amneal and the Enforcement Committee.

GG. *"Injunctive Relief Terms."* The terms described in Section III and set forth in Exhibit P.

HH. *"Later Litigating Subdivision."* A Subdivision (or Subdivision official asserting the right of or for the Subdivision to recover for Alleged Harms to the Subdivision and/or the people thereof) that: (1) first files a lawsuit bringing a Released Claim against a Released Entity after the Reference Date; or (2) adds a Released Claim against a Released Entity after the Reference Date to a lawsuit brought before the Reference Date that, prior to the Reference Date, did not include any Released Claims against a Released Entity; or (3) (a) was a Litigating Subdivision whose Released Claims against Released Entities were resolved by a legislative Bar or legislative Case-Specific Resolution as of the Reference Date, (b) such legislative Bar or legislative Case-Specific Resolution is subject to a Revocation Event after the Reference Date, and (c) the earlier of the date of completion of opening statements in a trial in an action brought by a Subdivision in that Settling State that includes a Released Claim against a Released Entity or one hundred eighty (180) days from the Revocation Event passes without a Bar or Case-Specific Resolution being implemented as to that Litigating Subdivision or the Litigating Subdivision's Released Claims being dismissed; or (4) (a) was a Litigating Subdivision whose Released Claims against Released Entities were resolved by a judicial Bar or judicial Case-Specific Resolution as of the Reference Date, (b) such judicial Bar or judicial Case-Specific Resolution is subject to a Revocation Event after the Reference Date, and (c) such Litigating Subdivision takes any action in its lawsuit asserting a Released Claim against a Released Entity other than seeking a stay or dismissal.

II. *"Later Participating Subdivision."* A Participating Subdivision that is not an Initial Participating Subdivision, but meets the requirements set forth in Section VII.E.

JJ. *"Litigating Subdivision."* A Subdivision (or Subdivision official) that brought any Released Claim against any Released Entity prior to the Reference Date. Exhibit C is an agreed list of all Litigating Subdivisions. Exhibit C will be updated (including with any corrections) periodically, and a final version of Exhibit C will be attached hereto as of the Reference Date.

KK. *"Maximum Remediation Payment."* The maximum amount owed by Amneal to the Settling States and Subdivisions, exclusive of the Private Attorney Fees, State AG Fees, the

Additional Remediation Amount, and the Settlement Product Cash Conversion Amount. The amount of the Maximum Remediation Payment is $71,751,010.

LL. *"National Arbitration Panel."* The panel comprised as described in Section VI.F.3.b.

MM. "*National Disputes."* As defined in Section VI.F.3.a.

NN. *"Non-Litigating Subdivision."* Any Subdivision that is not a Litigating Subdivision.

OO. *"Non-Participating Subdivision."* Any Subdivision that is not a Participating Subdivision.

PP. *"Non-Party Covered Conduct Claim."* A Claim against any Non-Released Entity involving, arising out of, or related to Covered Conduct (or conduct that would be Covered Conduct if engaged in by a Released Entity).

QQ. *"Non-Party Settlement."* A settlement by any Releasor that settles any Non-Party Covered Conduct Claim and includes a release of any Non-Released Entity.

RR. *"Non-Released Entity."* An entity that is not a Released Entity.

SS. "*Non-Settling State."* Any Eligible State that is not a Settling State.

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

UU. *"Participating Subdivision."* Any Subdivision that meets the requirements for becoming a Participating Subdivision under Section VII.B and Section VII.C. Participating Subdivisions include both Initial Participating Subdivisions and Later Participating Subdivisions.

VV. "*Participation Percentage of Incentive BC Eligible Subdivision Population."* As defined in Section IV.H.5.e.

WW. *"Parties."* Amneal and the Settling States (each, a *"Party").*

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

XX. *"Payment Date."* March 1 for each Payment Year, besides the initial payment year which is to be payable as outlined in Section IV.D.1 , which is the date by which Amneal makes the Annual Remediation Payment and the Annual Fees Payment.

YY. *"Payment Year."* The calendar year during which the applicable Annual Remediation Payment and the Annual Fees Payment are due. Payment Year 1 is 2025, Payment Year 2 is 2026 and so forth. References to payment "*for a Payment Year"* mean the Annual Remediation Payment and/or Annual Fees Payment due during that year. References to eligibility "*for a Payment Year"* mean eligibility in connection with the Annual Remediation Payment and/or Annual Fees Payment due during that year.

ZZ. "*Preliminary Agreement Date."* The date on which Amneal is to inform the Settling States of its determination that the condition in Section II.B has been satisfied. The Preliminary Agreement Date shall be no more than fourteen (14) calendar days after the end of the notice period to Eligible States, unless it is extended by written agreement of Amneal and the Enforcement Committee.

AAA. "*Primary Fire District."* A fire district that covers a population of 25,000, or 0.20% of an Eligible State's population if an Eligible State's population is greater than 18 million. If not easily calculable from state data sources and agreed to between the Eligible State and Amneal, a fire district's population is calculated by dividing the population of the county or counties a fire district serves by the number of fire districts in the county or counties. "Primary Fire Districts" shall mean fire districts as identified in connection with the implementation of the July 21, 2021, Janssen Settlement Agreement.

BBB. *"Primary Subdivision."* A Subdivision that is a General Purpose Government (including, but not limited to, a municipality, a county, county subdivision, city town, township, parish, village, borough, gore, or any other entities that provide municipal-type government) with population over 10,000; *provided, however,* that as used in connection with Incentive Payment BC, the population threshold is 30,000. Attached as Exhibit I is an agreed list of the Primary Subdivisions in each Eligible State

CCC. *"Private Attorney Fees"* are the amount to be paid for private attorneys' litigation fees and costs on behalf of Participating Subdivisions. The maximum amount of Private Attorney Fees is $14,477,125. For avoidance of doubt, Private Attorney Fees do not include State AG Fees or the Additional Remediation Amount.

DDD. *"Product."* Any chemical substance, whether used for medicinal or non-medicinal purposes, and whether natural, synthetic, or semi-synthetic, or any finished pharmaceutical product made from or with such substance, that is: (1) an opioid or opiate, as well as any product containing any such substance; (2) benzodiazepine, carisoprodol, or gabapentin; or (3) a combination or "cocktail" of chemical substances prescribed, sold, bought, or dispensed to be used together that includes opioids or opiates. "Product" shall include, but is not limited to, any substance consisting of or containing buprenorphine, codeine, fentanyl, hydrocodone, hydromorphone, meperidine, methadone, morphine, naloxone, naltrexone, oxycodone, oxymorphone, pentazocine, propoxyphene, tapentadol, tramadol, opium, heroin, carfentanil, diazepam, estazolam, quazepam, alprazolam, clonazepam, oxazepam, flurazepam, triazolam, temazepam, midazolam, carisoprodol,

gabapentin, or any variant of these substances or any similar substance. Notwithstanding the foregoing, nothing in this section prohibits a Settling State from taking administrative or regulatory action related to benzodiazepine (including, but not limited to, diazepam, estazolam, quazepam, alprazolam, clonazepam, oxazepam, flurazepam, triazolam, temazepam, and midazolam), carisoprodol, or gabapentin that is wholly independent from the use of such drugs in combination with opioids, *provided* such action does not seek money (including abatement and/or remediation) for conduct prior to the Initial Participation Date. "Product" also includes any natural, synthetic, semi-synthetic or chemical raw materials, starting materials, finished active pharmaceutical ingredients, drug substances, and any intermediate products used or created in the manufacturing process for any of the substances described above.

EEE. *"Reference Date."* The date on which Amneal is to inform the Settling States of its determination whether the condition in Section VIII has been satisfied. The Reference Date shall be no later than thirty (30) calendar days after the Initial Participation Date, unless it is extended by written agreement of Amneal and the Enforcement Committee.

FFF. *"Released Claims."* Any and all Claims that directly or indirectly are based on, arise out of, or in any way relate to or concern the Covered Conduct and/or Alleged Harms occurring prior to the Initial Participation Date. Without limiting the foregoing, Released Claims include any Claims that have been asserted against Released Entities by a Settling State or Litigating Subdivision in any federal, state, or local action or proceeding (whether judicial, arbitral, or administrative) based on, arising out of, or relating to, in whole or in part, the Covered Conduct and/or Alleged Harms, or any such Claims that could be or could have been asserted now or in the future in those actions or in any comparable action or proceeding brought by a Settling State, Subdivision, or Releasor (whether or not such Settling State, Subdivision, or Releasor has brought such action or proceeding). Released Claims also include all Claims against Released Entities asserted in any proceeding to be dismissed pursuant to the Agreement, whether or not such claims relate to Covered Conduct and/or Alleged Harms. The Parties intend that this term, "Released Claims," be interpreted broadly. This Agreement does not release Claims by private individuals. It is the intent of the Parties that Claims by private individuals be treated in accordance with applicable law. Released Claims is also used herein to describe claims brought by a non-party Subdivision that would have been Released Claims if they had been brought by a Releasor against a Released Entity.

GGG. *"Released Entities."* This includes Amneal and (1) all past and present subsidiaries, divisions, affiliates, predecessors, successors, and assigns (in each case, whether direct or indirect) of Amneal; (2) all past and present subsidiaries and divisions (in each case, whether direct or indirect) of any entity described in subsection (1); (3) the respective past and present officers, directors, members, trustees, and employees of any of the foregoing (each for actions that occurred during and related to their work for, or employment with, any of Amneal or the foregoing entities); (4) all past and present joint ventures (whether direct or indirect) of Amneal or its subsidiaries, including in any subsidiary's capacity as a participating member in such joint venture; (5) all direct or indirect parents and shareholders of Amneal (solely in their capacity as parents or shareholders of Amneal with respect to Covered Conduct); and (6) any insurer of Amneal or any person or entity otherwise described in subsections (1)-(5) (solely in its role as insurer of such person or entity and subject to the last sentence of Section X.C). A list of Amneal's joint ventures, subsidiaries and affiliates and predecessor entities is set forth in Exhibit J. Any person or entity

described in subsections (3)-(6) shall be a Released Entity solely in the capacity described in such clause and shall not be a Released Entity with respect to its conduct in any other capacity. Any entity acquired, or joint venture entered into, by Amneal after the Initial Participation Date is not a Released Entity. Further and notwithstanding anything else in this paragraph, no entity sued in *In re: National Prescription Opiate Litigation*, No. 1:17-md-2804 (N.D. Ohio) is included as a Released Entity other than the entities listed on Exhibit J.

HHH. *"Releasors."* With respect to Released Claims, (1) each Settling State; (2) each Participating Subdivision; and (3) without limitation and to the maximum extent of the power of each Settling State's Attorney General and/or Participating Subdivision to release Claims, (a) the Settling State's and Participating Subdivision's departments, agencies, divisions, boards, commissions, Subdivisions, districts, instrumentalities of any kind and attorneys, including its Attorney General, and any person in his or her official capacity whether elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, (b) any public entities, public instrumentalities, public educational institutions, unincorporated districts, fire districts, irrigation districts, water districts, emergency services districts, school districts, healthcare districts, hospital districts, Sheriffs and law enforcement districts, library districts, coroner's offices, and public transportation authorities, and other Special Districts in a Settling State, including those with the regulatory authority to enforce state and federal controlled substances acts or the authority to bring Claims related to Covered Conduct seeking money (including abatement (or remediation and/or restitution)) or revoke a pharmaceutical distribution license, and (c) any person or entity acting in a *parens patriae,* sovereign, quasi-sovereign, private attorney general, *qui tam,* taxpayer, or other capacity seeking relief, including but not limited to fines, penalties, or punitive damages, on behalf of or generally applicable to the general public with respect to a Settling State or Subdivision in a Settling State, whether or not any of them participate in this Agreement. The inclusion of a specific reference to a type of entity in this definition shall not be construed as meaning that the entity is not a Subdivision. Each Settling State's Attorney General represents that he or she has or has obtained (or will obtain no later than the Initial Participation Date) the authority set forth in Section X.G. In addition to being a Releasor as provided herein, a Participating Subdivision shall also provide the Subdivision Settlement Participation Form referenced in Section VIII providing for a release to the fullest extent of the Participating Subdivision's authority.

III. *"Remediation Accounts Fund."* The component of the Settlement Fund described in Section V.

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

KKK. *"Settlement Fund."* The interest-bearing fund established at [Bank TBD] pursuant to this Agreement into which the Annual Remediation Payments are made under Section IV, which is intended to be classified as a "qualified settlement fund" within the meaning of 26 C.F.R. §§ 1.468B-1 *et seq*. and which shall be approved by any Settling State in accordance with the requirements of 26 C.F.R. § 1.468B-1.

LLL. *"Settlement Fund Administrator."* BrownGreer PLC, which is the entity that annually determines the Annual Remediation Payment (including calculating offset or reduction and Incentive Payments pursuant to Section IV and any amounts subject to offset pursuant to Section XII) and Additional Remediation Amount, administers the Settlement Fund, and distributes amounts into the Remediation Accounts Fund, State Fund, and Subdivision Fund pursuant to this Agreement. The duties of the Settlement Fund Administrator shall be governed by this Agreement. Prior to the Effective Date, Amneal and the Enforcement Committee shall agree to a detailed description of the Settlement Fund Administrator's duties and responsibilities, including a detailed mechanism for paying the Settlement Fund Administrator's fees and costs, all of which shall be appended to the Agreement as Exhibit L.

MMM. *"Settlement Fund Escrow."* The interest-bearing escrow fund established pursuant to this Agreement to hold disputed payments made under this Agreement.

NNN. *"Settlement Payment Schedule."* The schedule attached to this Agreement as Exhibit M-1, Exhibit M-2, and Exhibit M-3.

OOO. *"Settlement Product*" means Naloxone HCl nasal spray 4mg that is listed in Amneal's then-current generics catalog and can be viewed at https://amnealnaloxone.com/, and is provided to the Settling State as part of the settlement, at no cost as set forth in Section XIV and Exhibit D.

PPP. "*Settlement Product Cash Conversion Amount*" means the resulting dollar amount from when a Settling State has elected to convert all or a portion of its Settlement Product Allocation into a cash payment pursuant to Section XIV and Exhibit D. The aggregate, maximum amount that could be paid from the conversion of Settlement Product into cash is $44,350,000.

QQQ. "*Settlement Product Cash Conversion Amount Payment Date*" is March 1 of each Payment Year 7 through Payment Year 10. This date may be changed by written agreement of Amneal and the Enforcement Committee.

RRR. "*Settlement Product Election Date*" is the date thirty (30) days after the Effective Date by which a Settling State must submit its election of the Settling State's allocation of Settlement Product or cash conversion of Settlement Product pursuant to Section XIV and Exhibit D.

SSS. "*Settlement Product Election Form"* means the form a Settling State uses to submit its election of the Settling State's allocation of Settlement Product or cash conversion of Settlement Product pursuant to Section XIV and Exhibit D.

TTT. "*Settling State."* An Eligible State that has entered into this Agreement and delivers executed releases in accordance with Section VIII.A.

UUU. "*State Allocation."* The Maximum Remediation Payment multiplied by the State Allocation Percentage for each Eligible State listed in Exhibit F.

VVV. "*State Allocation Percentage*." A Settling State's percentage as set forth in Exhibit F.

WWW. *"State AG Fees"* The amount to be paid by Amneal to the Settling States for their litigation fees and costs pursuant to Exhibit S. The State AG Fees are 2% times the Maximum Remediation Payment plus the maximum Settlement Product Cash Conversion Amount, minus the Additional Remediation Amount, with the maximum amount being $233,502.

XXX. *"State Fund."* The component of the Settlement Fund described in Section V.

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

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

AAAA. *"Statewide Payment Amount."* The amount the Settlement Fund Administrator is to pay from the Remediation Payment to be paid to a Settling State, including its separate types of funds (if applicable) and its Participating Subdivisions listed in Exhibit G.

BBBB. *"Subdivision."* Any (1) General Purpose Government (including, but not limited to, a municipality, county, county subdivision, city, town, township, parish, village, borough, gore, or any other entities that provide municipal-type government), School District, or Special District within a Settling State, and (2) any other subdivision, subdivision official acting in an official capacity on behalf of the subdivision (including, without limitation, district attorneys, county attorneys, city attorneys, sheriffs, and any other official, employee, or representative), or sub-entity of or located within a Settling State (whether political, geographical or otherwise, whether functioning or non-functioning, regardless of population overlap, and including, but not limited to, Nonfunctioning Governmental Units and public institutions) that has filed a lawsuit that includes a Released Claim against a Released Entity in a direct, *parens patriae,* or any other capacity. "General Purpose Government," "School District," and "Special District" shall correspond to the "five basic types of local governments" recognized by the U.S. Census Bureau and match the 2017 list of Governmental Units.[2] The three (3) General Purpose Governments are county, municipal, and township governments; the two (2) special purpose governments are School Districts and

[2] https://www2.census.gov/programs-surveys/gus/datasets/2017/govt_units_2017.ZIP

Special Districts.[3] "Fire District," "Health District," "Hospital District," and "Library District" shall correspond to categories of Special Districts recognized by the U.S. Census Bureau.[4] References to a Settling State's Subdivisions or to a Subdivision "in," "of," or "within" a Settling State include Subdivisions located within the Settling State even if they are not formally or legally a sub-entity of the Settling State; *provided, however,* that a "Health District" that includes any of the following words or phrases in its name shall not be considered a Subdivision: mosquito, pest, insect, spray, vector, animal, air quality, air pollution, clean air, coastal water, tuberculosis, and sanitary.

CCCC."*Subdivision Allocation Percentage."* The portion of a Settling State's Subdivision Fund set forth in Exhibit G that a Subdivision will receive pursuant to Section V if it becomes a Participating Subdivision. The aggregate Subdivision Allocation Percentage of all Subdivisions receiving a Subdivision Allocation Percentage in each Settling State shall equal one hundred percent (100%). Immediately upon the effectiveness of any State-Subdivision Agreement, Allocation Statute, Statutory Trust, or voluntary redistribution allowed by Section V.D.3 (or upon the effectiveness of an amendment to any State-Subdivision Agreement, Allocation Statute, Statutory Trust, or voluntary redistribution allowed by Section V.D.3) that addresses allocation from the Subdivision Fund, whether before or after the Initial Participation Date, Exhibit G will automatically be amended to reflect the allocation from the Subdivision Fund pursuant to the State-Subdivision Agreement, Allocation Statute, Statutory Trust, or voluntary redistribution allowed by Section V.D.3. The Subdivision Allocation Percentages contained in Exhibit G may not change once notice is distributed pursuant to Section VII.A, except upon the effectiveness of any State-Subdivision Agreement, Allocation Statute, Statutory Trust, or voluntary redistribution allowed by Section V.D.3 (or upon the effectiveness of an amendment to any State-Subdivision Agreement, Allocation Statute, Statutory Trust, or voluntary redistribution allowed by Section V.D.3) that addresses allocation from the Subdivision Fund. For the avoidance of doubt, no Subdivision not listed on Exhibit G shall receive an allocation from the Subdivision Fund and no provision of this Agreement shall be interpreted to create such an entitlement.

DDDD. *"Subdivision Fund."* The component of the Settlement Fund described in Section V.A.

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[3] *E.g.,* U.S. Census Bureau, "Technical Documentation: 2017 Public Use Files for State and Local Government Organization" at 7 (noting that "the Census Bureau recognizes five basic types of local governments," that three of those are "general purpose governments" (county governments, municipal governments, and township governments), and that the other two are "school district and special district governments"), https://www2.census.gov/programs-surveys/gus/datasets/2017/2017_gov_org_meth_tech_doc.pdf.

[4] A list of 2017 Government Units provided by the Census Bureau identifies 38,542 Special Districts and categorizes them by "FUNCTION_NAME." "Govt_Units_2017_Final" spreadsheet, "Special District" sheet, included in "Independent Governments - list of governments with reference information," https://www2.census.gov/programs-surveys/gus/datasets/2017/govt_units_2017.ZIP. As used herein, "Fire District" corresponds to Special District function name "24 — Local Fire Protection," "Health District" corresponds to Special District function name "32 — Health," "Hospital District" corresponds to Special District function name "40 —Hospitals," and "Library District" corresponds to Special District function name "52 — Libraries." *See id.*

EEEE. *"Subdivision Settlement Participation Form."* The form attached as Exhibit K that Participating Subdivisions must execute and return to the Implementation Administrator or Settlement Fund Administrator, and which shall (1) make such Participating Subdivisions signatories to this Agreement, (2) include a full and complete release of any and all of such Subdivision's claims, and (3) require the prompt dismissal with prejudice of any Released Claims that have been filed by any such Participating Subdivision

FFFF. *"Threshold Motion."* A motion to dismiss or equivalent dispositive motion made at the outset of litigation under applicable procedure. A Threshold Motion must include as potential grounds for dismissal any applicable Bar or the relevant release by a Settling State or Participating Subdivision provided under this Agreement and, where appropriate under applicable law, any applicable limitations defense.

II. Participation by Eligible States and Condition to Preliminary Agreement

A. *Notice to Eligible States.* On May 26, 2025, this Agreement shall be distributed to all Eligible States. The Attorneys General of the Eligible States shall then have until June 25, 2025, to decide whether to become Settling States and notify Amneal of that decision. Eligible States that determine to become Settling States shall so notify Amneal and shall further commit to obtaining any necessary additional state releases prior to the Reference Date. This notice period may be extended by written agreement of Amneal and the Enforcement Committee.

B. *Condition to Preliminary Agreement*. Following the notice period set forth in Section II.A, Amneal shall have fourteen (14) calendar days to determine whether, in its sole discretion (based on any criteria or factors deemed relevant to Amneal), enough Eligible States have agreed to become Settling States to proceed with notice to Subdivisions as set forth in Section VII. This period may be extended by written agreement of Amneal and the Enforcement Committee. If Amneal determines that this condition has been satisfied, and that notice to the Subdivisions should proceed, it will so notify the Settling States by providing notice to the Enforcement Committee. The date of such notice shall be the Preliminary Agreement Date. If Amneal determines that this condition has not been satisfied, this Agreement will have no further effect and all releases and other commitments or obligations contained herein will be void.

C. *Later Joinder by Eligible States*. After the Preliminary Agreement Date, an Eligible State may only become a Settling State with the consent of Amneal and the Enforcement Committee, provided that the Enforcement Committee may not withhold consent to an Eligible State's later joinder if the Eligible State agrees to join pursuant to the terms of this Agreement and the allocation set forth on Exhibit F. If an Eligible State becomes a Settling State more than thirty (30) calendar days after the Preliminary Agreement Date, but on or before the Reference Date, the Subdivisions in that Eligible State that become Participating Subdivisions within ninety (90) calendar days of the Eligible State becoming a Settling State shall be considered Initial Participating Subdivisions. An Eligible State may not become a Settling State after the Reference Date.

D. *Litigation Activity.* Following the Preliminary Agreement Date, Eligible States that determine to become Settling States shall make reasonable efforts to cease litigation activity against Amneal, including by jointly seeking stays or, where appropriate, severance of claim against Amneal, where feasible, and otherwise to minimize such activity by means of agreed deadline extensions and agreed postponement of depositions, document productions, and motion practice if a motion to stay or sever is not feasible or is denied.

III. Injunctive Relief

A. *Injunctive Relief.* As part of the Consent Judgment, the Parties agree to the entry of the injunctive relief terms attached in Exhibit P.

IV. Settlement Payments

A. *Settlement Fund.* All payments under this Section IV shall be made into the Settlement Fund, except that, where specified, they shall be made into the Settlement Fund Escrow. The Settlement Fund shall be allocated and used only as specified in Section V.

B. *Annual Remediation Payments*

1. Amneal shall make ten (10) Annual Remediation Payments, each comprised of Base Payments and Incentive Payments as provided in this Section IV and as determined by the Settlement Fund Administrator as set forth in this Agreement, *provided that* the Annual Remediation Payment in Payment Year 1 shall consist solely of Base Payments. The payment schedule for the Annual Remediation Payments is attached hereto as Exhibit M-2.

2. In no instance shall Amneal's Annual Remediation Payment obligation exceed the Annual Remediation Maximum, reduced for Non-Settling States, except as specified in the definition of "Annual Remediation Maximum" for Payment Years 3, 4, and 10. In no instance shall the sum of Amneal's Annual Remediation Payment obligations for Payment Years 1-10 exceed the sum of Amneal's Annual Remediation Maximums for Payment Years 1-10, reduced for Non-Settling States.

C. *Settlement Fund Payment Process*

1. To determine each Annual Remediation Payment for Payment Year 2 and forward, the Settlement Fund Administrator shall use the data as of sixty (60) days prior to the Payment Date for each payment, unless another provision of the Agreement specifies a different date. Prior to the Effective Date, the Parties will include Exhibit L, which sets forth in detail the process for the Settlement Fund Administrator to obtain relevant data and for distributing funds to the Settling States and their Participating Subdivisions listed on Exhibit G consistent with the terms of this Agreement as quickly as practical.

2. The Settlement Fund Administrator shall determine the Annual Remediation Payment and the Statewide Payment Amount for each Settling State, consistent with the provisions in Exhibit L, by:

a. Determining, for each Settling State, the Base Payment amount and Incentive Payment amount to which the Settling State is entitled by applying the criteria under Section IV.F, Section IV.G, and Section IV.H;

b. applying any offsets as specified under Section XII

c. determining the total amount owed by Amneal to all Settling States and the Participating Subdivisions listed on Exhibit G; and

d. the Settlement Fund Administrator shall then allocate, after subtracting the portion of any Settlement Fund Administrator costs and fees owed out of funds from the Settlement Fund pursuant to Section V.C.5, the Annual Remediation Payment pursuant to Section V among the Settling States, among the separate types of funds for each Settling State (if applicable), and among the Participating Subdivisions listed on Exhibit G.

3. If, no later than fifty (50) days prior to the Payment Date (or such other date as may be agreed in writing by Amneal, the Enforcement Committee, and the Settlement Fund Administrator), Amneal and the Enforcement Committee inform the Settlement Fund Administrator that they agree on the amount of the Annual Remediation Payment and the Statewide Payment Amount for each Settling State, Amneal shall pay the agreed-upon Annual Remediation Payment amount on the Payment Date and the Settlement Fund Administrator shall treat those amounts as the determination described in Section IV.C.2. If the Settlement Fund Administrator is not so informed, it shall give notice to Amneal, the Settling States, and the Enforcement Committee of the amount of the Annual Remediation Payment, and the Statewide Payment Amount for each Settling State, following the determination described in Section IV.C.2, and the following timeline shall apply (or such other timeline as may be agreed in writing by Amneal, the Enforcement Committee, and the Settlement Fund Administrator):

a. Within twenty-one (21) calendar days of the notice provided by the Settlement Fund Administrator, Amneal, any Settling State or the Enforcement Committee may dispute, in writing, the calculation of the Annual Remediation Payment or the Statewide Payment Amount for a Settling State. Such disputing party must provide a written notice of dispute to the Settlement Fund Administrator, the Enforcement Committee, any affected Settling State, and Amneal identifying the nature of the dispute, the amount of money that is disputed, and the Settling State(s) affected.

b. Within twenty-one (21) calendar days of the sending of a written notice of dispute, any affected party may submit a response, in writing, to the Settlement Fund Administrator, the Enforcement Committee, any affected Settling State, and Amneal identifying the basis for disagreement with the notice of dispute.

c. If no response is filed, the Settlement Fund Administrator shall adjust the amount calculated consistent with the written notice of dispute, and Amneal shall pay the adjusted amount, collectively totaling that Payment Year's Annual Remediation Payment, on the Payment Date. If a written response to the written notice of dispute is timely sent to the Settlement Fund Administrator, the Settlement Fund Administrator shall notify Amneal of the preliminary amount to be paid, which shall be the greater of the amount originally calculated by the Settlement Fund Administrator or the amount that would be consistent with the notice of dispute, *provided, however,* that in no circumstances shall the preliminary amount to be paid be higher than the Annual Remediation Maximum. For the avoidance of doubt, a transfer of payments from the Settlement Fund Escrow for other Payment Years does not count toward determining whether the amount to be paid is higher than the Annual Remediation Maximum or other relevant maximum payment.

d. The Settlement Fund Administrator shall place any disputed amount of the preliminary amount paid by Amneal into the Settlement Fund Escrow and shall disburse any undisputed amount to each Settling State and its Participating Subdivisions listed on Exhibit G pursuant to Section IV.C.4.

4. If a Settling State informs the Settlement Fund Administrator that it and its Participating Subdivisions listed on Exhibit G have agreed on the amount of its Statewide Payment Amount, determined pursuant to Section IV.C.2 or Section IV.C.3, to be distributed to the Settling State, among its separate types of funds (if applicable), and among its Participating Subdivisions listed on Exhibit G, the Settlement Fund Administrator shall disburse the Statewide Payment Amount pursuant to the consensus distribution amounts provided by the Settling State as quickly as practical. For a Settling State that does not so notify the Settlement Fund Administrator, the Settlement Fund Administrator shall allocate the Settling State's Statewide Payment Amount, pursuant to Section V, among the separate types of funds for the Settling State (if applicable), and among its Participating Subdivisions listed on Exhibit G using the following procedures:

a. As soon as possible for each payment and following the determination described in Section IV.C.2 or Section IV.C.3, the Settlement Fund Administrator shall give notice to the relevant Settling States and their Participating Subdivisions listed on Exhibit G of the amount to be received by each Settling State, the amount to be received by the separate types of funds for each Settling State (if applicable), and the amount to be received by each Participating Subdivision listed on Exhibit G for each Settling State.

b. Within twenty-one (21) days of the notice provided by the Settlement Fund Administrator, any Settling State or Participating Subdivision listed on Exhibit G may dispute, in writing, the calculation of the amount to be received by the relevant Settling State and/or its Participating Subdivision listed on Exhibit G. A dispute will be deemed invalid and disregarded if it challenges the allocations adopted by a State-Subdivision Agreement approved pursuant to the

provisions of Exhibit O or by statute. Such disputing party must provide a written notice of dispute to the Settlement Fund Administrator, any affected Settling State, and any affected Participating Subdivision identifying the nature of the dispute, the amount of money that is disputed, and the Settling State(s) affected.

c. Within twenty-one (21) days of the sending of a written notice of dispute, any affected Settling State or any affected Participating Subdivision may submit a response, in writing, to the Settlement Fund Administrator, any affected Settling State and any affected Participating Subdivision identifying the basis for disagreement with the notice of dispute.

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

e. The Settlement Fund Administrator shall place any disputed amount into the Settlement Fund Escrow and shall disburse any undisputed amount to the Settling State and its Participating Subdivisions eligible for payment.

5. Disputes described in this subsection shall be resolved in accordance with the terms of Section VI.F.

6. The Settlement Fund Administrator may combine the disbursements of Annual Remediation Payments with disbursement of funds under other comparable opioid settlements. In determining when disbursements for each Annual Remediation Payment will be made, the Settlement Fund Administrator may take into account the timeline for the availability of disbursements under other comparable opioid settlements.

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

D. *Procedure for Annual Remediation Payment and Annual Fees Payment in Payment Year 1.* The process described in Section IV.C shall not apply to Payment Year 1. The procedure in lieu of Section IV.C for Payment Year 1 is as set forth below:

1. The Payment Date for Payment Year 1 is 30 days after every Eligible State has notified Amneal of its intent to become Settling States. Amneal shall deposit into a segregated interest-bearing bank account it establishes the "Adjusted Maximum Base Payment" for Payment Year 1 as specified in Exhibit M-2. This amount shall be calculated by multiplying the aggregate State Allocation Percentage attributable to Eligible States that have agreed to become Settling States by the Preliminary Agreement Date by the "Maximum Base Payment" amount specified in Exhibit M-2 for Payment Year 1. Amneal shall also deposit into two (2) separate segregated interest-bearing bank accounts it establishes: (a) the "Maximum Exhibit R Attorney Fee and Cost Funds" for Payment Year 1 as specified in Exhibit M-3; and (b) the sum of the "Maximum State AG Fees" and the "Maximum Additional Remediation Amount"

for Payment Year 1 as specified in Exhibit M-3. Amneal shall separately account for the interest earned on each of the three (3) accounts.

2. Amneal shall provide proof to the Enforcement Committee of the deposits required by Section IV.D.1 by July 25, 2025. Amneal shall not remove any money from the segregated bank accounts, except as provided by Sections IV.D.3-5 and Section VII.A.

3. In the event that, in accordance with the terms of Section VIII.B, Amneal determines not to proceed with the Settlement, or the Settlement does not become effective for any other reason, the funds held in the segregated bank accounts shall immediately revert to Amneal.

4. If the condition set forth in Section VIII.B is met, Amneal shall transfer into the Settlement Fund, no later than five (5) business days after the Reference Date (unless the Enforcement Committee specifies a later date), the amount in the segregated account holding the "*Adjusted Maximum Base Payment*" for Payment Year 1 (including all interest accrued on that account) plus the *total amount of the Base Payment* owed in Payment Year 1 for the Eligible States that newly agreed to become a Settling State between the Preliminary Agreement Date and the Reference Date, which shall be calculated by multiplying those Settling States' State Allocation Percentage by the amount specified in Exhibit M-2 for Payment Year 1. If the condition set forth in Section VIII.B is met, Amneal also shall transfer into the relevant funds as directed by the Enforcement Committee, no later than five (5) business days after the Reference Date (unless the Enforcement Committee specifies a later date), the amount in the segregated account holding the "*Maximum Exhibit R Attorney Fee and Cost Funds*" for Payment Year 1 (including all interest accrued on that account), and the amount in the segregated account holding the Maximum State AG Fees and "Maximum Additional Remediation Amount" for Payment Year 1 (including all interest accrued on that account), except that any reductions provided by Section IX.B and Exhibits R and S shall revert to Amneal. Amneal shall provide an accounting to the Enforcement Committee of the transfers, including Statewide Payment Amount for Payment Year 1 for each Eligible State that newly agreed to become a Settling State between the Preliminary Agreement Date and the Reference Date.

5. The interest earned from the deposit account holding the Adjusted Maximum Base Payment for Payment Year 1 shall be used, first, to pay for the Implementation Administrator, then to pay for the Implementation Administrator in the Alvogen, Apotex, Hikma, Indivior, Mylan, Sun, and Zydus Settlement Agreements, and finally to be transferred to the Settlement Fund to be used to pay for the Settlement Fund Administrator pursuant to Section V.C.5.

6. The Annual Remediation Payment for Payment Year 1 transferred by Amneal into the Settlement Fund pursuant to Section IV.D.4 shall be disbursed by the Settlement Fund Administrator after the Effective Date to each Settling State and to its Initial Participating Subdivisions listed on Exhibit G pursuant to Section IV.C.4 through Section IV.C.7; *provided, however*, that for any Settling State where the Consent Judgment has not been entered as of the Effective Date, the funds allocable to that Settling State and its Participating Subdivisions

listed on Exhibit G shall not be disbursed until ten (10) calendar days after the entry of the Consent Judgment in that Settling State.

E. *Payment Date for Payment Years 2 through 10.* The Payment Date for Payment Year 2 is March 1, 2026. The Payment Date for Payment Years 3 through 10 shall be each successive March 1. The Annual Remediation Payments for those Payment Years shall be made pursuant to the process set forth in Section IV.C.

F. *Offsets to Annual Remediation Payments to the Settlement Fund for Non-Settling States.* An offset equal to $71,751,010 times the State Allocation Percentage assigned to each Non-Settling State in Exhibit F shall be deducted from the total amount to be paid by Amneal to the Settlement Fund. For the avoidance of doubt, the Adjusted Maximum Remediation Payment is calculated in a way that reflects this offset. The Base Payments and Incentive Payments are also subject to offset as provided in Section XII.

G. *Base Payments.*

1. Subject to the offset provisions set forth in Section XII, Amneal shall make Base Payments into the Settlement Fund in an amount equal to forty percent (40%) of the Adjusted Maximum Remediation Payment. The maximum total for Base Payments is $28,700,404. The Base Payments shall be due in installments consistent with Exhibit M-2 over the ten (10) Payment Years.

2. The Base Payment for any Settling State in each Payment Year shall be the Base Payment for that Payment Year specified in Exhibit M-2 times the Settling State's State Allocation Percentage specified in Exhibit F.

H. *Incentive Payments.*

1. Subject to the offset provisions set forth in Section XII, Amneal shall make potential additional incentive payments totaling up to a maximum of sixty percent (60%) of the Adjusted Maximum Remediation Payment, with the Incentive Payment amount depending on whether and the extent to which the criteria set forth below are met in each Settling State. The maximum total for Incentive Payments is $43,050,606.

2. A Settling State qualifies to receive Incentive Payments in addition to Base Payments if it meets the incentive eligibility requirements specified below. The maximum total Incentive Payment for any Settling State shall be no more than the maximum total for Incentive Payments listed in Section IV.H.1 times the Settling State's State Allocation Percentage specified in Exhibit F. Incentive Payments are state-specific, with the actual amount depending on whether and the extent to which the criteria set forth below are met in such Settling State.

3. The incentive payments shall be divided among three (3) categories, referred to as Incentive Payments A, BC, and D. Incentive Payments A and BC will be due in installments

over the nine (9) Payment Years beginning with Payment Year 2, while Incentive D will be due in installments over six (6) Payment Years beginning with Payment Year 5, as shown on Exhibit M-2. The total amount of incentive payments in an Annual Remediation Payment shall be the sum of the incentive payments for which the individual Settling States are eligible for that Payment Year under the criteria set forth below. The incentive payments shall be made with respect to a specific Settling State based on its eligibility for that Payment Year under the criteria set forth below. For the avoidance of doubt, eligibility for Incentive Payments A, BC, and D shall be determined on a Settling State-by-Settling State basis.

4. Incentive Payment A.

a. Incentive Payment A is mutually exclusive with Incentive Payments BC and D; if a Settling State receives Incentive Payment A in an Annual Remediation Payment, such Settling State is not eligible for Incentive Payment BC or D in that Annual Remediation Payment.

b. Incentive Payment A shall be equal to sixty percent (60%) of the Adjusted Maximum Remediation Payment, provided all Settling States satisfy the requirements of Incentive Payment A. Incentive Payment A will be due to a Settling State as part of the Annual Remediation Payment over nine (9) Payment Years, starting in Payment Year 2, and shall equal a total potential maximum of $43,050,606 if all Eligible States qualify for Incentive Payment A. Each Settling State's share of Incentive Payment A in a given year, *provided* that Settling State qualifies, shall equal the total maximum amount available for Incentive Payment A for that year as reflected in Exhibit M-2 times the Settling State's State Allocation Percentage.

c. Qualification for Incentive Payment A is as follows: A Settling State qualifies for Incentive Payment A if, as of two (2) years of the Effective Date: (i) there is a Bar in that Settling State in full force and effect, (ii) the Released Claims of all of the following entities are released through the execution of Subdivision Settlement Participation Forms, or there is a Case-Specific Resolution against such entities: all Primary Subdivisions, Litigating Subdivisions, School Districts with a K-12 student enrollment of at least 25,000 or .10% of a Settling State's population, whichever is greater, Hospital Districts that have at least one hundred twenty-five (125) hospital beds in one or more hospitals rendering services in that district, and Primary Fire Districts; or (iii) a combination of the actions in clauses (i) and (ii) has achieved the same level of resolution of Claims by Subdivisions (*e.g.,* a Bar against future litigation combined with full joinder by Litigating Subdivisions). For the avoidance of doubt, subsection (iii) cannot be satisfied unless all Litigating Subdivisions are Participating Subdivisions or there is a Case-Specific Resolution against any such Subdivisions that are not Participating Subdivisions. Amneal and the Enforcement Committee shall meet and confer in order to agree on data sources for purposes of this Section prior to the Initial Participation Date.

d. A Settling State that does not qualify for Incentive Payment A as of two (2) years after the Effective Date shall not be eligible for Incentive Payment A for that Payment Year or any subsequent Payment Years.

e. To the extent a Settling State asserts that existing legislation qualifies as a Bar, the Settling State shall provide notice to Amneal no later than 30 days before the Initial Participation Date. Amneal shall indicate before the Initial Participation Date whether existing legislation in a Settling State is sufficient to qualify as a Bar.

f. If a Settling State does not qualify for Incentive Payment A as of the Payment Date for Payment Year 2 and becomes eligible for Incentive Payment A as of Payment Date for Payment Year 3, it shall receive the payment that it would have received for Incentive Payment A for Payment Year 2 (the "Incentive Payment A Catch-up Payment") on the Payment Date for Payment Year 3. If a Settling State is not eligible for Incentive Payment A as of the Payment Date for Payment Year 3 and becomes eligible for Incentive Payment A as of two (2) years after the Effective Date, it shall receive the payment that it would have received for Incentive Payment A for Payment Years 2 and 3 (also an "Incentive Payment A Catch-up Payment") on the Payment Date for Payment Year 4. The Incentive Payment A Catch-up Payment shall be reduced by any amounts paid to the Settling State under Incentive Payment BC prior to the Settling State's eligibility for Incentive Payment A.

g. If Amneal made a payment under Incentive Payment A solely on the basis of a Bar in a Settling State and that Bar is subsequently removed, revoked, rescinded, reversed, overruled, interpreted in a manner to limit the scope of the release, or otherwise deprived of force or effect in any material respect, that Settling State shall not be eligible for Incentive Payment A thereafter, unless the Settling State requalifies for Incentive Payment A through any method pursuant to Section IV.H.4.c, in which case the Settling State shall be eligible for Incentive Payment A less any litigation fees and costs incurred by Amneal in the interim, except that, if the re-imposition occurs after the completion of opening statements in a trial involving a Released Claim, the Settling State shall not be eligible for Incentive Payment A (unless this exception is waived by Amneal).

5. Incentive Payment BC.

a. Incentive Payment BC shall be available to Settling States that do not qualify for Incentive Payment A.

b. Incentive Payment BC shall be up to a maximum of fifty-seven percent (57%) of the Settling State's State Allocation. Incentive Payment BC will be due to a Settling State as part of the Annual Remediation Payment over nine (9) Payment Years, starting in Annual Remediation Payment 2. Subject to Section IV.F, Incentive Payment BC shall equal a total potential maximum of $40,898,076 if all Eligible States qualify for Incentive Payment BC (and do not qualify for Incentive Payment A).

c. A Settling State may earn Incentive Payment BC in Annual Remediation Payments 2 through 10 and may receive, when combined with the Settling State's Base Payment, up to ninety-seven percent (97%) of the Settling State's State Allocation. The maximum Incentive Payment BC for any Settling State in a given Payment Year shall be the maximum potential Incentive Payment BC for that Payment Year specified in Exhibit M-2 times the Settling State's State Allocation Percentage specified in Exhibit F, provided such Settling State becomes eligible for Incentive Payment BC by sixty (60) days before the Payment Date for Payment Year 6.

d. The amount of Incentive Payment BC for which a Settling State is eligible shall be determined based on the aggregate population of the Settling State's Incentive BC Subdivisions that are Participating Subdivisions or have had their claims resolved through a Case-Specific Resolution, divided by the aggregate population of all the Settling State's Incentive BC Subdivisions. The Settling State's Incentive BC Subdivisions are (i) all Litigating Subdivisions (including School Districts and Special Districts) and (ii) all Primary Subdivisions that have not sued Amneal as of the Initial Participation Date (collectively, "*Incentive BC Subdivisions*").

e. The percentage of the Settling State's maximum Incentive Payment BC for the Payment Year provided by Section IV.H.5.c to which the Settling State is entitled shall be determined according to the table of Incentive BC payment levels below:

Participation Percentage of Incentive BC Eligible Subdivision Population[5]	Incentive Payment BC Percentage for the Relevant Payment Year
Less than 85%	0%
85% or more but less than 86%	3.57%
86% or more but less than 87%	8.93%

[5] The "Participation Percentage of Incentive BC Eligible Subdivision Population" shall be determined by the aggregate population of the Settling State's Incentive BC Subdivisions that are Participating Subdivisions or have had their claims resolved through a Case-Specific Resolution, divided by the aggregate population of the Settling State's Incentive BC Subdivisions. In calculating the Settling State's population that resides in Incentive BC Subdivisions, the population of the Settling State's Incentive BC Subdivisions shall be the sum of the population of all Incentive BC Subdivisions in the Settling State, notwithstanding that persons may be included within the population of more than one Incentive BC Subdivision. An individual Subdivision shall not be included more than once in the numerator, and shall not be included more than once in the denominator, of the calculation regardless if it (or any of its officials) is named as multiple plaintiffs in the same lawsuit; provided, however, that for the avoidance of doubt, no Subdivision will be excluded from the numerator or denominator under this sentence unless a Subdivision otherwise counted in the denominator has the authority to release the Claims (consistent with Section X) of the Subdivision to be excluded.

87% or more but less than 88%	14.29%
88% or more but less than 89%	19.64%
89% or more but less than 90%	25%
90% or more but less than 91%	30.36%
91% or more but less than 92%	35.71%
92% or more but less than 93%	41.07%
93% or more but less than 94%	46.43%
94% or more but less than 95%	51.79%
95% or more but less than 96%	60.71%
96% or more but less than 97%	68.75%
97% or more but less than 98%	76.79%
98% or more but less than 99%	84.82%
99% or more but less than 100%	92.86%
100%	100%

f. For Payment Years 2-5, the percentage of the available Incentive Payment BC amount for which a Settling State is eligible will be based on the Participation Percentage of Incentive BC Eligible Subdivision Population as of sixty (60) days before the Payment Date. For Payment Years 6-10, the percentage of the available Incentive Payment BC amount for which a Settling State is eligible will be based on the Participation Percentage of Incentive BC Eligible Subdivision Population as of sixty (60) days before the Payment Date for Payment Year 6. If Incentive BC Eligible Subdivisions that have become Participating Subdivisions, or achieved Case-Specific Resolution status, collectively represent less than eighty-five percent (85%) of a Settling State's Incentive BC Eligible Subdivision population by sixty (60) days before the Payment Date for Payment Year 6, the Settling State shall not receive any Incentive Payment BC.

g. If there are no Incentive BC Eligible Subdivisions in a Settling State, and that Settling State is otherwise eligible for Incentive Payment BC because it is not eligible for Incentive Payment A, that Settling State will receive its maximum

Incentive Payment BC for that Annual Remediation Payment provided by Section IV.H.5.c.

6. Incentive Payment D.

a. Incentive Payment D shall be available to Settling States that do not qualify for Incentive Payment A.

b. Incentive Payment D shall be equal to up to a maximum of ten percent (10%) of the Adjusted Maximum Remediation Payment, with the actual amount depending whether and the extent to which the criteria set forth below are met in each Settling State. The maximum total for Incentive Payment D is $7,175,101.[6]

c. Incentive Payment D shall be paid starting at Payment Year 5 and the amount of Incentive Payment D in Payment Years 5-10 will depend on (i) the Settling State meeting the qualifications set out in Section IV.H.6.d and (ii) the Participation Percentage of Incentive BC Eligible Subdivision Population achieved by the Settling State as of sixty (60) days prior to the Payment Date for Payment Year 5.

d. A Settling State qualifies for Incentive Payment D if no Later Litigating Subdivision (for purposes of Incentive Payment D, Later Litigating Subdivisions are limited to (i) a Primary Subdivision; (ii) a school district with a K-12 student enrollment of at least 25,000 or 0.10% of the Settling State's population, whichever is greater; (iii) a health district or hospital district that has at least one hundred twenty-five (125) hospital beds in one or more hospitals rendering services in that district; and (iv) Primary Fire Districts) in that Settling State has a lawsuit against a Released Entity survive more than six (6) months after denial in whole or in part of a Threshold Motion.

e. A Settling State's qualification for Incentive Payment D shall be determined as of sixty (60) calendar days prior to the Payment Date ("*Incentive Payment D Look-Back Date*"). If a Later Litigating Subdivision's lawsuit in that Settling State survives more than six (6) months after denial in whole or in part a Threshold Motion after that date, that Settling State shall not be eligible for Incentive Payment D for the Payment Year in which that occurs and any subsequent Payment Year.

f. The Incentive Payment D for any Settling State qualifying for Incentive Payment D in Payment Years 5-10 shall be equal to between three percent

[6] The Incentive Payment BC table specified in Section IV.H.5.e and Incentive Payment D table specified in Section IV.H.6.f operate so that the combined amount of Incentive Payment BC and Incentive Payment D cannot exceed sixtypercent (60%) of the Adjusted Maximum Remediation Payment over the term of the Agreement. Amneal will have no obligation to pay more than $43,050,606 for the combined amounts of Incentive Payment BC and Incentive Payment D minus any offsets for Non-Settling States specified in Section IV.F.

(3%) and ten percent (10%) of the of the State Remediation Payment times the Settling State's Overall Allocation Percentage specified in Exhibit F. The applicable percentage shall be determined based on the Participation Percentage of Incentive BC Eligible Subdivision Population achieved by the Incentive Payment D Look-Back Date for Payment Year 5 as shown in the table below:

Participation Percentage of Incentive BC Eligible Subdivision Population as of sixty (60) days prior to the Payment Date for Payment Year 5	**Each Eligible Settling State's Applicable Incentive Payment D Percentage**
Participation of less than 95%	10% of State Allocation
Participation of 95% but less than 96%	9% of State Allocation
Participation of 96% but less than 97%	8% of State Allocation
Participation of 97% but less than 98%	7% of State Allocation
Participation of 98% but less than 99%	6% of State Allocation
Participation of 99% but less than 100%	5% of State Allocation
Participation of 100%	3% of State Allocation

g. Incentive Payment D shall be paid in six installments. The Incentive Payment D for any Settling State in a given Payment Year shall be the Maximum Incentive Payment D for that Payment Year specified in Exhibit M-2 times the Settling State's State Allocation Percentage specified in Exhibit F times the ratio between the applicable percentage determined by Section IV.H.6.f and ten percent (10%).[7] Prior to making the Annual Remediation Payment for Payment Years 5-10, the Settlement Fund Administrator shall determine a Settling State's qualification for Incentive Payment D as of the Incentive Payment D Look-Back Date for that Payment Year. Prior to the Incentive Payment D Look-Back Date for each Payment Year, Amneal may provide the Settlement Fund Administrator and the Enforcement Committee with notice identifying any Settling State(s) it believes do not qualify for Incentive Payment D and information supporting its belief.

h. Notwithstanding Section IV.H.6.d and Section IV.H.6.e, a Settling State can become re-eligible for Incentive Payment D if the lawsuit that survived a Threshold Motion is dismissed pursuant to a later motion on grounds included in the Threshold Motion, in which case the Settling State shall be eligible for Incentive Payment D less any litigation fees and costs incurred by Amneal in the interim, except that if the dismissal motion occurs after the completion of opening

[7] For example, for a Settling State with a Participation Percentage of Incentive BC Eligible Subdivision Population as of 60 days prior to the Payment Date for Payment Year 5 of 100%, the Incentive Payment D for any given Payment Year shall be the Maximum Incentive Payment D for that Payment Year specified in Exhibit M-2 times the Settling State's State Allocation Percentage specified in Exhibit F times 0.3. For a Settling State with a Participation Percentage of Incentive BC Eligible Subdivision Population as of 60 days prior to the Payment Date for Payment Year 5 of less than 95%, the Incentive Payment D for any given Payment Year shall be the Maximum Incentive Payment D for that Payment Year specified in Exhibit M-2 times the Settling State's State Allocation Percentage specified in Exhibit F times .1.

statements in such action, the Settling State shall not be eligible for Incentive Payment D.

7. In no event shall any Settling State receive Base Payments and Incentive Payments A, BC, and D totaling more than one hundred percent (100%) of its respective Overall State Allocation Percentage specified in Exhibit F times the Maximum Remediation Payment.

V. Allocation and Use of Settlement Payments

A. *Components of Settlement Fund.* The Settlement Fund shall be funded by the Annual Remediation Payments and comprised of a Remediation Accounts Fund, a State Fund, and a Subdivision Fund for each Settling State. The payments made under Section IV into the Settlement Fund shall be initially allocated among those three (3) sub-funds and distributed and used as provided below. Payments placed into the Settlement Fund do not revert back to Amneal.

B. *Use of Settlement Payments.*

1. It is the intent of the Parties that the payments disbursed from the Settlement Fund to Settling States and Participating Subdivisions be for Opioid Remediation, subject to exceptions that must be documented in accordance with Section V.B.2. In no event may less than ninety-five percent (95%) of Amneal's maximum amount of payments pursuant to Section IV as set forth on Exhibit M-2 over the entirety of all Payments Years (but not any single Payment Year) be spent on Opioid Remediation.

2. While disfavored by the Parties, a Settling State or a Participating Subdivision set forth on Exhibit G may use monies from the Settlement Fund (that have not been restricted by this Agreement solely to future Opioid Remediation) for purposes that do not qualify as Opioid Remediation. If, at any time, a Settling State or a Participating Subdivision set forth on Exhibit G uses any monies from the Settlement Fund for a purpose that does not qualify as Opioid Remediation, such Settling State or Participating Subdivision set forth on Exhibit G shall identify such amounts and report to the Settlement Fund Administrator and Amneal how such funds were used, including if used to pay attorneys' fees, investigation costs, litigation costs, or costs related to the operation and enforcement of this Agreement, respectively. It is the intent of the Parties that the reporting under this Section V.B.2 shall be available to the public. For the avoidance of doubt, (a) any amounts not identified under this Section V.B.2 as used to pay attorneys' fees, investigation costs, or litigation costs shall be included in the Compensatory Restitution Amount for purposes of Section V.F and (b) Participating Subdivisions not listed on Exhibit G may only use monies from the Settlement Fund for purposes that qualify as Opioid Remediation.

C. *Allocation of Settlement Fund.* The allocation of the Settlement Fund allows for different approaches to be taken in different states, such as through a State-Subdivision Agreement. Given the uniqueness of Settling States and their Subdivisions, Settling States and their Subdivisions are encouraged to enter into State-Subdivision Agreements in order to direct the

allocation of their portion of the Settlement Fund. As set out below, the Settlement Fund Administrator will make an initial allocation to three (3) state-level sub-funds. The Settlement Fund Administrator will then, for each Settling State and its Participating Subdivisions, apply the terms of this Agreement and any relevant State-Subdivision Agreement, Statutory Trust, Allocation Statute, or voluntary redistribution of funds as set out below before disbursing the funds.

1. Base Payments. The Settlement Fund Administrator will allocate Base Payments under Section IV.G among the Settling States pursuant to Section IV.G.2. Base payments for each Settling State will then be allocated fifteen percent (15%) to its State Fund, seventy percent (70%) to its Remediation Accounts Fund, and fifteen percent (15%) to its Subdivision Fund. Amounts may be reallocated and will be distributed as provided in Section V.D.

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

3. Application of Adjustments. If an offset under Section XII applies with respect to a Settling State, the offset shall be applied proportionally to all amounts that would otherwise be apportioned and distributed to the State Fund, the Remediation Accounts Fund, and the Subdivision Fund for that Settling State.

4. Settlement Fund Administrator. Prior to the Effective Date, Amneal and the Enforcement Committee will agree to a detailed mechanism consistent with the foregoing for the Settlement Fund Administrator to follow in allocating, apportioning, and distributing payments, which shall then be appended hereto as Exhibit L.

5. Settlement Fund Administrator Costs. Any costs and fees associated with or arising out of the duties of the Settlement Fund Administrator as described in Exhibit L shall be paid from the interest accrued in the Settlement Fund Escrow and the Settlement Fund; *provided, however,* that if such accrued interest is insufficient to pay the entirety of any such costs and fees, the additional amount shall be paid out of the Settlement Fund. For the avoidance of doubt, nothing in this provision shall require Amneal to pay any costs, fees or other amounts in excess of the Global Settlement Amount.

D. *Settlement Fund Reallocation and Distribution*. As set forth below, within a particular Settling State's account, amounts contained in the Settlement Fund sub-funds may be reallocated and distributed per a State-Subdivision Agreement or other means. If the apportionment of amounts is not addressed and controlled under Section V.D.1 and Section V.D.2, then the default provisions of Section V.D.4 apply. It is not necessary that a State-Subdivision Agreement or other means of allocating funds pursuant to Section V.D.1 and Section V.D.2 address all of the Settlement Fund sub-funds. For example, a Statutory Trust might only address disbursements from a Settling State's Remediation Accounts Fund.

1. Distribution by State-Subdivision Agreement. If a Settling State has a State-Subdivision Agreement, amounts apportioned to that Settling State's State Fund, Remediation Accounts Fund, and Subdivision Fund under Section V.C shall be reallocated and distributed as provided by that agreement. Any State-Subdivision Agreement entered into after the Preliminary Agreement Date shall be applied only if it requires: (a) that all amounts be used for Opioid Remediation, except as allowed by Section V.B.2, and (b) that at least seventy percent (70%) of amounts be used solely for future Opioid Remediation.[8] For a State-Subdivision Agreement to be applied to the relevant portion of an Annual Payment, notice must be provided to Amneal and the Settlement Fund Administrator at least sixty (60) calendar days prior to the Payment Date.

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

3. Voluntary Redistribution. A Settling State may choose to reallocate all or a portion of its State Fund to its Remediation Accounts Fund. A Participating Subdivision included on Exhibit G may choose to reallocate all or a portion of its allocation from the Subdivision Fund to the Settling State's Remediation Accounts Fund or to another Participating Subdivision. The Settlement Fund Administrator is not required to honor a voluntary redistribution for which notice is provided to it less than sixty (60) calendar days prior to the applicable Payment Date.

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

4. Distribution in the Absence of a State-Subdivision Agreement, Allocation Statute, or Statutory Trust. If Section V.D.1 and Section V.D.2 do not apply, amounts apportioned to that Settling State's State Fund, Remediation Accounts Fund, and Subdivision Fund under Section V.C shall be distributed as follows:

a. Amounts apportioned to that Settling State's State Fund shall be distributed to that Settling State.

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

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

d. Special Districts shall not be allocated funds from the Subdivision Fund, except through a voluntary redistribution allowed by Section V.D.3 to Special Districts that are Participating Subdivisions. A Settling State may allocate funds from its State Fund or Remediation Accounts Fund for Special Districts that are Participating Subdivisions.

5. Restrictions on Distribution. No amounts may be distributed from the Subdivision Fund contrary to Section VII, i.e., no amounts may be distributed directly to Non-Participating Subdivisions or to Later Participating Subdivisions to the extent such a distribution would violate Section VII.E through Section VII.H. Amounts allocated to the Subdivision Fund that cannot be distributed by virtue of the preceding sentence shall be distributed into the sub-account in the Remediation Accounts Fund for the Settling State in which the Subdivision is located, unless those payments are redirected elsewhere by a State-Subdivision Agreement

described in Section V.D.1 or by an Allocation Statute or a Statutory Trust described in Section V.D.2.

E. *Provisions Regarding the Remediation Accounts Fund.*

1. State-Subdivision Agreement, Allocation Statute, and Statutory Trust Fund Provisions. A State-Subdivision Agreement, Allocation Statute, or Statutory Trust may govern the operation and use of amounts in that Settling State's Remediation Accounts Fund so long as it complies with the requirements of Section V.D.1 or Section V.D.2, as applicable, and all direct payments to Subdivisions comply with Section VII.E through Section VII.H.

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

a. Regional Remediation.

(i) At least fifty percent (50%) of distributions for remediation from a Settling State's Remediation Accounts Fund shall be annually allocated and tracked to the regional level. A Settling State may allow the Advisory Committee established pursuant to Section V.E.2.d to define its regions and assign regional allocations percentages. Otherwise, the Settling State shall (A) define its initial regions, which shall consist of one (1) or more General Purpose Subdivisions and which shall be designated by the state agency with primary responsibility for substance abuse disorder services employing, to the maximum extent practical, existing regions established in that Settling State for opioid abuse treatment or other public health purposes; (B) assign initial regional allocation percentages to the regions based on the Subdivision Allocation Percentages in Exhibit G and an assumption that all Subdivisions included on Exhibit G will become Participating Subdivisions.

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

(iii) The Settling State (A) has the authority to adjust the definition of the regions, and (B) may annually revise the percentages

allocated to each region to reflect the number of General Purpose Subdivisions in each region that are Non-Participating Subdivisions.

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

c. *Small Settling States.* Notwithstanding the provisions of Section V.E.2.a, Settling States with populations under four (4) million that do not have existing regions described in Section V.E.2.a shall not be required to establish regions. However, such a Settling State that contains one (1) or more Subdivisions eligible for block grants under Section V.E.2.b shall be divided regionally so that each block-grant eligible Subdivision is a region, and the remainder of the state is a region.

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

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

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

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

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

3. Remediation Accounts Fund Reporting. The Settlement Fund Administrator shall track and assist in the report of remediation disbursements as agreed to between Amneal and the Enforcement Committee

F. *Nature of Payment*. Amneal, the Settling States, and the Participating Subdivisions each acknowledge and agree that notwithstanding anything to the contrary in this Agreement, including, but not limited to, the scope of the Released Claims:

1. They have entered into this Agreement to avoid the delay, expense, inconvenience, and uncertainty of further litigation;

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

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

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

VI. Enforcement

A. *Enforceability.* This Agreement is enforceable only by the Settling States and Amneal; *provided, however,* that Released Entities may enforce Section X and Participating Subdivisions listed on Exhibit G have the enforcement rights described later in this paragraph and in Section VI.D. Except to the extent allowed by the Injunctive Relief Terms, Settling States and Participating Subdivisions shall not have enforcement rights against Amneal with respect to either the terms of this Agreement that apply only to or in other Settling States or any Consent Judgment

entered into by another Settling State. Participating Subdivisions shall not have enforcement rights against Amneal with respect to this Agreement or any Consent Judgment except that Participating Subdivisions listed on Exhibit G shall have enforcement rights as set forth herein as to payments that would be allocated to the Participating Subdivisions or the Remediation Accounts Fund in such Settling State; *provided, however,* that each Settling State shall allow Participating Subdivisions in such Settling State to notify it of any perceived violations of this Agreement or the applicable Consent Judgment.

B. *Jurisdiction.* Amneal consents to the jurisdiction of the court in which each Settling State files its Consent Judgment, limited to resolution of disputes identified in Section VI.F.2 for resolution in that court.

C. *Specific Terms Dispute Resolution.*

1. Any dispute that is addressed by the provisions set forth in the Injunctive Relief Terms shall be resolved as provided therein.

2. In the event that Amneal believes that the ninety-five percent (95%) threshold established in Section V.B.1 is not being satisfied, any Party may request that Amneal and the Enforcement Committee meet and confer regarding the use of funds to implement Section V.B.1. The completion of such meet-and-confer process is a precondition to further action regarding any such dispute. Further action concerning Section V.B.1 shall: (i) be limited to Amneal seeking to reduce its Annual Remediation Payments by no more than five percent (5%) of the difference between the actual amount of Opioid Remediation and the ninety-five percent (95%) threshold established in Section V.B.1; (ii) only reduce Annual Remediation Payments to those Settling States and their Participating Subdivision(s) that are below the ninety-five percent (95%) threshold established in Section V.B.1; and (iii) not reduce Annual Remediation Payments restricted to future Opioid Remediation.

D. *State-Subdivision Enforcement.*

1. A Subdivision shall not have enforcement rights against a Settling State in which it is located with respect to this Agreement or any Consent Judgment except that a Participating Subdivision listed on Exhibit G shall have enforcement rights (a) as provided for in a State-Subdivision Agreement, Allocation Statute, or Statutory Trust with respect to intrastate allocation or (b) in the absence of a State-Subdivision Agreement, Allocation Statute, or Statutory Trust, to allegations that (i) the Settling State's use of Remediation Accounts Fund monies were not used for uses similar to or in the nature of those uses contained in Exhibit E; or (ii) a Settling State failed to pay funds directly from the Remediation Accounts Fund to a Participating Subdivision eligible to receive a block grant pursuant to Section V.E.2.b.

2. A Settling State shall have enforcement rights against a Participating Subdivision located in its territory (a) as provided for in a State-Subdivision Agreement, Allocation Statute, or Statutory Trust; or (b) in the absence of a State-Subdivision Agreement, Allocation Statute, or Statutory Trust, to allegations that the Participating Subdivisions' uses of

Remediation Accounts Fund monies were not used for purposes similar to or in the nature of those uses contained in Exhibit E.

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

E. *Subdivision Amneal Payment Enforcement.* A Participating Subdivision listed on Exhibit G shall have the same right as a Settling State to seek resolution regarding the failure by Amneal to make its Annual Remediation Payment in a Payment Year.

F. *Other Terms Regarding Dispute Resolution.*

1. The parties to a dispute shall promptly meet and confer in good faith to resolve any dispute. If the parties cannot resolve the dispute informally, and unless otherwise agreed in writing, they shall follow the remaining provisions in this section to resolve the dispute.

2. Except to the extent provided by Section VI.C or Section VI.F.3, all disputes not resolved informally shall be resolved in either the court that entered the relevant Consent Judgment or, if no such Consent Judgment was entered, a state or territorial court with jurisdiction located wherever the seat of the relevant state government is located.

a. State court proceedings shall be governed by the rules and procedures of the relevant forum.

b. For the avoidance of doubt, disputes to be resolved in state court include, but are not limited to, the following:

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

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

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

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

(v) whether the definition of a Bar, a Case-Specific Resolution, Final Order, lead state agency as described in Section V.D.4.b, Later

Litigating Subdivision, Litigating Subdivision, or Threshold Motion have been met; and

(vi) all other disputes not specifically identified in Section VI.C or Section VI.F.3.

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

3. National Disputes involving a Settling State, a Participating Subdivision that has enforcement rights pursuant to Section VI.A, and/or Amneal shall be resolved by the National Arbitration Panel.

a. National Disputes are disputes that are not addressed by Section VI.C, and which are exceptions to Section VI.F.2's presumption of resolution in state courts because they involve issues of interpretation of terms contained in this Agreement applicable to all Settling States without reference to a particular state's law. Disputes between a Settling State and any Participating Subdivision shall not be considered National Disputes. National Disputes are limited to the following:

(i) the amount of offset and/or credit attributable to Non-Settling States;

(ii) issues involving the scope and definition of Product;

(iii) interpretation and application of the terms "Covered Conduct," "Released Entities," and "Released Claims;"

(iv) the failure by Amneal to pay the Annual Remediation Payment or the Additional Remediation Amount in a Payment Year, but for the avoidance of doubt, disputes between Amneal and a Settling State over the amounts owed only to that state that do not affect any other Settling State shall not be considered National Disputes;

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

(vi) disputes involving liability of successor entities;

(vii) disputes that require a determination of the sufficiency of participation in order to qualify for Incentive Payments A, BC, or D;

(viii) disputes involving a Releasor's compliance with, and the appropriate remedy under, Section X.B.4;

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

(x) any dispute subject to resolution under Section VI.F.2 but for which all parties to the dispute agree to arbitration before the National Arbitration Panel under the provisions of this Section VI.F.3.

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

c. The National Arbitration Panel shall make reasonable best efforts to decide all matters within one hundred eighty (180) calendar days of filing, and in no event shall it take longer than one (1) year.

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

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

f. The arbitrators will give due deference to any authoritative interpretation of state law, including any declaratory judgment or similar relief obtained by a Settling State, a Participating Subdivision that has enforcement rights pursuant to Section VI.A, or Amneal on a state law issue.

g. The decisions of the National Arbitration Panel shall be binding on Settling States, Participating Subdivisions, Amneal, and the Settlement Fund Administrator. In any proceeding before the National Arbitration Panel involving a dispute between a Settling State and Amneal whose resolution could prejudice the rights of a Participating Subdivision(s) in that Settling State, such Participating Subdivision(s) shall be allowed to file a statement of view in the proceeding.

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

i. Each party shall bear its own costs in any arbitration or court proceeding arising under this Section VI. The costs for the arbitrators on the National Arbitration Panel shall be divided and paid equally by the disputing sides for each individual dispute, e.g., a dispute between Amneal and Settling States/Participating Subdivisions shall be split fifty percent (50%) by Amneal and fifty percent (50%) by the Settling States/Participating Subdivisions that are parties to the dispute; a dispute between a Settling State and a Participating Subdivision shall be split fifty percent (50%) by the Settling State that is party to the dispute and fifty percent (50%) by any Participating Subdivisions that are parties to the dispute. For the avoidance of doubt, Amneal shall not be responsible for the National Arbitration Panel costs in disputes that do not concern Amneal.

4. Prior to initiating an action to enforce pursuant to this Section VI.F, the complaining party must:

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

b. Wait to commence any enforcement action until thirty (30) calendar days after the date that the Enforcement Committee establishes for obtaining additional information from the involved parties.

5. If the parties to a dispute cannot agree on the proper forum for resolution of the dispute under the provisions of Section VI.F.2 or Section VI.F.3, a committee comprising the Enforcement Committee and sufficient representatives of Amneal such that the members of the Enforcement Committee have a majority of one (1) member will determine the forum where the dispute will be initiated within twenty-eight (28) calendar days of receiving

notification of the dispute relating to the proper forum. The forum identified by such committee shall be the sole forum for litigating the issue of which forum will hear the substantive dispute, and the committee's identification of such forum in the first instance shall not be entitled to deference by the forum selected.

G. *Lien or Encumbrance*. To the extent allowed by applicable law, this Settlement Agreement shall not be deemed to create a lien or encumbrance against any real property owned by Amneal or its affiliates, unless in the event of a default or breach of the payment provisions by Amneal. Nothing in this Section shall be construed to limit any remedy of any Settling State or Participating Subdivision in the event of a default or breach of this Agreement by Amneal.

H. *No Effect.* Nothing in this Agreement shall be interpreted to limit the Settling States' Civil Investigative Demand *("CID")* or investigative subpoena authority, to the extent such authority exists under applicable state law and the CID or investigative subpoena is issued pursuant to such authority, and Amneal reserves all of its rights in connection with a CID or investigative subpoena issued pursuant to such authority.

VII. Participation by Subdivisions

A. *Notice.* No later than fifteen (15) calendar days after the Preliminary Agreement Date, the Implementation Administrator shall send individual written notice (which may be delivered via e-mail or other electronic means and may be combined with distribution of the Subdivision Settlement Participation Form) of the opportunity to participate in this Agreement and the requirements of participation to all Subdivisions in the Settling States that are (1) Litigating Subdivisions or (2) Non-Litigating Subdivisions listed on Exhibit G. To the extent a Special District is entitled to an allocation for a direct payment through its inclusion in Exhibit G pursuant to a State-Subdivision Agreement, Allocation Statute, Statutory Trust, or voluntary redistribution, the Implementation Administrator, with the cooperation of the Settling States shall also send individual written notice (which may be delivered via e-mail or other electronic means) of the opportunity to participate in this Agreement and the requirements of participation to such Special Districts. Unless otherwise agreed by the Parties, the version of Exhibit G used for notice shall be the one in place as of the Preliminary Agreement Date. Notice (which may be delivered via e-mail or other electronic means) shall also be provided simultaneously to counsel of record for Litigating Subdivisions and known counsel for Non-Litigating Subdivisions and Special Districts listed on Exhibit G. The costs of the Implementation Administrator shall be paid for by the interest earned from the deposit accounts holding the Adjusted Maximum Base Payment for Payment Year 1 for Amneal and nothing in this provision shall require Amneal to pay any costs, fees or other amounts in excess of the Global Settlement Amount. The Settling States, with the cooperation of Amneal, may also provide general notice reasonably calculated to alert Non-Litigating Subdivisions in the Settling States to this Agreement, the opportunity to participate in it, and the requirements for participation. Such notice may include publication and other standard forms of notification, as well as notice to state and county organizations such as the National Association of Counties and the National League of Cities. The notice will include that the deadline for becoming an Initial Participating Subdivision is the Initial Participation Date. Nothing contained herein shall preclude a Settling State from providing further notice to or otherwise contacting any of its Subdivisions about becoming a Participating Subdivision, including beginning any of the activities described in this paragraph prior to the Preliminary Agreement Date.

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

C. *Requirements for Becoming a Participating Subdivision—Litigating Subdivisions/Later Litigating Subdivisions.* A Litigating Subdivision or Later Litigating Subdivision in a Settling State may become a Participating Subdivision by returning an executed Subdivision Settlement Participation Form to the Implementation Administrator or Settlement Fund Administrator (which may be executed and returned by electronic means established by the Implementation Administrator or Settlement Fund Administrator) and upon prompt dismissal with prejudice of its lawsuit following the Reference Date or the date on which the conditions for effectiveness in Section VIII.B have been met, whichever is later. A Settling State may require each Litigating Subdivision in that Settling State to specify on the Subdivision Settlement Participation Form whether its counsel has waived any contingency fee contract with that Participating Subdivision and whether, if eligible, it intends to seek fees pursuant to Exhibit R. The Settlement Fund Administrator shall provide reports of this information to the parties upon request. A Litigating Subdivision or Later Litigating Subdivision may not become a Participating Subdivision after the completion of opening statements in a trial of the lawsuit it brought that includes a Released Claim against a Released Entity.

D. *Initial Participating Subdivisions.* A Subdivision qualifies as an Initial Participating Subdivision if it meets the applicable requirements for becoming a Participating Subdivision set forth in Section VII.B or Section VII.C by the Initial Participation Date. All Subdivision Settlement Participation Forms shall be held in escrow by the Implementation Administrator until the Reference Date. If, for any reason, the Agreement does not become effective, all obligations created by such forms and releases in them shall be void *ab initio* and/ all Subdivision Participation Agreements shall be returned to Counsel for Litigating Subdivisions or to the Subdivisions not represented by counsel or destroyed to the extent that such destruction is not prohibited by then existing document preservation obligations.

E. *Later Participating Subdivisions.* A Subdivision that is not an Initial Participating Subdivision may become a Later Participating Subdivision by meeting the applicable requirements for becoming a Participating Subdivision set forth in Section VII.B or Section VII.C after the Initial Participation Date and by agreeing to be subject to the terms of a State-Subdivision Agreement (if any) or any other structure adopted or applicable pursuant to Section V.D or Section V.E. Unless waived by Amneal, the following provisions govern what a Later Participating Subdivision can receive (but do not apply to Initial Participating Subdivisions):

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

2. A Later Participating Subdivision that becomes a Participating Subdivision after December 15, 2026, shall receive seventy-five percent (75%) of the share of future Base Payments or Incentive Payments that it would have received had it become a Later Participating Subdivision prior to that date (unless the Later Participating Subdivision is subject to Section VII.E.3 or Section VII.E.4).

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

4. A Later Participating Subdivision that becomes a Participating Subdivision while a Bar or Case-Specific Resolution involving a different Subdivision exists in its state shall receive twenty-five percent (25%) of the share of future Base Payments or Incentive Payments that it would have received had it become a Later Participating Subdivision without such Bar or Case-Specific Resolution.

F. *No Increase in Payments.* Amounts to be received by Later Participating Subdivisions shall not increase the payments due from Amneal.

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

H. *Unpaid Allocations to Later Participating Subdivisions and Non-Participating Subdivisions.* Any Base Payment and Incentive Payments allocated pursuant to Section V.D to a Later Participating Subdivision or Non-Participating Subdivision that cannot be paid pursuant to this Section VII, including the amounts that remain unpaid after the reductions required by Section VII.E.2 through Section VII.E.4, will be allocated to the Remediation Accounts Fund for the Settling State in which the Subdivision is located, unless those payments are redirected elsewhere by a State-Subdivision Agreement or by a Statutory Trust.

VIII. Condition to Effectiveness of Agreement and Filing of Consent Judgment

A. *Determination to Proceed with Settlement—Settling States*. Following the Initial Subdivision Participation Date, the Enforcement Committee shall determine whether to proceed with the Agreement on behalf of the Settling States, and the Settling States shall be bound by the

determination of the Enforcement Committee. No later than fifteen (15) calendar days prior to the Reference Date, the Enforcement Committee shall provide notice to Amneal of its decision. If the Enforcement Committee elects not to proceed, this Agreement will have no further effect, and all releases (including those contained in Subdivision Participation Agreements) and other commitments or obligations contained herein or in Subdivision Settlement Participation Forms will be void. Within seven (7) calendar days of informing Amneal that there is sufficient participation to proceed, the Enforcement Committee will deliver all signatures and releases required by the Agreement to be provided by the Settling States to Amneal.

B. *Determination to Proceed with Settlement—Amneal*. If the Settling States elect to proceed, Amneal will then determine on or before the Reference Date whether there is sufficient Eligible State participation, sufficient Subdivision participation, and sufficient resolution of the Claims of the Litigating Subdivisions in the Settling States (through participation under Section VII, Case-Specific Resolution(s) and Bar(s)) to proceed with this Agreement. The determination shall be in the sole discretion of Amneal and may be based on any criteria or factors deemed relevant by Amneal.

C. *Notice by Amneal.* On or before the Reference Date, Amneal shall inform the Settling States of its determination pursuant to Section VIII.B. If Amneal determines to proceed, the Parties will proceed to file the Consent Judgments and the obligations in the Subdivision Settlement Participation Forms will be effective and binding as of the Reference Date. If Amneal determines not to proceed, this Agreement will have no further effect, any amounts deposited for Payment Year 1, including funds referenced in Section IV.D.1 and Exhibit M, shall revert to Amneal, and all releases (including those contained in Subdivision Settlement Participation Forms) and other commitments or obligations contained herein or in Subdivision Settlement Participation Forms will be void.

IX. Participating Subdivision Attorneys' Fees and Costs and Additional Remediation Amount

A. The Agreement on Subdivision Attorneys' Fees, Expenses and Costs is set forth in Exhibit R and incorporated herein by reference. Agreed terms concerning the State AG Fees are set forth in Exhibit S and are incorporated herein by reference.

B. *Additional Remediation Amount*.

1. Subject to and without exceeding the maximum payment amounts set forth in the "Additional Remediation Amount" column of Exhibit M-3 and subject to the reduction specified in Section IX.B.2, Amneal shall pay an Additional Remediation Amount to the Settling States listed in Exhibit N. Such funds shall be paid, on the schedule set forth in Exhibit M-3, as allocated by the Settlement Fund Administrator pursuant to Exhibit N.

2. *Reduction of Additional Remediation Amount*. The amounts owed by Amneal pursuant to this Section IX.B shall be reduced by the allocations set forth on Exhibit N for Non-Settling States.

3. For the avoidance of doubt, (1) a Settling State that retained outside counsel in connection with the investigation of Amneal that receives an Additional Remediation Amount may choose to have the Additional Remediation Amount designated to pay the Settling State's outside counsel, and may instruct the Settlement Fund Administrator to pay those funds directly to the Settling State's outside counsel, and (2) Additional Remediation Amount funds, including funds designated by a Settling State to pay its outside counsel under this paragraph, shall not be subject to allocation as provided in Section V.C through Section V.E.

C. All payments addressed by this Section IX will be made no later than the Payment Date for the Payment Year in which they are due, pursuant to Exhibit M-3.

X. Release

A. *Scope.* As of the Effective Date, the Released Entities are hereby released and forever discharged from all of the Releasors' Released Claims. Each Settling State (for itself and its Releasors) and Participating Subdivisions (for itself and its Releasors) hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist in bringing or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in this Agreement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of each Settling State and its Attorney General to release claims. This Agreement shall be a complete bar to any Released Claim.

B. *Claim-Over and Non-Party Settlement.*

1. It is the intent of the Parties that:

a. Released Entities should not seek contribution or indemnification (other than pursuant to an insurance contract), from other parties for their payment obligations under this Agreement;

b. the payments made under this Agreement shall be the sole payments made by the Released Entities to the Releasors involving, arising out of, or related to Covered Conduct (or conduct that would be Covered Conduct if engaged in by a Released Entity);

c. Claims by Releasors against non-Parties should not result in additional payments by Released Entities, whether through contribution, indemnification or any other means; and

d. the Agreement meets the requirements of the Uniform Contribution Among Joint Tortfeasors Act and any similar state law or doctrine that reduces or discharges a released party's liability to any other parties.

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

3. No Released Entity shall seek to recover for amounts paid under this Agreement based on indemnification, contribution, or any other theory from a manufacturer, pharmacy, hospital, pharmacy benefit manager, health insurer, third-party vendor, trade association, distributor, or health care practitioner; *provided* that a Released Entity shall be relieved of this prohibition with respect to any entity that asserts a Claim-Over against it. For the avoidance of doubt, nothing herein shall prohibit a Released Entity from recovering amounts owed pursuant to insurance contracts.

4. To the extent that, on or after the Reference Date, any Releasor enters into a Non-Party Settlement, including in any bankruptcy case or through any plan of reorganization, the Releasor will include (or in the case of a Non-Party Settlement made in connection with a bankruptcy case, will cause the debtor to include), unless prohibited from doing so under applicable law, in the Non-Party Settlement a prohibition on contribution or indemnity of any kind substantially equivalent to that required from Amneal in Section X.B.3, or a release from such Non-Released Entity in favor of the Released Entities (in a form equivalent to the releases contained in this Agreement) of any Claim-Over. The obligation to obtain the prohibition and/or release required by this subsection is a material term of this Agreement.

5. In the event that any Releasor obtains a judgment with respect to Non-Party Covered Conduct against a Non-Released Entity that does not contain a prohibition like that described in Section X.B.3 or any Releasor files a Non-Party Covered Conduct Claim against a Non-Released Entity in bankruptcy or a Releasor is prevented for any reason from obtaining a prohibition/release in a Non-Party Settlement as provided in Section X.B.3, and such Non-Released Entity asserts a Claim-Over against a Released Entity, the Released Entity shall be relieved of the prohibition in Section X.B.3 with respect to that Non-Released Entity and that Releasor and Amneal shall take the following actions to ensure that the Released Entities do not pay more with respect to Covered Conduct to the Releasor or to Non-Released Entities than the amounts owed under this Settlement Agreement by Amneal:

a. Amneal shall notify that Releasor of the Claim-Over within sixty (60) calendar days of the assertion of the Claim-Over or sixty (60) calendar days of the Effective Date of this Settlement Agreement, whichever is later;

b. Amneal and that Releasor shall meet and confer concerning the means to hold Released Entities harmless and ensure that they are not required to pay more with respect to Covered Conduct than the amounts owed by Amneal to the Releasor under this Agreement;

c. That Releasor and Amneal shall take steps sufficient and permissible under the law of the state of the Releasor to hold Released Entities harmless from the Claim-Over and ensure Released Entities are not required to pay

more with respect to Covered Conduct than the amounts owed by Amneal under this Agreement. Such steps may include, where permissible:

(i) Filing of motions to dismiss or such other appropriate motion by Amneal or Released Entities, and supported by Releasor, in response to any claim filed in litigation or arbitration;

(ii) Reduction of that Releasor's Claim and any judgment it has obtained or may obtain against such Non-Released Entity by whatever amount or percentage is necessary to extinguish such Claim-Over under applicable law, up to the amount the Releasor has obtained, may obtain, or has authority to control from such Non-Released Entity;

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

(iv) Return of monies paid by Amneal to the Releasor under this Settlement Agreement to permit satisfaction of a judgment against or settlement with the Non-Released Entity to satisfy the Claim-Over;

(v) Payment of monies to Amneal by the Releasor to ensure it is held harmless from such Claim-Over, up to the amount that Releasor has obtained, may obtain, or has authority to control from such Non-Released Entity;

(vi) Credit to Amneal under this Agreement to reduce the overall amounts to be paid under the Agreement such that it is held harmless from the Claim-Over; and

(vii) Such other actions as that Releasor and Amneal may devise to hold Amneal harmless from the Claim-Over.

d. The actions of that Releasor and Amneal taken pursuant to paragraph (c) must, in combination, ensure Amneal is not required to pay more with respect to Covered Conduct than the amounts owed by Amneal to the Releasor under this Agreement.

e. In the event of any dispute over the sufficiency of the actions taken pursuant to paragraph (c), the Releasor and Amneal may seek review by the National Arbitration Panel, provided that, if the parties agree, such dispute may be heard by the state court where the relevant Consent Judgment was filed. The National Arbitration Panel shall have authority to require Releasor to implement a remedy that includes one or more of the actions specified in paragraph (c) sufficient to hold Released Entities fully harmless. In the event that the Panel's actions do not result in Released Entities being held fully harmless, Amneal shall have a claim for breach of this Agreement by Releasor, with the remedy being payment of sufficient funds to hold Amneal harmless from the Claim-Over up to the amount the Releasor

has obtained, may obtain, or has authority to control from such Non-Released Entity. For the avoidance of doubt, the prior sentence does not limit or eliminate any other remedy that Amneal may have.

6. To the extent that the Claim-Over is based on a contractual indemnity, the obligations under Section X.B.4 shall extend solely to a Non-Party Covered Conduct Claim against a pharmacy, clinic, hospital or other purchaser, distributor or dispenser of Products, a manufacturer that sold Products, a consultant, and/or a pharmacy benefit manager or other third-party payor. Amneal shall notify the Settling States, to the extent permitted by applicable law, in the event that any of these types of Non-Released Entities asserts a Claim-Over arising out of contractual indemnity against it.

C. *Indemnification and Contribution Prohibited.* No Released Entity shall seek to recover for amounts paid under this Agreement based on indemnification, contribution, or any other theory, from a manufacturer, pharmacy, hospital, pharmacy benefit manager, health insurer, third-party vendor, trade association, distributor, or health care practitioner. For the avoidance of doubt, nothing herein shall prohibit a Released Entity from recovering amounts owed pursuant to insurance contracts.

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

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

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

E. *Assigned Interest Waiver.* To the extent that any Settling State has any direct or indirect interest in any rights of a third-party that is a debtor under the Bankruptcy Code as a result of a claim arising out of Covered Conduct by way of assignment or otherwise, including as a result of being the beneficiary of a trust or other distribution entity, to assert claims against Amneal (whether derivatively or otherwise), under any legal or equitable theory, including for indemnification, contribution, or subrogation, the Settling State waives the right to assert any such

claim, or to receive a distribution or any benefit on account of such claim and such claim, distribution, or benefit shall be deemed assigned to Amneal.

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

G. *Representation and Warranty*. The signatories hereto on behalf of their respective Settling States and its Participating Subdivisions expressly represent and warrant that they will obtain on or before the Effective Date (or have obtained) the authority to settle and release, to the maximum extent of the State's power, all Released Claims of (1) their respective Settling States; (2) any of the respective Settling State's past and present executive departments, state agencies, divisions, boards, commissions and instrumentalities with the regulatory authority to enforce state and federal controlled substances acts; (3) any of their respective Settling State's past and present executive departments, agencies, divisions, boards, commissions and instrumentalities that have the authority to bring Claims related to Covered Conduct seeking money (including abatement and/or remediation) or revocation of a pharmaceutical distribution license; and (4) any Participating Subdivisions. For the purposes of clause (3) above, executive departments, agencies, divisions, boards, commission, and instrumentalities are those that are under the executive authority or direct control of the State's Governor. Also, for the purposes of clause (3), a release from a State's Governor as set forth in Exhibit X is sufficient to demonstrate that the appropriate releases have been obtained.

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

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

J. *Non-Released Claims.* Notwithstanding the foregoing or anything in the definition of Released Claims, the Agreement does not waive, release or limit any criminal liability, Claims for any outstanding liability under any tax or securities law, Claims against parties who are not Released Entities, Claims by private individuals, Claims for Medicaid rebates, Claims asserted, or that could be asserted, by any State or Subdivision, related to the causes of action in *In re: Generic Pharmaceuticals Pricing Antitrust Litigation*, in the United States District court for the District of Pennsylvania, MDL No. 2724; *Connecticut et al v. Aurobindo Pharma USA, Inc. et al.*, in the

United States District Court for the District of Connecticut, Case No. 3:16-cv-2056-NPS; *Connecticut et al. v. Teva Pharmaceuticals USA, Inc.*, in the United States District Court for the District of Connecticut, Case No. 3:19-cv-710-NPS; *Connecticut et al v. Sandoz, Inc. et al.*, in the United States District Court for the District of Connecticut, Case No. 3:20-cv-802-NPS; and any related action (such excluded claims include, but are not limited to, all antitrust claims and any claims related to any non-opioid generic drugs), and any claims arising under the Agreement for enforcement of the Agreement

XI. Later Litigating Subdivisions

A. *Released Claims against Released Entities*. If a Later Litigating Subdivision in a Settling State maintains a lawsuit for a Released Claim against a Released Entity after the Reference Date, the following shall apply subject to Section XI.B:

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

2. If the lawsuit asserting a Released Claim is resolved with finality on terms requiring payment by the Released Entity, Amneal shall receive a dollar-for-dollar offset against Incentive Payment D for the amount paid. The offset shall be applied against the relevant portion of the Annual Remediation Payments starting in Payment Year 10 and working backwards.

3. For the avoidance of doubt, any offset pursuant to this Section XI in a Settling State that at the time is not eligible for Incentive Payment A shall continue to apply even if the Settling State at issue subsequently becomes eligible for Incentive Payment A.

4. "*Terms requiring payment*" shall mean (i) a final monetary judgment or (ii) a settlement; provided that the Released Entity sought the applicable State Attorney General's consent to the settlement and such consent was either obtained or unreasonably withheld. Should the judgment or settlement resolve claims that are not Released Claims, the offset shall be for the Released Claims portion only, which shall be distinguishable in the judgment or settlement.

B. *Exceptions*

1. Section XI.A shall not apply where the Settling State at issue meets the eligibility criteria for and is entitled to Incentive Payment A for the Payment Year at issue, except as expressly provided therein.

2. Section XI.A shall not apply where the Later Litigating Subdivision seeks less than $10 million, or so long as its total claim is reduced to less than $10 million, in the lawsuit for a Released Claim at issue.

C. *No Effect on Other Provisions.* An offset under Section XI.A shall not affect the Injunctive Relief Terms or the Consent Judgment.

D. *No Effect on Other States*. An offset under Section XI.A applicable to one State shall not affect the allocation or payment of the Annual Remediation Payment to other Settling States.

E. *Litigating Subdivisions in Non-Eligible States.* The Settling States will not encourage, facilitate, or assist in any manner whatsoever claims for Covered Conduct against Amneal in any Settling, Non-Settling, or Non-Eligible State, regardless of whether those claims were filed against Amneal prior to, on, or after the Effective Date.

XII. Offset

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

XIII. Miscellaneous

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

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

B. *Population of Special Districts.* For any purpose in this Agreement in which the population of a Special District is used other than Section IV.H.4.c: (a) School Districts' population will be measured by the number of students enrolled who are eligible under the Individuals with Disabilities Education Act *("IDEA")* or Section 504 of the Rehabilitation Act of 1973; (b) Health Districts' and Hospital Districts' population will be measured at twenty-five percent (25%) of discharges; and (c) all other Special Districts' (including Fire Districts' and Library Districts') population will be measured at ten percent (10%) of the population served.[9] For the avoidance of doubt, this means that California healthcare districts will be measured at ten percent (10%) of their membership. Amneal and the Enforcement Committee shall meet and confer in order to agree on data sources for purposes of this Section prior to the Preliminary Agreement Date.

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

D. *No Admission.* Amneal does not admit liability or wrongdoing. Neither this Agreement nor the Consent Judgments shall be considered, construed or represented to be (1) an admission, concession or evidence of liability or wrongdoing or (2) a waiver or any limitation of any defense otherwise available to Amneal.

E. *Tax Cooperation and Reporting.*

1. Upon request by Amneal, the Settling States and Participating Subdivisions agree to perform such further acts and to execute and deliver such further documents as may be reasonably necessary for Amneal to establish the statements set forth in Section V.F to the satisfaction of their tax advisors, their independent financial auditors, the Internal Revenue Service, or any other governmental authority, including as contemplated by 26 C.F.R § 1.162-21(b)(3)(ii) and any subsequently proposed or finalized relevant regulations or administrative guidance.

2. Without limiting the generality of Section XIII.E.1, each Settling State and Participating Subdivision shall cooperate in good faith with Amneal with respect to any tax claim, dispute, investigation, audit, examination, contest, litigation, or other proceeding relating to this Agreement.

3. Pursuant to 26 C.F.R. § 1.6050X-1(a) and (b), the Designated State, on behalf of all Settling States and Participating Subdivisions, shall designate one of its officers or employees to act as the "appropriate official" within the meaning of 26 C.F.R. § 1.6050X-

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

1(f)(1)(ii)(B) (the "Appropriate Official"). The Designated State shall direct and ensure that the Appropriate Official timely (a) files (i) at the time this Agreement becomes binding on the Parties, an IRS Form 1098-F in the form attached as Exhibit U with respect to Amneal and (ii) any legally required forms, returns or amended returns with any applicable governmental authority, or any returns requested by Amneal, and (b) provides to Amneal a copy of (i) the IRS Form 1098-F filed with respect to Amneal and (ii) any legally required written statement pursuant to any applicable law and any other document referred to in clause (a)(ii) above. Any such forms, returns, or statements shall be prepared and filed in a manner fully consistent with Section V.F. and as set forth in Section XIII.E.4.

4. Any form, return, amended return, or written statement filed or provided pursuant to Section XIII.E.3, and any similar document, shall be prepared and filed in a manner consistent with reporting the Global Settlement Amount as the "Total amount to be paid" pursuant to this Agreement in Box 1 of IRS Form 1098-F and the Compensatory Restitution Amount as "Restitution/remediation amount" in Box 3 of IRS Form 1098-F, as reflected in the attached Exhibit U. If the Designated State or Appropriate Official shall be required to file any form, return, amended return, or written statement contemplated by this Section XIII.E other than an IRS Form 1098-F in the form attached as Exhibit U, the Designated State shall direct and ensure that the Appropriate Official provides to Amneal a draft of such form, return, amended return, or written statement no later than sixty (60) calendar days prior to the due date thereof, and shall accept any reasonable revisions from Amneal on the return, amended return, or written statement.

5. For the avoidance of doubt, neither Amneal nor the Settling States and Participating Subdivisions make any warranty or representation to any Settling State, Participating Subdivision, or Releasor as to the tax consequences of the payment of the Compensatory Restitution Amount (or any portion thereof).

F. *No Third-Party Beneficiaries.* Except as expressly provided in this Agreement, no portion of this Agreement shall provide any rights to, or be enforceable by, any person or entity that is not the Settling State or Released Entity. Settling States may not assign or otherwise convey any right to enforce any provision of this Agreement.

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

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

I. *Cooperation.* Each Party and each Participating Subdivision agrees to use its best efforts and to cooperate with the other Parties and Participating Subdivisions to cause this Agreement and the Consent Judgments to become effective, to obtain all necessary approvals, consents and

authorizations, if any, and to execute all documents and to take such other action as may be appropriate in connection herewith. Consistent with the foregoing, each Party and each Participating Subdivision agrees that it will not directly or indirectly assist or encourage any challenge to this Agreement or any Consent Judgment by any other person and will support the integrity and enforcement of the terms of this Agreement and the Consent Judgments.

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

K. *Execution.* This Agreement may be executed in counterparts and by different signatories on separate counterparts, each of which shall be deemed an original, but all of which shall together be one and the same Agreement. One or more counterparts of this Agreement may be delivered by facsimile or electronic transmission with the intent that it or they shall constitute an original counterpart hereof. One or more counterparts of this Agreement may be signed by electronic signature.

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

M. *Legal Obligations.* Nothing in this Agreement shall be construed as relieving Amneal of the obligation to comply with all state and federal laws, regulations or rules, nor shall any of the provisions herein be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, or rules.

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

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

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

proceeding for any purpose other than in an action or proceeding arising under or relating to this Agreement relating to this Agreement or in any litigation or arbitration concerning Amneal's right to coverage under an insurance contract.

Q. *Notices.* All notices or other communications under this Agreement shall be in writing (including, but not limited to, electronic communications) and shall be given to the recipients indicated below:

For the Attorney(s) General:

Jeff Jackson, Attorney General
North Carolina Department of Justice
Attn: Daniel Mosteller, Associate Deputy Attorney General
PO Box 629
Raleigh, NC 27602
Dmosteller@ncdoj.gov

Jonathan Skrmetti, Attorney General
Tennessee Attorney General's Office
Attn: Michael Leftwich, Senior Deputy Attorney General
Hamilton Millwee, Assistant Attorney General
P.O. Box 20207
Nashville, TN 37202
Michael.Leftwich@ag.tn.gov
Hamilton.Millwee@ag.tn.gov

Letitia James, Attorney General
New York State Attorney General
Attn: Jennifer Levy, First Deputy Attorney General
Monica Hanna, Special Counsel
Matthew Conrad, Assistant Attorney General
28 Liberty Street, New York, NY 10005
Jennifer.Levy@ag.ny.gov
Monica.Hanna@ag.ny.gov
Matthew.Conrad@ag.ny.gov

For the Plaintiffs' Executive Committee:

Co-leads
Jayne Conroy
Simmons Hanly Conroy LLC
112 Madison Avenue
7th Floor
New York, NY 10016-7416
JConroy@simmonsfirm.com
Joseph F. Rice

Motley Rice LLC
28 Bridgeside Blvd.
Mount Pleasant, SC 29464
jrice@motleyrice.com

For Amneal:

General Counsel
Amneal Pharmaceuticals LLC
400 Crossing Blvd., 3rd Floor
Bridgewater, NJ 08807

With copy to:

Sean Fahey
Ashley Taylor
Chris Carlson
Troutman Pepper Locke
3000 Two Logan Square,
Eighteenth and Arch Streets
Philadelphia, PA 19103
sean.fahey@troutman.com
ashley.taylor@troutman.com
chris.carlson@troutman.com

Any Party or the Plaintiffs' Executive Committee may change or add the contact information of the persons designated to receive notice on its behalf by notice given (effective upon the giving of such notice) as provided in this Section XIII.R.

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

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

T. *Successors.*

1. This Agreement shall be binding upon, and inure to the benefit of, Amneal and its respective successors and assigns.

2. Amneal shall not, in one (1) transaction or a series of related transactions, sell or transfer U.S. assets having a fair market value equal to twenty-five percent (25%) or more of the consolidated assets of Amneal (other than sales or transfers of inventories, or sales or transfers to an entity owned directly or indirectly by Amneal) where the sale or transfer is announced after the Reference Date, is not for fair consideration, and would foreseeably and unreasonably jeopardize Amneal's ability to make the payments under this Agreement or its obligations regarding Settlement Product under Section XIV following the close of a sale or transfer transaction, unless Amneal obtains the acquiror's agreement that it will be either a guarantor of or successor to the percentage of Amneal's remaining payment obligations under this Agreement equal to the percentage of Amneal's consolidated assets being sold or transferred in such transaction; provided, that liens and security interests granted by Amneal to its lenders and/or noteholders, and any agent and/or trustee for any lenders and/or noteholders, shall not constitute a transfer or sale for purposes of this Section. Percentages under this section shall be determined in accordance with United States generally accepted accounting principles and as of the date of Amneal most recent publicly filed consolidated balance sheet prior to the date of entry into the sale or transfer agreement at issue. This Section XIII.U shall be enforceable solely by the Settling States, and any objection under this Section XIII.U not raised within sixty (60) calendar days of the announcement of the relevant transaction is waived.

U. *Modification, Amendment, Alteration.* In the event the Plaintiffs' Executive Committee, the Executive Committee of the State Attorneys General, or Amneal concludes prior to the Reference Date that technical corrections are required to this Agreement, the Plaintiffs' Executive Committee, the Executive Committee of the State Attorneys General, and Amneal shall meet and confer and make such amendments as they agree are appropriate. After the Reference Date, any modification, amendment, or alteration of this Agreement by the Parties shall be binding only if evidenced in writing signed by Amneal, along with the signature of at least two-thirds of those then serving as Attorneys General of the Settling States along with a representation from each Attorney General that either: (1) the advisory committee or similar entity established or recognized by that Settling State (either pursuant to Section V.E.2.d, by a State-Subdivision Agreement, or by statute) voted in favor of the modification, amendment or alteration of this Agreement including at least one member appointed by the Participating Subdivisions listed on Exhibit G; or (2) in Settling States without any advisory committee, that 50.1% (by population) of the Participating Subdivisions listed on Exhibit G expressed approval of the modification, amendment, or alteration of this Agreement in a writing.

V. *Termination.*

1. Unless otherwise agreed to by each of Amneal and the Settling States, this Agreement and all of its terms (except Section XIII.P and any other non-admissibility provisions, which shall continue in full force and effect) shall be canceled and terminated with respect to the Settling State, and the Agreement and all orders issued by the courts in the Settling State pursuant to the Agreement shall become null and void and of no effect if one or more of the following conditions applies:

a. a Consent Judgment approving this Agreement without modification of any of the Agreement's terms has not been entered as to a Settling State by a court of competent jurisdiction on or before one hundred eighty (180) calendar days after the Effective Date;

b. this Agreement or the Consent Judgment as to that Settling State has been disapproved by a court of competent jurisdiction to which it was presented for approval and/or entry (or, in the event of an appeal from or review of a decision of such a court to approve this Agreement and the Consent Judgment, by the court hearing such appeal or conducting such review), and the time to appeal from such disapproval has expired, or, in the event of an appeal from such disapproval, the appeal has been dismissed or the disapproval has been affirmed by the court of last resort to which such appeal has been taken and such dismissal or disapproval has become no longer subject to further appeal (including, without limitation, review by the United States Supreme Court); or

2. If this Agreement is terminated with respect to a Settling State for whatever reason pursuant to Section XIII.V.1, then:

a. an applicable statute of limitation or any similar time requirement (excluding any statute of repose) shall be tolled from the date the Settling State signed this Agreement until the later of the time permitted by applicable law or for one year from the date of such termination, with the effect that Amneal and the Settling State shall be in the same position with respect to the statute of limitation as they were at the time the Settling State filed its action; and

b. Amneal and the Settling State shall jointly move the relevant court of competent jurisdiction for an order reinstating the actions and claims dismissed pursuant to the terms of this Agreement governing dismissal, with the effect that Amneal and the Settling State shall be in the same position with respect to those actions and claims as they were at the time the action or claim was stayed or dismissed.

3. Unless Amneal and the Enforcement Committee agree otherwise, this Agreement, with the exception of the Injunctive Relief Terms that have their own provisions on duration, shall terminate as of the Payment Date for Payment Year 10, *provided* that Amneal has performed its payment and Settlement Product obligations under the Agreement as of that date. Notwithstanding any other provision in this Section XIII.V.3 or in this Agreement, all releases under this Agreement will remain effective despite any termination under this Section XIII.W.3.

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

enforce the Agreement against Amneal or against which Amneal is seeking enforcement. Notwithstanding any other provision in this subsection on governing law, any disputes relating to the Settlement Fund Escrow shall be governed by and interpreted in accordance with the law of the state where the escrow agent has its primary place of business.

X. *Bankruptcy.* The following provisions shall apply if Amneal enters bankruptcy and (i) the Amneal bankruptcy estate recovers, pursuant to 11 U.S.C. § 550, any payments made under this Agreement, or (ii) this Agreement is deemed executory and is rejected by Amneal pursuant to 11 U.S.C. § 365:

1. In the event that the both a number of Settling States equal to at least seventy-five percent (75%) of the total number of Settling States and Settling States having aggregate State Allocation Percentages as set forth on Exhibit F equal to at least seventy-five percent (75%) of the total aggregate State Allocation Percentages assigned to all Settling States deem (by written notice to Amneal) that the financial obligations of this Agreement have been terminated and rendered null and void (except as provided in Section XIII.X.1.a) due to a material breach by Amneal, whereupon:

a. all agreements, all concessions, all reductions of Releasing Parties' Claims, and all releases and covenants not to sue, contained in this Agreement shall immediately and automatically be deemed null and void as to Amneal; the Settling States shall be deemed immediately and automatically restored to the same position they were in immediately prior to their entry into this Settlement Agreement in respect to Amneal and the Settling States shall have the right to assert any and all claims against Amneal in the bankruptcy or otherwise without regard to any limits or agreements as to the amount of the settlement otherwise provided in this Agreement; *provided, however,* that notwithstanding the foregoing sentence, (i) all reductions of Releasing Parties' Claims, and all releases and covenants not to sue, contained in this Agreement shall remain in full force and effect as to all persons or entities other than Amneal itself; and (ii) in the event the Settling State asserts any Released Claim against Amneal after the rejection and/or termination of this Agreement as described in this Section XIII.X.1.a and receives a judgment, settlement or distribution arising from such Released Claim, then the amount of any payments the Settling State has previously received from Amneal under this Agreement shall be applied to reduce the amount of any such judgment, settlement or distribution (provided that no credit shall be given against any such judgment, settlement or distribution for any payment that the Settling State is required to disgorge or repay to Amneal's bankruptcy estate); and

b. the Settling States may exercise all rights provided under the federal Bankruptcy Code (or other applicable bankruptcy or non-bankruptcy law) with respect to their Claims against Amneal subject to all defenses and rights of the Amneal.

Y. *Waiver*. Amneal, for good and valuable consideration the receipt of which is acknowledged, hereby (a) waives, foregoes and relinquishes all rights to utilize and/or seek relief

under any of the following laws of the State of Texas for the restructuring of its debts or liabilities related to Released Claims, Claims that would have been Released Claims if they had been brought by a Releasor against a Released Entity before the Effective Date, or this Agreement: Tex. Bus. Orgs. Code § 10.003 (Contents of Plan of Merger: More Than One Successor) or any other statute of Subchapter A of Chapter 10 of Tex. Bus. Orgs. Code to the extent such statute relates to multi-successor mergers (and/or any other similar laws or statutes in any other state or territory); Tex. Bus. Orgs. Code §§ 11.01–11.414 (Winding Up and Termination of Domestic Entity); or Tex. Bus. & Com. Code §§ 23.01–23.33 (Assignments for the Benefit of Creditors) (collectively, the "Texas Statutes"), and (b) agrees, warrants and represents that it will not file, request or petition for relief under the Texas Statutes related to its debts or liabilities related to Released Claims, Claims that would have been Released Claims if they had been brought by a Releasor against a Released Entity before the Effective Date, or this Agreement, in each case until such time as all of Amneal's payment obligations incurred hereunder are satisfied in full. The foregoing waiver and relinquishment includes, without limitation, until such time as all of Amneal's payment obligations incurred hereunder are satisfied in full, Amneal's rights to execute a divisional merger or equivalent transaction or restructuring related to its debts or liabilities related to Released Claims, Claims that would have been Released Claims if they had been brought by a Releasor against a Released Entity before the Effective Date, or this Agreement that in each case has the intent or foreseeable effect of (i) separating material assets from material liabilities and (ii) assigning or allocating all or a substantial portion of those liabilities to any subsidiary or affiliate that files for relief under chapter 11 of the Bankruptcy Code, or pursuant to which such subsidiary or affiliate that files for relief under chapter 11 of the Bankruptcy Code would be assuming or retaining all or a substantial portion of those liabilities.

XIV. Settlement Product

A. The Settlement Product is Naloxone Hydrochloride Nasal Spray (generic Narcan®), a medication that counteracts the life-threatening effects of opioid overdose and significantly reduces opioid-overdose mortality.

B. For the purposes of this agreement, Amneal has agreed to provide the Settling States Settlement Product valued at $177,400,000, which equals 1,419,200 kits of Settlement Product, valued at a fixed Wholesale Acquisition Cost (WAC) of $125 per kit, allocated in accordance with the allocation percentage as reflected in Exhibit F. For the avoidance of doubt, if a Settling State does not elect to participate in the settlement, that State's Settlement Product Allocation will not be the responsibility of Amneal and will not be transferred to the allocation of other Settling States. Amneal shall cover the cost of the Settlement Product distribution set forth in this Agreement. For the avoidance of doubt, Participating Subdivisions and Special Districts are not eligible to make a Settlement Product election pursuant to this Agreement.

C. Consistent with the Settlement Product Election Form contained in Exhibit D, each Settling State shall have the discretion to convert any portion of the Settlement Product allocated to the Settling State into a cash value equaling twenty-five percent (25%) of the WAC value of the Settling State's allocated Settlement Product for each Payment Year 7-10. Such decision must be made prior to the Settlement Product Election Date; Settling States will have no ability to convert any portion of the Settlement Product to Settlement Product

Cash Conversion Amount following the Settlement Product Election Date. Unless cash conversion amounts are specifically addressed in a State-Subdivision Agreement or Allocation Statute, a Settling State's Settlement Product Cash Conversion Amount shall be disbursed to the Settling State in the same manner as its Remediation Accounts Fund payments are made pursuant to Section V. This cash conversion payment is due on the Payment Date of each Payment Year 7-10.. If a Settling State does not elect to receive all of its allocation in its initial notice, such Settling State may submit a new or updated Settlement Product Election Form in lieu of converting the outstanding portion of Settlement Product to cash value and Amneal and the Settling States agree to work in good faith to maximize the availability of Settlement Product.

D. A Settling State that has submitted a Settlement Product Election Form may place periodic orders for Settlement Product consistent with this Section XIV and Exhibit D. A Settling State may request up to twenty-five percent (25%) of its full Settlement Product allocation for each Payment Year 7-10.

E. Within thirty (30) days of the Effective Date, each Settling State shall notify Amneal and the Settlement Fund Administrator of its Settlement Product election by submitting the Settlement Product Election Form reflected in Exhibit D.

F. Settling States that do not make a Settlement Product Election within 30 days of the Effective Date shall be deemed to have elected to full Settlement Product and to have elected not to convert any portion of the Settlement Product into Settlement Product Cash Conversion Amount. If a Settling State elects to receive a partial allocation of Settlement Product, the elected portion shall decrease Amneal's payment in earliest years to later years. For example, if a Settling State has a total allocation of $4,000,000 in settlement product (and cash conversion of $1,000,000), and elects to receive $1,500,000 in settlement product (and cash conversion deduction of $375,000), Amneal shall make payments to the Settling State in the following amounts: (1) Year 7: $0; (2) Year 8: $125,000; (3) Year 9: $250,000 and (4) Year 10: $250,000 for a total amount of $625,000 to the State.

G. In addition to offering Naloxone HCl nasal spray 4mg per this Section and Exhibit D, Amneal, at its sole discretion, may also offer Settling States different versions or greater amounts of Settlement Product or different products that can be accepted by the Settling State in lieu of its full allotment of the Settlement Product or Settlement Product Cash Conversion Amount. Distribution and other terms related to such substitute product shall be set out in Amneal's offer. Nothing in this subsection changes the terms of this Agreement regarding the provision of Settlement Product or the calculation or availability of the Settlement Product Cash Conversion Amount.

H. In the event of a Force Majeure Event, Amneal shall promptly provide written notice to the Settling States. Amneal and the States shall meet and confer within seven (7) days of such written notice to establish a commercially reasonable plan to resolve any inability to supply as quickly as reasonably possible, it being understood that, unless otherwise agreed to by the Parties, it is Amneal's obligation to use reasonable efforts which are consistent with

accepted industry practices to resume performance as soon as practicable under the circumstances.

I. Settling States shall not be permitted to return to Amneal any Settlement Product under any circumstances other than a recall of the Settlement Product initiated by Amneal or FDA, in which case Amneal's sole obligation shall be to supply the same number of Settlement Product units to replace the recalled product.

J. The Parties understand that the provision of Settlement Product constitutes compensatory restitution within the meaning of 26 U.S.C. § 162(f)(2)(A) and that the receipt of Settlement Product must be reported on IRS Form 1098-F consistent with subsection XIII.E.