



STATE OF OKLAHOMA } S.S.
CLEVELAND COUNTY }
FILED In The
Office of the Court Clerk

APR 02 2019

IN THE DISTRICT COURT OF CLEVELAND COUNTY
STATE OF OKLAHOMA

In the office of the
Court Clerk MARILYN WILLIAMS

STATE OF OKLAHOMA, ex rel.,)
MIKE HUNTER,)
ATTORNEY GENERAL OF OKLAHOMA,)

Plaintiff,)

vs.)

Case No. CJ-2017-816
Judge Thad Balkman

- (1) PURDUE PHARMA L.P.;)
- (2) PURDUE PHARMA, INC.;)
- (3) THE PURDUE FREDERICK COMPANY;)
- (4) TEVA PHARMACEUTICALS USA, INC.;)
- (5) CEPHALON, INC.;)
- (6) JOHNSON & JOHNSON;)
- (7) JANSSEN PHARMACEUTICALS, INC.;)
- (8) ORTHO-MCNEIL-JANSSEN)
PHARMACEUTICALS, INC., n/k/a)
JANSSEN PHARMACEUTICALS;)
- (9) JANSSEN PHARMACEUTICA, INC.,)
n/k/a JANSSEN PHARMACEUTICALS, INC.;)
- (10) ALLERGAN, PLC, f/k/a ACTAVIS PLC,)
f/k/a ACTAVIS, INC., f/k/a WATSON)
PHARMACEUTICALS, INC.;)
- (11) WATSON LABORATORIES, INC.;)
- (12) ACTAVIS LLC; and)
- (13) ACTAVIS PHARMA, INC.,)
f/k/a WATSON PHARMA, INC.,)

Defendants.)

SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into this 26th day of March 2019, among Purdue, as defined herein, and the Attorney General on behalf of the State of Oklahoma (“Attorney General” or the “State”) in the lawsuit captioned, *State of Oklahoma v. Purdue Pharma L.P., et al.*, Case No. CJ-2017-816, filed in the District Court of Cleveland County, Oklahoma (Balkman, J.) (the “Oklahoma Action”). This Settlement Agreement is intended by the Settling Parties to fully, finally and forever resolve, discharge and settle the Released Claims, upon and subject to the terms and conditions hereof (the “Settlement”).

WHEREAS, the State filed its Original Petition in the Oklahoma Action on June 30, 2017, (i) alleging that Purdue, among others, violated Oklahoma law by deceptively marketing its opioid pain medications—as well as opioid products generally—so as to overstate their efficacy and falsely downplay the associated risk of addiction, which resulted in an opioid crisis and public nuisance in the State of Oklahoma; (ii) asserting claims for damages, equitable abatement, civil penalties and other equitable relief; and (iii) claiming violations of the Oklahoma Medicaid False Claims Act, 63 Okla. Stat. §§5053.1-7; the Oklahoma Medicaid Program Integrity Act, 56 Okla. Stat. §§1001-1008; the Oklahoma Consumer Protection Act, 15 Okla. Stat. §§751-65; Public Nuisance, 50 Okla. Stat. §2; Fraud (Actual and Constructive) and Deceit; and Unjust Enrichment;

WHEREAS, Purdue: (i) denies each and all of the claims and allegations of wrongdoing made by the State in the Oklahoma Action and maintains that it has meritorious defenses; (ii) denies all charges of wrongdoing or liability against it arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Oklahoma Action, and contends that the factual allegations made in the Oklahoma Action relating to it are false and materially inaccurate; (iii) denies that the State was harmed by any conduct of Purdue alleged in the Oklahoma Action or otherwise, including by Releasees; and (iv) denies liability, expressly denies any wrongdoing, denies it violated any federal or state statute or common law;

WHEREAS, the Parties have investigated the facts, analyzed the relevant legal issues regarding the claims and defenses asserted in the Oklahoma Action, have engaged in substantial and material fact discovery, served expert disclosures, and are set for trial on May 28, 2019;

WHEREAS, the Parties have each considered the costs and delays associated with the continued prosecution and defense of the Oklahoma Action, and have reached an agreement to resolve the Oklahoma Action;

WHEREAS, the Parties believe the Settlement set forth herein (i) avoids the uncertainties of litigation and assures that the benefits reflected herein are obtained and (ii) is fair, reasonable and adequate and in the best interest of the people of the State of Oklahoma;

WHEREAS, the State and Purdue agree that neither this Agreement, nor any statement made in the negotiation thereof shall be deemed or construed to be a concession as to any claim, an admission, evidence of any violation of any statute or law, evidence of any liability or wrongdoing by Purdue, or evidence of the truth of any of the claims or allegations made by the Parties in the Oklahoma Action; and

WHEREAS, arm's-length settlement negotiations have taken place over the course of several months between Purdue and the State under the auspices and supervision of the court-appointed Settlement Master, Judge Layn Phillips, who was appointed by Order dated March 29, 2018, pursuant to 12 Okla. Stat., Ch. 2, Appx., Rule 5 and the Court's inherent authority.

NOW, THEREFORE, IT IS HEREBY AGREED by and among the State and Purdue, by and through their respective counsel, that the Oklahoma Action as against Purdue shall be finally and fully settled and released, as set forth below.

A. Definitions. As used in this Agreement the following capitalized terms have the meanings specified below.

- (a) "Agreement" or "Settlement Agreement" means this Settlement Agreement and Consent Judgment, together with any exhibits attached hereto, which are incorporated herein by reference.
- (b) "Bankruptcy Code" means 11 U.S.C. §§ 101, *et seq.*
- (c) "Consent Judgment" refers to the consent judgment, attached as Exhibit A, which shall be fully executed by the Settling Parties and filed with the Court.
- (d) "Covered Conduct" means any and all acts, conduct, omissions, events or transactions, whether known or unknown and whether discovered or undiscovered, including, but not limited to, acts, conduct, omissions, events or transactions alleged in the Oklahoma Action, from the beginning of time up to and including the Effective Date arising from or related in any way to the marketing and sale of Purdue Opioids or any other Opioid in or affecting the State of Oklahoma.
- (e) "Court" means the District Court of Cleveland County, Oklahoma.
- (f) "Donation Payments" means the payments set forth in Section B(4) of this Settlement Agreement.
- (g) "Effective Date" means the date upon which the Court approves the Settlement Agreement and enters the Consent Judgment.
- (h) "Effective Date of the Release" means the date upon which all of the following have occurred or been waived by the Attorney General: (i) the Court has approved the Settlement Agreement and entered the Consent Judgment; (ii) the Purdue Payments Letter(s) of Credit (defined in Section B(3)) and the Donation Payments Letter(s) of Credit (defined in Section B(6)) have been delivered to the Attorney General, or, to the extent either of the foregoing is waived, the Purdue Payments have been paid or the Donation Payments have been placed into escrow, as applicable, in each case, in accordance with the terms of this Agreement; and (iii) the executed PRA Guaranty (defined in Section (B)(4)) has been delivered to the Attorney General in accordance with the terms of this Agreement.
- (i) "Execution Date" means the date on which this Agreement is executed by the last party to do so.
- (j) "Good Faith Settlement Bar Order" or "Bar Order" shall have the meaning assigned to it in Section I.9 of this Agreement.
- (k) "Health Care Provider" shall mean any physician, osteopath, surgeon, nurse practitioner, physician assistant, physiatrist, psychiatrist, dentist, pharmacist, podiatrist, nurse, nurse's assistant or other person engaged in the business of providing health care services and/or prescribing an Opioid

in Oklahoma and any medical facility, practice, hospital, clinic or pharmacy in Oklahoma.

- (l) "Non-Settling Defendants" means Teva Pharmaceuticals USA, Inc., Cephalon, Inc., Johnson & Johnson, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc. n/k/a Janssen Pharmaceuticals, Janssen Pharmaceutica, Inc. n/k/a Janssen Pharmaceuticals, Inc., Allergan, PLC, f/k/a Actavis PLC f/k/a Actavis, Inc. f/k/a Watson Pharmaceuticals, Inc., Watson Laboratories, Inc., Actavis, LLC, and Actavis Pharma, Inc. f/k/a Watson Pharma, Inc.
- (m) "Opioid" shall mean those chemical compounds naturally found in the opium poppy plant, including synthetic analogues that interact with opioid receptors on nerve cells in the body and brain, and reduce the intensity of pain signals and feelings of pain. Opioid shall not mean buprenorphine/naloxone and other substances when used to treat opioid or other substance use disorders, abuse, addiction or overdose;
- (m) "Outside Counsel" shall mean Whitten Burrage, Nix Patterson, LLP and Glenn Coffee & Associates, PLLC.
- (n) "Parties" and "Settling Parties" means Purdue and the State.
- (o) "Promote," "Promoting," and "Promotion" shall mean the publication or dissemination of branded or Unbranded information by Purdue to a Third Party that is intended to directly or indirectly increase the use or sales of a Purdue Opioid or Opioids.
- (p) "Purdue" means Purdue Pharma L.P., Purdue Pharma Inc., and The Purdue Frederick Company Inc.
- (q) "Purdue Opioid(s)" means OxyContin®, MS Contin®, Butrans®, and Hysingla®.
- (r) "Purdue Payments" means the payments set forth in Section B(2)(i) of this Settlement Agreement.
- (s) "Releasees" means (i) Purdue Pharma L.P., Purdue Pharma Inc., The Purdue Frederick Company Inc., Purdue Products L.P., Purdue Pharma L.P. d/b/a Purdue Pharma (Delaware) Limited Partnership, Purdue Pharmaceutical Products, LP, Purdue Pharma Manufacturing Inc., The P.F. Laboratories Inc., Purdue Pharma Manufacturing L.P., Purdue Pharma of North Carolina L.P., Purdue Pharma Technologies Inc., Purdue Pharma Manufacturing (New York) Inc., Purdue Pharma L.P., a foreign limited partnership, Rhodes Pharmaceuticals Inc., Rhodes Pharmaceuticals L.P., Rhodes Technologies, Rhodes Technologies Inc., and Pharmaceutical Research Associates L.P.; (ii) all affiliated United States and foreign companies owned by any of the Releasees; (iii) Abbott Laboratories (including Abbott subsidiaries and related companies), to the extent its activities are related to Purdue Opioids

or are otherwise entitled to indemnification by Purdue; and (iv) for each of the foregoing in (i), (ii) and (iii), each of their respective past, present, and future officers, board members, directors, principals, agents, servants, employees, independent contractors, co-promoters, third party sales representatives, medical liaisons, predecessors, successors, assigns, affiliates, advisors, agents, consultants, insurers, trusts (including trusts established for the benefit of any Releasee), trustees, protectors, beneficiaries, officers, managers, members, direct or indirect owners and/or shareholders, beneficiaries of direct or indirect owners and/or shareholders, partners (general or limited), representatives, parents, subsidiaries, and transferees, attorneys and legal representatives, as well as the predecessors, successors, heirs, executors, administrators, legatees and assigns of each of the foregoing. For the sake of clarity, Releasees does not include any third-party manufacturer or distributor or marketer or seller of opioid products not related to the conduct of the Releasees. (The intent of this provision is to ensure that no entity not related to the Releasees listed above is released for conduct unrelated to those entities.) Nor does this release in any way prevent Purdue from seeking indemnification against its insurers. As used in this paragraph, "affiliates" means entities directly or indirectly controlling, controlled by or under common control or ownership with a Releasee.

- (t) "Released Claims" means any and all claims of any nature, including the State's state and federal statutory and common law claims, that were brought or could have been brought by any Releasor related to or arising out of in any way the Covered Conduct, whether known or unknown, suspected or unsuspected, asserted or unasserted, in law or in equity, that any Releasor, whether directly, representatively, derivatively, or in any other capacity, ever had, now have or may hereafter have including all past, present, and future civil, criminal, derivative, regulatory, administrative, or any other claims any Releasor may have under any applicable state, regulatory, or administrative law or statute relating in any way to any Covered Conduct (regardless of where in the world any such Covered Conduct or any result, loss, injury, or damage resulting therefrom occurred) from the beginning of time up to and including the Effective Date.
- (u) "Releasors" means the State and the Attorney General and/or any political subdivision of the State on whose behalf the Attorney General possesses, or obtains, the authority to bind.
- (v) "Third Party" shall mean any person or entity other than Purdue or a government entity.
- (w) "Unbranded" shall mean any information regarding Opioids that does not identify a specific product or products.

B. Funding and Creation of a National Addiction Foundation and National Center.

1. Creation of Foundation and National Center. As consideration for entering into this Agreement, Purdue agrees to fund a National Center for Addiction Studies and Treatment (the "National Center") adjunct to Oklahoma State University's Center for Health Sciences in Tulsa, Oklahoma ("OSU-HS"). The State will create a foundation to receive and manage the funding directed to the National Center (the "Foundation"). At OSU-HS, the National Center will be part of the OSU Center for Wellness & Recovery. The National Center will be dedicated to addiction studies, treatment and education, including education to eliminate the stigma associated with addiction and treatment, and will receive funds from the Foundation.

- (a) Mission: The National Center's mission will be to improve the lives of individuals in Oklahoma and across the nation that are affected by pain and substance use disorders through exceptional programs focused on research, education, prevention, treatment, elimination of the stigma associated with addiction, and public policy initiatives.
- (b) Vision: The National Center's vision will be to become the premier addiction research center in the nation that promotes collaborative and interdisciplinary approaches to the study, prevention, treatment, and public understanding of addiction, and education to eliminate the stigma associated with addiction and substance use disorder.
- (c) Strategic Objectives: Among its initiatives and goals, the National Center will be committed to establishing research-driven and evidence-based practices for (i) treating and preventing addiction, and other behavioral health challenges; (ii) fostering and cultivating innovative national-in-scope research that contributes to the improvement of treatment and prevention of substance use disorders and understanding the underlying causes of addiction; (iii) creating a preeminent environment where researchers and academics from across the country and the world can collaborate together to study and learn about substance use disorder and addiction; and (iv) serving as a national leader in educating and training undergraduate and graduate students, trainees, professionals, and the public on multidisciplinary issues relating to addiction and substance use disorder.
- (d) Advisory Board: The National Center shall be supported by a National Scientific Advisory Board that shall work closely with the National Center's staff in advising the National Center's research, agenda, training, and support processes, in addition to guiding the efforts of the National Center's

patient and professional education initiatives. The Advisory Board will comprise leading members from other state, national and/or international academic, research, medical, law enforcement, mental health, addiction, substance use disorder, and/or other related fields, institutions, entities, and organizations. Members of the Advisory Board will be selected by the National Center.

2. Funding from Purdue. (i) Beginning on the date of issuance of the Purdue Payment Letter of Credit (defined in Section (B)(3)), (w) the Foundation shall be entitled to draw on the Purdue Payments Letter of Credit in accordance with the terms thereof for \$102,500,000 to fund the Foundation; (x) Outside Counsel shall be entitled to draw on the Purdue Payments Letter of Credit in accordance with the terms thereof for \$59,500,000 to be paid to Outside Counsel for payment of attorneys' fees and costs associated with the Oklahoma Action as set forth in the agreement between the State and its Outside Counsel; (y) the Attorney General shall be entitled to draw on the Purdue Payments Letter of Credit in accordance with the terms thereof for \$500,000 for costs associated with prosecution of the Oklahoma Action; and (z) an entity timely identified in writing by the State shall be entitled to draw on the Purdue Payment Letter of Credit in accordance with the terms thereof for \$12,500,000 to be placed into an escrow or similar account created and maintained to receive and manage the funding for distribution to political subdivisions in furtherance of the objectives of this Agreement ((w), (x), (y) and (z) collectively, the "Purdue Payments"); (ii) after the Effective Date, Purdue and the National Center shall coordinate to ensure the supply of medically assisted treatment drugs, such as buprenorphine/naloxone, or an equivalent product manufactured by Purdue, over a period of five (5) years with a total retail market value of \$20,000,000; and (iii) funds that are not distributed and are remaining under subsection 2(i)(z) will revert to the Foundation.

3. Purdue Payments Letter of Credit. Within five (5) business days of the Execution Date, Purdue shall present to the Attorney General an Irrevocable Letter(s) of Credit issued by BOKF, NA dba Bank of Oklahoma in the amount of the Purdue Payments drawable for three (3)

business days from the date of issuance (the "Purdue Payments Letter of Credit"). At any time prior to drawing on the Purdue Payments Letter of Credit, the Attorney General, in his sole discretion, shall have the right to waive the requirement of the posting of the Purdue Payments Letter of Credit, in which case the Purdue Payments shall be due and payable directly by Purdue to the payees identified in Section 2 above within one (1) business day after receipt of the Attorney General's written waiver.

4. Purdue Payments Guaranty. Within one (1) business day of the Execution Date, Purdue will provide the Attorney General with an executed guaranty from Pharmaceutical Research Associates, L.P. ("PRA") in the form previously provided to the Attorney General (the "PRA Guaranty"), with respect to the Purdue Payments. The PRA Guaranty will irrevocably expire and be of no further force and effect on the ninety-first day after the date of issuance of the Purdue Payments Letter of Credit (the "Initial Guaranty Expiration Date"); provided, however, that if prior to the Initial Guaranty Expiration Date (i) Purdue files a voluntary petition for relief under the Bankruptcy Code or (ii) an involuntary petition for relief under the Bankruptcy Code is filed against Purdue and such involuntary petition has not been dismissed as of the Initial Guaranty Expiration Date, the PRA Guaranty shall instead expire on the date that is thirty days after the date of filing of such petition for relief, during which thirty-day period, the State may exercise its rights under the PRA Guaranty, in accordance with the terms thereof. PRA's payment obligations under the PRA Guaranty shall be contingent on the State's repayment to Purdue in cash in full the entirety of the Purdue Payments (totaling \$175,000,000).

5. Donation. Within five (5) business days after the Effective Date, Purdue will provide the Attorney General with a letter confirming that a voluntary and irrevocable contribution to the Foundation will be made by the Dr. Mortimer and Dr. Raymond Sackler families (directly or through their business entities (other than Purdue)) in the amount of \$75,000,000 ("Donation

Payments”) to begin with a \$15,000,000 payment starting January 10, 2020, with four additional equal payments of \$15,000,000 each succeeding January for four (4) years.

6. Donation Payments Letter(s) of Credit. Within five (5) business days after the Effective Date, the Attorney General shall be presented with one or more Irrevocable Letter(s) of Credit issued by BOKF, NA dba Bank of Oklahoma in the amount of the Donation Payments (the “Donation Payments Letter(s) of Credit”), pursuant to which, upon the Effective Date, the Foundation shall be entitled to draw on \$15,000,000 between January 10th – 15th in each of the years 2020-2024 in accordance with the terms thereof. At any time prior to drawing on the Donation Payments Letter(s) of Credit, the Attorney General, in his sole discretion, shall have the right to waive the requirement of the posting of the Donation Payments Letter(s) of Credit, in which case the Donation Payments shall be placed into escrow pursuant to an escrow agreement and an escrow agent, in each case, acceptable to the Attorney General.

C. Injunctive Relief.

1. Purdue shall not from the Effective Date until December 31, 2026 engage in Promotion of Purdue Opioids or Opioids in the State of Oklahoma by:

- (a) Employing or contracting with sales representatives or other persons to Promote Purdue Opioids or Opioids to Health Care Providers or patients;
- (b) Using speakers, key opinion leaders, thought leaders, lecturers, and/or speaking events for Promotion of Purdue Opioids or Opioids; and
- (c) Creating, sponsoring, distributing, or otherwise providing direct or indirect financial support for branded or Unbranded information Promoting Purdue Opioids or Opioids, including brochures, newsletters, pamphlets, journals, books, and guides.

2. Upon request, Purdue shall promptly provide reasonable assistance to law enforcement investigations of potential diversion and/or suspicious circumstances involving Purdue Opioids in the State of Oklahoma, subject to and without waiving any applicable privilege objections.

3. Purdue shall not use, assist, or employ any Third Party to engage in any activity in Oklahoma that Purdue itself would be prohibited from engaging in pursuant to this Agreement.

4. Notwithstanding the above, in the State of Oklahoma, Purdue may:

- (a) Provide information or support the provision of information as expressly required by law or any state or federal government agency with jurisdiction in Oklahoma;
- (b) Provide scientific and/or medical information in response to an unsolicited request by a Health Care Provider or patient; and
- (c) Provide information to a payor, formulary committee, or other similar entity.

5. For the avoidance of doubt, nothing in this Agreement shall be construed or used to prohibit Purdue in any way whatsoever from taking legal or factual positions in litigation or other legal or administrative proceedings, or from providing extrajudicial statements made in the context of such litigation or other legal or administrative proceedings.

6. Should Purdue enter into an agreement with one or more state attorneys general, or in multi-state litigation with other state attorneys general, that contains broader injunctive relief than set forth above, Purdue agrees: (i) to notify the Attorney General of Oklahoma at the time such injunctive relief goes into effect; and (ii) to abide by that injunctive relief in the State of Oklahoma. Purdue agrees that all such additional or more restrictive relief shall apply to Purdue's conduct within or directed at the State of Oklahoma and any violation of those terms shall be deemed a violation of the Consent Judgment and will be subject to the dispute resolution procedures set forth therein.

7. If the Attorney General believes that Purdue has violated any Injunctive Relief term, as set forth above, the Attorney General shall: (i) provide Purdue with a notice that sets forth the Attorney General's basis for believing that Purdue violated an Injunctive Relief term and (ii) provide Purdue at least thirty (30) days to cure the alleged violation.

D. Settlement of Claims and General Release. The Settling Parties hereby agree to settle the Released Claims. The State contends that the Oklahoma Action was brought to protect the legitimate interest of the State, and the State agrees that settlement on these terms is in the statewide interest. On the Effective Date of the Release, Releasors hereby release the Releasees, and shall be deemed to have fully, finally, forever and permanently released, remised, acquitted, held harmless, relinquished and discharged with prejudice all Released Claims, and shall have covenanted not to sue any Releasee with respect to any such claim, and shall be permanently barred and enjoined from instituting, reinstating, maintaining, commencing, or prosecuting any such Released Claim against the Releasees, and the releases as set forth herein shall be given full *res judicata* effect. Releasors shall be deemed to have released all claims, including all claims of any political subdivisions on whose behalf the Attorney General possesses the authority, or obtains the authority, to bind, against the Releasees regardless of whether any such Releasor ever seeks or obtains, by any means, any distribution under this Agreement. Releasors shall be deemed to have released all claims against the Releasees that are or could have been brought by Releasors, including the State's state and federal statutory and common law claims, and by any other person acting or purporting to act in a *parens patriae*, sovereign, quasi-sovereign, private attorney general, *qui tam*, taxpayer or any other capacity on behalf of any Releasor.

E. Additional Releases: For the avoidance of doubt and without limitation to Section D of this Agreement, any political subdivision that receives any payment from the State with funds obtained under this Agreement shall affirm that it is releasing all claims, including any pending actions, against the Releasees by executing an Additional Release in the form set out in Exhibit B to this Agreement as a condition to receiving any such payment.

F. Stipulation of Dismissal of Action with Prejudice. The Consent Judgment shall provide that the Oklahoma Action as against Purdue is dismissed with prejudice upon the filing of the Consent Judgment.

G. No Admission of Liability: The Settling Parties intend the Settlement as described herein to be a final and complete resolution of all disputes between them with respect to the Oklahoma Action, and it shall not be deemed an admission by any Settling Party as to the merits of any claim or defense or any allegation made in the Oklahoma Action. Purdue denies the allegations in the Oklahoma Action and any lawsuits brought by any Releasor and denies any civil or criminal liability in the Oklahoma Action, any lawsuits brought by any Releasor, and with respect to any investigation or inquiry by any Releasor.

H. Termination. This Agreement shall terminate on the date that is sixty (60) days after the Execution Date if the Effective Date shall not have occurred by such date.

I. Miscellaneous Provisions.

1. Use of Agreement as Evidence. Neither this Agreement nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of this Agreement or the Settlement: (i) is or may be deemed to be or may be used as an admission of, or evidence of, the Covered Conduct alleged in the Oklahoma Action, of any allegation made in that case, or of any wrongdoing or liability of Releasees; or (ii) is or may be deemed to be or may be used as an admission of, or evidence of, any liability, fault or omission of the Releasees in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal. Neither this Agreement nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of this Agreement or the Settlement shall be admissible in any proceeding for any purpose, except to enforce the terms of the Settlement, and except that the Releasees may file this Agreement and/or the Consent Judgment in any action for any purpose, including, but not limited

to, in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim;

2. **Voluntary Settlement.** This Settlement Agreement was negotiated in good faith and at arms-length over several months with the assistance of the Court-appointed Settlement Master Layn Philips, and the exchange of the Purdue Payments for the release set forth herein is an exchange of reasonably equivalent value;

3. **Resolution of Disputes.** Any disputes between or among Purdue and the State (or their counsel) concerning matters regarding the creation, funding, or operation of the Foundation and the National Center shall, if they cannot be resolved by negotiation and agreement in the first instance, be referred to Judge Phillips for resolution. Decisions by Judge Phillips will be final and non-appealable;

4. **Retention of Exclusive Jurisdiction.** The Court shall retain jurisdiction over all other disputes, including the implementation of the Injunctive Relief. Any dispute regarding issues arising from such Injunctive Relief that cannot be resolved by the Parties shall be submitted in the first instance to Judge Phillips for mediation. If the Parties are unable to reach a mediated settlement within 30 days of submission for mediation, the dispute shall be submitted to the Court.

5. **Authorization to Enter Settlement Agreement.** The undersigned representatives of Purdue represent that they are fully authorized to enter into and to execute this Agreement on behalf of Purdue, and Purdue has the power and authority to enter into and perform this Settlement Agreement, and the execution and performance of this Settlement Agreement has been duly authorized by all requisite corporate or other legal action. The State represents that it is expressly authorized to take all action required or permitted to be taken pursuant to this Agreement to effectuate its terms and to enter into and execute this Agreement;

6. **Notices.** All notices to counsel under this Agreement shall be in writing. Each such notice shall be given either by (i) e-mail; (ii) hand delivery; or (iii) registered or certified mail, return receipt requested, postage pre-paid; and shall be addressed to counsel at their addresses set forth on the signature page hereof;

7. **Additional Support for the National Center.** Purdue agrees to use reasonable efforts to encourage the provision of additional funds for the National Center in any other settlements it may enter into regarding the sales and promotion of Purdue Opioids;

8. **Press Statement.** Purdue and the Attorney General shall each issue a press release that positively describes the Settlement, including the creation of the National Center and its funding;

9. **Good Faith Settlement Bar Order (Okl. St. tit 12, § 832(H)).** The Consent Judgment shall contain a Good Faith Settlement Bar Order pursuant to Okla. Stat. tit. 12, § 832(H), which shall discharge Purdue and Releasees from all liability for contribution to all actual or alleged joint tortfeasors. Subject to approval by the Court, this order shall herein be referred to as the “Good Faith Settlement Bar Order” and shall be substantially in the following form:

Good Faith Settlement Bar Order

The Court finds and orders as follows:

The State has brought suit against Purdue and the Non-Settling Defendants alleging an indivisible injury for which Purdue and the Non-Settling Defendants are jointly and severally liable;

Through the Settlement Agreement and this Consent Judgment the Releasors have released Purdue and the Releasees from all Released Claims, as those terms are defined therein;

The Court finds the settlement between the State and Purdue is fair, reasonable and was entered into between the State and Purdue in good faith and without collusion;

The Court finds that, by agreeing to settle the claims of the State asserted against Purdue in this Action, Purdue does not admit and specifically denies any and all liability to the State and any actual or alleged joint tortfeasor;

The settlement between the State and Purdue does not prejudice any substantive defenses or rights of any Non-Settling Defendants;

The Court orders that, pursuant to OKLA. STAT. tit. 12, § 832(H), Purdue and the Releasees are discharged from all liability for contribution to all actual or alleged joint tortfeasors, including the Non-Settling Defendants;

The Court further orders that, pursuant to OKLA. STAT. tit. 12, § 832(H), neither the Non-Settling Defendants nor any actual or alleged joint tortfeasor are discharged from liability to the State; and

The Court further orders that nothing contained herein shall preclude the State or any Non-Settling Defendants from presenting evidence of Purdue's conduct pre-trial, at trial or on any appeal subject to orders and rulings of the Court.

10. Reinstatement. If the State does not elect to enforce the PRA Guaranty in accordance with the terms thereof and is required by final order of a court of competent jurisdiction to return the Purdue Payments to Purdue and does return such Purdue Payments to Purdue, the State shall return any Donation Payments it has received and shall not be entitled to any further Donation Payments, and upon return of all such foregoing payments, (x) this Agreement, including the releases set forth herein, shall be void ab initio, and (y) all rights and remedies of the Settling Parties as they existed immediately prior to the execution of this Agreement shall be reinstated in full.

11. **Tax.** All payments and consideration delivered in connection with this settlement (other than amounts paid for attorney's fees and costs) constitute restitution payments for United States Federal income tax purposes;

12. **Non-Appealable and Binding Agreement.** This Agreement and the Consent Judgment shall be non-appealable and shall constitute a final judgment upon the Effective Date. This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the parties hereto;

13. **Confidentiality.** The terms of the Agreement will remain confidential until such time as the Court enters the Consent Judgment. The Settling Parties, however, may advise the judges presiding over the Oklahoma Action and the National Opiate Multi-District Litigation of the Settlement Agreement and its terms.

14. **Confidentiality of Documents Produced in this Action.** The Court's Amended Protective Order (dated April 16, 2018) and First Amended Agreed Qualified Protective Order for Protected Health Information (dated September 27, 2018) (the "Protective Orders") remain in effect after the Effective Date and the Settling Parties shall comply with their terms;

15. **Choice of Law.** Any dispute arising from or in connection with the completion and execution of the Consent Judgment or Settlement Agreement shall be governed by Oklahoma law without regard to its choice of law provisions;

16. **No Conflict Intended.** The headings used in this Agreement are intended for the convenience of the reader only and shall not affect the meaning or interpretation of this Agreement;

17. **No Party Deemed to be the Drafter.** None of the parties hereto shall be deemed to be the drafter of this Agreement or any provision hereof 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 hereof;

18. Amendment; Waiver. This Agreement shall not be modified in any respect except by a writing executed by all the parties hereto, and the waiver of any rights conferred hereunder shall be effective only if made by written instrument of the waiving party. The waiver by any party of any breach of this Agreement shall not be deemed or construed as a waiver of any other breach, whether prior, subsequent or contemporaneous, of this Agreement;

19. Execution in Counterparts. This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. Counsel for the parties to this Agreement shall exchange among themselves original signed counterparts and a complete set of executed counterparts shall be filed with the Court; and

20. Integrated Agreement. This Agreement constitutes the entire agreement between the Settling Parties and no representations, warranties or inducements have been made to any party concerning this Agreement other than the representations, warranties and covenants contained and memorialized herein.

IN WITNESS WHEREOF, the parties hereto, through their fully authorized representatives, have executed this Agreement as of the date set forth below.

Dated: March 26, 2019

BY: _____
PURDUE PHARMA, L.P.,
PURDUE PHARMA INC. and the
PURDUE FREDERICK COMPANY INC.
One Stamford Forum
Stamford, CT 06901

BY: Mike Hunter
OKLAHOMA OFFICE OF THE
ATTORNEY GENERAL
Mike Hunter
313 NE 21st Street
Oklahoma City, OK 73105

BY: Ben Patterson
NIX PATTERSON, LLP
512 N. Broadway, Suite 200
Oklahoma City, OK 73102
*Counsel for Plaintiff State of
Oklahoma*

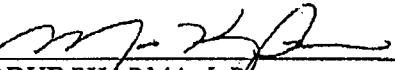
BY: Rena A. Whitten
WHITTEN BURRAGE
512 N. Broadway, Suite 300
Oklahoma City, OK 73102
*Counsel for Plaintiff State of
Oklahoma*

BY: Glenn Coffee & Associates PLLC
GLENN COFFEE & ASSOCIATES, PLLC
915 Robinson Ave.
Oklahoma City, OK 73102
Counsel for Plaintiff State of Oklahoma

BY: _____
DECHERT, LLP
Three Bryant Park
1095 Avenue of the Americas
New York, New York 10036
*Counsel for Purdue Pharma, L.P.,
Purdue Pharma Inc. and the
Purdue Frederick Company Inc.*

IN WITNESS WHEREOF, the parties hereto, through their fully authorized representatives, have executed this Agreement as of the date set forth below.

Dated: March 26, 2019

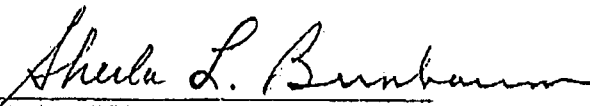
BY: 
PURDUE PHARMA, L.P.,
PURDUE PHARMA INC. and the
PURDUE FREDERICK COMPANY INC.
One Stamford Forum
Stamford, CT 06901

BY: _____
OKLAHOMA OFFICE OF THE
ATTORNEY GENERAL
Mike Hunter
313 NE 21st Street
Oklahoma City, OK 73105

BY: _____
NIX PATTERSON, LLP
512 N. Broadway, Suite 200
Oklahoma City, OK 73102
*Counsel for Plaintiff State of
Oklahoma*

BY: _____
WHITTEN BURRAGE
512 N. Broadway, Suite 300
Oklahoma City, OK 73102
*Counsel for Plaintiff State of
Oklahoma*

BY: _____
GLENN COFFEE & ASSOCIATES, PLLC
915 Robinson Ave.
Oklahoma City, OK 73102
Counsel for Plaintiff State of Oklahoma

BY: 
DECHERT, LLP
Three Bryant Park
1095 Avenue of the Americas
New York, New York 10036
*Counsel for Purdue Pharma, L.P.,
Purdue Pharma Inc. and the
Purdue Frederick Company Inc.*

GENERAL RELEASE

This General Release is made this ___ day of ___, 20__ by [Claimant] in consideration of money received by [Claimant] from an escrow [or similar] account created and funded pursuant to a Settlement Agreement entered into on March __, 2019 by and between Purdue Pharma L.P., Purdue Pharma Inc., and The Purdue Frederick Company Inc. (collectively “Purdue”) and the State in the lawsuit captioned, *State of Oklahoma v. Purdue Pharma L.P., et al.*, Case No. CJ-2017-816, filed in the District Court of Cleveland County, Oklahoma, (Balkman, J.) (the “Oklahoma Action”). This account was established to distribute money to Oklahoma political subdivisions in furtherance of the objectives of the Settlement Agreement.

IN CONSIDERATION of the money received by [Claimant] from the escrow account established pursuant to the Settlement Agreement in the Oklahoma Action, [Claimant] agrees as follows:

Definitions: As used in this General Release, the following capitalized terms have the meanings specified below.

- (a) “Covered Conduct” means any and all acts, conduct, omissions, events or transactions, whether known or unknown and whether discovered or undiscovered, including, but not limited to, acts, conduct, omissions, events or transactions alleged in the Oklahoma Action, from the beginning of time to execution of this General Release, arising from or related in any way to the marketing and sale of Purdue Opioids or any other opioids or opioid products in or affecting the State of Oklahoma.
- (b) “Purdue Opioid(s)” means OxyContin®, MS Contin®, Butrans®, and Hysingla®.
- (c) “Releasees” means (i) Purdue Pharma L.P., Purdue Pharma Inc., The Purdue Frederick Company Inc., Purdue Products L.P., Purdue Pharma L.P. d/b/a Purdue Pharma (Delaware) Limited Partnership, Purdue Pharmaceutical Products, LP, Purdue Pharma Manufacturing Inc., The P.F. Laboratories Inc., Purdue Pharma Manufacturing L.P., Purdue Pharma of North Carolina L.P., Purdue Pharma Technologies Inc., Purdue Pharma Manufacturing (New York) Inc., Purdue Pharma L.P., a foreign limited partnership, Rhodes Pharmaceuticals Inc., Rhodes Pharmaceuticals L.P., Rhodes Technologies, Rhodes Technologies Inc., and Pharmaceutical Research Associates L.P.; (ii) all affiliated United States and

foreign companies owned by any of the Releasees; (iii) Abbott Laboratories (including Abbott subsidiaries and related companies), to the extent its activities are related to Purdue Opioids or are otherwise entitled to indemnification by Purdue; and (iv) for each of the foregoing in (i), (ii) and (iii), each of their respective past, present, and future officers, board members, directors, principals, agents, servants, employees, independent contractors, co-promoters, third party sales representatives, medical liaisons, predecessors, successors, assigns, affiliates, advisors, agents, consultants, insurers, trusts, trustees, beneficiaries, officers, managers, members, direct or indirect owners and/or shareholders, beneficiaries of direct or indirect owners and/or shareholders, partners (general or limited), representatives, parents, subsidiaries, and transferees, attorneys and legal representatives, as well as the predecessors, successors, heirs, executors, administrators, legatees and assigns of each of the foregoing. For the sake of clarity, Releasees does not include any third party manufacturer or distributor or marketer or seller of opioid products not related to the conduct of the Releasees. (The intent of this provision is to ensure that no entity not related to the Releasees listed above is released for conduct unrelated to those entities.) Nor does this release in any way prevent Purdue from seeking indemnification against its insurers. As used in this paragraph, "affiliates" means entities directly or indirectly controlling, controlled by or under common control or ownership with a Releasee.

- (d) "Released Claims" means any and all claims of any nature, including the State's state and federal statutory and common law claims, that were brought or could have been brought related to or arising out of in any way the Covered Conduct, whether known or unknown, suspected or unsuspected, asserted or unasserted, in law or in equity, which [Claimant], whether directly, representatively, derivatively, or in any other capacity, ever had, now has, or may hereafter have including all past, present, and future civil, criminal, derivative, regulatory, administrative, or any other claims [Claimant] may have under any applicable state, regulatory, or administrative law or statute relating in any way to any Covered Conduct (regardless of where in the world any such Covered Conduct or any result, loss, injury, or damage resulting therefrom occurred) from the beginning of time to execution of this General Release.

RELEASE PROVISIONS

General Release: [Claimant] hereby agrees to release the Releasees, and shall be deemed to have fully, finally, forever and permanently released, remised, acquitted, held harmless, relinquished and discharged with prejudice all Released Claims, and shall have covenanted not to sue any Releasee with respect to any such claim, and shall be permanently barred and enjoined from instituting, reinstating, maintaining, commencing, or prosecuting any such Released Claim against the Releasees, and the Releases as set forth herein shall be given full *res judicata* effect.

Execution of this General Release is an express condition precedent to receiving any funds from the State pursuant to the Settlement Agreement.

MISCELLANEOUS PROVISIONS

1. **Choice of Law:** Any dispute arising from or in connection with the completion and execution of this General Release shall be governed by Oklahoma law;

2. **Execution in Counterparts.** This General Release may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument.

3. **Integrated Agreement.** This General Release constitutes the entire agreement between the parties hereto and no representations, warranties or inducements have been made to any party concerning this General Release other than the representations, warranties and covenants contained and memorialized herein.

4. **Notice.** Within ten (10) days of full execution of this General Release, the State shall provide notice thereof and a copy of the executed General Release to the following counsel for Purdue by e-mail and U.S. mail:

Sheila Birnbaum
Mark S. Cheffo
Hayden A. Coleman
DECHERT, LLP
Three Bryant Park
1095 Avenue of the Americas
New York, New York 10036
Tel: (212) 698-3500
Fax: (212) 698-3599
sheila.birnbaum@dechert.com
mark.cheffo@dechert.com
hayden.coleman@dechert.com

Sanford C. Coats, OBA No. 18268
Joshua D. Burns, OBA No. 32967

CROWE & DUNLEVY, P.C.
Braniff Building
324 N. Robinson Ave., Ste. 100
Oklahoma City, OK 73102
Tel: (405) 235-7700
Fax: (405) 272-5269
sandy.coats@crowedunlevy.com
joshua.burns@crowedunlevy.com

IN WITNESS WHEREOF, the parties hereto, through their fully authorized representatives, have executed this Agreement as of the date set forth below.

Dated: _____

BY:

[CLAIMANT OR CLAIMANT'S COUNSEL]