

DISTRIBUTORS FLORIDA STATE-WIDE OPIOID SETTLEMENT AGREEMENT AND SETTLEMENT TERM SHEET

The State of Florida has entered into the Distributors Settlement Agreement pertaining to opioid litigation, dated July 21, 2021 (the “*Global Settlement*”). If the Global Settlement becomes effective, its terms shall govern the settlement between and among the Settling Distributors, the State of Florida, and Florida Participating Subdivisions¹ (collectively, the “*Parties*”).

In consideration for the State of Florida’s severance of the Settling Distributors from *State of Florida v. Purdue Pharma L.P. et al.*, Case No. 2018-CA-001438 (Fla. Cir. Ct. Pasco Cnty.) (the “*Action*”), currently set to commence trial on April 4, 2022, the Parties agree that the following terms (“*Restated Settlement Terms*”) shall govern the settlement between and among the Parties in the event that the Global Settlement does not become effective. The Parties intend the Restated Settlement Terms to parallel the terms of the Global Settlement. These Restated Settlement Terms shall have no effect if the Global Settlement becomes effective.

- I. The following provisions of the Global Settlement shall continue to govern the settlement between and among the Parties:
 - A. All Definitions in Section I except the following: “Additional Restitution Amount,” “Attorney Fee Fund,” “Court,” “Designated State,” “Effective Date,” “Enforcement Committee,” “Global Settlement Amount,” “Global Settlement Attorney Fee Amount,” “Injunctive Relief Terms,” “National Arbitration Panel,” “National Disputes,” and “Participation Tier.”
 1. The following definitions shall apply wherever the following capitalized terms are used in the Global Settlement:
 - a. “*Court*” shall mean the court where the Action is pending, the Circuit Court of the Sixth Judicial Circuit in and for Pasco County, Florida, to which the Agreement and Consent Judgment shall be presented for approval.
 - b. “*Designated State*” shall mean Florida.
 - c. “*Effective Date*” shall mean April 2, 2022.
 - d. “*Participation Tier*” shall mean the level of participation for the State of Florida in the Restated Settlement Terms using the criteria set forth in Exhibit H of the Global Settlement; *provided, however*, that the number of Settling States shall not be one of the criteria in the Participation Tier determination.
 - B. Section IV of the Global Settlement, except as provided below.

¹ Capitalized terms not defined in this Agreement have the same meaning they have in the Global Settlement.

1. For purposes of these Restated Settlement Terms, all States other than Florida shall be deemed Non-Settling States, so that amounts allocated to those Non-Settling States will be deducted from the Settling Distributors' payments as provided in Section IV of the Global Settlement. For the avoidance of doubt, in no event shall the State of Florida and its Participating Subdivisions receive more than \$1,303,588,941.75 in Base and Incentive Payments under these Restated Settlement Terms.
 2. Neither the Settlement Fund Administrator nor any disputing Party or Party affected by a dispute shall be required to give any notice or response to the Enforcement Committee.
 3. Section IV.C.1 shall not apply. The Annual Payment for Payment Year 1 shall be disbursed to the State of Florida and its Participating Subdivisions on the Effective Date or ten (10) calendar days after the entry of the Consent Judgment in the State of Florida, whichever is later.
 4. In Sections IV.F.1.b, J, and K "Enforcement Committee" shall be replaced with "State of Florida."
 5. Section IV.H shall not apply.
- C. Section V of the Global Settlement, except as provided below.
1. The reference in Section V.B.1 to the "maximum amount of payments pursuant to Sections IV, IX, and X" shall be changed to "total payments under Section IV of the Global Settlement plus attorneys' fees and costs as provided in the Restated Settlement Terms."
 2. In Sections V.C.4 and E.3, "Enforcement Committee" shall be replaced with "State of Florida."
- D. Section VI of the Global Settlement, except as provided below.
1. In Section VI.C.2, "Enforcement Committee" shall be changed to "State of Florida."
 2. Sections VI.E and F shall not apply.
 3. Except as provided in Section VI.C, 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, the dispute shall be resolved by the Court (as defined in Section I.A.1.a of these Restated Settlement Terms).
- E. Section VII of the Global Settlement, except that in Section VII.C, "according to Exhibit R" shall be replaced with "according to the Restated Settlement Terms."

- F. Section XI of the Global Settlement, except that all disputes under Section XI.B.4.e shall be heard by the Court, as defined in Section I.A.1.a of these Restated Settlement Terms.
- G. Section XII of the Global Settlement.
- H. Section XIII of the Global Settlement.
- I. Section XIV of the Global Settlement, except as provided below.
 - 1. In Sections XIV.B and V.3, “Enforcement Committee” shall be replaced with “State of Florida.”
 - 2. Section XIV.E shall not apply.
 - 3. In Section XIV.F.3, “New York, on behalf of all Settling States, Participating Subdivisions, and Participating Special Districts” shall be replaced with “The State of Florida, on behalf of itself and its Participating Subdivisions and Participating Special Districts.”
 - 4. In Section XIV.F.3 and F.4, “in the form attached as Exhibit U, Exhibit V, and Exhibit W” shall be replaced with “in a form agreed to by the Settling Distributors.”
 - 5. Notices under Sections XIV.Q shall be provided only to:

Ashley Moody or Successor
Attorney General
Florida State Capitol,
PL-01
Tallahassee, FL 32399-1050
 - 6. Section XIV.U shall not apply.
 - 7. In Section XIV.W, the words “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” shall be deleted.
- J. Exhibits A, C, D, E, F, G, H, I, J, K, L, O, and Q to the Global Settlement.
- K. Exhibit R of the Global Settlement to the extent reflected in Section IV.E herein.
- II. If the Global Settlement does not become effective by July 1, 2022, the Parties will meet and confer about elements of the injunctive relief that can be implemented in the State of Florida on a statewide-only basis. To the extent practicable, these meet and confers will be coordinated with the meet and confers on injunctive relief with the States of New

York, Ohio, and Rhode Island, and the Parties agree that, to the extent practicable, the injunctive relief terms for these four States should be consistent.

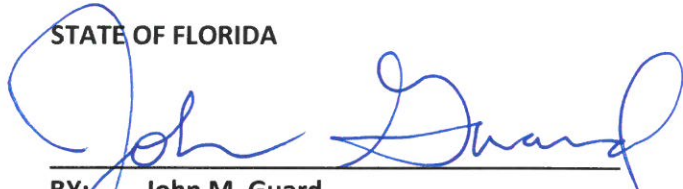
- III. If the Global Settlement does not become effective by July 1, 2022, all releases provided by the State of Florida and Florida Participating Subdivisions shall remain valid, notwithstanding Section VIII of the Global Settlement.
- IV. If the Global Settlement does not become effective by July 1, 2022, the Settling Distributors shall pay the following amounts to the State of Florida and its Participating Subdivisions for attorneys' fees and costs.
 - A. The Settling Distributors shall pay the State of Florida \$33,739,290.91 in full satisfaction of contingency fees incurred by the State of Florida and its outside counsel associated with their representation of the State of Florida. This amount will be paid on the schedule set forth in Exhibit A of these Restated Settlement Terms. The first payment of \$16,236,879.27 shall be paid fifteen (15) calendar days after the Effective Date, and future installments shall be paid on the Payment Dates for Payment Years 2 and 3.
 - B. Fifteen (15) calendar days after the Effective Date, the Settling Distributors shall pay the State of Florida \$3,972,343.37 in attorneys' costs incurred by the State of Florida and its outside counsel associated with their representation of the State of Florida.
 - C. The Settling Distributors shall pay \$36,318,567.97 to compensate attorneys representing the State of Florida's Participating Subdivisions ("Attorneys' Fee Fund"). Payments to the Attorneys' Fee Fund will be made over seven (7) years consistent with the payment schedule set forth in Exhibit A of these Restated Settlement Terms. The first payment of \$3,823,344.12 shall be paid fifteen (15) calendar days after the Effective Date, and future installments shall be paid on the Payment Dates for Payment Years 2 through 7.
 - D. The Settling Distributors shall pay \$8,431,096.13 into a cost fund ("Attorneys' Cost Fund") to be available to compensate attorneys representing the State of Florida's Participating Subdivisions. Payments to the Attorneys' Cost Fund shall be made in three equal installments. The first payment of \$2,810,365.38 shall be paid fifteen (15) calendar days after the Effective Date, and future installments shall be paid on the Payment Dates for Payment Years 2 and 3.
 - E. The Attorneys' Fee Fund and Attorneys' Cost Fund shall be distributed pursuant to an agreement of counsel or distributed pursuant to an order from the United States District Court for the Northern District of Ohio in *In re National Prescription Opiate Litigation*, Case No. 1:17-MD-2804. Attorneys shall not be eligible to receive any award of attorneys' fees or costs unless they meet the eligibility criteria of Sections II.G.3.a—g and II.G.3.i of Exhibit R to the Global Settlement. Exhibit R shall otherwise have no effect under these Restated Settlement Terms.

- F. The Settling Distributors shall not be liable for any attorneys' fees, costs, or expenses other than the amounts paid under this Section.

Authorized and agreed to by:

Dated: 1/31/22

STATE OF FLORIDA



BY: John M. Guard
ITS: Chief Deputy Attorney General,
on the authority delegated to him by
Ashley Moody, Attorney General

Authorized and agreed to by:

Dated: 1/28/22

MCKESSON CORPORATION

By: Sarah C. Brau

Name: Saralisa C. Brau

Title: Corporate Secretary

Authorized and agreed to by:

Dated: January 26, 2022

AMERISOURCEBERGEN CORPORATION

By: *Elizabeth S. Campbell*
Elizabeth S. Campbell (Jan 27, 2022 14:33 EST)

Elizabeth Campbell
Executive Vice President and Chief Legal Officer

Authorized and agreed to by:

Dated: 1/26/2022

CARDINAL HEALTH, INC.

By: _____

Name: Jessica L. Mayer

Title: Chief Legal and Compliance Officer

Exhibit A

Regulatory/Abatement	Payment 1	Payment 2	Payment 3	Payment 4	Payment 5	Payment 6	Payment 7	Payment 8	Payment 9	Payment 10	Payment 11	Payment 12	Payment 13	Payment 14	Payment 15	Payment 16	Payment 17	Payment 18	Total
Base	\$55,682,733.32	\$58,325,683.44	\$58,524,683.44	\$58,723,683.44	\$58,922,683.44	\$59,121,683.44	\$59,320,683.44	\$59,519,683.44	\$59,718,683.44	\$59,917,683.44	\$60,116,683.44	\$60,315,683.44	\$60,514,683.44	\$60,713,683.44	\$60,912,683.44	\$61,111,683.44	\$61,310,683.44	\$61,509,683.44	\$1,303,588,461.75
Item A	\$32,265,959.87	\$33,883,289.25	\$33,883,289.25	\$33,883,289.25	\$33,883,289.25	\$33,883,289.25	\$33,883,289.25	\$33,883,289.25	\$33,883,289.25	\$33,883,289.25	\$33,883,289.25	\$33,883,289.25	\$33,883,289.25	\$33,883,289.25	\$33,883,289.25	\$33,883,289.25	\$33,883,289.25	\$33,883,289.25	\$78,913,575.96
Item B	\$24,442,702.45	\$24,442,702.45	\$24,442,702.45	\$24,442,702.45	\$24,442,702.45	\$24,442,702.45	\$24,442,702.45	\$24,442,702.45	\$24,442,702.45	\$24,442,702.45	\$24,442,702.45	\$24,442,702.45	\$24,442,702.45	\$24,442,702.45	\$24,442,702.45	\$24,442,702.45	\$24,442,702.45	\$24,442,702.45	\$48,885,404.90
Item C	\$8,793,886.42	\$8,793,886.42	\$8,793,886.42	\$8,793,886.42	\$8,793,886.42	\$8,793,886.42	\$8,793,886.42	\$8,793,886.42	\$8,793,886.42	\$8,793,886.42	\$8,793,886.42	\$8,793,886.42	\$8,793,886.42	\$8,793,886.42	\$8,793,886.42	\$8,793,886.42	\$8,793,886.42	\$8,793,886.42	\$17,587,772.84
Item D	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Florida Out-of-State Counsel Fees	\$18,276,879.37	\$18,276,879.37	\$18,276,879.37	\$18,276,879.37	\$18,276,879.37	\$18,276,879.37	\$18,276,879.37	\$18,276,879.37	\$18,276,879.37	\$18,276,879.37	\$18,276,879.37	\$18,276,879.37	\$18,276,879.37	\$18,276,879.37	\$18,276,879.37	\$18,276,879.37	\$18,276,879.37	\$18,276,879.37	\$36,553,758.74
Florida State Crisis	\$3,973,343.37	\$3,973,343.37	\$3,973,343.37	\$3,973,343.37	\$3,973,343.37	\$3,973,343.37	\$3,973,343.37	\$3,973,343.37	\$3,973,343.37	\$3,973,343.37	\$3,973,343.37	\$3,973,343.37	\$3,973,343.37	\$3,973,343.37	\$3,973,343.37	\$3,973,343.37	\$3,973,343.37	\$3,973,343.37	\$7,946,686.74
Contingency Fee Fund	\$3,873,344.12	\$3,873,344.12	\$3,873,344.12	\$3,873,344.12	\$3,873,344.12	\$3,873,344.12	\$3,873,344.12	\$3,873,344.12	\$3,873,344.12	\$3,873,344.12	\$3,873,344.12	\$3,873,344.12	\$3,873,344.12	\$3,873,344.12	\$3,873,344.12	\$3,873,344.12	\$3,873,344.12	\$3,873,344.12	\$7,746,688.24
Litigation Settlement Cost Fund	\$2,810,965.38	\$2,810,965.38	\$2,810,965.38	\$2,810,965.38	\$2,810,965.38	\$2,810,965.38	\$2,810,965.38	\$2,810,965.38	\$2,810,965.38	\$2,810,965.38	\$2,810,965.38	\$2,810,965.38	\$2,810,965.38	\$2,810,965.38	\$2,810,965.38	\$2,810,965.38	\$2,810,965.38	\$2,810,965.38	\$5,621,930.76
Unpaid Payment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
																			\$1,303,588,461.75