

SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into this 10th day of January 2020 among Endo Pharmaceuticals Inc. (“EPI”) and Par Pharmaceutical, Inc. (“PPI”), on the one hand, and the State of Oklahoma (“Oklahoma” or the “State”), acting through its Attorney General (the “Attorney General”), on the other hand. The Agreement is intended by the Parties to fully, finally and forever resolve, discharge, and settle the Released Claims, upon and subject to the terms and conditions hereof.

WHEREAS, absent this Agreement, the State intends to file suit against Endo, alleging among other things, that in or after 1996 Endo, 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; and asserting claims for damages, equitable abatement, civil penalties, and/or other equitable relief; claims for 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; and/or the Oklahoma Public Nuisance statute, 50 Okla. Stat. § 2; as well as common law claims including fraud (actual and constructive) and deceit and/or unjust enrichment (collectively, the “Oklahoma Allegations”);

WHEREAS, Endo denies the Oklahoma Allegations and maintains that it has meritorious defenses;

WHEREAS, the Parties have each investigated the facts and analyzed the relevant legal issues;

WHEREAS, (i) the Parties have now reached this Settlement, which they believe avoids the expense, delay, and uncertainty of litigation and assures that the benefits reflected herein are obtained; and (ii) the State has concluded that the terms of the Settlement are fair, reasonable, and adequate and in the best interest of the people of the State of Oklahoma;

WHEREAS, the Parties 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 Endo, or evidence of the truth, falsity, merit, or lack of merit of any of the Oklahoma Allegations or any defense thereto; and

WHEREAS, arm's-length settlement negotiations have taken place at various times between 2017 and the present between duly-authorized representatives of the Parties;

NOW, THEREFORE, IT IS HEREBY AGREED by and among the Parties, by and through their respective counsel, that all Released Claims shall be finally and fully settled and released as to all Releasees, as set forth below.

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

- (a) "Agreement" or "Settlement" means this Settlement Agreement.
- (b) "Covered Conduct" means any and all acts, failures to act, conduct, statements, omissions, events, transactions, or other activity of any kind whatsoever, whether known or unknown and whether discovered or undiscovered, occurring up to and including the Effective Date arising from or related in any way to (i) the discovery, development, manufacture, marketing, promotion, advertising, recall, withdrawal, distribution, monitoring, supply, sale, prescribing, use, or abuse of any Opioid, or (ii) the characteristics, properties, risks, or benefits of any Opioid.
- (c) "Cure Period" has the meaning specified in Paragraph G.3 below.
- (d) "Effective Date" means the date on which this Agreement is executed by the last Party to do so.

- (e) “Effective Date of the Release” means the date on which Endo Pharmaceuticals Inc. pays the Settlement Amount to the State as specified in Section B(1) of this Agreement.
- (f) “Endo” means EPI; PPI; and each of their current and former corporate parents, direct and indirect subsidiaries, affiliates, agents, predecessors, and successors; and the current and former directors, officers, and employees of any of the foregoing. As used in this paragraph, “affiliates” means entities directly or indirectly controlling, controlled by, or under common control or ownership.
- (g) “EPI” means Endo Pharmaceuticals Inc.
- (h) “Health Care Provider” means any physician, osteopath, surgeon, nurse practitioner, physician assistant, 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.
- (i) “Net Settlement Amount” has the meaning specified in Paragraph B.1 below.
- (j) “Notice Designees” has the meaning specified in Paragraph G.5 below.
- (k) “Opioid” means 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. Notwithstanding the foregoing, for the purposes of Section C of this Agreement only, Opioid shall not include buprenorphine, naloxone, or other substances when used to treat opioid or other substance use disorders, abuse, addiction or overdose.
- (n) “Parties” means EPI, PPI, and Releasers.
- (o) “PPI” means Par Pharmaceutical, Inc.
- (p) “Promote,” “Promoting,” and “Promotion” means the publication or dissemination by Endo to a Third Party of branded or Unbranded information that is intended to directly or indirectly increase the use or sales of Opioids.
- (q) “Releasee(s)” means Endo as defined herein.
- (r) “Released Claims” means any and all claims of any nature that any Releaser could assert 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, and whether directly, representatively, derivatively, or in any other capacity, including any and all 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 from 1996 up to and including the Effective Date. Released Claims include any past, present or future cause of action, claim for relief, theory of liability, demand, request, assessment, charge, damage, debt, lien, loss, judgment, right, obligation, dispute, or grievance of any nature whatsoever, whether filed or unfiled, known or unknown, accrued or unaccrued, foreseen or unforeseen, discovered or undiscovered, suspected or unsuspected, existing, including but not limited to any request for declaratory, injunctive, or equitable relief; compensatory, punitive, or statutory damages; restitution, disgorgement, fines, penalties, abatement, costs, compensation, reimbursement, subrogation, contribution, indemnity, apportionment, attorney fees, expert fees, consultant fees, expenses, or any other legal, equitable, civil, criminal, administrative, or regulatory remedy whatsoever. For the avoidance of doubt, Released Claims include but are not limited to claims under 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; claims alleging any statutory or common law public nuisance, including but not limited to any such claim brought under Oklahoma's public nuisance statute, 50 Okla. Stat. § 2; claims for fraud (actual or constructive), deceit, negligence, criminal acts, conspiracy, and/or unjust enrichment; claims for alleged violations of any federal, state, or local law, regulation, or ordinance concerning controlled substances; claims seeking the abatement of any nuisance or other condition within the State of Oklahoma; claims seeking relief for any sort of harm to the public or public interest; claims brought by or on behalf of any Releasor in a representative capacity; and claims seeking any other relief that any Releasor has or could have sought from any Releasee. For the avoidance of doubt, "Released Claims" includes only claims that are related to or arise in any way out of the Covered Conduct; and does not include claims such as, but not limited to, those related to vaginal mesh or alleged antitrust violations.

- (s) "Releasors" means the State, including its agencies and departments, and the Attorney General.
- (t) "Settlement Amount" has the meaning set forth in Paragraph B.1 below.
- (u) "Settlement Payment" means EPI's payment of the Settlement Amount as provided in this Agreement.
- (v) "Third Party" means any person or entity other than Endo.

- (w) “Unbranded” means any information regarding Opioids that does not identify a specific product or products.

B. Settlement Payment.

1. Payment of Settlement Amount. In full and complete satisfaction of the Released Claims, EPI shall pay to the State the sum of eight million seven hundred fifty thousand dollars (\$8,750,000) (the “Settlement Amount”) via wire transfer pursuant to wiring instructions previously provided to EPI by the State’s outside counsel, Whitten Burrage and Nix Patterson LLP, on the State’s behalf. Such Settlement Payment shall be made by 5 p.m. eastern time on the Execution Date if feasible, and otherwise as soon as possible on the business day following the Execution Date. The State has calculated three hundred ninety thousand dollars (\$390,000) to be the amount allocated specifically to resolve alleged violations of the Oklahoma Medicaid False Claims Act, 63 Okla. Stat. §§ 5053.1–7, and the Oklahoma Medicaid Program Integrity Act, 56 Okla. Stat. §§ 1001–1008, and to handle the aforementioned three hundred ninety thousand dollars (\$390,000) in accordance with the Oklahoma Medicaid False Claims Act, 63 Okla. Stat. §§ 5053.1–7, and the Oklahoma Medicaid Program Integrity Act, 56 Okla. Stat. §§ 1001–1008. Whitten Burrage shall deposit the remainder of the Settlement Amount into the Opioid Lawsuit Settlement Fund maintained within the Oklahoma State Treasury, after deduction for costs and expenses owed to the State’s outside counsel (the “Net Settlement Amount”). The State intends that expenditures from the Net Settlement Amount shall be used only for the abatement of the Opioid crisis pursuant to future appropriation by the Oklahoma Legislature.

2. No Other Payments. Except as provided in Section B(1) above, no Releasee shall have any obligation to make any payments in connection with the Oklahoma Allegations, this Agreement, or any of the Covered Conduct.

3. **Taxes.** Each of the Parties acknowledges, agrees, and understands that it is its intention that, for purposes of Section 162(f) of the Internal Revenue Code, payment of the Settlement Amount constitutes restitution for damage or harm allegedly caused by the potential violation of a law and/or is an amount paid to come into compliance with the law. The Parties acknowledge, agree, and understand that no portion of the Settlement Amount represents reimbursement to the State or other person or entity for the costs of any investigation or litigation, and no portion of the Settlement Amount represents or should properly be characterized as the payment of fines, penalties, or other punitive assessments. The State acknowledges, agrees and understands that Endo may allocate the cost of the Settlement Amount among EPI, PPI, and/or any other Releasee(s) using a reasonable basis. Upon Endo's request, the State agrees to perform such further acts and to execute and to deliver such further documents as may be reasonably necessary for any Releasee to establish the facts set forth in this paragraph, including the allocation of the Settlement Amount among EPI, PPI, and/or any other Releasee(s), to the satisfaction of the Internal Revenue Service or any other governmental authority.

4. **Solvency.** EPI warrants that, as of the date of this Agreement, it is not insolvent, nor will its Settlement Payment render it insolvent within the meaning of and/or for the purposes of the United States Bankruptcy Code. If (i) a case is commenced with respect to EPI under Title 11 of the United States Code (Bankruptcy), or a trustee, receiver or conservator is appointed under any similar law, and (ii) a court of competent jurisdiction enters a final order determining the Settlement Payment to be a preference, voidable transfer, fraudulent transfer or similar transaction, and (iii) pursuant to an order of a court of competent jurisdiction monies paid by EPI pursuant to this Settlement are either not delivered or are returned to EPI or the trustee,

receiver, or conservator appointed by a court in any bankruptcy proceeding with respect to EPI, then the releases given pursuant to this Settlement shall be null and void.

C. Injunctive Terms.

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

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

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

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

4. Notwithstanding the above, in the State of Oklahoma, Endo 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;
- (c) Provide information to a payor, formulary committee, or other similar entity.

5. For the avoidance of doubt, nothing in this Agreement is intended to prevent Endo from engaging in the sale, offer for sale, and distribution of branded and generic Opioids in accordance with applicable laws and regulations.

6. For the avoidance of doubt, nothing in this Agreement shall be construed or used to prohibit Endo 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.

7. Should Endo enter into an agreement with one or more other state attorneys general, or in multi-state litigation with other state attorneys general, that contains broader injunctive terms than set forth above, Endo 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. Endo agrees that all such additional or more restrictive relief shall apply to Endo's conduct within or directed at the State of Oklahoma and any violation of those terms shall be deemed a violation of the Settlement Agreement and will be subject to the dispute resolution procedures set forth in this Agreement.

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

D. Settlement of Claims, General Release, and Covenant Not to Sue.

1. The Parties hereby agree to settle the Released Claims. The State agrees that settlement of the Released Claims on the terms set forth in this Agreement is in the statewide interest. Upon the Effective Date of the Release, Releasers hereby release 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 Released Claim, and shall be permanently barred and enjoined from instituting, reinstating, maintaining, commencing, or prosecuting any Released Claim against any Releasee, and the release as set forth herein shall be given full *res judicata* effect. Releasors shall be deemed to have released all Released Claims against Releasees that are or could have been brought by Releasors, including the State's state and federal statutory and common law claims. It is the intention of the Settling Parties to fully and completely resolve all claims the State could assert against any Releasee with respect to Opioids.

2. It is the intention of the Parties in executing this Settlement to effect a good-faith settlement pursuant to 12 Okla. Stat. § 832(H). The Parties believe and intend that the terms of the Settlement are fair, reasonable, and were entered into voluntarily and in good faith, and the State agrees that settlement on these terms is in the legitimate interest of the State as a whole.

E. No Admission. The State acknowledges and agrees that this Settlement is a compromise of matters involving disputed issues of law and fact. Endo is entering into this Settlement solely for the purpose of settlement, to resolve the Released Claims and thereby avoid significant expense, inconvenience, and uncertainty. Nothing contained herein may be taken as or deemed to be an admission or concession by Endo or any other Releasee of: (i) any violation of any law, regulation, or ordinance; (ii) any fault, liability, or wrongdoing; (iii) the strength or weakness of any claim or defense or allegation made in any other past, present, or future proceeding relating to any Covered Conduct or any Opioid; or (iv) any other matter of fact or law.

F. Termination. This Agreement shall terminate on the date that is seven (7) days after the Execution Date if the Settlement Payment shall not have occurred by such date.

G. Miscellaneous Provisions.

1. Use of Agreement as Evidence. Neither this Agreement, nor any act performed or document executed pursuant to or in furtherance of this Agreement: (i) is or may be deemed to be or may be used as an admission of, or evidence of, any Covered Conduct, or of any wrongdoing or liability of any Releasee; 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 any Releasee in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal. Neither this Agreement, nor any act performed or document executed pursuant to or in furtherance of this Agreement shall be admissible as evidence or otherwise used in any way in any proceeding for any purpose, except to enforce the terms of the Settlement, and except that any Releasee may use this Agreement 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, or to support a claim for contribution and/or indemnification. For avoidance of doubt, any Party may use this Settlement Agreement in a proceeding to enforce its terms.

2. Voluntary Settlement. This Settlement was negotiated in good faith and at arm's-length at various times from 2017 to the present. The Parties agree that the consideration provided for the releases set forth herein is an exchange of reasonably equivalent value.

3. Dispute Resolution. If the State believes Endo is not in compliance with any term of this Settlement, then the State shall (i) provide written notice specifying the reason(s)

why the State believes Endo is not in compliance with the Settlement Agreement; and (ii) allow Endo at least thirty (30) days to attempt to cure such alleged non-compliance (the “Cure Period”). In the event the alleged non-compliance is cured within the Cure Period, Endo shall not have any liability for such alleged non-compliance. The State may not commence a proceeding to enforce compliance with this Settlement Agreement before expiration of the Cure Period. EPI and PPI agree to venue in the District Court in and for Cleveland County, Oklahoma for any proceedings related to this paragraph.

4. Authority to Enter Settlement Agreement. Each signatory to this Agreement on behalf of a Party specifically represents and warrants that he or she is fully authorized to enter into and to execute this Agreement on behalf of such Party. EPI and PPI represent that they have the power and authority to enter into and perform this Agreement, and that the execution and performance of this 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. Each Party specifically represents and warrants that this Settlement Agreement constitutes a legal, valid, and binding obligation of such Party. The State specifically represents and warrants that it has concluded that the terms of this Settlement are fair, reasonable, adequate, and in the public interest, and that it has satisfied all conditions and taken all actions required by law in order to validly enter into this Settlement. The State specifically represents and warrants that, other than the Released Claims released by this Settlement Agreement, it has no interest (financial or otherwise) in any other Released Claim against any Releasee related to the Covered Conduct. In addition, the State specifically represents and warrants that it has not sold, assigned,

or otherwise transferred any Released Claims, or any portion thereof or rights related thereto, to any third party.

5. **Notices.** To be effective, all notices under this Agreement shall be in writing and delivered to the persons specified below (“Notice Designees”) (i) by e-mail and (ii) by either hand delivery or registered or certified mail, return receipt requested, postage pre-paid. Any Party may change its Notice Designee(s) by giving written notice to all other Parties as provided in this paragraph.

(a) Notices to the State shall be delivered to:

OKLAHOMA OFFICE OF THE ATTORNEY GENERAL
Mike Hunter
313 NE 21st Street
Oklahoma City, OK 73105
mike.hunter@oag.ok.gov

OKLAHOMA OFFICE OF THE ATTORNEY GENERAL
Abby Dillsaver
313 NE 21st Street
Oklahoma City, OK 73105
abby.dillsaver@oag.ok.gov

Michael Burrage
WHITTEN BURRAGE
512 N. Broadway, Suite 300
Oklahoma City, Oklahoma 73102
mburrage@whittenburrage.com

and

Bradley Beckworth
NIX PATTERSON, LLP
512 N. Broadway, Suite 200
Oklahoma City, OK 73102
bbeckworth@nixlaw.com

(b) Notices to Endo shall be delivered to:

Jonathan L. Stern
Arnold & Porter Kaye Scholer LLP
601 Massachusetts Ave., NW
Washington, D.C. 20001-3743
jonathan.stern@arnoldporter.com

Andrew K. Solow
Arnold & Porter Kaye Scholer LLP
250 West 55th Street
New York, NY 10019-9710
andrew.solow@arnoldporter.com

and

Matthew J. Maletta
Executive Vice President and Chief Legal Officer
Endo
1400 Atwater Drive
Malvern, PA 19355
maletta.matthew@endo.com

6. Public Statements. No press releases or other public statements concerning the Settlement shall be made unless and until the execution of this agreement. Any press releases or other public statements concerning this Settlement will describe it positively, and no Party will disparage any other Party in connection with this Settlement.

7. Severability; Reinstatement. In the event any one or more provisions of this Settlement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Settlement; *provided, however*, that if the State is required by final order of a court of competent jurisdiction to return the Settlement Payment for any reason, this Agreement, including the releases set forth herein, shall be *void ab initio* and all rights and remedies of the Parties as they existed immediately prior to the Effective Date shall be reinstated in full.

8. Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the parties hereto.

9. Choice of Law. Any dispute arising from or in connection with the completion and execution of the Settlement Agreement shall be governed by Oklahoma law without regard to its choice of law provisions and the Parties agree to venue in the District Court in and for Cleveland County, Oklahoma.

10. Headings; 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.

11. 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.

12. 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.

13. 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. An executed signature page of this Settlement delivered in pdf format via email shall be as effective as an original executed signature page.

EXECUTION VERSION

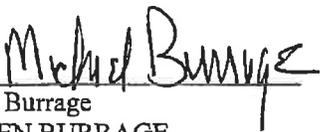
14. **Integrated Agreement.** This Agreement constitutes the entire agreement between the Parties and no representations, warranties or inducements have been made to any Party concerning this Agreement other than the representations, warranties and covenants contained and memorialized herein.

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

ATTORNEY GENERAL ON BEHALF OF THE STATE OF OKLAHOMA

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

DATE: 1/10/2020

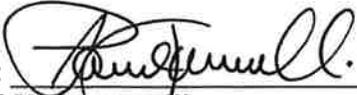
BY: 
Michael Burrage
WHITTEN BURRAGE
512 N. Broadway, Suite 300
Oklahoma City, Oklahoma 73102
Counsel for Plaintiff State of Oklahoma

DATE: 1/10/20

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

DATE: 1/10/2020

ENDO PHARMACEUTICALS INC.

BY: 
Paul V. Campanelli
President and Chief Executive Officer

DATE: 1/10/20

PAR PHARMACEUTICAL, INC.

BY: 
Paul V. Campanelli
Chief Executive Officer

DATE: 1/10/20