

EXECUTION VERSION

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (and as further defined in Section B.1 below, the “Agreement”) is made and entered into among (a) Centene Corporation (“Centene”) and each of its current and former subsidiaries (collectively, and as further defined in Section B.2 below, the “Centene Entities”), (b) the State of California, acting through the Office of the Attorney General (“Attorney General”), (c) California Department of Insurance (“CDI”), (d) California Department Of Health Care Services (“DHCS”), (e) California Department of Managed Health Care (“DMHC”), and (f) California Health Benefit Exchange d/b/a Covered California (“Covered California”) ((b) through (f) collectively, and as further defined in Section B.11, shall be referred to as the “State”); and (g) Matthew McDonald (“Relator”). The State and Relator are collectively referred to herein as the “State Parties.” In this agreement, the Centene Entities, the State, and Relator are each individually referred to as a “Party” and collectively referred to herein as the “Parties”. This Agreement is intended by the Parties to fully, finally and forever resolve, discharge and settle all potential claims arising from or in any way related to the Covered Conduct of the Centene Entities in California as defined in Section B.3 herein (the “Settlement”).

PREAMBLE

WHEREAS, the California Department of Justice has been reviewing the California operations of the Centene Entities and their pharmacy benefit manager, Envolve Pharmacy Solutions, Inc.;

WHEREAS, on or about April 14, 2022 Relator filed a *qui tam* action in San Diego County Superior Court captioned *The State of California ex rel. Matthew C. McDonald v. Centene Corporation; California Health & Wellness Plan; Centene Management Company; Health Net of California Inc.; Envolve Pharmacy Solutions, Inc.; and Does 1-10, inclusive*, Civil Action 37-

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2022-00015605-CU-FR-CTL, pursuant to the provisions of the California False Claims Act, Cal. Gov't Code §§ 12650 *et seq.*, (the "Civil Action");

WHEREAS, the Centene Entities expressly deny liability, any wrongdoing, and/or any violation of any federal or state statute or regulation or common law;

WHEREAS, the Centene Entities recognize the importance of providing high quality and cost-effective pharmacy benefit services to the State and the State's need for transparency around the costs associated with those services;

WHEREAS, while the State does not dispute that the Centene Entities have provided pharmacy benefit services to the State and may be qualified to continue to provide such services to the State and California-based members and customers, the State requires full transparency from the Centene Entities around the costs and fees associated with those services paid for by the State;

WHEREAS, the Parties have reviewed the facts and have analyzed the relevant legal issues raised during the State's review;

WHEREAS, the Parties have each considered the costs and delays associated with any continued review and issues raised by the review, and have reached an agreement to resolve any and all claims, filed, unfiled, or which could be filed, arising from or in any way relating to Covered Conduct as defined below;

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 California;

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 or defense, an admission, evidence of any violation of any statute or law or the merits of any purported defense,

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evidence of any liability or wrongdoing by one or more Centene Entities or Releasees, or evidence of the truth of any of the claims, defenses, contentions, or allegations made during the Civil Action and/or the State's review; and

WHEREAS, arms-length settlement negotiations have taken place between the Parties and the Parties desire to resolve this matter by entering into the Agreement.

AGREEMENT

NOW, THEREFORE, IT IS HEREBY AGREED by and among the State, Relator, and the Centene Entities, by and through their respective counsel, that the Recitals described above are hereby incorporated into this Agreement, and there is a Settlement between the State, Relator, and the Centene Entities as further set forth below.

- A. The foregoing Preamble is incorporated herein.
- B. **Definitions.** As used in this Agreement, the following capitalized terms have the meanings specified below.

1. "Agreement" means this Settlement Agreement and Release, together with any exhibits attached hereto.
2. "Centene Entities" means Centene Corporation and each of its past and present subsidiary and affiliated United States and foreign corporations, companies, or limited liability entities, including but not limited to California Health & Wellness, Inc., Health Net of California, Inc., Health Net Community Solutions, Inc., Health Net Life Insurance Company, WellCare Prescription Insurance, Inc., WellCare of California, Inc., Centene Management Company, Envolve Pharmacy Solutions, Inc., and WellCare Health Plans, Inc. (including each of its past and present affiliates). As used in this paragraph, "subsidiary," "affiliates" and "affiliated" include entities directly or indirectly controlling, controlled by or under common control or ownership by and/or with any of the Centene Entities.
3. "Covered Conduct" means any and all acts, conduct, omissions, events or transactions, whether known or unknown and whether discovered or undiscovered, during the period from January 1, 2016 up to and including the Effective Date, relating to the operation or delivery of, or payment for, all pharmacy benefits or pharmacy services by any of the Centene Entities

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as part of, or in connection with, the provision of Health Care Coverage, including but not limited to: (i) the payment or reimbursement to or from any state departments, divisions, agencies, bureaus, plans, and programs for such pharmacy benefits or services, including but not limited to, involving any alleged mis-allocation or non-allocation of payments for such pharmacy benefits or services; (ii) the adjudication of such pharmacy benefit claims by any of the Centene Entities; and (iii) the reporting (directly or indirectly) by any of the Centene Entities to any state department or division, agency, bureau, plan, or program. For avoidance of doubt, Covered Conduct does not include ongoing compliance with statutory requirements after the Effective Date including, but not limited to, submission of filings and issuance of rebates as required by state or federal law that originally come due after the Effective Date.

4. "Effective Date" means the date upon which all of the following have occurred: (i) the Centene Entities have executed this Agreement; (ii) the State has executed this Agreement with the requisite authority under State law necessary to bind the State; and (iii) Relator has executed this Agreement.
5. "Health Care Coverage" means the offering or provision of health insurance or coverage of health care services in the State by any Releasee, including but not limited to coverage provided as part of California's Medicaid/CHIP managed care program ("Medi-Cal"), Medicare Advantage, or policies offered or sold for individual and family plans ("IFP"), student health, small group, or large group plans, through Covered California or directly through the Centene Entities.
6. "Parties" has the meaning ascribed to it in the opening paragraph.
7. "Releasee(s)" means: (i) the Centene Entities; and (ii) each of the Centene Entities' respective past, present, and future officers, board members, directors, principals, agents, servants, employees, 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. Specifically excluded from this definition are any third-parties not related to or affiliated with the Centene Entities, including all manufacturers, distributors, or sellers of pharmaceutical products or pharmacy benefit services, as well as any non-affiliated subcontractors. (The intent of this provision is to ensure that entities unaffiliated with the Centene Entities and other Releasees are not released, even though they may have participated in the provision of pharmacy services to the health plans

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of the State pursuant to a contractual relationship with one or more of the Releasees.) Furthermore, this release shall not in any way prevent Centene Entities from seeking indemnification against its insurers.

8. "Released Claims" means any and all claims of any nature, including the State's state and federal statutory and common law claims, in law or equity, that could have been brought by any of the Releasors against any of the Releasees related to or arising out of the Covered Conduct, both known or unknown, including but not limited to claims that might otherwise have been brought by Releasors for violations of the California False Claims Act, Cal. Gov't Code §§ 12650 *et seq.*, violations of California's Unfair Competition Law, Cal. Bus. & Prof. Code § 17200 *et seq.*, and/or any negligence, public nuisance, conspiracy, or any other tort claims related to or arising out of the Covered Conduct. Notwithstanding any provision of this Agreement to the contrary, the following claims are specifically reserved and not released by the Releasors: (i) any criminal liability; (ii) any liability to the State for any conduct other than the Covered Conduct; (iii) any liability based upon the obligations created by this Agreement; (iv) any liability for failure to deliver goods or services due; (v) any liability for personal injury arising from the Covered Conduct; (vi) any civil or administrative liability that any person or entity, including any of the Centene entities, has or may have to individual consumers including, but not limited to, claims involving unlawful or illegal conduct based on state or federal antitrust violations or consumer protection violations, with the specific exception that Releasors are releasing any claims they might bring on behalf of individuals related to or arising out of the Covered Conduct, both known and unknown, pursuant to its *parens patriae* powers, to the extent such claims may exist; (vii) any claim based on enhanced payments described in 42 U.S.C. § 1396a(a)(13)(C) and (ii) and 42 U.S.C. § 1396u-2(f) that the Centene Entities were required to make to physicians for qualifying services rendered to California members; and (viii) any claim based on the contract between DHCS and Magellan Medicaid Administration, Inc., a subsidiary of Magellan Health Inc. for the provision of pharmacy benefit administration services (the "Medi-Cal Rx Contract") or any liability arising out of or related to the conduct, acts, omissions or otherwise of Magellan Health or any of its subsidiaries or affiliates; and (ix) claims brought by the DMHC against a health plan licensed under the Knox-Keene Health Care Service Plan Act of 1975 ("Knox Keene Act") or its implementing regulations exclusively for the health plan's failure to cover or reimburse California enrollees' claims for covered pharmacy services ("Enrollee Pharmacy Coverage Claims"), provided however that any liability for such claims, to the extent they are related to the Covered Conduct, shall in no event include any potential state statutory or civil penalties, liability, damages, or other financial remedies for such violations. For avoidance of doubt, in the context of an asserted or potential Enrollee Pharmacy Claim, the DMHC reserves the right to require a Centene Entity to (a) remediate any continuing statutory non-compliance,

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(b) reimburse for any coverage determined to be owed to (i) the individual enrollee(s) included in a Enrollee Pharmacy Coverage Claim and/or (ii) any similarly-situated enrollees impacted by a systemic policy or practice by a Centene Entity, and/or (c) cease and desist any systemic policies or practices in effect that would otherwise result in an Enrollee Pharmacy Coverage Claim. Nothing in this definition of Released Claims or in this Settlement is intended to resolve, settle or otherwise preclude any review of the Centene Entities by a state regulatory agency for activity not part of the Covered Conduct. Notwithstanding the above, the Centene Entities and State understand that if the federal government for whatever reason excludes any of the Centene Entities from participation in Medi-Cal, the State cannot contract with such excluded entity.

9. "Releasers" means the State and the Attorney General as defined in Section B.11.
10. "Settlement Amount" means the aggregate total of the installment payments to be made as set forth in Section C. of this Agreement.
11. "State" means the State of California, including but not limited to DHCS, DMHC, CDI, Covered California, the Attorney General on behalf of the State of California and, to the fullest extent permitted by the authority vested in him by the constitution and laws of the State of California to release the Released Claims, all other state departments, divisions, agencies, bureaus, plans, programs and/or political subdivisions of the State of California which the Attorney General possesses authority to bind, and (i) for which any of the Centene Entities provided any pharmacy benefit or service related to the Covered Conduct, (ii) which paid or reimbursed any of the Centene Entities for providing any pharmacy benefit or service related to the Covered Conduct, or (iii) which have jurisdiction over any pharmacy benefit or service provided by any of the Centene Entities related to the Covered Conduct, or (iv) which could have claims related to the Covered Conduct against any of the Centene Entities.

C. Settlement Amount and Other Obligations of the Parties.

1. Each Party will be responsible for its own costs, expenses, and attorneys' fees.
2. Following the Effective Date at the times and manner set forth below, the Centene Entities shall cause payments in the total aggregate amount of Two Hundred Fifteen Million, Three Hundred Ninety Two Thousand, Seven Hundred Fifty Eight Dollars and Seventeen Cents (\$215,392,758.17) ("Settlement Amount") to be made to the State. The Settlement Amount shall be paid in two equal installments. The installments shall be paid by wire transfer in the manner to

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be directed in writing by the Attorney General pursuant to the Notice provisions of this Agreement. The first installment shall be paid within forty-five (45) days of the Effective Date and the second installment shall be paid no later than one year following the first installment. In no event shall the aggregate total of the amounts paid pursuant to this paragraph exceed the Settlement Amount. The Centene Entities' obligation to pay each installment of the Settlement Amount shall be fully satisfied and extinguished upon completion of the wire transfer deposit of such installment into the State account as directed by the Attorney General. The Centene Entities shall have no obligation with respect to any allocation or distribution of the Settlement Amount among Releasors or their counsel.

3. It is expressly agreed by the Parties that the Settlement Amount to be paid pursuant to this Agreement fully and completely satisfies any repayment or reimbursement obligation (including any amount that may need to be paid to the federal government) of any Releasees that arise from or relate in any way to the Covered Conduct and the Released Claims that are being released pursuant to this Settlement.

4. The Centene Entities agree to assist the State in calculating the appropriate allocation of the Settlement Amount should the federal government assert a claim against the Settlement Amount.

5. The Centene Entities further acknowledge an obligation to comply with the applicable requirements of California's laws when engaging in the operation or delivery of, or receiving payment for, any pharmacy benefit or service in or affecting California, and agree that they will do so in the future with respect to any pharmacy benefit operations they conduct in California, or reports they make concerning such operations to the State or any other Releasors. Pharmacy benefits and services shall continue to be delivered in the normal course of business

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pursuant to the terms of any contracts existing between the Parties as of the Effective Date. The Centene Entities have previously adopted certain business practices and agree to continue such business practices providing full transparency related to the adjudication and payment of all pharmacy benefit claims, including the provision of such information as is required to permit the State to discern, on a claims level, the exact amount paid to the pharmacy for each pharmaceutical claim.

6. For the avoidance of doubt, nothing in this Agreement shall be construed or used to prohibit the Centene Entities, or any of them, 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. Other than as set forth in this Settlement and Release which shall be binding upon the Parties as of the Effective Date, the contracts currently existing between the Parties shall remain in full force and effect.

8. The Centene Entities agree that they shall not seek reimbursement for any portion of the Settlement Amount from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third party payors based upon the claims defined as the Covered Conduct.

9. **THIS PARAGRAPH CONTAINS AN INDEMNITY AND HAS BEEN READ CAREFULLY BY RELATOR.** Relator expressly INDEMNIFIES and holds the Centene Entities harmless from and against any further claims by persons or entities who have represented Relator in connection with the claims released herein for any portion of the Settlement Amount.

D. Settlement of Claims and General Release. The Parties hereby agree to settle the Released Claims. The State contends that the review was initiated to protect the legitimate interest

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of the State and other Releasors, and the State and other Releasors agree that settlement on these terms is in the statewide interest. The Centene Entities maintain they have operated in California in compliance with all applicable laws and regulations and that the Centene Entities provided the highest quality healthcare and added value to the State's health care programs, but also agree that settlement on these terms is in all Parties' 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 of the Releasees with respect to any such Released Claim, and shall be permanently barred and enjoined from instituting, reinstating, maintaining, commencing, or prosecuting any such Released Claim against any of the Releasees, including any administrative action related to the Released Claims, including mandatory or permissive exclusions from the State's Medicaid Program related to the Released Claims, and the releases as set forth herein shall be given full *res judicata* effect. Releasors shall be deemed to have released all Released Claims arising out of the Covered Conduct, including, to the fullest extent of the Releasors' power to do so, all claims of any and all state departments, divisions, agencies, bureaus, plans, or programs of the State 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 Released Claims against the Releasees that are or could have been brought by Releasors for the Covered Conduct, including the State's statutory, regulatory, and/or common law claims, in law or equity, and by any other person acting or purporting to act in *parens patriae*, sovereign, quasi-sovereign, private attorney general, qui tam, or taxpayer claims. In the event any state department, divisions, agencies, bureaus, plans, or programs of the State institute, commence, or prosecute claims of any nature arising out of the Covered Conduct, including state and federal

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statutory and common law claims, in law or equity, including any administrative claims, related to or arising out of the Covered Conduct, the Attorney General will refrain from taking any action adverse to this Agreement and will undertake all efforts to ensure enforcement of this Agreement to the fullest extent of the Attorney General's authority to do so.

E. Waiver and Discharge of State. In consideration of the obligations of the State set forth in this Agreement, the Centene Entities waive and discharge the State from any causes of action (including attorneys' fees, costs, and expenses of every kind and however denominated) which the Centene Entities have asserted, could have asserted, or may assert in the future against the State arising from the State's investigation and prosecution of the Covered Conduct;

F. Relator Release. Contingent upon the Centene Entities' payment of the first installment to the Attorney General, Relator for himself and his heirs, successors, attorneys, agents, and assigns, hereby releases the Releasees from any and all manner of claims, proceedings, liens, and causes of action of any kind or description that Relator has or may have against the Releasees for the Covered Conduct, and shall have covenanted not to sue any Releasee relating to the Covered Conduct within the scope of this Agreement, as well as any claim Relator has or may have for reasonable expenses, costs, and attorney's fees under California Government Code section 12650 *et seq.*, and that it will not seek any additional amounts under California Government Code section 12650 *et seq.* from either the Centene Entities or the State.

G. Centene Release To Relator. In consideration of the execution of this Agreement by Relator and the Relator's release as set forth in Section F above, the Centene Entities, including its subsidiaries, predecessors, and corporate successors and assigns, as well as all of its current and former officers, directors, employees, attorneys, and other agents, release Relator and his heirs, successors, attorneys, agents, and assigns, from any and all manner of claims, proceedings, liens,

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and causes of action of any kind or description that the Centene Entities have against Relator related to or arising from the Civil Action.

H. Good Faith Settlement. To the extent necessary under applicable law to extinguish claims for contribution and/or indemnity against any Releasees for the Released Claims due to a contribution or indemnity claim by a third-party based on the Covered Conduct, the Releasers further agree: (i) to obtain a determination from a court of competent jurisdiction that this Settlement is a good faith settlement; and/or (ii) reduce any judgment Releasers might recover against any person or entity other than any Releasee by release and discharge in an amount, fraction, portion, or percentage necessary under applicable law to bar, eliminate, or satisfy claims against the Releasees for contribution and/or indemnity to the fullest extent permitted by applicable law that arise from, or in any way relate to the Covered Conduct released herein.

I. Dismissal. The State and the Relator agree to file a stipulation and order of dismissal of the Civil Action within five (5) days of the Effective Date. The stipulation and order of dismissal will request dismissal of the Civil Action with prejudice.

J. Enforcement of the Agreement. Any Party may bring an action in California State Court in accordance with Section M.3. to enforce the terms of the Agreement (or for a declaratory order construing any term contained in the Agreement) with respect to disputes, alleged violations, or alleged breaches. It is within the court's discretion to enter either a declaratory or enforcement order and such order is subject to appellate review.

K. No Admission of Liability. The Parties intend the Settlement as described herein to be a final and complete resolution of all disputes between them that relate to the Covered Conduct, and it shall not be deemed an admission by any of the Settling Parties as to the merits of any claim or defense or any allegation made, or which could have been made, related to the review.

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The Centene Entities each deny any wrongdoing and any civil or criminal liability with respect to any review or inquiry by any Releasor.

L. No Other Actions. The State represents and warrants that, at the time of the execution of this Agreement, the State is not aware of any filed, anticipated, or proposed qui tam or other actions against the Centene Entities alleging a violation of California law related in any way to the Covered Conduct other than the Civil Action.

M. 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, 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 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 Agreement was negotiated in good faith and at arm's-length and the exchange of the Settlement Amount for the release set forth herein is an exchange of reasonably equivalent value.

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3. **Resolution of Disputes.** Any disputes between or among the Centene Entities and the State Parties (or their counsel) concerning matters regarding the Agreement shall, if they cannot be resolved by negotiation and agreement in the first instance, be referred to the California State Courts for resolution. Prior to any referral to the Courts, any dispute must first be raised in a written notice that meets the requirements of Section M.5 below. Within 30 days of the written notice, the Parties must begin engaging in good faith negotiations. Within 30 days of the written notice, during any subsequent period of good faith negotiations, any applicable limitation period related to the dispute shall be tolled. In the event good faith negotiations do not begin within 30 days of the written notice, either Party may refer the matter to the California State Courts for resolution. No filing with the Courts can occur prior to at least 30 days after delivery written notice as specified in this Paragraph.

4. **Authorization to Enter Agreement.** The undersigned representatives of the Centene Entities represent and warrant that they are fully authorized to enter into and to execute this Agreement on behalf of Centene Corporation and each of its subsidiaries and affiliates. The Centene Entities have the power and authority to enter into and perform this Agreement, and the execution and performance of this Agreement has been duly authorized by all requisite corporate or other legal action. The Attorney General, on behalf of the State, represents and warrants that he is expressly authorized by the State, pursuant to his Authority as Attorney General and to the fullest extent permitted by the authority vested in him by the constitution and laws of the State of California, 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 binding upon the State. DHCS, DMHC, CDI, and Covered California each represent and warrant that it is expressly authorized to take all action required or permitted to be taken pursuant to this Agreement to effectuate its terms

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and to enter into and execute this Agreement binding upon each of them as Releasors. Relator represents and warrants 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 binding upon the Relator.

5. **Notices.** All notices to counsel under this Agreement shall be in writing. Each such notice shall be given by (i) e-mail and (ii) 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. In the event counsel for the Centene Entities changes, the Centene Entities will provide prompt notice to the Attorney General of the contact information of new counsel to whom notices under this Agreement should be sent.

6. **Tax.** All amounts paid (or actions taken) by Centene pursuant to this agreement are for restitution or to come into compliance with the law within the meaning of those terms under 26 U.S.C. section 162(f) and Treas. Reg. § 1.162-21. No portion of any amount paid under this agreement constitutes a fine, penalty, punitive damages, disgorgement of profits beyond restitution, or an amount paid in settlement of any claim for any of the foregoing.

7. **Binding Agreement.** This Agreement shall constitute a final resolution upon the Effective Date. This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties.

8. **Default.** The Centene Entities shall be in Default of this Agreement if the Centene Entities fail to make the required payments set forth in Section C.2 on or before the due date for such payment ("Default"). The Attorney General will provide a written Notice of Default to the Centene Entities of any Default. The Centene Entities agree that interest at the rate of 12% per annum will begin to accrue on any unpaid balance of the Settlement Amount from the date of the

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Notice of Default until the Default is cured. The Centene Entities shall then have an opportunity to cure the Default within thirty (30) calendar days from the date of receipt of the Notice of Default by making the payment due and paying the additional interest accruing up to the date of payment. If the Centene Entities fail to cure the Default within thirty (30) calendar days of receiving the Notice of Default ("Uncured Default"), interest on the remaining unpaid balance shall thereafter accrue at the rate of 12% per annum, compounded daily from the date of Notice of Default, on the remaining unpaid balance (principal and interest balance). The Centene Entities also agree that the State, at its sole discretion, may (i) take any action to enforce this Agreement in a new action; and/or (ii) exercise any other right granted by law, or under the terms of this Agreement, or recognizable at common law or in equity. The State shall be entitled to any other rights granted by law or in equity by reason of Default, including, but not limited to, reasonable attorneys' fees and expenses incurred in such an action.

9. **Bankruptcy Event.** Centene Corporation has reviewed its financial situation and believes that it is solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I) and believes that it will remain solvent following full payment to the State of the Settlement Amount. In evaluating whether to execute this Agreement, the Parties (i) intend that the mutual promises, covenants, and obligations set forth herein constitute a contemporaneous exchange for new value given to Centene Corporation, within the meaning of 11 U.S.C. §547(c)(1), and (ii) conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange. The mutual promises, covenants, and obligations set forth herein are intended by the Parties to, and do, in fact, constitute a reasonably equivalent exchange of value. The Parties do not intend to hinder, delay, or defraud any entity to which Centene Corporation was or became indebted to on or after the date of transfer of the first installment

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contemplated in this Agreement, within the meaning of 11 U.S.C. § 548(a)(1). In the event a Bankruptcy Event occurs within 91 days of the tender and negotiation of the first installment of the Settlement Amount as set forth in Paragraph C.2 this Agreement shall not constitute a contract or novation. If, a Bankruptcy Event occurs within 91 days of the payment of the first installment of the Settlement Amount as set forth in Paragraph C.2, the State may, upon written notice to Centene Corporation, rescind this Agreement and bring any civil and/or administrative claim, action, or proceeding against the Centene Entities for the claims that would otherwise be covered by this Agreement; *provided, however*, that such rescission shall only become effective upon (x) the exercise of a trustee's avoidance powers under the Bankruptcy Code or such other order of avoidance is issued by a receiver, trustee, custodian or a court of law; and (y) the full surrender to the trustee or Centene Entities, whichever is applicable, by the State the first installment payment paid by the Centene Entities to the State under this Agreement. In such circumstance, the Parties reserve all rights and the Parties agree that the Agreement shall not be used by any Party for any purpose including, but not limited to, limiting the extent of the Centene Entities' liability to the State Parties, the Centene Entities' ability to defend against any and all claims or actions, or the State Parties right to assert any and all claims against the Centene Entities.

10. **Confidentiality.** The terms of the Agreement will remain confidential until such time as the Effective Date. Nothing herein prevents the Parties from disclosing the terms of the Settlement to those necessary in connection with normal business reporting practices and to obtain the necessary authority to execute the Agreement.

11. **Choice of Law.** Any dispute arising from or in connection with the completion and execution of the Agreement shall be governed by California law without regard to its choice of law provisions.

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12. **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. Further, where the context so requires, terms used in the singular in this Agreement shall be deemed to include the plural and vice versa.

13. **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.

14. **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.

15. **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 have the same force as a fully executed original Agreement. The Parties agree that this Agreement and any other documents to be delivered in connection herewith may be electronically signed, and any electronic signatures appearing on this Agreement or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

16. **Integrated Agreement.** This Agreement constitutes the entire agreement between the Parties and no representations, warranties or inducements have been made to any Party

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concerning this Agreement other than the representations, warranties and covenants contained and memorialized herein.

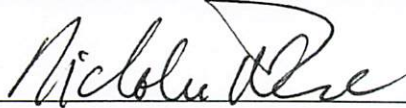
[SIGNATURE PAGE(S) TO FOLLOW]

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IN WITNESS WHEREOF, the State of California, including but not limited to, the California Department of Health Care Services, the California Department of Managed Health Care, the California Department of Insurance, the California Health Benefit Exchange d/b/a Covered California, and all Releasors, has executed this Agreement as of the date indicated below.

STATE OF CALIFORNIA

CALIFORNIA DEPARTMENT OF JUSTICE

By: 

Date: 02/03/2023

Nicholas Paul

Name

Senior Assistant Attorney General

Title

Office of the Attorney General
1615 Murray Canyon Road, Suite 700
San Diego, CA 92108

CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES

By: 

Date: 02/03/2023

Michelle Baass

Name

Director

Title

California Department of Health Care Services
Office of Legal Services
1501 Capitol Avenue
Sacramento, CA 95814

EXECUTION VERSION

CALIFORNIA DEPARTMENT OF INSURANCE

By: 

Date: 1/17/2023

Kenneth B. Schnoll

Name

General Counsel & Deputy Commissioner

Title

California Department of Insurance
Agent for Service of Process
Government Law Bureau
300 Capitol Mall, Suite 1700
Sacramento, CA 95814

CALIFORNIA DEPARTMENT OF MANAGED HEALTH CARE

By: _____

Date: _____

Sarah Ream

Name

Chief Counsel

Title

Department of Managed Health Care
980 9th Street, Suite 500
Sacramento, CA 95814

EXECUTION VERSION

CALIFORNIA DEPARTMENT OF INSURANCE

By: _____

Date: _____

Kenneth B. Schnoll

Name

General Counsel & Deputy Commissioner

Title

California Department of Insurance
Agent for Service of Process
Government Law Bureau
300 Capitol Mall, Suite 1700
Sacramento, CA 95814

CALIFORNIA DEPARTMENT OF MANAGED HEALTH CARE

By: Sarah Ream _____

Date: January 31, 2023

Sarah Ream

Name

Chief Counsel

Title

Department of Managed Health Care
980 9th Street, Suite 500
Sacramento, CA 95814

EXECUTION VERSION

CALIFORNIA HEALTH BENEFIT EXCHANGE D/B/A COVERED CALIFORNIA

By: Jessica K. Altman

Date: 01/20/2023

Jessica Altman

Name

Executive Director

Title

Office of Legal Affairs
Covered California
1601 Exposition Blvd.
Sacramento, CA 95815

EXECUTION VERSION

IN WITNESS WHEREOF, the Relator and counsel for the Relator have executed this Agreement as of the date indicated below.

RELATOR

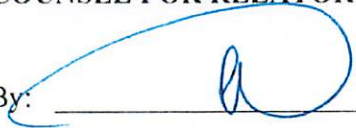
By: Matthew C. McDonald

Date: 1/17/23

Matthew C. McDonald

Name

COUNSEL FOR RELATOR

By: 

Date: 1/17/2023

William Liston, III

Name

LISTON & DEAS PLLC
605 Crescent Blvd., Suite 200
Ridgeland, MS 39157

EXECUTION VERSION

IN WITNESS WHEREOF, the Centene Entities have executed this Settlement Agreement and Release as of the date indicated below.

CENTENE CORPORATION, on behalf of itself and each of its current and former subsidiaries, including but not limited to, California Health & Wellness, Inc., Health Net of California, Inc., Health Net Community Solutions, Inc., Health Net Life Insurance Company, WellCare Prescription Insurance, Inc., WellCare of California, Inc., Centene Management Company, Envolve Pharmacy Solutions, Inc., and WellCare Health Plans, Inc.

By: Chris Koster Date: 2/7/2023

Printed Name: Chris Koster

Title: General Counsel

Christopher A. Koster
Executive Vice President, Secretary and General Counsel
Centene Corporation
7700 Forsyth
St. Louis, Missouri 63105
T: (314) 320-2661
Christopher.A.Koster@centene.com

with a copy to:

Andrea Kerstein
Alyssa Gregory
Locke Lord LLP
111 South Wacker Drive
Chicago, Illinois 60606
T: (312) 443-0694

Andrea.VerneyKerstein@lockelord.com
Alyssa.Gregory@lockelord.com