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VIA EMAIL

Renuka R. George, Esq.
Senior Assistant Attorney General
Healthcare Rights and Access, California Department of Justice
Office of Attorney General Rob Bonta
1300 I Street
Sacramento, CA 95814
Email: renuka.george@doj.ca.gov

Re: CVS Opioids Settlement Agreement

Dear Ms. George:

This letter summarizes the agreement reached between CVS and the State of California regarding the multistate CVS Settlement Agreement dated December 9, 2022 regarding opioid claims by states and subdivisions (the "Multistate CVS Settlement Agreement").

CVS Health Corporation and CVS Pharmacy, Inc., and all of their past and present direct and indirect parents and subsidiaries ("CVS"), and the State of California, by and through its Attorney General Rob Bonta, have agreed to the following modifications to the Multistate CVS Settlement Agreement in its application to California. For the avoidance of doubt, the limited modifications set forth below apply only to California and to no other state or territory.

Incentives B and C with 99% C Participation

- At 99 percent participation for both Incentive B and C, Incentive B is to be treated as 100 percent for California, while Incentive C remains at 99. Under this scenario, California would earn 92.6 percent of its maximum remediation share through base payments and Incentive B and Incentive C earnings. This percentage is subject to increases if Incentive D payments are earned.
- At 98 percent participation for Incentive B but 99 percent for Incentive C, Incentive B is to be treated as 99 percent for California, while Incentive C remains the same. Under this scenario, California would earn 91.2 percent of its maximum remediation share through base payments and Incentive B and Incentive C earnings. This percentage is subject to increases if Incentive D payments are earned.
- There are no other changes to Incentives B and/or C in the event of 99% participation for Incentive C.

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Incentives B and C with 98% C Participation

- At 98 percent participation for both Incentives B and C, Incentive B is to be treated as 99 percent for California. Under this scenario, California would earn 88.4 percent of its maximum remediation share through base payments and Incentive B and Incentive C earnings. This percentage is subject to increases if Incentive D payments are earned.
- There are no other changes to Incentives B and/or C in the event of 98% participation for Incentive C.

There are no other changes to Incentives B and/or C.

Incentive D Modifications

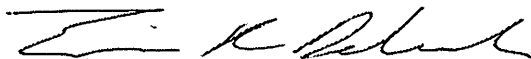
- 100 percent Incentive C participation = 6 percent Incentive D
- 99 percent Incentive C participation = 6 percent Incentive D
- 98 percent Incentive C participation = 7 percent Incentive D
- 97 percent Incentive C participation = 7 percent Incentive D
- 96 percent Incentive C participation = 8 percent Incentive D
- Below 96 percent Incentive C participation = 10 percent Incentive D

These limited California-specific modifications to the application of Incentives B and C were a necessary condition for California's decision to sign-on as a participating state to the Multistate CVS Settlement Agreement. The modifications to Incentives D were a necessary condition for CVS's agreement to the Incentive B and C modifications.

For the avoidance of doubt, all other terms and provisions in the Multistate CVS Settlement Agreement remain the same, including without limitation all participation tiers not specified above, all definitions, all release provisions, the ten-year payment schedule and all other terms and provisions of the payment schedule, and all other terms and provisions.

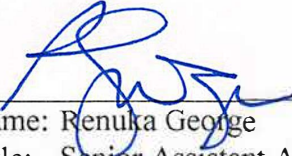
These terms shall be included in a stipulated judgment to be filed in a Superior Court in the State of California.

Sincerely,



Eric R. Delinsky
Counsel for CVS

SO AGREED BY AND ON BEHALF OF THE STATE OF CALIFORNIA:



Name: Renuka George
Title: Senior Assistant Attorney General
Date: 1/30/2023