



**Fourth Report of
KSV Restructuring Inc. as
Information Officer of
Paladin Labs Canadian Holding Inc.
and Paladin Labs Inc.**

November 29, 2023

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COURT FILE NO.: CV-22-00685631-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF *THE COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF PALADIN LABS CANADIAN HOLDING INC. AND
PALADIN LABS INC.**

**APPLICATION OF PALADIN LABS INC. UNDER SECTION 46 OF *THE COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**FOURTH REPORT OF KSV RESTRUCTURING INC.
AS INFORMATION OFFICER**

NOVEMBER 29, 2023

1.0 Introduction

1. On August 16, 2022 (the "Petition Date"), Endo International plc. ("Endo Parent") and certain of its affiliates (collectively, the "Debtors", and together with their non-debtor affiliates, "Endo" or the "Company"), including Paladin Labs Inc. ("Paladin") and Paladin Labs Canadian Holding Inc. ("Paladin Holding" and jointly with Paladin, the "Canadian Debtors"), commenced proceedings (the "Chapter 11 Proceedings") by filing voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "US Court").
2. On August 17, 2022, the Debtors filed several first day motions in the Chapter 11 Proceedings (collectively, the "First Day Motions"). On August 18, 2022, the US Court granted multiple orders in respect of the First Day Motions (collectively, the "First Day Orders"), including, among others, the Foreign Representative Order,¹ which authorized Paladin to act as the foreign representative of the Debtors (the "Foreign Representative").
3. In its capacity as Foreign Representative, Paladin brought an application (the "Recognition Application") before the Ontario Superior Court of Justice (Commercial List) (this "Court") for recognition of the Chapter 11 Proceedings under Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA" and the proceedings thereunder, the "Recognition Proceedings"). In connection with the Recognition Application, this Court granted the following orders:

¹ As defined in the First Supplemental Order (as defined below).

- a) an Interim Order (Foreign Proceeding) dated August 17, 2022 (the “Interim Order”), among other things, granting a stay of proceedings in respect of the Canadian Debtors, the property and business of the Canadian Debtors, any subsidiary, affiliate or related party of Endo Parent or any Canadian Debtor that is a defendant in Canadian litigation proceedings or subject to any other proceedings in Canada (the “Canadian Litigation Defendants”), and the directors and officers of the Canadian Debtors and the Canadian Litigation Defendants;
 - b) an Initial Recognition Order (Foreign Main Proceeding) dated August 19, 2022 (the “Initial Recognition Order”), among other things:
 - i) recognizing the Chapter 11 Proceedings as a “foreign main proceeding” and recognizing Paladin as the “foreign representative” in respect of the Chapter 11 Proceedings, as such terms are defined in section 45 of the CCAA; and
 - ii) declaring that the Interim Order shall be of no further force or effect upon the effectiveness of the Initial Recognition Order and the First Supplemental Order (as defined below); and
 - c) a Supplemental Order (Foreign Main Proceeding) dated August 19, 2022 (the “First Supplemental Order”), *inter alia*:
 - i) recognizing certain of the First Day Orders of the US Court;
 - ii) granting a stay of proceedings in respect of the Canadian Debtors, the property and business of the Canadian Debtors, the Canadian Litigation Defendants, and the directors and officers of the Canadian Debtors and the Canadian Litigation Defendants; and
 - iii) appointing KSV Restructuring Inc. (“KSV”) as information officer in respect of the Recognition Proceedings (in such capacity, the “Information Officer”).
4. On September 28, 2022, the US Court heard several second day motions (the “Second Day Hearing”) filed by the Debtors in the Chapter 11 Proceedings and entered certain orders in respect of such motions (collectively, the “Second Day Orders”).
 5. On October 13, 2022, this Court made an order (the “Second Supplemental Order”) recognizing and enforcing certain of the Second Day Orders, which are summarized in the Information Officer’s First Report to Court dated October 10, 2022 (the “First Report”) and the Affidavit of Daniel Vas sworn October 7, 2022.

6. On November 29, 2022, this Court made an order (the “Third Supplemental Order”) recognizing and enforcing the following orders, which are summarized in the Information Officer’s Second Report to Court dated November 24, 2022 (the “Second Report”) and the Affidavit of Andrew Harmes sworn November 23, 2022 (the “Harmes Affidavit”):
 - a) the De Minimis Assets Order;
 - b) the Creditor Listing Order;
 - c) the Final Cash Collateral Order (the “Cash Collateral Order”);
 - d) the Combined Wages Order; and
 - e) the Final Wages Order.²
7. On April 25, 2023, this Court made an order (the “Fourth Supplemental Order”) recognizing and enforcing the following orders, which are summarized in the Information Officer’s Third Report to Court dated April 20, 2023 (the “Third Report”) and the Affidavit of Daniel Vas sworn April 18, 2023 (the “Third Vas Affidavit”):
 - a) the Bidding Procedures Order; and
 - b) the Bar Date Order.³
8. Since April 25, 2023, the US Court has entered several orders in the Chapter 11 Proceedings – many being administrative in nature – which the Foreign Representative is not currently seeking to have this Court recognize and enforce.
9. This Report has been prepared and will be filed with this Court by KSV in its capacity as the Information Officer.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) summarize certain background to, and developments in, the Chapter 11 Proceedings and the Recognition Proceedings (together, these “Proceedings”) relevant to the motion of Jean-François Bourassa (the “Representative Plaintiff”) for an order (the “Appointment Order”), among other things:
 - i) appointing the Representative Plaintiff to represent the interests of all Canadian victims who were harmed as a result of using Paladin’s opioid drugs sold in Canada (collectively, the “Canadian Personal Injury Claimants”) in the Recognition Proceedings and, as necessary, in the Chapter 11 Proceedings;

² Each as defined in the Third Supplemental Order.

³ Each as defined in the Fourth Supplemental Order.

- ii) appointing Fishman Flanz Meland Paquin LLP and Trudel Johnston & Lespérance (together, the “Proposed Representative Counsel”) as counsel to the Canadian Personal Injury Claimants in the Recognition Proceedings and, as necessary, in the Chapter 11 Proceedings; and
 - iii) directing that the Proposed Representative Counsel’s reasonable fees and disbursements be paid by the Canadian Debtors;
 - b) provide the Information Officer’s views with respect to the relief sought by the Representative Plaintiff; and
 - c) summarize the activities of the Information Officer since the date of the Third Report.
2. The Information Officer’s views with respect to the Representative Plaintiff’s motion for the Appointment Order are set out in Section 4.0 of this Report. Having regard to the principles of comity underpinning Part IV of the CCAA and the non-exhaustive factors enumerated in *Canwest* (as defined below), the Information Officer is of the view that the proposed Appointment Order is not appropriate in the circumstances. For these and other reasons more fully described in Section 4.0 of this Report, the Information Officer respectfully recommends that this Court dismiss the Representative Plaintiff’s motion.

1.2 Currency

1. All currency references in this Report are to U.S. dollars, unless otherwise stated.

1.3 Defined Terms

1. Capitalized terms not otherwise defined in this Report have the meanings given to them in the Third Report, the Third Vas Affidavit, the Bidding Procedures Order or the Bar Date Order (as amended), as applicable. A copy of the Third Report (without appendices) is attached as Appendix “A”. Copies of the Third Vas Affidavit (without exhibits) and the Fourth Supplemental Order, to which the Bidding Procedures Order and the Bar Date Order are appended, are attached as Exhibits “I” and “E” to the Affidavit of Erik Axell sworn November 27, 2023 (the “Axell Affidavit”), respectively.

1.4 Restrictions

1. In preparing this Report, the Information Officer has relied upon unaudited financial information prepared by the Debtors’ representatives, the Debtors’ books and records and discussions with the Canadian Debtors’ counsel.
2. The Information Officer has not performed an audit or other verification of such information. An examination of the Debtors’ financial forecasts as outlined in the *Chartered Professional Accountants of Canada Handbook* has not been performed. Future oriented financial information relied upon in this Report is based on the Debtors’ assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.

3. The Information Officer expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report or relied upon by the Information Officer in its preparation of this Report.

2.0 Background

1. The Canadian Debtors are part of a global specialty pharmaceutical group that produces and sells both generic and branded products. Endo Parent is an Irish publicly-traded company headquartered in Dublin, Ireland.
2. While Endo's global headquarters are in Ireland, the majority of its business is conducted in the U.S. Indeed, in 2021, Endo earned approximately 97% of its total consolidated revenue from customers in the U.S. The Company's U.S. headquarters is located in Malvern, Pennsylvania and its primary U.S. manufacturing facility is located in Rochester, Michigan.
3. Paladin is Endo's Canadian operating company. Paladin sells specialty pharmaceutical products that it owns, licenses or distributes to a variety of customers, including wholesalers, hospitals, governmental entities and pharmacies. Paladin Holding is a holding company that owns all of the shares of Paladin.
4. Of the approximately 1,560 employees employed by the Debtors as of the Petition Date, 98 were employees of Paladin. None of Paladin's employees are unionized.
5. Endo's financial performance preceding the Petition Date had been negatively impacted by several factors, including a significant decline in revenues and increased generic competition relating to Vasostrict, Endo's single largest product by revenue in 2021, and the significant amount of opioid-related and other litigation facing the Company. In light of its financial performance and challenging circumstances, Endo's highly-leveraged capital structure – including approximately \$8.15 billion in secured and unsecured indebtedness, which is guaranteed by the Canadian Debtors – and related debt servicing costs became unsustainable.
6. Further information concerning the Debtors' background, corporate structure, prepetition capital structure and indebtedness, and the events preceding the Chapter 11 Proceedings was provided in the Affidavit of Daniel Vas sworn August 17, 2022 (the "First Vas Affidavit") and the Declaration of Mark Bradley dated August 16, 2022 attached as Exhibit "E" thereto (the "First Day Declaration"). Such information includes a description of the guarantees provided, and security interests granted, by the Canadian Debtors to secure Endo's obligations under a senior secured revolving credit facility, a senior secured term loan facility, three series of first lien notes, and one series of second lien notes.
7. All materials filed with this Court in these Canadian recognition proceedings are available on the Information Officer's website at: <https://www.ksvadvisory.com/experience/case/endo>. All materials filed in the Chapter 11 Proceedings are available on the following website (the "Docket") established by Kroll Restructuring Administration LLC, in its capacity as the US Court-appointed claims and noticing agent: <https://restructuring.ra.kroll.com/endo/Home-Index>.

3.0 Notable Developments in the Chapter 11 Proceedings

1. The Chapter 11 Proceedings and the Recognition Proceedings were commenced on August 16 and August 17, 2022, respectively. Since their commencement more than 15 months ago, numerous developments have occurred in these Proceedings as the Debtors have advanced their restructuring efforts. Though many of such developments have previously been discussed in the First Report, the Second Report and the Third Report, those that, in the Information Officer's view, inform the Representative Plaintiff's motion for the Appointment Order are summarized below.

3.1 Initial Stages of the Chapter 11 Proceedings

1. On or around the Petition Date, the Debtors entered into a restructuring support agreement (the "RSA") with a group consisting primarily of holders of the Debtors' first lien indebtedness (the "Ad Hoc First Lien Group") – namely the Prepetition First Lien Lenders and the Prepetition First Lien Noteholders (each as defined in the First Day Declaration). The RSA contemplated a credit bid acquisition of substantially all of the Debtors' assets by an entity formed by the Ad Hoc First Lien Group (the "Stalking Horse Bidder"), which would serve as a stalking horse bid (the "Stalking Horse Bid") in a post-petition bidding and sale process to be conducted during the Chapter 11 Proceedings (the "Sale Process"). A copy of the RSA was attached as Exhibit "H" to the First Vas Affidavit.
2. As set out in the First Vas Affidavit, the Company determined that pursuing the Stalking Horse Bid and the Sale Process provided the best available means of addressing the challenges facing the Debtors. If consummated, the Stalking Horse Bid was expected to assure a going-concern result, preserve over a thousand jobs, and enable the Stalking Horse Bidder to fund, as negotiated with the Multi-State Endo Executive Committee (the "Multi-State EC"),⁴ the aggregate amount of approximately \$550 million in cash consideration to be placed in trust for the benefit of certain public opioid claimants (the "Public Opioid Trust") and tribal opioid claimants (the "Tribal Opioid Trust") who elect to participate in such trusts and voluntarily release their respective opioid-related claims. The Stalking Horse Bid was not, however, expected to provide any recovery in respect of Endo's second lien or unsecured indebtedness.

⁴ As of July 25, 2023, the Muti-State EC was comprised of seven states (Maine, Massachusetts, New Hampshire, Pennsylvania, Tennessee, Vermont and Virginia) who act as a steering committee and evaluate, in the first instance, strategic options and implement strategies in connection with opioid-related claims against the Debtors for certain state Attorneys General that have not otherwise resolved their state's claims against the Debtors as of the Petition Date.

3. Shortly following the Petition Date and prior to the Second Day Hearing, the United States Trustee for Region 2 (the “US Trustee”) appointed:
 - a) an Official Committee of Unsecured Creditors (the “UCC”) to serve as an independent fiduciary of the Debtors’ non-opioid-related unsecured creditors;⁵ and
 - b) an Official Committee of Opioid Claimants (the “OCC” and together with the UCC, the “Committees”) to serve as the fiduciary of all holders of claims arising from harm suffered due to the Debtors’ opioid products and practices (the holders of such claims, “Opioid Claimants”), in recognition of the outsized role that the Company’s potential opioid liabilities played in the Debtors’ decision to commence the Chapter 11 Proceedings, and the importance of providing Opioid Claimants with the ability to participate in the Chapter 11 Proceedings by and through an official committee.⁶
4. Following the Committees’ appointment, Roger Frankel was appointed as a future claims representative in the Chapter 11 Proceedings (the “FCR”). The FCR was appointed in the Chapter 11 Proceedings to protect the due process rights of certain individuals who may be unable to assert their claims and protect their interests.
5. Since their appointments, the UCC, the OCC and the FCR have retained legal counsel, financial advisors and investment bankers.

3.2 Initial Objections to the Bidding Procedures Order and the Bar Date Order and the Challenge Complaints

1. In accordance with the RSA and with a view to implementing the Sale Process in the Chapter 11 Proceedings, the Debtors filed motions for the approval of the Bidding Procedures Order and the Bar Date Order with the US Court on November 23, 2022.⁷ As set out in the Third Report and the Third Vas Affidavit, the proposed Bidding

⁵ As at June 1, 2023, the members of the UCC included AmerisourceBergen Drug Corporation, Bayer AG, U.S. Bank National Trust Company, National Association, as Indenture Trustee, UMB Bank, National Association, as Indenture Trustee, CQS Directional Opportunities Master Fund Limited, AFSCME District Council 47 Health & Welfare Fund, and Catherine Brewster.

⁶ As at June 15, 2023, the members of the OCC included Robert Asbury as Guardian Ad Litem for certain infants diagnosed with neonatal abstinence syndrome, Sabrina Barry, Blue Cross and Blue Shield Association, Erie County Medical Center Corporation, Sean Higginbotham, Alan MacDonald and Michael Masiowski, M.D. According to the OCC, the Opioid Claimants are comprised of at least 11 separate groups of creditors including: (i) the federal government; (ii) the 50 states and other political subdivisions of the U.S.; (iii) political subdivisions of the states; (iv) Native American tribes; (v) personal injury victims; (vi) children born with neonatal abstinence syndrome; (vii) hospitals; (viii) third party payors, including health insurance companies; (ix) purchasers of private insurance; (x) independent emergency room physicians; and (xi) independent school districts. The description of the OCC’s appointment by the US Trustee is drawn from the OCC’s Reply (as defined below).

⁷ The Information Officer Notes that the Debtors have nonetheless preserved their rights to advance their restructuring initiatives by way of a chapter 11 plan.

Procedures Order and the Bar Date Order garnered several objections, including from:

- a) each of the Committees;
 - b) the FCR (the “FCR Objection”);
 - c) an ad hoc group of holders of first lien, second lien and unsecured indebtedness of the Debtors (the “Ad Hoc Cross-Holder Group”);
 - d) an ad hoc group of holders of first lien and certain other indebtedness of the Debtors who were not party to the RSA (the “Non-RSA 1Ls”);
 - e) an ad hoc group of unsecured noteholders of the Debtors;
 - f) the US Trustee; and
 - g) certain distributors, manufacturers and pharmacies (collectively, the “DMP Group” and the objection filed by the DMP Group, the “DMP Objection”).
2. Following several adjournments of the Debtors’ motions for the approval of the Bidding Procedures Order and the Bar Date Order, the Committees filed a motion (the “Joint Standing Motion”) on January 23, 2023, seeking derivative standing to permit the Committees to commence and prosecute four proposed complaints (collectively, the “Challenge Complaints”) and to settle claims related thereto. Copies of the proposed Challenge Complaints are attached to the Joint Standing Motion as Exhibits “B” – “E”. A copy of the Joint Standing Motion is attached as Exhibit “B” to the Affidavit of Margo Siminovitch sworn October 16, 2023 (the “Siminovitch Affidavit”).
3. The Challenge Complaints followed certain investigations undertaken by the Committees in advance of the expiration of the Challenge Period (as defined in the Cash Collateral Order).⁸ They comprise of three complaints related to the validity of the liens of the Prepetition First Lien Secured Parties (as defined in the Cash Collateral Order) and a complaint related to the prepetition compensation of the Debtors’ executives and other personnel. Principally, the Challenge Complaints assert that:
- a) Wilmington Trust, National Association, in its capacities as collateral trustee under the first lien Collateral Trust Agreement, dated as of April 27, 2017 (as amended), and a second lien Collateral Trust Agreement, dated as of June 16, 2020 (as amended), failed to perfect its liens as against the Debtors’ U.S.

⁸ Pursuant to the Cash Collateral Order claims regarding (i) the validity, enforceability, extent, priority, or perfection of the mortgages, security interests, and liens of the Prepetition Secured Parties (as defined in the Cash Collateral Order) or (ii) validity, enforceability, allowability, priority, secured status, or amount of the Prepetition Secured Indebtedness (as defined in the Cash Collateral Order) were required to be filed by (A) January 20, 2023 (unless extended) in the case of the Committees and the FCR or (B) the date that is seventy-five (75) calendar days following entry of the Cash Collateral Order.

deposit accounts, which were worth approximately \$670 million as of the Petition Date;

- b) contrary to the scope of the Debtors' stipulations under the Cash Collateral Order, the Debtors own valuable assets on which no liens were granted or properly perfected, as applicable, including, among other assets, the equity in the Debtors' Indian non-debtor affiliates, intellectual property associated with Xiaflex, intercompany receivables, deposit accounts in Luxembourg credited with approximately \$50 million as of the Petition Date and commercial tort claims;
 - c) the Debtors (including the Canadian Debtors) improperly made approximately \$94 million in cash payments to their senior executive officers within one year of the Petition Date, which payments were alleged to constitute avoidable preferences as well as fraudulent transfers under the Bankruptcy Code; and
 - d) using two "uptier" debt transactions that replaced approximately \$4.4 billion of the Debtors' unsecured notes with new notes, including approximately \$3 billion in new secured debt and a series of intercompany transactions, the Debtors hindered the recoveries of Opioid Claimants for the purpose of obtaining settlement leverage in the Debtors' then anticipated bankruptcy proceedings.
4. Given the successful Mediation and the Resolution Stipulation (each as defined and discussed below), no hearing on the Joint Standing Motion was held by the US Court, the Joint Standing Motion is currently in abeyance, and the Committees have not yet been granted standing to pursue any claims or causes of action, including the Challenge Complaints. As such, the Challenge Complaints remain unproven allegations.
5. The Committees were the sole parties in the Chapter 11 Proceedings to advance and seek approval to commence and prosecute complaints within the Challenge Period. The Proposed Representative Counsel did not object or, to the Information Officer's knowledge, take steps to object to the granting of the Cash Collateral Order, or the Third Supplemental Order recognizing and enforcing the Cash Collateral Order.⁹
6. The Supplemental Affidavit of Margo Siminovitch sworn November 17, 2023 (the "Supplemental Siminovitch Affidavit") suggests that the Information Officer failed to advise this Court of "the significant issues that have emerged in the Chapter 11 Proceedings affecting the rights of Canadian victims, most especially the fact that the OCC settled its objection to the proposed sale and ceased its investigation of the Debtors' affairs". However, the Challenge Complaints and the Resolution Stipulation were referred to in the Third Report. Moreover, the fact that full particulars of the Challenge Complaints – which at this time remain unproven allegations that the Committees have not been granted standing to advance, are held in abeyance (and have not been settled or released) and are the subject of a proposed resolution negotiated by two separate fiduciaries each represented by legal and financial

⁹ As set out in the Harnes Affidavit, the Cash Collateral Order was objected to by the UCC, the OCC and the Non-RSA 1Ls, which were resolved pursuant to amendments agreed to by the Debtors and the Ad Hoc First Lien Group.

advisors in the context of a US Court-ordered Mediation that has not been approved by the US Court – is entirely unremarkable.

3.3 The Mediation and Certain Resolutions

1. On January 27, 2023, the US Court entered a *Stipulation and Order (A) Granting Mediation and (B) Referring Matters to Mediation* (the “Mediation Order”) ordering a mediation (the “Mediation”) among the Debtors, the Ad Hoc First Lien Group, the Ad Hoc Cross-Holder Group, the Non-RSA 1Ls, the Committees, the United States of America on behalf of certain agencies (the “Department of Justice”) and the FCR (collectively, the “Mediation Parties”), and appointing the Honourable Judge Shelley C. Chapman (Ret.) as mediator (the “Mediator”).¹⁰ A copy of the Mediation Order is attached as Exhibit “J” to the Axell Affidavit.
2. Pursuant to the Mediation Order, the following topics (collectively, the “Mediation Topics”) were initially referred to the Mediation:
 - a) the Debtors’ motion for the Bidding Procedures Order;
 - b) the Exclusivity Motion;
 - c) any Challenge (as defined in the Cash Collateral Order) asserted before or after the date of the Mediation Order and any motion to obtain standing in connection therewith, including the Challenge Complaints;
 - d) any other complaints, challenges or motions to obtain standing on any matter not covered by the foregoing Mediation Topics filed by any of the Mediation Parties after the date of the Mediation Order; and
 - e) the resolution of any of the foregoing issues through a sale or plan of reorganization.
3. On March 3, 2023, the Debtors advised the US Court that the Ad Hoc First Lien Group had reached resolutions in principle with the Committees, the Ad Hoc Cross-Holder Group and the Non-RSA 1Ls that would resolve certain of these parties’ objections relating to the proposed Sale Process. At that time, the Debtors also informed the US Court that the resolutions reached in principle were supported by the Debtors and remained subject to definitive documentation. On March 24, 2023, the following documents were filed with the US Court:

¹⁰ As at the date of the Mediation Order and as set out therein, the United States of America was a mediation party solely on behalf of those agencies and components of the United States of America whose interests in the Chapter 11 Proceedings are represented by the U.S. Attorney’s Office for the Southern District of New York, including on behalf of the following agencies that may have monetary claims in the Chapter 11 Proceedings: (i) the Department of Justice; (ii) federal agencies that provide healthcare or health insurance services, including components of the Department of Health and Human Services, the Department of Veterans Affairs, and the Department of Defense; and (iii) the Internal Revenue Service.

- a) *Stipulation Among the Debtors, Official Committee of Unsecured Creditors, Official Committee of Opioid Claimants, and Ad Hoc First Lien Group Regarding Resolution of Joint Standing Motion* (the “Resolution Stipulation”), which included copies of:
 - i) a term sheet dated March 24, 2023, memorializing the resolutions reached by and among the Ad Hoc First Lien Group and the UCC in connection with, among other things, the Debtors’ motion for the Bidding Procedures Order, the Exclusivity Motion, the Joint Standing Motion and the Challenge Complaints (the “UCC Resolution Term Sheet”); and
 - ii) a Voluntary Present Private Opioid Claimant Trust Term Sheet dated March 24, 2023, by and among the Ad Hoc First Lien Group and the OCC in connection with, among other things, the Debtors’ motion for the Bidding Procedures Order, the Exclusivity Motion, the Joint Standing Motion and the Challenge Complaints (the “OCC Resolution Term Sheet” and together with the UCC Resolution Term Sheet, the “Committees Resolution Term Sheets”); and
 - b) *Notice of Filing of Amended and Restated Restructuring Support Agreement*, containing an amended RSA (as amended, the “Amended RSA”), which attached, among other things:
 - i) an amended Purchase and Sale Agreement by and among, *inter alios*, the Stalking Horse Bidder, Endo Parent and certain of the Debtors (as amended, the “Stalking Horse Agreement”);
 - ii) an Amended Voluntary Public/Tribal Opioid Trust Term Sheet in respect of the Public Opioid Trust and the Tribal Opioid Trust (the “Public/Private Opioid Term Sheet”);¹¹ and
 - iii) an amended wind-down budget.
4. Details concerning each of the Resolution Stipulation, the Committees Resolution Term Sheets, the Amended RSA, the Stalking Horse Agreement and the Public/Private Opioid Term Sheet were set out in the Third Vas Affidavit and the Third Report. Copies of the Resolution Stipulation and the Amended RSA were attached as Exhibits “C” and “D” to the Third Vas Affidavit, respectively. A copy of the Resolution Stipulation is also attached as Appendix “B”.
5. Among other things, the Resolution Stipulation provides that:
- a) the Stalking Horse Bidder is permitted to credit bid the Prepetition First Lien Indebtedness (as defined in the Cash Collateral Order);

¹¹ The Information Officer notes that, as of July 25, 2023, all 46 states, including Washington D.C. (which is counted as a state for the purposes of the Public/Private Opioid Term Sheet), eligible to participate have expressed their support for the Public/Private Opioid Term Sheet.

- b) the prosecution of the Joint Standing Motion is to be held in abeyance, with each of the Committees having agreed not to prosecute the Joint Standing Motion from the commencement of the Resolution Stipulation to the date, if any, on which one or both of the Committees exercise their termination rights following the occurrence of a Termination Event;¹²
 - c) the Joint Standing Motion will be withdrawn upon the closing of the transactions contemplated under the Stalking Horse Agreement pursuant to section 363 of the Bankruptcy Code (the “Sale”) and the Voluntary GUC Creditor Trust and the PPOC Trust (each as defined below) are established and funded; and
 - d) the Committees will support the restructuring contemplated by the Amended RSA, including the entry of the Bidding Procedures Order and an order authorizing the Sale in form and substance acceptable to (i) the Debtors and the Ad Hoc First Lien Group, in all respects, and (ii) each of the Committees with respect to the implementation of the Committees Resolution Term Sheets and any other item to the extent such item adversely affects their respective constituencies.
6. A critical feature of the Resolution Stipulation and the Committees Resolution Term Sheets is the Stalking Horse Bidder’s agreement, if it is the successful bidder (the “Successful Bidder”), to create and fund trusts for the benefit of the Debtors’ general unsecured creditors (the “Voluntary GUC Creditor Trust”) and present private opioid claimants (the “PPOC Trust”).¹³ The Voluntary GUC Creditor Trust and the PPOC Trust are in addition to the Public Opioid Trust and the Tribal Opioid Trust (collectively, the “Trusts”) contemplated by the Public/Private Opioid Term Sheet agreed to between the Ad Hoc First Lien Group (on behalf of the Stalking Horse Bidder) and the Multi-State EC.
7. The material terms of the Trusts, include, among others, the following:
- a) *The Voluntary GUC Creditor Trust*: if it is the Successful Bidder, the Stalking Horse Bidder will establish and fund the Voluntary GUC Creditor Trust for the benefit of the Voluntary GUC Creditor Trust Beneficiaries in the amount of: (i) \$60 million; (ii) plus 4.25% of the issued and outstanding shares of the Stalking

¹² If the Ad Hoc First Lien Group or either of the Committees, as applicable, exercises its right to terminate upon the occurrence of a Termination Event, the applicable Committee is entitled to initiate and/or continue its prosecution of the Joint Standing Motion and the Additional Standing Matters (as defined in the Resolution Stipulation).

¹³ Under the OCC Resolution Term Sheet, “Present Private Opioid Claimant” is defined as a “holder of an Opioid Claim that is not a Public Opioid Claimant or Tribal Opioid Claimant” and an “Opioid Claim” is defined broadly to include “Claims and Causes of Action, existing as of the Petition Date, against any of the Debtors or Non-Debtor Affiliates in any way arising out of or relating to opioid products manufactured or sold by any of the Debtors, any Non-Debtor Affiliate, any of their respective predecessors, or any other Released Party prior to the Closing Date, including, for the avoidance of doubt, Claims for indemnification (contractual or otherwise), contribution, or reimbursement against any of the Debtors, any Non-Debtor Affiliate, any of their respective predecessors, or any other Released Party on account of payments or losses in any way arising out of or relating to opioid products manufactured or sold by any of the Debtors, any Non-Debtor Affiliate, or any of their respective predecessors prior to the Closing Date.” Importantly, the Information Officer understands that the Canadian Personal Injury Claimants are “Present Private Opioid Claimants”.

Horse Bidder on a fully diluted basis;¹⁴ (iii) plus a vesting of estate claims and actions against third parties and certain other parties, all of the Stalking Horse Bidder's rights under insurance policies that may provide coverage for Eligible Unsecured Claims, and the sole and exclusive right to pursue the Debtors' opioid-related claims and the proceeds of any applicable insurance policies. Holders of Eligible Unsecured Claims will have the option to participate in the Voluntary GUC Creditor Trust provided they, among other things, execute a consensual and voluntary release with respect to certain claims against certain released parties (which include the Debtors and Stalking Horse Bidder) and do not object to the resolutions in the UCC Resolution Term Sheet or Resolution Stipulation. Holders of Eligible Unsecured Claims that do not execute a release will not be entitled to participate in the Voluntary GUC Creditor Trust and will retain their rights and remedies, as applicable;¹⁵

- b) *The PPOC Trust:* if it is the Successful Bidder, the Stalking Horse Bidder will establish and fund the PPOC Trust for the benefit of the Participating PPOCs in the amount of \$119.2 million (based on \$29.7 million on the Closing Date, plus \$29.7 million on the first anniversary of the Closing Date, and \$59.7 million on the second anniversary of the Closing Date). Present Private Opioid Claimants will have the option to participate in the PPOC Trust provided they, among other things, file a proof of claim and execute a release in favor of certain released parties (which include the Debtors and Stalking Horse Bidder). PPOCs that do not participate in the PPOC Trust will retain their rights and remedies;¹⁶ and
- c) *The Public Opioid Trust and the Tribal Opioid Trust:* if it is the Successful Bidder, the Stalking Horse Bidder will provide for the establishment of the Public Opioid Trust and the Tribal Opioid Trust. The Public Opioid Trust and the Tribal Opioid Trust will be settled with cash consideration funded by the Stalking Horse Bidder in the aggregate amounts of \$465.2 million and \$15 million, respectively, each in accordance with a prescribed installment schedule and subject to certain permitted adjustments to the timing and quantum of payments. The Public/Private Opioid Term Sheet contemplates that the order approving the Sale (the "Sale Order") is to contain a release by Participating Public Opioid Claimants and Tribal Opioid Claimants and a consensual injunction against certain released parties (which include the Debtors and the Stalking Horse Bidder and its present and future subsidiaries). As noted in the Third Report, public entities in Canada (including Canadian governments) with potential or previously asserted claims against the Debtors are not eligible to participate in the Public Opioid Trust or the Tribal Opioid Trust.

¹⁴ Subject only to dilution by the management incentive plan and subject to adjustment if the Stalking Horse Bidder's net funded debt exceeds or is less than \$2.5 billion.

¹⁵ The inter-unsecured creditor allocation of the Voluntary GUC Creditor Trust was determined within the Mediation.

¹⁶ The inter-Present Private Opioid Claimants allocation of the PPOC Trust was determined within the Mediation.

8. Additional information regarding the Committees Resolution Term Sheets, the Public/Private Opioid Term Sheet and the Trusts was provided in the Third Vas Affidavit and the Third Report. The Information Officer notes that the Committees Resolution Term Sheets have not been approved by the US Court and the Foreign Representative is not seeking this Court's approval or recognition of the Committees Resolution Term Sheets or the Trusts at this time. Such approval may be sought from the US Court in connection with the Debtors' motion for the Sale Order or, in the alternative, the implementation of a chapter 11 plan.
9. On July 13, 2023, the *Notice of Filing of Stalking Horse Bidder-FCR Term Sheet and Amended OCC Resolution Term Sheet* (the "Notice of FCR Resolution") was filed by the Debtors, among other things, advising that the Stalking Horse Bidder and the FCR had reached a resolution of certain claims and disputes related to the FCR Objection in the Mediation. Such resolution was memorialized in a term sheet attached as Exhibit "A" to the Notice of FCR Resolution (the "FCR Resolution Term Sheet"). Among other things, the FCR Resolution Term Sheet provides that the Stalking Horse Bidder will establish a trust for Eligible Future Opioid Trust Beneficiaries and a trust for Eligible Future Mesh Trust Beneficiaries (each as defined in the FCR Resolution Term Sheet), which will be funded by the Stalking Horse Bidder with \$11.5 million and up to \$500,000, respectively. A copy of the Notice of FCR Resolution is attached as Appendix "C".
10. The Information Officer notes that the FCR Resolution Term Sheet has not been approved by the US Court and the Foreign Representative is not seeking this Court's approval or recognition of the FCR Resolution Term Sheet at this time. Such approval may be sought from the US Court in connection with the Debtors' motion for the Sale Order or, in the alternative, the implementation of a chapter 11 plan.
11. As of the date of this Report, the Mediation, which has been extended numerous times, remains ongoing.¹⁷ The *Mediator's Sixth Notice and Status Report* filed on September 13, 2023, in which a summary of such extensions and the Mediator's view that it is in the best interests of the Debtors' stakeholders that the Mediation be continued until the adjourned Sale Hearing (as defined below) date, is attached as Appendix "D".

3.4 The Bidding Procedures Order and the Sale Process

1. As a result of the resolutions reflected in the Resolution Stipulation and the Amended RSA, the Debtors were able to proceed with their motion for the Bidding Procedures Order with the support of the Committees, the Ad Hoc First Lien Group, the Ad Hoc Cross-Holder Group and the Non-RSA 1Ls.

¹⁷ The Information Officer notes that on May 16, 2023, the US Court entered the *Order Modifying Mediation Procedures*, permitting additional parties in interest other than the Mediation Parties (collectively, the "Limited Basis Parties") to participate voluntarily in the Mediation of specific issues in response to a request from a Mediation Party (with the consent of the Mediator) or the Mediation or by further order of the US Court, subject to the conditions set out therein.

2. The Bidding Procedures Order was entered by the US Court on April 3, 2023, over the objections of the US Trustee and the FCR, and was recognized by this Court on April 25, 2023, pursuant to the Fourth Supplemental Order. The Proposed Representative Counsel did not object to the US Court's entry of the Bidding Procedures Order nor this Court's granting of the Fourth Supplemental Order.
3. Among other things, the Bidding Procedures Order:
 - a) authorized and approved bidding procedures in connection with the Sale (the "Bidding Procedures");
 - b) authorized and approved the terms and conditions of the expense reimbursement amount included in the Stalking Horse Agreement;
 - c) authorized certain steps to be taken to implement the Sale in a tax efficient manner under Irish tax law;
 - d) authorized and approved the form of notice of the auction (if any), the Sale and the hearing (the "Sale Hearing") to consider the Sale (the "Sale Notice"), which Sale Notice included information regarding the Stalking Horse Bid, the Bidding Procedures, the Sale Hearing and the procedures to be followed in filing an objection to the Sale;
 - e) authorized and approved the procedures for distributing the Sale Notice to be provided to the Sale Notice Parties (as defined in the Bidding Procedures), which are comprised of the Debtors' known claimants, including all known parties to litigation with the Debtors and/or their counsel (the "Notice Plan");
 - f) authorized and approved the procedures for distributing a supplemental outreach plan and media notice plan intended to provide notice to unknown claimants, including unknown creditors of the Debtors holding claims related to the Debtors' opioid or other products (the "Supplemental Notice Plan" and together with the Notice Plan, the "Sale Notice Procedures");¹⁸
 - g) authorized the Assumption and Assignment Procedures to facilitate the assumption, assumption and assignment and/or rejection of certain of the Debtors' executory contracts or unexpired leases; and
 - h) reserved the rights of all parties with respect to certain issues, including, among others: (i) the amount or value of the Debtors' unencumbered assets; (ii) the approval of the Sale to the Stalking Horse Bidder or any term of the Sale; and (iii) whether the Sale is authorized by law or is an impermissible *sub rosa* plan or distribution of assets contrary to the Bankruptcy Code's priority rules.

¹⁸ The Supplemental Notice Plan was intended to reach potential unknown claimants through television, social media, online displays, ads, billboards, print media, press releases and community outreach. It was estimated that it would reach over 80% of all adults over the age of 18 in Canada on average three to four times.

4. A copy of the Bidding Procedures Order was attached as Exhibit “A” to the Third Vas Affidavit. The Bidding Procedures Order, the Bidding Procedures and the Sale Notice Procedures were discussed in detail in the Third Vas Affidavit and the Third Report. Simply put, the Bidding Procedures contemplated that the Sale Process would proceed in two-stages followed by an auction, if necessary, and would solicit bids for either all of the Debtors’ assets or one or more of the Debtors’ business or asset segments.
5. As set out in the Declaration of Tarek elAguizy dated July 26, 2023 attached to the Axell Affidavit as Exhibit “R” (the “elAguizy Declaration”), the Debtors’ investment banker, PJT Partners LP, contacted 152 interested parties, including 77 financial sponsors and 75 strategic bidders in the first phase of the Sale Process. Of the 152 interested parties contacted, 40 executed non-disclosure agreements and were provided with access to a virtual data room and a confidential information memorandum. 19 of such interested parties submitted a non-binding indication of interest by June 13, 2023 (the “IOI Deadline”). All 19 non-binding indications of interests were partial bids for the Debtors’ assets, the aggregate gross implied value of which was more than \$1 billion less than the value of the Stalking Horse Bid.
6. The Debtors, in consultation with the Committees, the FCR and the Multi-State EC, ultimately determined that none of the non-binding indications of interest submitted by the IOI Deadline, viewed individually or together, were likely to result in the submission of a qualified bid. Accordingly, the Sale Process did not proceed to its second phase.
7. On June 20, 2023, the Debtors filed the *Notice of (I) Debtors’ Termination of the Sale and Marketing Process, (II) Naming the Stalking Horse Bidder as the Successful Bidder, and (III) Scheduling of the Accelerated Sale Hearing* (the “Sale Termination Notice”), advising of:
 - a) the Sale Process’ termination;
 - b) the selection of the Stalking Horse Bidder as the sole Successful Bidder for the Debtors’ assets; and
 - c) the acceleration of the date of the Sale Hearing for the Sale Order to July 28, 2023, in accordance with the Bidding Procedures.
8. A copy of the Sale Termination Notice is attached as Exhibit “A” to the Supplemental Siminovitch Affidavit.
9. Details concerning the conduct of the Sale Process are included within the elAguizy Declaration. The Information Officer will provide additional information regarding the Sale Process in connection with any motion brought by the Foreign Representative for the recognition and enforcement of the Sale Order (should it be granted by the US Court).

3.5 The Bar Date Order

1. As a result of the resolutions reached in the Mediation, the Bar Date Order was granted by the US Court on April 3, 2023, without opposition, including from the Proposed Representative Counsel. The Bar Date Order was subsequently recognized by this Court on April 25, 2023, pursuant to the Fourth Supplemental Order. The Proposed Representative Counsel similarly did not object to this Court's granting of the Fourth Supplemental Order recognizing and enforcing the Bar Date Order.
2. Among other things, the Bar Date Order:
 - a) approved the Bar Date Notice, the Proof of Claim Form as well as the procedures for filing Proofs of Claim, and established deadlines for the filing of Proofs of Claim;
 - b) established deadlines for the mailing of the Bar Date Notice, the applicable Proof of Claim Form and the Proof of Claim instructions (collectively, the "Bar Date Notice Package"), which Bar Date Notice Package included a letter from each of the OCC and the UCC addressed to their respective constituents providing information regarding the Voluntary GUC Creditor Trust and the PPOC Trust;
 - c) approved the form of notice and process to provide notice to known creditors and parties in interest (which notice was intended by the Debtors to be provided concurrently with the Notice of Sale);
 - d) approved the Supplemental Notice Plan for providing publication notice of the Bar Dates to unknown creditors and parties in interest, as described in the Declaration of Jeanne C. Finegan dated November 23, 2022 (the "Finegan Declaration");
 - e) established the parties that are required to file a Proof of Claim in the Chapter 11 Proceedings on or before the applicable Bar Date, including, among others, any person or entity whose claim against a Debtor is not listed in the Debtors' Schedules or is listed as disputed, contingent or unliquidated and that desires to participate in the Chapter 11 Proceedings or in any distribution in the Chapter 11 Cases;
 - f) established the claims in respect of which no Proof of Claim in the Chapter 11 Proceedings need be filed on or before the applicable Bar Date, including, among others, claims against the Debtors that are not listed as disputed, contingent, or unliquidated in the Schedules, claims represented by the FCR and where the holder of such claim agrees with the nature, classification, and amount of its claim as identified in the Schedules; and

- g) ordered that any party that is required to file a Proof of Claim but that fails to do so by the applicable Bar Date shall be forever barred, estopped, and enjoined from: (i) asserting any Unscheduled Claim against the Debtors or their estates or properties (and the Debtors and their properties and estates will be forever discharged from any and all indebtedness or liability with respect to such claim); or (ii) voting on, or receiving distributions under, any chapter 11 plan in the Chapter 11 Proceedings in respect of an Unscheduled Claim.
3. Copies of the Bar Date Order (without exhibits) and the Finegan Declaration filed in support thereof were attached to the Third Vas Affidavit as Exhibits “B” and “F”, respectively. Details concerning the Bar Date Order were set out in the Third Vas Affidavit and the Third Report.
4. The following table sets out the various Bar Dates for the filing of claims established pursuant to the Bar Date Order:

Matter	Deadline (EST)
General Bar Date	July 7, 2023 at 5:00 p.m.
Governmental Bar Date	May 31, 2023 at 5:00 p.m.
State/Local Governmental Opioid Bar Date	The earlier of: (i) 10:00 a.m. on the date set for the first disclosure statement hearing for any chapter 11 plan in the Chapter 11 Cases; and (ii) 5:00 p.m. on the date that is 35 days after the date on which the Debtors file on the docket and serve a supplemental notice setting a deadline for such parties.
Amended Schedule Bar Date	For claimants holding claims negatively impacted by the filing of a previously unfiled schedule of assets and liabilities or statement of financial affairs or an amendment or supplement to such schedules or statements, the later of: (i) the General Bar Date or the Governmental Bar Date, as applicable; and (ii) 5:00 p.m. on the date that is 30 days after the date on which the Debtors provide notice of such filing, amendment or supplement.
Rejection Bar Date	For counterparties to executory contracts or unexpired leases that have been rejected by the Debtors, the later of: (i) the General Bar Date or the Governmental Bar Date, as applicable; and (ii) 5:00 p.m. on the date that is 30 days after the effective date of such rejection.

5. As described in the Finegan Declaration, the Notice Plan was designed to target the holders of claims relating to the Debtors’ sale and marketing of opioid products as well as the holders of other claims against the Debtors, including those arising from the Debtors’ sale of ranitidine and transvaginal mesh products (collectively, the “Product Claimants”), and ordinary creditors. The Supplemental Notice Plan, which consisted of a direct notice and a multi-faceted supplemental outreach and media notice plan (the “Media Notice Plan”), was intended to provide supplemental notice to unknown Product Claimants of the Sale and the Bar Dates. At the time of its conception, the Supplemental Notice Plan was, as noted in the Finegan Declaration, expected to be

one of the largest legal notice programs deployed in a chapter 11 case and cost approximately \$16,300,000.

6. The Debtors' Notice Plan and the Supplemental Notice Plan were commenced on April 24, 2023 and were completed on June 30, 2023. The implementation of the Notice Plan and the Supplemental Notice Plan is discussed in detail in the Supplemental Declaration of Jeanne C. Finegan dated July 26, 2023 (the "Supplemental Finegan Declaration") attached to the Axell Affidavit as Exhibit "Q". Notably, the Supplemental Finegan Declaration indicates, among other things, that:
 - a) the Notice Plan was successfully implemented in the U.S., Canada, Australia, France, Ireland, Japan, New Zealand, the Netherlands, Spain, and the United Kingdom (England, Northern Ireland, Scotland, Wales);
 - b) the Media Notice Plan exceeded original audience delivery projections, having reached over an estimated 90% of Canadian adults 18 years of age and older with an estimated average frequency of over ten times, and over an estimated 95% of adults 18 years of age and older in the U.S. with an estimated average frequency of over eight times;
 - c) the Notice Plan provided notice by means of: (i) actual, written notice to known and potential Product Claimants as well as other known parties in interest; (ii) distribution of a Simplified print Notice (as defined in the Finegan Declaration) to various community organizations; (iii) print media; (iv) online display; (v) internet search terms; (vi) social media campaigns; and (vii) television advertisements;
 - d) the Media Notice Plan served in excess of three billion impressions, with the greatest number of impressions being in the U.S. (2.3 billion) and Canada (432 million);
 - e) the Media Notice Plan had the same reach and frequency as the media notice plan implemented *In re Purdue Pharma, LLP* and greater reach and frequency than the media notice plan *In re Mallinckrodt plc* (each of which are large opioid-related mass tort chapter 11 cases);
 - f) the Simplified Print Notice was published in four nationally distributed Canadian magazines in English and French and was published twice in the following nationally circulated Canadian newspapers: *The Globe and Mail*; *The National Post*; and *Le Journal de Montreal*;
 - g) online display advertising in Canada targeted Canadians 18 years of age and older on the basis of targeting considerations consistent with those used in the U.S.; and
 - h) the Debtors issued press releases across the Canadian Bilingual General Media Newswire in English and French.

7. Since being granted on April 3, 2023, the Bar Date Order has been amended by the US Court on two occasions to achieve administrative efficiency and incorporate revisions relating to the confidentiality protocol set out therein based on stakeholder feedback. The first amended Bar Date Order was filed by the Debtors subsequent to the filing on June 1, 2023 of the *Notice of Motion of Jodie Philipsen and Janice Seymour for an Order (I) Certifying the Class of Australian Mesh Claimants and Authorizing the Filing of a Class Proof of Claim, or Alternatively, (II) Extending the Bar Date to File Proofs of Claim* (the “Mesh Claimants’ Motion”).
8. Pursuant to the Mesh Claimants’ Motion, Jodie Philipsen and Janice Seymour (the “Movants”), on behalf of themselves and all other similarly situated Australian mesh claimants (collectively, the “Mesh Claimants”), sought an order:
 - a) certifying the Mesh Claimants as a class and authorizing the filing of a class proof of claim; or
 - b) if class certification was denied, extending the July 7 general bar date to permit the filing of more than 6,000 individual proofs of claim.¹⁹
9. The Mesh Claimants’ Motion was objected to by the Debtors and each of the Committees on several bases, including that:
 - a) the Mesh Claimants’ Motion would impede the progress of the Chapter 11 Proceedings and did not satisfy the factors supporting allowance of a class proof of claim or class certification;
 - b) because the Bar Date Order permits the submission of consolidated proofs of claim, and could similarly be amended to allow for the filing of a class proof of claim solely for administrative convenience, the Mesh Claimants’ Motion could be denied without prejudice to the Mesh Claimants;²⁰

¹⁹ The Information Officer notes that the Mesh Claimants’ Motion states that: “[a]n Australian representative proceeding is the functional equivalent of an American class action that operates on an opt-out basis”; “[u]nder Australian law, representative proceedings do not require class certification before the plaintiffs are permitted to proceed as class representatives”; and “the Class Action is the functional equivalent of a certified class action under federal law.”

²⁰ The Information Officer notes that, solely for administrative convenience, holders of claims arising from the Debtors’ opioid products were permitted to file class proofs of claim on behalf of: (i) insurance ratepayers; (ii) private hospitals; (iii) public schools; and (iv) claimants seeking to establish a Neonatal Abstinence Syndrome medical monitoring program. Similarly, holders of claims of price-fixing and antitrust claims in prepetition lawsuits against the Debtors were permitted to file class proofs of claim on behalf of plaintiffs in any price-fixing or antitrust litigation in which the Debtors are named solely for administrative convenience. With respect to consolidated proofs of claim, the Information Officer notes that under the Bar Date Order, any entity, including any attorney or law firm, representing multiple opioid claimants or non-opioid personal injury claimants, which provides authorization from those opioid claimants or non-opioid personal injury claimants to be included on a consolidated proof of claim (each such authorizing individual or entity holding an opioid claim or non-opioid personal injury claim, a “Consenting Claimant”)—which authorization shall be (i) in the form of an affidavit from the individual (including any attorney or law firm) representing multiple opioid claimants or non-opioid personal injury claimants stating that such individual represents the Consenting Claimants and has authorization to file the Consolidated Claim, or (ii) some other form reasonably acceptable to the Debtors and the OCC

- c) granting the Mesh Claimants' Motion could lead to similar requests for class certification and to file class proofs of claim (for reasons beyond administrative convenience as permitted under the Bar Date Order), which may threaten the resolutions reached in the Mediation and deplete the value of the Debtors' estates;
 - d) the ability to file a consolidated proof of claim provided under the amended Bar Date Order achieves an appropriate balance between facilitating the filing of proofs of claim and ensuring that the Debtors obtain sufficient information regarding the proposed claims asserted against them (as any such consolidated proof of claim would require the compilation of particularized claim information for the underlying Mesh Claimants);
 - e) the compromise embodied in the amended Bar Date Order equally positions the Mesh Claimants with all other personal injury claimants, none of which are permitted to file a class proof of claim under the Bar Date Order; and
 - f) class proofs of claim disrupt the application of bar dates in bankruptcy proceedings by preserving the claims of class members who may not have otherwise asserted claims prior to the bar date, diluting claims filed by similarly situated creditors.
10. Pursuant to the *Stipulation by an Among Jodie Philipsen and Janice Seymour, the Official Committee of Unsecured Creditors, the Official Committee of Opioid Claimants, and the Debtors Resolving the Class Claim Motion* filed on June 21, 2023 (the "Mesh Claim Stipulation"):
- a) the Movants agreed to withdraw the Mesh Claimants' Motion on a with prejudice basis;
 - b) the Movants agreed to file a consolidated proof of claim by the general bar date, attaching a spreadsheet containing: (i) the names of each of the Mesh Claimants that will be subject to the consolidated proof of claim; (ii) the asserted claim amounts associated with each individual claim; and (iii) any other information in the Movants' possession related to such individual claims; and
 - c) the Movants were provided until August 21, 2023 to amend their consolidated proof of claim to provide all other information required by the Proof of Claim Form for each of the individual claimants and remove any claimants for which authorization was not obtained to file such consolidated proof of claim by August 21, 2023.

(with respect to opioid claimants) or the Debtors and the UCC (with respect to non-opioid personal injury claimants)—may file, amend and/or supplement a consolidated claim on behalf of such Consenting Claimants and docket such consolidated claim against the lead case, *In re Endo International plc, et al.*, No. 22-22549 (JLG), provided that such consolidated claim has attached either (A) an individual Proof of Claim Form for each Consenting Claimant, or (B) a spreadsheet or other form of documentation that lists each Consenting Claimant and provides individualized information that substantially conforms to information requested in the applicable Proof of Claim Form.

11. A copy of the Mesh Claimant Stipulation is attached as Appendix “E”.
12. For clarity, the above-noted amendments to the Bar Date Order did not modify the Bar Dates. As such, all persons or entities holding a claim against any of the Debtors that arose prior to the Petition Date, including secured claims, unsecured priority claims and unsecured non-priority claims, were required to file a Proof of Claim on or before July 7, 2023. This includes all private Opioid Claimants. A copy of the Bar Date Order, as amended, is attached as Appendix “F”.
13. As set out within the Siminovitch Affidavit and the Supplemental Siminovitch Affidavit, the Proposed Representative Counsel filed a class proof of claim prior to the general bar date on a without prejudice basis. According to the Siminovitch Affidavit and the Supplemental Siminovitch Affidavit, the OCC has advised the Proposed Representative Counsel that such proof of claim would be rejected for failure to comply with the informational requirements for a consolidated proof of claim under the Bar Date Order.²¹

3.6 The DMP Stipulation

1. Prior to the entry of the Bidding Procedures Order, the Debtors and the DMPs entered into negotiations regarding the DMP Objection and the Debtors’ motion for the Sale Order. As a result of such negotiations, and with the support of the Stalking Horse Bidder, the Debtors entered into the *Amended Stipulation Among the Debtors and the DMPs Resolving the DMPs’ Objection to the Bidding Procedures and Sale Motion* (the “DMP Stipulation”). Among other things, the DMP Stipulation:
 - a) provides that the DMP Objection will be deemed to be withdrawn upon the US Court’s approval of the DMP Stipulation;
 - b) preserves the DMP Defensive Rights (as defined in the DMP Stipulation) and the DMPs’ rights to pursue insurance coverage under, or insurance recoveries from, any Debtor Insurance Contracts (as defined in the DMP Stipulation);
 - c) memorializes an agreed upon approach to the preservation and production of documents and documentary discovery in connection with any judicial, administrative, or other action or claim that has been filed in Canada by a governmental entity or private party in Canada against any of the Debtors in respect of opioid claims as at the date of the DMP Stipulation (in which the DMPs are co-defendants with certain of the Debtors, including the Canadian Debtors); and

²¹ The Siminovitch Affidavit notes that the information required to complete a consolidated claim proof of claim is not available to the Proposed Representative Counsel in light of the early stage of the Quebec Class Action.

- d) provides that, as of the Closing Date (as defined in the DMP Stipulation), the DMPs on the one hand, and the Debtors, on the other hand, shall release each other and each of their respective Related Parties (as defined in the DMP Stipulation) solely in such Related Party's respective capacity as such, from any and all Released Claims (as defined in the DMP Stipulation).
2. The DMP Stipulation was approved by the US Court pursuant to the *Order Granting Debtors' Motion for an Order Approving the Amended Stipulation Among the Debtors and the DMPs Resolving the DMPs' Objection to the Bidding Procedures and Sale Motion* entered on August 3, 2023 (the "DMP Stipulation Order"). A copy of the DMP Stipulation Order is attached to the Axell Affidavit as Exhibit "T".
3. The Information Officer notes that the Foreign Representative is not currently seeking this Court's approval or recognition of the DMP Stipulation Order or the DMP Stipulation.

3.7 The Sale Order

1. The Sale Hearing has been adjourned on several occasions, in part, to facilitate the resolution of certain outstanding objections to the proposed Sale Order and the Sale. It is currently scheduled for December 21, 2023. Accordingly, the US Court has not yet assessed the appropriateness of the proposed Sale Order or the Sale or the merits of any objections thereto.
2. The Debtors filed the proposed Sale Order on July 7, 2023, with certain revisions thereto being filed on July 13, August 3 and August 11, 2023. Parties in interest other than the US Trustee and the Department of Justice were required to file objections to the proposed Sale Order by July 14, 2023 (the "Sale Objection Deadline").
3. Numerous parties in interest filed objections to the proposed Sale Order by the Sale Objection Deadline (collectively, the "Objecting Parties"). The US Trustee and the Department of Justice also filed objections to the Debtors' motion for the proposed Sale Order on July 18, 2023, as required.²² Neither the Representative Plaintiff nor the Proposed Representative Counsel filed an objection by the Sale Objection Deadline (or at all).
4. Notably, the Objecting Parties included:
 - a) the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, and Newfoundland & Labrador, and the governments of Prince Edward Island, Nunavut, the Northwest Territories and the Yukon (collectively, the "Canadian Provinces and Territories"), which asserted, among other things, that there is no justification for the Canadian Provinces and Territories receiving no consideration for their collective \$66 billion in claims for opioid-related harm perpetrated in Canada while the

²² The Department of Justice's objection was filed by the United States of America on behalf of the Internal Revenue Service, the U.S. Department of Justice, the U.S. Department of Health and Human Services, and the U.S. Department of Veterans Affairs, by its attorney, Damian Williams, United States Attorney for the Southern District of New York.

governments of various states share in the Public Opioid Trust of approximately \$465 million; and

- b) the Rochester City School District, together with certain other public school districts (collectively, the “Public School Districts”), which asserted, among other things, that the proposed Sale constitutes a *sub rosa* plan and undervalues the Debtors’ unencumbered assets.
5. As reflected in the *Notice of Filing of Further Updated Chart Summarizing Outstanding and Additional Resolved Objections to the Proposed Sale Order* filed on August 10, 2023 (the “Objection Summary”), substantially all of the Objecting Parties’ objections, including those of the Canadian Provinces and Territories and the Public School Districts, have been resolved. A copy of the Objection Summary is attached as Appendix “G”.
 6. The resolutions reached with the Canadian Provinces and Territories and the Public School Districts were achieved within the Mediation – with such parties having been added as Limited Basis Parties – and have been memorialized in term sheets dated August 22, 2023 (the “Voluntary Canadian Government Term Sheet”) and August 15, 2023 (the “Voluntary Public School Districts Term Sheet”), respectively. The Voluntary Canadian Government Term Sheet is appended to the *Notice of Filing of Voluntary Canadian Governments Resolution Term Sheet* filed on September 29, 2023 attached to the Axell Affidavit as Exhibit “S”.
 7. Under the Voluntary Canadian Government Term Sheet, the Stalking Horse Bidder has agreed to establish a voluntary trust upon the closing of the Sale for the benefit of the Canadian Provinces and Territories that elect to become beneficiaries thereof (the “Voluntary Canadian Government Trust”). The Voluntary Canadian Government Trust will be funded by the Stalking Horse Bidder in the aggregate amount of \$7.25 million in 11 equal installments over 10 years. In turn, and subject to the terms of the Voluntary Canadian Government Term Sheet, the Canadian Provinces and Territories have agreed to support the entry of the proposed Sale Order and its recognition in the Recognition Proceedings and provide certain releases to, among other released parties, the Debtors, the Stalking Horse Bidder, and the Ad Hoc First Lien Group.
 8. Pursuant to the Voluntary Public School Districts Term Sheet, the Stalking Horse Bidder has agreed to pay the Public Schools’ Special Education Initiative (as defined in the Voluntary Public School Districts Term Sheet), the aggregate amount of \$3 million in installments over 3 years. Only public school districts in the U.S. that elect to participate under the Voluntary Public School Districts Term Sheet by providing a release of certain opioid-related claims in favour of, among other parties, the Debtors, the Stalking Horse Bidder, and the Ad Hoc First Lien Group, will be entitled to the benefit of such monies.
 9. Having resolved substantially all of the Objecting Parties’ objections, the proposed Sale is now supported by, among others, the Committees, the FCR, the Multi-State EC, the Canadian Governments and the Ad Hoc First Lien Group. As at the date of this Report, however, the US Trustee’s and the Department of Justice’s objections remain outstanding.

10. Respectively, the US Trustee and the Department of Justice oppose the proposed Sale and Sale Order on the bases that, among others:
 - a) the proposed Sale avoids the Bankruptcy Code’s priority scheme and constitutes a *sub rosa* plan insofar as it dictates a distribution scheme to unsecured creditors, releases the Debtors, non-Debtor affiliates, and certain of the Debtors’ and non-Debtor affiliates’ officers and directors, and enjoins certain actions against the Stalking Horse Bidder and various creditor trusts; and
 - b) the proposed Sale constitutes a *sub rosa* plan that dictates the distribution of funds to different classes of creditors in contravention of the Bankruptcy Code’s priority rules (including with respect to the Internal Revenue Service’s priority tax claim), the proposed Sale Order contains broad third-party releases that abrogate the rights of creditors, certain of which could not be granted even in a chapter 11 plan, and the proposed Sale purports to permanently resolve estate causes of action and the proposed Challenges absent certain procedural protections.
11. A copy of the *Objection of The United States of America to the Debtors’ Motion for an Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, (III) Approving the Sale of Substantially all of the Debtors’ Assets and (IV) Granting Related Relief – and Memorandum of law in Support of Motion to Appoint Chapter 11 Trustee* filed on July 18, 2023 is attached as Exhibit “E” to the Supplemental Siminovitch Affidavit. A copy of the *Amended Objection of United States Trustee to Order Approving the Sale of Substantially all of the Debtors’ Assets* filed on July 18, 2023 is attached as Appendix “H”.
12. The Debtors, the Ad Hoc First Lien Group, the Committees, and the Multi-State EC have each filed detailed replies to the objections to the Debtors’ motion for the proposed Sale Order, including those of the US Trustee and the Department of Justice. Such replies contextualize certain of the objections to the proposed Sale Order and the relief sought by the Representative Plaintiff pursuant to the proposed Appointment Order.
13. For instance, the *Reply of the Official Committee of Opioid Claimants in Support of Entry of the Revised Proposed Order (A) Approving the Purchase and Sale Agreement, (B) Authorizing the Sale of Assets, (C) Authorizing the Assumption and Assignment of Contracts and Leases, and (D) Granting Related Relief* filed on July 26, 2023 (the “OCC’s Reply”) notes that:
 - a) the OCC’s mandate within the Chapter 11 Proceedings is to “advocate for the interests of Opioid Claimants—**as a whole**—and to do whatever is possible to further the efforts of obtaining compensation for victims and abating the opioid crisis”;

- b) the “OCC’s obligation, as a fiduciary for Opioid Claimants was to maximize value for Opioid Claimants **as a whole** and not for any particular Opioid Claimant(s), and then to ensure that any allocation of that value was fair and reasonable. The OCC has more than fulfilled this role, and views the Sale—**and every aspect of the Sale Order**—as in the best interests of all Opioid Claimants”;
 - c) the proposed Sale “and the various trusts to be established by the Purchaser, represent the best available outcome for Opioid Claimants, taken as a whole”;
 - d) the proposed Sale, including the resolution memorialized in the OCC Resolution Term Sheet “is manifestly in the best interests of Opioid Claimants taken as a whole and represents an outcome vastly superior to any other currently achievable alternative in these Chapter 11 Cases”; and
 - e) the “OCC has not settled any of the underlying potential claims or causes of action contained in the complaints attached to the Joint Standing Motion” and has “retained the right to pursue standing to bring the causes of action set forth in the Joint Standing Motion [...] or any other claims that the OCC may determine are in the best interests of Opioid Claimants to pursue”.
14. *The Official Committee of Unsecured Creditors’ Reply to Sale Objections* filed on July 26, 2023 (the “UCC’s Reply”) similarly explains that:
- a) the “Sale reflected in the revised Sale Order now enjoys near universal support”;
 - b) the resolution reflected in the UCC Resolution Term Sheet was “negotiated by the Committee as a fiduciary for *all* general unsecured creditors, and the Committee concluded, on the basis of substantial analysis, that the Sale is the best outcome here for non-opioid general unsecured creditors *as a whole*”; and
 - c) the UCC’s conclusion with respect to the UCC Resolution Term Sheet and the proposed Sale is informed by “the Committee’s extensive investigation of estate claims, its consideration of alternatives (including a chapter 11 plan), its evaluation of the benefits and risks of continued litigation, and its participation in a months’-long mediation among sophisticated and adverse parties that was overseen by an esteemed and experienced mediator.”
15. Finally, the *Reply of the Ad Hoc First Lien Group in Support of the Debtors’ Sale Motion* filed on July 26, 2023 (the “Ad Hoc Group’s Reply”) notes that:
- a) the Sale Process has confirmed that “the value of the Debtors’ assets is significantly less than the full amount of the Prepetition First Lien Indebtedness and, accordingly, there is no value available for unsecured creditors under any scenario”;

- b) the “Prepetition First Lien Secured Parties consented to the Debtors’ use of their Cash Collateral from the outset of these Chapter 11 Cases—critically, in exchange for and in reliance on the specific stipulations and challenge procedures embodied in the Cash Collateral Order”, which Cash Collateral Order “including the Debtors’ Stipulations as to, *inter alia*, the validity of the Prepetition First Liens, is binding upon the Debtors and ‘all other parties in interest’”; and
 - c) the “stipulations, admissions, waivers, and releases in the Cash Collateral Order, including the Debtors’ Stipulations, are binding on *all* parties in interest, and the *only* exception is for those parties that properly sought standing before the expiration of the applicable Challenge Period. The Committees are the only parties that filed a motion seeking standing to challenge the Prepetition First Liens.”
16. A copy of the OCC’s Reply is attached to the Axell Affidavit as Exhibit “P”. Copies of the UCC’s Reply and the Ad Hoc First Lien Group’s Reply are attached as Appendices “I” and “J”, respectively.
17. The US Trustee’s and the Department of Justice’s respective objections to the proposed Sale Order and the Sale continue to be subject to the Mediation and, as previously noted, have not yet been considered by the US Court. Moreover, the Department of Justice’s objection to the proposed Sale Order and the Sale is now subject to a proposed resolution between the Department of Justice and the Ad Hoc First Lien Group, as reflected in the *Notice of Filing of Term Sheet* filed on November 20, 2023 (the “USG Term Sheet”). The resolution contemplated under the USG Term Sheet may be effectuated by way of the proposed Sale or a chapter 11 plan and remains subject to, among other things, certain requisite approvals and definitive documentation. A copy of the USG Term Sheet is attached to the Axell Affidavit as Exhibit “U”.
18. The Information Officer will provide additional information regarding the Sale in connection with any motion brought by the Foreign Representative for the recognition and enforcement of the Sale Order (should it be granted by the US Court).

4.0 The Representative Plaintiff’s Request for the Appointment Order

1. The Representative Plaintiff is the putative class plaintiff in an uncertified class action instituted in the Quebec Superior Court on May 23, 2019, bearing Court File No. 500-06-001004-197 (the “Quebec Class Action”). The Proposed Representative Counsel jointly act as counsel to the Representative Plaintiff. A copy of the Re-Amended Application Dated September 30, 2022 for Authorization to Institute a Class Action (the “Authorization Application”) is attached as Exhibit “A” to the Siminovitch Affidavit.

2. The Quebec Class Action names Paladin, among numerous other pharmaceutical companies, as a defendant. The Quebec Class Action was disclosed in the First Vas Affidavit, together with seven other Canadian opioid lawsuits to which Paladin and/or the Canadian Litigation Defendants are party. In the Quebec Class Action, the Representative Plaintiff seeks compensatory damages of \$30,000 to be paid to each proposed class member as well as the amount of \$25 million in punitive damages to be paid by each of the defendants named in the Authorization Application.²³ As noted in the Siminovitch Affidavit, the Quebec Class Action is currently stayed as against Paladin in accordance with the First Supplemental Order (and previously, the Interim Order).
3. Pursuant to the proposed Appointment Order, the Representative Plaintiff seeks its and the Proposed Representative Counsel's appointment in the Recognition Proceedings and, if necessary, the Chapter 11 Proceedings, to represent the interests of the Canadian Personal Injury Claimants. The Representative Plaintiff's stated purpose for doing so pursuant to its notice of motion is, in part, to:
 - a) ensure that the interests of Canadian Personal Injury Claimants are protected;
 - b) allow the Proposed Representative Counsel to engage with the Canadian Debtors and the Information Officer to ascertain the nature of the Canadian Debtors' guarantee of Endo's indebtedness;
 - c) revoke this Court's recognition of the Chapter 11 Proceedings in the event that the Canadian Debtors are not responsible for Endo's indebtedness; and
 - d) engage with the OCC to negotiate a process that ensures the fair treatment of the Canadian Personal Injury Claimants within the PPOC Trust.
4. Additional information concerning the Representative Plaintiff's motion for the Appointment Order is set out within the Siminovitch Affidavit and the Supplemental Siminovitch Affidavit. Certain of the events preceding the Representative Plaintiff's motion for the proposed Appointment Order as well as the Information Officer's views and recommendation with respect to the proposed Appointment Order are set out below.

²³ The Authorization Application indicates that the Representative Plaintiff seeks to institute the Quebec Class Action on behalf of all persons in Quebec who have been prescribed and consumed any one or more of the opioids manufactured, marketed, distributed and/or sold by the defendants to the Quebec Class Action between 1996 and the present day and who suffer or have suffered from Opioid Use Disorder, according to the diagnostic criteria described in the Authorization Application (inclusive of the direct heirs of any deceased persons who meet the aforementioned criteria but, exclusive of any person's claim, or any portion thereof, in respect of the drugs OxyContin or OxyNeo, subject to a settlement agreement entered into in the Court File No. 200-06-000080-070).

4.1 Certain Events Preceding the Representative Plaintiff's Motion for the Appointment Order

1. The Representative Plaintiff, through the Proposed Representative Counsel, was advised of the commencement of the Chapter 11 Proceedings and the Canadian Recognition Proceedings more than 15 months ago on August 23, 2022 by way of email to counsel in the Quebec Class Action and the Honourable Justice Morrison (the "August 23 Notice"). Since the delivery of the August 23 Notice, the Representative Plaintiff has not taken any formal steps in the Recognition Proceedings or, to the Information Officer's knowledge, the Chapter 11 Proceedings, until serving its notice of motion for the proposed Appointment Order on October 16, 2023. A copy of the August 23 Notice is attached to the Axell Affidavit as Exhibit "N".
2. The Proposed Representative Counsel first contacted counsel to the Information Officer by email on December 1, 2022 to inquire as to how it may be added to a service list within the Chapter 11 Proceedings. By responding email dated December 2, 2022, counsel to the Information Officer provided information to the Proposed Representative Counsel regarding certain resources and contact details that would assist it in remaining apprised of these Proceedings. Such information included directions on subscribing to the Docket such that the Proposed Representative Counsel could receive daily updates regarding the materials filed in the Chapter 11 Proceedings. A copy of the aforementioned correspondence is attached as Appendix "K".
3. On June 28, 2023, the Proposed Representative Counsel contacted a representative of the Information Officer by email to raise inquiries regarding the PPOC Trust, the filing of a proof of claim in the Chapter 11 Proceedings and measures taken to protect the assets of Paladin (the "June 28 Email"). Following certain responding emails between the Information Officer's counsel and the Proposed Representative Counsel on June 28, 2023 (collectively, the "June 28 Responding Emails"), a call was scheduled to discuss the inquiries raised by the Proposed Representative Counsel on June 29, 2023. Copies of the June 28 Email and the June 28 Responding Emails are attached as Appendices "L" and "M", respectively.
4. By letter dated June 30, 2023 (the "June 30 Letter"), the Proposed Representative Counsel advised the Information Officer of its concerns regarding, among other things, the treatment of the Canadian creditors of Paladin and the validity of the secured guarantees granted by the Canadian Debtors. A copy of the June 30 Letter is attached as Appendix "N".
5. At the request of the Proposed Representative Counsel, the Information Officer's counsel forwarded the June 30 Letter to the Canadian Debtors' counsel, who confirmed that it would, in turn, forward the June 30 Letter to the Debtors' counsel. The Information Officer confirmed having done so by email dated July 4, 2023 (the "July 4 Email"). In the July 4 Email, the Information Officer also advised the Proposed Representative Counsel that the Canadian Debtors' counsel intended to contact the Proposed Representative Counsel separately to discuss the issues raised in the June 30 Letter. A copy of the July 4 Email is attached as Appendix "O".

6. On July 11, 2023, the Canadian Debtors' counsel delivered a letter to the Proposed Representative Counsel in response to the June 30 Letter (the "July 11 Letter"). In the July 11 Letter, the Canadian Debtors' counsel noted, among other things, that: (i) the OCC already acted as a fiduciary for Canadian Personal Injury Claimants; (ii) the OCC had already negotiated the PPOC Trust, which would achieve a recovery for present private opioid claimants in circumstances where Endo was unable to repay in full its first lien indebtedness; (iii) the Committees had already extensively investigated the validity and enforceability of the security interests and liens granted by the Prepetition Secured Parties; (iv) given the role of the OCC, the Canadian Debtors would oppose any motion to appoint the Proposed Representative Counsel to represent the interests of Canadian Personal Injury Claimants; and (v) any representative counsel motion would need to proceed at first instance before the US Court overseeing the Chapter 11 Proceedings. A copy of the July 11 Letter is attached to the Axell Affidavit as Exhibit "V".
7. On July 18, 2023, the Proposed Representative Counsel contacted the Canadian Debtors' counsel by email to request that it be provided with the guarantees, deeds of hypothec and security agreements (collectively, the "Guarantee and Security Documents") executed in connection with the Canadian Debtors' guarantee of the Prepetition First Lien Indebtedness. By emails dated July 20 and 24, 2023 (together, the "July Emails"), counsel to the Canadian Debtors provided the Guarantee and Security Documents requested by the Proposed Representative Counsel. Copies of the July Emails are attached as Exhibit "O" to the Axell Affidavit.
8. The Information Officer is not aware of any further correspondence from, or requests made by, the Proposed Representative Counsel between July 24, 2023 and October 16, 2023 (being the date when the Representative Plaintiff served its motion for the Appointment Order). In that time, the Information Officer has not been apprised of any particular concerns regarding the validity or enforceability of the Guarantee and Security Documents.
9. The Information Officer's Ontario counsel has conducted a preliminary review of the Guarantee and Security Documents, and is of the view that, subject to customary qualifications and assumptions, the (i) Guarantee and Security Documents, on their face, constitute valid and binding obligations of the Canadian Debtors, and (ii) create valid security interests in the property of the Canadian Debtors described therein.²⁴

²⁴ The Information Officer and its counsel have not conducted an independent review of the issues raised by the Proposed Representative Counsel in the June 30 Letter and no security opinions have been rendered to date. The Information Officer expects to request that its counsel, and its counsel's local provincial agents, deliver security opinions in connection with any motion brought by the Foreign Representative for the recognition and enforcement of the Sale Order (should it be granted by the US Court).

4.2 Recommendation

1. For the reasons that follow, the Information Officer respectfully recommends that this Court dismiss the Representative Plaintiff's motion for the proposed Appointment Order.
2. The Proposed Representative Counsel and the Foreign Representative do not agree on the source of this Court's jurisdiction to appoint representative counsel in a proceeding, such as the Recognition Proceedings, that has been recognized as a "foreign main proceeding" under Part IV of the CCAA. Nor do the Proposed Representative Counsel and the Foreign Representative agree upon this Court's jurisdiction to appoint representative counsel to act in a "foreign main proceeding", such as the Chapter 11 Proceedings, absent the approval of the applicable foreign court, as is contemplated under the proposed Appointment Order.
3. The Proposed Representative Counsel and the Foreign Representative do, however, agree that this Court has broad jurisdiction to grant any order it considers appropriate in the Recognition Proceedings. The exercise of such jurisdiction is discretionary and is informed by the circumstances of the Recognition Proceedings and the purposes of the CCAA, including the purposes of Part IV of the CCAA.²⁵ As the Proposed Representative Counsel and the Foreign Representative also agree, the exercise of this Court's discretion may be informed by the non-exhaustive factors articulated in *Canwest Publishing Inc.* ("*Canwest*"), and applied in other plenary proceedings under the CCAA.²⁶ The non-exhaustive factors set out in *Canwest* include the position of the Court-appointed officer with respect to the proposed appointment of representative counsel.²⁷
4. The Information Officer supports the arguments raised in the Foreign Representative's factum, but has focused in this Report on factual matters relating to the relief sought as well as the Information Officer's position with respect to the relief.

²⁵ The Information Officer notes that section 44 of the CCAA provides, in relevant part, that "[t]he purpose of this Part is to provide mechanisms for dealing with cases of cross-border insolvencies and to promote (a) cooperation between the courts and other competent authorities in Canada with those of foreign jurisdictions in cases of cross-border insolvencies; cooperation between the courts and other competent authorities in Canada with those of foreign jurisdictions in cases of cross-border insolvencies; (b) greater legal certainty for trade and investment; (c) the fair and efficient administration of cross-border insolvencies that protects the interests of creditors and other interested persons, and those of debtor companies; (d) the protection and the maximization of the value of debtor company's property; and (e) the rescue of financially troubled businesses to protect investment and preserve employment."

²⁶ [Canwest Publishing Inc., 2010 ONSC 1328](#) at para 21.

²⁷ *Ibid.* The Information Officer notes that the non-exhaustive factors enumerated in *Canwest* also include: (i) the vulnerability and resources of the group sought to be represented; (ii) any benefit to the companies under CCAA protection; (iii) any social benefit to be derived from representation of the group; (iv) facilitation of the administration of the proceedings and efficiency; (v) avoidance of a multiplicity of legal retainers; (vi) the balance of convenience and whether it is fair and just including to the creditors of the estate; and (vii) whether representative counsel has already been appointed for those who have similar interests to the group seeking representation and who is also prepared to act for the group seeking the order.

5. Having regard to the principles of comity underpinning Part IV of the CCAA and the non-exhaustive factors enumerated in *Canwest*, the Information Officer is of the view that the proposed Appointment Order is not appropriate in the circumstances. In particular, the Information Officer notes that:

The Principles of Comity:

- a) The principle of comity, as reflected in part in section 44 of the CCAA, dictates that Canadian courts cooperate with, and recognize and enforce the judicial acts of, other jurisdictions, where those jurisdictions have assumed jurisdiction on a basis consistent with principles of order, predictability, and fairness.
- b) In this case, this Court has already determined that the Canadian Debtors' "centre of main interest" is in the U.S. and that the Chapter 11 Proceedings are a "foreign main proceeding" under Part IV of the CCAA.
- c) Consistent with the foregoing determinations, the Chapter 11 Proceedings, and the Mediation ordered by the US Court therein, have served as the central forum in which the Debtors and their various stakeholders, including Canadian stakeholders, have sought and obtained relief and raised objections for the US Court's consideration. Certain of the stated objectives for the Representative Plaintiff's and the Proposed Representative Counsel's appointment are precluded by or appear to have the effect of circumventing orders granted in the US Court (and in some cases recognized by this Court).
- d) Further, certain of the concerns raised by the Representative Plaintiff are premised on matters that have not yet been considered by the US Court, including the resolution achieved by the OCC and memorialized in the OCC Resolution Term Sheet.
- e) For the above-mentioned reasons, the Information Officer is of the view that the appropriate forum for such relief is the Chapter 11 Proceedings, and that its resolution by the US Court will promote judicial efficiency.

The Vulnerability and Resources of the Canadian Personal Injury Claimants:

- a) It does not appear to the Information Officer that any party disputes that Canadian Personal Injury Claimants, like all other Opioid Claimants of which they are a part, are a vulnerable group. Indeed, it is in part for this reason that the US Trustee appointed the OCC in the Chapter 11 Proceedings.
- b) The Information Officer is not aware of any factors that differentiate the vulnerability of Canadian Personal Injury Plaintiffs from other Opioid Claimants so as to warrant the appointment of separate or additional counsel.

The Benefits to the Canadian Debtors or the Debtors (if any) and the Facilitation of the Recognition Proceedings and the Chapter 11 Proceedings:

- a) These Proceedings are now well advanced having been ongoing for more than 15 months.
- b) Based on the stated objectives for the Representative Plaintiff's and the Proposed Representative Counsel's appointment, the Siminovitch Affidavit and the Supplemental Siminovitch Affidavit, it is not clear that the Representative Plaintiff and the Proposed Representative Counsel have received a mandate or request to act from a group of Canadian Injury Personal Claimants. Moreover, if such a mandate exists, it is unclear as to whether there is practically much for the Proposed Representative Counsel to accomplish.
- c) As noted above, (i) the claims process in the Chapter 11 Proceedings, which has been recognized by this Court and by which the Canadian Injury Personal Claimants are bound, has been conducted and the Bar Dates have passed, (ii) the Challenge Period has elapsed and the Committees have taken the requisite steps to protect their rights to pursue the Challenge Complaints, which remain in abeyance and have neither been settled nor released, and (iii) the OCC has negotiated a resolution for the benefit of all Opioid Claimants that timely filed proofs of claim and elect to participate in the PPOC Trust.
- d) In the Information Officer's view, there is little to suggest that the Representative Plaintiff and the Proposed Representative Counsel will, if appointed, be able to take steps that are facilitative (and not disruptive) in these Proceedings or achieve a different outcome for Canadian Personal Injury Claimants given the advanced stage of these Proceedings.
- e) In addition, in the Information Officer's view, there is nothing to preclude the Representative Plaintiff and the Proposed Representative Counsel from continuing to engage and appear in these Proceedings on their own behalf absent the Appointment Order in compliance with existing orders of the US Court and this Court.

The Avoidance of a Multiplicity of Legal Retainers:

- a) While there may be no other Canadian counsel appointed in respect of Opioid Claimants, this is not a plenary CCAA proceeding nor a case in which the appointment of representative counsel will avoid a multiplicity of legal retainers, improving efficiencies and simplifying these Proceedings. To the contrary, the Information Officer's view is that the appointment of the Proposed Representative Counsel and the Representative Plaintiff is duplicative of the OCC's role and that of its legal and financial advisors.

The Balance of the Convenience and Whether it is Just and Fair:

- a) The OCC has been appointed to act as the fiduciary of all Opioid Claimants since September 2, 2022 in recognition of the outsized role that the Company's potential opioid liabilities played in the Debtors' decision to commence the Chapter 11 Proceedings, and the importance of providing Opioid Claimants with the ability to participate in the Chapter 11 Proceedings by and through an official committee.
- b) Since its appointment and as discussed in this Report, the OCC has taken numerous steps to ensure that the interests and concerns of Opioid Claimants, as a whole, are raised in the Chapter 11 Proceedings and reflected in the US Court's orders that have been or may be recognized in the Recognition Proceedings.
- c) The Debtors and their various stakeholders have taken steps in these Proceedings based on the OCC's objections and articulated concerns.
- d) The Representative Plaintiff and the Proposed Representative Counsel have not, to date, formally participated in these Proceedings and, as noted previously, appear to be precluded from advancing certain of their stated objectives if appointed.
- e) If this Court is of the view that further inquiries need to be made to address the Representative Plaintiff's concerns, the Information Officer is well-positioned to pursue them.
- f) In all the circumstances, the Information Officer is of the view that the balance of convenience favours the Foreign Representative that opposes the granting of the proposed Appointment Order.

Whether Representative Counsel has Already Been Appointed:

- a) Shortly after the Chapter 11 Proceedings' inception, the US Trustee appointed two fiduciaries to advance and safeguard the interests of unsecured creditors. First, the UCC with respect to non-opioid-related creditors. Second, the OCC with respect to opioid-related creditors. Each of the UCC and the OCC are comprised of multiple representatives and have the benefit of sophisticated legal and financial advisors.
- b) The OCC's mandate involves maximizing value for all Opioid Claimants, wherever located.

- c) In furtherance of its mandate, the OCC has: (i) conducted an extensive investigation of estate claims; (ii) in conjunction with the UCC, advanced the Joint Standing Motion within the Challenge Period; (iii) filed objections in the Chapter 11 Proceedings to ensure that the interests of Opioid Claimants are protected; (iv) engaged in the Mediation; and (v) negotiated the resolution memorialized in the OCC Resolution Term Sheet that is expected to result in the PPOC Trust to be funded in the amount of \$119.2 million, in which the Canadian Personal Injury Claimants that timely filed proofs of claim will be eligible to participate.
- d) Therefore, a representative and their counsel has already been appointed for the benefit of Opioid Claimants, including Canadian Personal Injury Claimants, and has been actively engaged, and obtained material benefits, in the Chapter 11 Proceedings on their behalf.

5.0 Overview of the Information Officer's Activities

1. Since the date of the Third Report, the activities of the Information Officer have included, among other things:
 - a) corresponding with the Canadian Debtors' counsel, and Bennett Jones LLP, the Information Officer's counsel, regarding various matters in these Proceedings;
 - b) monitoring the Docket and attending hearings of the US Court in the Chapter 11 Proceedings via telephone to remain apprised of material updates therein;
 - c) reviewing amendments to the Bar Date Order;
 - d) reviewing the proposed Sale Order and the various ancillary documents filed in connection therewith;
 - e) reviewing the declarations filed in support of the proposed Sale Order;
 - f) reviewing the numerous objections filed in connection with the proposed Sale Order and the replies thereto;
 - g) reviewing the Voluntary Canadian Government Term Sheet, the Voluntary Public School Districts Term Sheet, and the USG Term Sheet;
 - h) corresponding with certain of the Canadian Debtors' creditors and their counsel, including, the Proposed Representative Counsel and Canadian counsel to certain of the DMPs;
 - i) engaging in discussions with management to the Canadian Debtors and assisting the Canadian Debtors with certain creditor matters; and
 - j) preparing this Report.

6.0 Conclusion and Recommendation

1. Based on the foregoing, the Information Officer recommends that this Court deny the relief sought by the Representative Plaintiff pursuant to the Appointment Order.

* * *

All of which is respectfully submitted,

A handwritten signature in blue ink that reads "KSV Restructuring Inc." The signature is written in a cursive, flowing style.

**KSV RESTRUCTURING INC. AS
INFORMATION OFFICER OF PALADIN LABS CANADIAN HOLDING INC.
AND PALADIN LABS INC.,
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”



**Third Report of
KSV Restructuring Inc. as
Information Officer of
Paladin Labs Canadian Holding Inc. and
Paladin Labs Inc.**

April 20, 2023

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COURT FILE NO.: CV-22-00685631-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF PALADIN LABS CANADIAN HOLDING INC. AND
PALADIN LABS INC.

APPLICATION OF PALADIN LABS INC. UNDER SECTION 46 OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

THIRD REPORT OF KSV RESTRUCTURING INC.
AS INFORMATION OFFICER

APRIL 20, 2023

1.0 Introduction

1. On August 16, 2022 (the "Petition Date"), Endo International plc. ("Endo Parent") and certain of its affiliates (collectively, the "Debtors", and together with their non-debtor affiliates, "Endo" or the "Company"), including Paladin Labs Inc. ("Paladin") and Paladin Labs Canadian Holding Inc. ("Paladin Holding" and jointly with Paladin, the "Canadian Debtors"), commenced proceedings (the "Chapter 11 Proceedings") by filing voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "US Court").
2. On August 17, 2022, the Debtors filed several first day motions in the Chapter 11 Proceedings (collectively, the "First Day Motions"). On August 18, 2022, the US Court granted multiple orders in respect of the First Day Motions (collectively, the "First Day Orders"), including, among others, the:¹
 - a) Foreign Representative Order, which authorized Paladin to act as the foreign representative of the Debtors (the "Foreign Representative");
 - b) Joint Administration Order;
 - c) Notice of Stay Order;
 - d) Interim Wages Order;

¹ Each as defined in the First Supplemental Order (as defined below).

- e) Interim Customer Programs Order;
 - f) Interim Vendor Order;
 - g) Interim Taxes Order;
 - h) Interim Insurance Order;
 - i) Interim Cash Management Order; and
 - j) Interim Cash Collateral Order.
3. In its capacity as Foreign Representative, Paladin brought an application (the “Recognition Application”) before the Ontario Superior Court of Justice (Commercial List) (this “Court”) for recognition of the Chapter 11 Proceedings under Part IV of *the Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “CCAA”). In connection with the Recognition Application, this Court granted the following orders:
- a) an [Interim Order](#)² (Foreign Proceeding) dated August 17, 2022 (the “Interim Order”), among other things, granting a stay of proceedings in respect of the Canadian Debtors, the property and business of the Canadian Debtors, any subsidiary, affiliate or related party of Endo Parent or any Canadian Debtor that is a defendant in Canadian litigation proceedings or subject to any other proceedings in Canada (the “Canadian Litigation Defendants”), and the directors and officers of the Canadian Debtors and the Canadian Litigation Defendants;
 - b) an [Initial Recognition Order](#) (Foreign Main Proceeding) dated August 19, 2022 (the “Initial Recognition Order”), among other things:
 - i. recognizing the Chapter 11 Proceedings as a “foreign main proceeding” and recognizing Paladin as the “foreign representative” in respect of the Chapter 11 Proceedings, as such terms are defined in section 45 of the CCAA; and
 - ii. declaring that the Interim Order shall be of no further force or effect upon the effectiveness of the Initial Recognition Order and the First Supplemental Order; and
 - c) a [Supplemental Order](#) (Foreign Main Proceeding) dated August 19, 2022 (the “First Supplemental Order”), *inter alia*:
 - i. recognizing certain of the First Day Orders of the US Court;
 - ii. granting a stay of proceedings in respect of the Canadian Debtors, the property and business of the Canadian Debtors, the Canadian Litigation Defendants, and the directors and officers of the Canadian Debtors and the Canadian Litigation Defendants; and

² Throughout this Report, words in blue text and underlined are hyperlinked to the Information Officer’s website.

- iii. appointing KSV Restructuring Inc. (“KSV”) as information officer in respect of these Canadian recognition proceedings (the “Information Officer”).
4. On September 28, 2022, the US Court heard certain second day motions (the “Second Day Hearing”) filed by the Debtors in the Chapter 11 Proceedings and entered certain orders in respect of such motions (collectively, the “Second Day Orders”).
5. On October 13, 2022, this Court made an order (the “[Second Supplemental Order](#)”) recognizing and enforcing certain of the Second Day Orders, which are summarized in the Information Officer’s [First Report to Court dated October 10, 2022](#) (the “First Report”).
6. On November 29, 2022, this Court made an order (the “[Third Supplemental Order](#)”) recognizing and enforcing the following orders, which are summarized in the Information Officer’s [Second Report to Court dated November 24, 2022](#) (the “Second Report”):
 - a) De Minimis Assets Order;
 - b) Creditor Listing Order;
 - c) Final Cash Collateral Order;
 - d) Combined Wages Order; and
 - e) Final Wages Order.
7. Since November 29, 2022, the US Court has entered certain additional orders³, including the:
 - a) Bidding Procedures Order; and
 - b) Bar Date Order (collectively, the “Additional Orders”).
8. The Foreign Representative is now seeking to have this Court recognize and enforce the Additional Orders in Canada pursuant to an order under Section 49 of the CCAA (the “Fourth Supplemental Order”).
9. This Report has been prepared and will be filed with the Court by KSV in its capacity as the Information Officer.

³ Each as defined in the Third Vas Affidavit (as defined below).

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide an update with respect to the Chapter 11 proceedings;
 - b) provide a summary of the activities of the Information Officer since the date of the Second Report;
 - c) summarize the Information Officer's fees and those of its counsel, Bennett Jones LLP ("Bennett Jones"), from the commencement of the proceedings to March 31, 2023; and
 - d) recommend that this Court:
 - i. grant the relief being sought by the Foreign Representative pursuant to the proposed Fourth Supplemental Order; and
 - ii. approve the Information Officer's activities for the period from the commencement of the proceedings to the date of this Report; and
 - iii. approve the fees and disbursements of the Information Officer and Bennett Jones for the period from the commencement of the proceedings to March 31, 2023.

1.2 Currency

1. All currency references in this Report are to US dollars, unless otherwise stated.

1.3 Defined Terms

1. Capitalized terms not otherwise defined in this Report have the meanings given to them in the [Affidavit of Daniel Vas sown April 18, 2023](#) (the "Third Vas Affidavit").

1.4 Restrictions

1. In preparing this Report, the Information Officer has relied upon unaudited financial information prepared by the Debtors' representatives, the Debtors' books and records and discussions with the Canadian Debtors' counsel.
2. The Information Officer has not performed an audit or other verification of such information. An examination of the Debtors' financial forecasts as outlined in the *Chartered Professional Accountants of Canada Handbook* has not been performed. Future oriented financial information relied upon in this Report is based on the Debtors' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.
3. The Information Officer expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report or relied upon by the Information Officer in its preparation of this Report.

2.0 Background

1. The Canadian Debtors are part of a global specialty pharmaceutical group that produces and sells both generic and branded products. Endo Parent is an Irish publicly-traded company headquartered in Dublin, Ireland.
2. While Endo's global headquarters are in Ireland, the majority of its business is conducted in the United States. Indeed, in 2021, Endo earned approximately 97% of its total consolidated revenue from customers in the United States. The Company's United States headquarters is located in Malvern, Pennsylvania and its primary U.S. manufacturing facility is located in Rochester, Michigan.
3. Paladin is Endo's Canadian operating company. Paladin sells specialty pharmaceutical products that it owns, licenses or distributes to a variety of customers, including wholesalers, hospitals, governmental entities and pharmacies. Paladin Holding is a holding company that owns all of the shares of Paladin.
4. Of the approximately 1,560 employees employed by the Debtors as of the Petition Date, 98 were employees of Paladin. None of Paladin's employees are unionized.
5. Endo's financial performance preceding the Petition Date had been negatively impacted by several factors, including a significant decline in revenues and increased generic competition relating to Vasoprost, Endo's single largest product by revenue in 2021, and the Company's litigation overhang, including the Canadian Opioid Lawsuits. In light of its financial performance and the circumstances facing the Company, Endo's highly-leveraged capital structure – including \$8 billion in secured and unsecured indebtedness, which is guaranteed by the Canadian Debtors – and related debt servicing costs became unsustainable.
6. Further information concerning the Debtors' background, corporate structure, prepetition capital structure and indebtedness, and the events preceding the Chapter 11 Proceedings is provided in the [Affidavit of Daniel Vas sworn August 17, 2022](#).
7. All materials filed with this Court in these Canadian recognition proceedings are available on the Information Officer's website at <https://www.ksvadvisory.com/experience/case/endo>.

3.0 Status of the Chapter 11 Proceedings

1. On or around the Petition Date, the Debtors entered into a restructuring support agreement (the "RSA") with a group consisting primarily of holders of first-lien indebtedness of the Debtors (the "Ad Hoc First Lien Group"). The Ad Hoc First Lien Group is made up primarily of the Prepetition First Lien Lenders and the Prepetition First Lien Noteholders. The RSA contemplates a credit bid acquisition of substantially all the Debtors' assets by an entity formed by the Ad Hoc First Lien Group, which will serve as a stalking horse bid (the "Stalking Horse Bid") in a post-petition bidding and sale process (including an auction, to the extent necessary) to be conducted during the Chapter 11 Proceedings.

2. On November 23, 2022, the Debtors filed a motion for the approval of the Bidding Procedures Order and the Bar Date Order with the US Court.
3. Several of the Debtors' stakeholders filed objections to the Bidding Procedures motion and/or the Bar Date motion, including:
 - a) the Official Committee of Unsecured Creditors (the "UCC");
 - b) the Official Committee of Opioid Claimants (the "OCC");
 - c) the legal representative for future claimants appointed by the Bankruptcy Court (the "FCR");
 - d) an ad hoc group of holders of first-lien, second-lien and unsecured indebtedness of the Debtors (the "Ad Hoc Cross-Holder Group");
 - e) an ad hoc group of holders of first-lien and certain other indebtedness of the Debtors who were not party to the RSA (the "Non-RSA 1Ls");
 - f) an ad hoc group of unsecured noteholders of the Debtors;
 - g) the United States Trustee; and
 - h) certain distributors, manufacturers and pharmacies having business relationships with the Debtors (the "DMP Group").
4. On January 23, 2023, the UCC and the OCC (collectively, the "Committees") filed a motion (the "Joint Standing Motion") seeking standing to permit the Committees to commence and prosecute complaints related to the validity of the liens of the Prepetition First Lien Secured Parties (as defined in the Cash Collateral Order) and a complaint related to prepetition compensation of the Debtors' executives and other personnel (the "Challenge Complaints").
5. On January 27, 2023, the US Court ordered a mediation among the Debtors, the Ad Hoc First Lien Group, the Ad Hoc Cross-Holder Group, the Non-RSA 1Ls, the UCC, the OCC and the FCR, among others (the "Mediation"), to address, among other things, the Bidding Procedures motion and the Challenge Complaints.
6. On March 3, 2023, the Debtors advised the US Court that the Ad Hoc First Lien Group had reached resolutions in principle with the OCC, the UCC, the Ad Hoc Cross-Holder Group and the Non-RSA 1Ls that would resolve certain of these parties' objections relating to the Debtors' proposed marketing and sale process. As a result, on March 24, 2023, the following documents, among others, were filed with the US Court:
 - a) *Stipulation Among the Debtors, Official Committee of Unsecured Creditors, Official Committee of Opioid Claimants, and Ad Hoc First Lien Group Regarding Resolution of Joint Standing Motion* (the "Resolution Stipulation")
 - b) Notice of Filing of Amended and Restated Restructuring Support Agreement, containing an Amended RSA which attaches, among other things, an amended Stalking Horse Agreement

7. As a result of the resolutions reflected in the Resolution Stipulation and the Amended RSA, the Debtors were able to move forward with the Bidding Procedures Motion and the Bar Date Motion with the support of key stakeholders.

3.1 Resolution Stipulation

1. The Resolution Stipulation includes term sheets documenting the resolutions reached between the Ad Hoc First Lien Group and each of the OCC and the UCC (the “OCC Resolution Term Sheet” and the “UCC Resolution Term Sheet,” respectively, and, together, the “Committees Resolution Term Sheets”).
2. The key terms of the Resolution Stipulation provide that:
 - a) the Stalking Horse Bidder is permitted to credit bid the Prepetition First Lien Indebtedness;
 - b) the prosecution of the Joint Standing Motion is held in abeyance and each of the Committees agrees not to prosecute the Joint Standing Motion from the commencement of the Resolution Stipulation to the date, if any, on which one or both of the Committees exercise their termination rights following the occurrence of a Termination Event;
 - c) the Joint Standing Motion will be withdrawn when the Stalking Horse Bid transaction closes and the Voluntary GUC Creditor Trust and the PPOC Trust (both as defined below) are established and funded; and
 - d) the Committees agree to support the restructuring set out in the Amended RSA, including the entry of the Bidding Procedures Order and the Acceptable Sale Order by the US Court.
3. A key aspect of the Resolution Stipulation was that the Stalking Horse Bidder agreed, if it is the successful bidder, to create and fund trusts for the benefit of i) the general unsecured creditors (the “Voluntary GUC Creditor Trust”); and ii) the present private opioid claimants (the “PPOC Trust”). These are in addition to the trusts for the benefit of i) certain public opioid claimants (the “Public Opioid Trust”); and ii) the tribal opioid claimants (the “Tribal Opioid Trust”) that the Stalking Horse Bidder agreed to set up at the commencement of the Chapter 11 Cases.
4. The Stalking Horse Bidder (if it is the Successful Bidder) will establish and fund the Voluntary GUC Creditor Trust for the benefit of the Voluntary GUC Creditor Trust Beneficiaries. Holders of Eligible Unsecured Claims will have the option to participate in the Voluntary GUC Creditor Trust provided that they, among other things, execute a consensual and voluntary release with respect to certain claims against the Released Parties (which include the Debtors and Stalking Horse Bidder) and do not object to the resolutions in the UCC Resolution Term Sheet or Resolution Stipulation. Holders of Eligible Unsecured Claims that do not execute a release will not be entitled to participate in the Voluntary GUC Creditor Trust and will retain their rights and remedies, as applicable.

5. The Stalking Horse Bidder (if it is the Successful Bidder) will establish and fund the PPOC Trust for the benefit of the Participating PPOCs. Present Private Opioid Claimants will have the option to participate in the PPOC Trust provided that they, among other things, file a proof of claim and execute a release in favor of the Released Parties. PPOCs that do not participate in the PPOC Trust will retain their rights and remedies.
6. An amended Public/Private Opioid Term Sheet setting out the terms of the Public Opioid Trust and the Tribal Opioid Trust was attached to the Amended RSA. It contemplates that the Order of the US Court approving the Stalking Horse Bid will contain a release by Participating Public Opioid Claimants and Tribal Opioid Claimants and a consensual injunction against the Released Parties. The Information Officer notes that public entities in Canada with potential or asserted claims against the Debtors (including Canadian governments) are not eligible to participate in the Public Opioid Trust or the Tribal Opioid Trust.
7. The key amounts to be provided by the Stalking Horse Bidder to each trust (collectively, the “Trusts”) are as follows:
 - a) Voluntary GUC Creditor Trust: \$60 million, plus 4.25% of the issued and outstanding shares of the Stalking Horse Bidder on a fully diluted basis⁴, plus a vesting of i) estate claims and actions against third parties and certain other parties; ii) all of the Stalking Horse Bidder’s rights under insurance policies that may provide coverage for Eligible Unsecured Claims; and iii) the sole and exclusive right to pursue the Debtors’ opioid-related claims and the proceeds of any applicable insurance policies;
 - b) PPOC Trust: \$119 million in total based on \$29.7 million on the Closing Date, plus \$29.7 million on the first anniversary of the Closing Date and \$59.7 million on the second anniversary of the Closing Date;
 - c) Public Opioid Trust: \$465 million in accordance with an instalment schedule; and
 - d) Tribal Opioid Trust: \$15 million in accordance with an instalment schedule.
8. Further information regarding the Resolution Stipulation and the Committees Resolution Term Sheets is included in the Third Vas Affidavit. The Information Officer notes that the Committees Resolution Term Sheets have not yet been submitted for approval by the US Court and the Foreign Representative is not seeking this Court’s approval or recognition of the Trusts in the Fourth Supplemental Order.

⁴ Subject only to dilution by the management incentive plan and subject to adjustment if the Stalking Horse Bidder’s net funded debt exceeds or is less than \$2.5 billion.

4.0 Additional Orders Proposed to be Recognized by this Court

1. The Third Vas Affidavit provides additional information on each of the Additional Orders summarized below. All of the Additional Orders referenced above are attached to the Third Vas Affidavit.

4.1 The Bidding Procedures Order

1. The US Court entered the Bidding Procedures Order on April 2, 2023.
2. Among other things, the Bidding Procedures Order:
 - a) authorizes and approves bidding procedures (the “Bidding Procedures”) in connection with the sale or sales of substantially all of the Debtors’ assets pursuant to section 363 of the Bankruptcy Code (the “Sale”);
 - b) authorizes and approves the terms and conditions of the Expense Reimbursement Amount included in the Stalking Horse Agreement;
 - c) authorizes certain steps to be taken to implement the Sale in a tax efficient manner under Irish tax law;
 - d) authorizes and approves i) the form of notice of the Auction (if any), the Sale and the hearing to consider the Sale (the “Sale Notice”); and ii) the procedures for distributing the Sale Notice to known claimants, the plan for providing notice to unknown claimants and the method of distributing the Sale Notice (the Sale Notice Procedures”); and
 - e) authorizes the Assumption and Assignment Procedures to facilitate the assumption, assumption and assignment and/or rejection of certain executory contracts (the “Contracts”) or unexpired leases (the “Leases”) of the Debtors.

4.1.1 The Stalking Horse Agreement

1. The key terms of the Stalking Horse Agreement and related documents are summarized below:
 - a) Purchaser: Tensor Limited, an entity formed by the Ad Hoc First Lien Group.
 - b) Purchased Assets: Substantially all of the Debtors’ assets, including the Canadian Debtors’ right, title and interest in and to the Transferred Assets.
 - c) Purchase Price: Credit bid of the full amount of the approximately \$5.9 billion of Prepetition First Lien Indebtedness, plus \$5 million on account of certain unencumbered Transferred Assets, plus \$116 million to fund an orderly wind-down process, plus pre-closing professional fee reserves, plus the assumption of the Assumed Liabilities.
 - d) Expense Reimbursement: Up to \$7 million in respect of the Required Holders’ Advisors.
 - e) Employees: Offer employment to all of the Debtors’ employees generally for positions and responsibilities that are consistent with each employees’ current positions and responsibilities.

- f) Contracts: Assume and cure a significant number of trade contracts, subject to the right of the Stalking Horse Bidder to reject contracts at its discretion.
 - g) Trusts: Establish and fund the Trusts.
 - h) Liabilities: Assume the Assumed Liabilities which include, among other things, all liabilities under Transferred Contracts, cure claims in connection with the assumption of Transferred Contracts, and compliance with obligations under Canadian Labor Laws.
2. A copy of the Stalking Horse Agreement is included in the Third Vas Affidavit.
 3. The completion of the transactions set out in the Stalking Horse Agreement by the Canadian Debtors is conditional upon the Court granting an order recognizing the US Court's Sale Order.

4.1.2 The Bidding Procedures

1. The Debtors will solicit bids for either i) all of or substantially all of the Debtors' assets; or ii) one or more of certain business or assets segments specified in the Bidding Procedures. The Debtors will also consider bids for any individual assets or collection of assets that is less than all or substantially all the Debtors' assets.
2. The Bidding Procedures includes a two-stage process followed by an auction, if necessary, to determine the Successful Bid(s). In the first phase, Prospective Bidders will be granted access to a data room and confidential information memorandum. In order to participate in the second phase, Prospective Bidders must submit a non-binding Indication of Interest by the Indication of Interest Deadline that complies with the Bidding Procedures and is acceptable to the Debtors in consultation with the UCC, OCC, the FCR and, in certain circumstances following the Bid Deadline, the Required Consenting Global First Lien Creditors and the Ad Hoc Cross-Holder Group.
3. If no Indications of Interest that are likely to result in the submission of a Qualified Bid are received by the Indication of Interest Deadline, the Debtors can terminate the sale and marketing process and accelerate the sale hearing to seek final approval of the Stalking Horse Bid.
4. In the second phase, each Acceptable Bidder must submit a binding Bid by the Bid Deadline that constitutes a Qualified Bid. The Bid must exceed the Minimum Bid Amount (being \$5,862,679,000, plus \$5 million on account of certain unencumbered Transferred Assets, plus \$116 million to fund an orderly wind-down process).
5. The Bidding Procedures contain a list of non-binding factors that the Debtors may take into consideration in evaluating a Bid, including the value of the Bid, its impact on various creditor groups, and whether the Bid provides for the establishment of a trust or other consideration for the benefit of public and private opioid claimants and/or non-opioid general unsecured creditors and the terms of any such trusts.

6. If the Debtors, in consultation with the Consultation Parties, determine that there is more than one Qualified Bid, then the Debtors are authorized to conduct an Auction. The Bidding Procedures set forth the details for participation in the Auction, minimum bidding increments and other procedures with respect to the Auction.
7. Key dates and deadlines in the Bidding Procedures are summarized below:

Deadline	Date
Indication of Interest Deadline	June 13, 2023
Deadline for Debtors to file Sale Acceleration Election Notice	June 20, 2023
Date of Accelerated Sale Hearing (if applicable)	July 28, 2023
Bid Deadline to submit a Qualified Bid	August 8, 2023
Auction date, if applicable	August 15, 2023
Date of Bankruptcy Court Sale Hearing (unless accelerated)	August 31, 2023

4.1.3 Sale Notice Procedures

1. The Bidding Procedures Order also approves the Sale Notice Procedures, which include the Sale Notice and the Supplemental Plan Notice.
2. The Sale Notice will be provided to all known counterparties to contracts or leases, known creditors (including regulatory authorities and government authorities), all known parties to litigation with the Debtors, all current employees of the Debtors, all former employees terminated on or after January 1, 2016 and other known potential claimants.
3. The Supplemental Notice Plan is intended to reach potential, unknown claimants through television, social media, online displays, ads, billboards, print media, press releases and community outreach and is estimated to reach over 80% of all adults over the age of 18 in Canada on average three to four times.

4.1.4 Assumption and Assignment Procedures

1. The Bidding Procedures Order: (a) approves the Assumption and Assignment Procedures and the related Assumption and Assignment Notice; and (b) provides that the Assumption and Assignment Procedures shall govern the assumption or assignment of all of the Debtors' Contracts and Leases to be assumed or assumed and assigned in connection with the Sale, subject to the payment of any Cure Costs necessary to cure any defaults arising under any such Contract or Lease.
2. Any counterparty that wishes to object to the proposed Cure Cost, the assumption and assignment of an Assigned Contract, or the deemed amendment of any indemnity provisions in an Assigned Contract must file a Cure Objection in accordance with the process set forth in the Assumption and Assignment Notice. If a Cure Objection is filed in accordance with the procedures set forth in the Assumption and Assignment Notice, the applicable Contract or Lease shall not be deemed assumed and assigned unless the Debtors agree to a consensual resolution of such Cure Objection. The Debtors may determine to reject such Contract or Lease in lieu of assuming the Contract or Lease without such amendments or releases.

4.2 The Bar Date Order

1. As a result of the resolutions reached in the Mediation, the Bar Date Order was granted by the US Court without opposition.
2. The Bar Date Order provides, among other things, deadlines for filing Proofs of Claim and the process to provide notice to known creditors, unknown creditors and parties in interest.
3. The notice of the Bar Dates will be sent concurrently with the Notice of Sale.
4. The following table sets out the various Bar Dates for the filing of Claims pursuant to the Bar Date Order:

Matter	Deadline (EST)
General Bar Date	July 7, 2023 at 5:00 p.m.
Governmental Bar Date	May 31, 2023 at 5:00 p.m.
State/Local Governmental Opioid Bar Date	The earlier of (i) 10:00 a.m. on the date set for the first disclosure statement hearing for any chapter 11 plan in the Chapter 11 Cases; and (ii) 5:00 p.m. on the date that is 35 days after the date on which the Debtors file on the docket and serve a supplemental notice setting a deadline for such parties.
Amended Schedule Bar Date	For claimants holding Claims negatively impacted by the filing of a previously unfiled schedule of assets and liabilities or statement of financial affairs or an amendment or supplement to such schedules or statements, the later of (i) the General Bar Date or the Governmental Bar Date, as applicable, and (ii) 5:00 p.m. on the date that is 30 days after the date on which the Debtors provide notice of such filing, amendment or supplement.
Rejection Bar Date	For counterparties to executory contracts or unexpired leases that have been rejected by the Debtors, the later of (i) the General Bar Date or the Governmental Bar Date, as applicable, and (ii) 5:00 p.m. on the date that is 30 days after the effective date of such rejection.

5. The Bar Date Order provides that the Debtors will cause to be mailed a Bar Date Notice, the applicable Proof of Claim Form, and the Proof of Claim instructions by first class mail to known claimants with actual Claims against the Debtors, parties known to the Debtors as having potential Claims against the Debtors, and other known parties in interest entitled to notice of the Bar Dates.
6. The Bar Date Order also provides for a Supplemental Notice Plan that provides unknown claimants with publication notice of the Bar Dates and the procedures for filing Proofs of Claim in the Chapter 11 Cases.
7. As set forth in the Resolution Stipulation, the Debtors will include in their Bar Date mailings a letter from each of the OCC and the UCC to their respective constituents providing certain information relating to the trusts to be established in accordance with the Committees Resolution Term Sheets.

8. The Bar Date Order specifies certain categories of Claims for which a party is not required to file a Proof of Claim in the Chapter 11 Cases, including, among others: (a) Claims against the Debtors that are not listed as disputed, contingent, or unliquidated in the Schedules; (b) claims represented by the FCR; and (c) where the holder of such Claim agrees with the nature, classification, and amount of its Claim as identified in the Schedules.
9. The Bar Date Order provides that any party that is required to file a Proof of Claim but that fails to do so by the applicable Bar Date shall be forever barred, estopped, and enjoined from: (a) asserting any Unscheduled Claim against the Debtors or their estates or properties (and the Debtors and their properties and estates will be forever discharged from any and all indebtedness or liability with respect to such Claim); or (b) voting on, or receiving distributions under, any chapter 11 plan in the Chapter 11 Cases in respect of an Unscheduled Claim.

4.3 Recommendation

1. The Information Officer is of the view that the Foreign Representative's motion for the Fourth Supplemental Order is reasonable and appropriate for the following reasons:
 - a) the order is consistent with the integrated nature of the Debtors' operations in the US and Canada;
 - b) Canadian stakeholders are treated in the same manner as US stakeholders in each of the Additional Orders;
 - c) the Fourth Supplemental Order has the objective of enhancing the prospect that the Debtors can continue to operate in the normal course during the Chapter 11 Proceedings;
 - d) the Information Officer is not aware of any objection having been filed in the Chapter 11 Proceedings by a Canadian stakeholder in respect of the Additional Orders;⁵
 - e) with respect to the Bidding Procedures Order;
 - i. the Debtors obtained the support of the Ad Hoc First Lien Group, the UCC, the OCC, the Ad Hoc-Cross Holder Group and the Non-RSA 1Ls as a result of the Mediation;
 - ii. the Mediation resulted in an Amended RSA and amended Stalking Horse Agreement which provides for contributions into several trusts (as summarized above) for the benefit of unsecured creditors, including certain opioid claimants;
 - iii. the Bidding Procedures Order preserves the right of all parties with respect to the approval of the Sale;

⁵ An objection to the Bidding Procedures motion filed by the DMP Group, which group includes certain Canadian entities, was resolved with the Debtors on a consensual basis in advance of the US Court hearing.

- iv. the Bidding Procedures provide the Debtors with an appropriately extended period of time to market the Debtors' business and assets and solicit interest. The preliminary deadline provides Prospective Bidders with roughly two months since the Bidding Procedures Order was entered in the US Court to submit an Indication of Interest and a further 2 months to perform due diligence and submit a Qualified Bid;
 - v. the Stalking Horse Bid provides certainty with respect to the sale of the Debtors' assets which provides for the continuity of the Debtors' (and Canadian Debtors') business, continued employment of the Debtors' employees and ongoing business with vendors;
 - vi. the amount of the Expense Reimbursement is based on actual costs incurred and is reasonable in these circumstances. The Stalking Horse Bidder is not entitled to a break fee in the event it is not the Successful Bidder; and
 - vii. the Sale Notice Procedures represent an extensive effort to notify all known and unknown stakeholders;
- f) with respect to the Bar Date Order;
- i. it is unopposed as a result of the resolutions reached in the Mediation;
 - ii. extensive notice of the Bar Dates will be provided to known and unknown creditors of the Debtors, including to known and unknown creditors in Canada;
 - iii. the Information Officer intends to post notice of the Bar Dates on its Website;
 - iv. all creditors have a reasonable amount of time to file claims; and
 - v. the Bar Dates mailings will be sent concurrently with the Notice of Sale, which will reduce duplication of work and cost.

5.0 Overview of the Information Officer's Activities

1. In addition to the activities set out in the First Report and the Second Report, the activities of the Information Officer have, among other things, included:
 - a) corresponding with Goodmans LLP ("Goodmans"), the Canadian Debtors' counsel, and Bennett Jones regarding key matters in the Chapter 11 Proceedings and the CCAA proceedings;
 - b) monitoring the Claims and Noticing Agent's website established in connection with the Chapter 11 Proceedings (the "Docket");
 - c) reviewing materials filed in the Chapter 11 Proceedings;

- d) attending hearings of the US Court in the Chapter 11 Proceedings via telephone to remain apprised of material updates therein;
- e) reviewing the Mediation Order and corresponding with Bennett Jones regarding same;
- f) reviewing the Stipulation Resolution;
- g) reviewing several versions of the Bidding Procedures Order posted on the Docket and corresponding with Bennett Jones regarding same;
- h) reviewing the Bar Date Order;
- i) reviewing the objections filed by the UCC, OCC and the Non-RSA First Lien Lenders and the Debtors' supplemental reply to the objections;
- j) reviewing the Stalking Horse Bid and the Amended RSA;
- k) corresponding with certain of the Canadian Debtors' creditors;
- l) preparing this Report; and
- m) engaging in discussions with management to the Canadian Debtors and assisting the Canadian Debtors with certain creditor matters.

6.0 Professional Fees

1. The fees of the Information Officer and Bennett Jones from the date of the appointment of the Information Officer on August 19, 2022 to March 31, 2023 total \$122,549 and \$166,042, respectively, excluding disbursements and HST. Fee affidavits and accompanying invoices for the Information Officer and Bennett Jones are attached as Appendices "A" and "B", respectively.
2. The activities of the Information Officer are detailed in the Information Officer's invoices, in this Report and in the First Report.
3. The average hourly rate for the Information Officer and Bennett Jones for the referenced billing period was \$563.06 and \$717.55, respectively.
4. The Information Officer is of the view that Bennett Jones' hourly rates are consistent with the rates charged by other law firms practicing in the area of restructuring and insolvency in the Toronto market, and that its fees are reasonable and appropriate in the circumstances.

7.0 Conclusion and Recommendation

1. Based on the foregoing, the Information Officer recommends that this Court grant the relief being sought by the Foreign Representative pursuant to the proposed Fourth Supplemental Order.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC. AS
INFORMATION OFFICER OF PALADIN LABS CANADIAN HOLDING INC.
AND PALADIN LABS INC.,
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “B”

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

ENDO INTERNATIONAL plc, et al.,

Debtors.¹

Chapter 11

Case No. 22-22549 (JLG)

(Jointly Administered)

**Re: Docket Nos. 535, 728, 729, 730,
731, 732, 733, 979, 980, 1144,
1145, 1149, 1181, 1187, 1199,
1200, 1203, 1207, 1209, 1243,
1257, 1336, 1375, 1388, 1389,
1395, 1481, 1483**

**STIPULATION AMONG THE DEBTORS, OFFICIAL
COMMITTEE OF UNSECURED CREDITORS, OFFICIAL COMMITTEE
OF OPIOID CLAIMANTS, AND AD HOC FIRST LIEN GROUP REGARDING
RESOLUTION OF JOINT STANDING MOTION AND RELATED MATTERS**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”), the Official Committee of Unsecured Creditors appointed in the above-captioned cases (the “Creditors’ Committee”), the Official Committee of Opioid Claimants appointed in the above-captioned cases (the “Opioid Claimants’ Committee” and, together with the Creditors’ Committee, the “Committees”),² and the Ad Hoc First Lien Group³ (collectively, the “Parties”) enter into this stipulation (this “Stipulation”) to set forth the resolutions of the Parties’ respective

¹ The last four digits of Debtor Endo International plc’s tax identification number are 3755. Due to the large number of debtors in these Chapter 11 Cases, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ claims and noticing agent at <https://restructuring.ra.kroll.com/Endo>. The location of the Debtors’ service address for purposes of these chapter 11 cases is: 1400 Atwater Drive, Malvern, PA 19355.

² For the avoidance of doubt, unless explicitly stated to the contrary, all references herein to the Committees shall refer to the applicable Committee acting in its statutory capacity and shall not refer to any of the individuals or individual entities comprising the applicable Committee.

³ Capitalized terms not defined herein shall have the meaning ascribed to them in the Cash Collateral Order, the Bidding Procedures and Sale Motion, the Bidding Procedures Order, or the Committees Resolution Term Sheets (each defined below), as applicable.

disputes related to, among other things, the Joint Standing Motion, the Bidding Procedures and Sale Motion, and the Exclusivity Motion (each term as defined below), and the Parties stipulate and agree as follows:

RECITALS

WHEREAS, on August 16, 2022 (the “Petition Date”), the Debtors filed voluntary petitions in this Court commencing cases (the “Chapter 11 Cases”) for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), in the United States Bankruptcy Court for the Southern District of New York (the “Court”), which Chapter 11 Cases are being jointly administered pursuant to the *Order (I) Directing Joint Administration of the Chapter 11 Cases Pursuant to Bankruptcy Rule 1015(b); (II) Waiving the Requirements of Section 342(c)(1) of the Bankruptcy Code and Bankruptcy Rule 2002(n); and (III) Granting Related Relief* [Docket No. 45] entered by the Court on August 17, 2022;

WHEREAS, on October 27, 2022, the Court entered the *Amended Final Order (I) Authorizing Debtors to Use Cash Collateral; (II) Granting Adequate Protection to Prepetition Secured Parties; (III) Modifying Automatic Stay; and (IV) Granting Related Relief* [Docket No. 535] (the “Cash Collateral Order”), which, as supplemented by subsequent agreement among the Parties, among other things, provided for a Challenge Period Termination Date of January 23, 2023 for the Creditors’ Committee, the Opioid Claimants’ Committee, and the FCR (the “Committee Challenge Deadline”);

WHEREAS, on November 23, 2022, the Debtors filed the (i) *Debtors’ Motion for an Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, (III) Approving the Sale of Substantially all of the Debtors’ Assets and (IV) Granting Related Relief* [Docket No. 728] (the “Bidding Procedures and Sale Motion”) and (ii) *Motion of Debtors for Entry of an Order (I) Establishing Deadlines*

for Filing Proofs of Claim; (II) Approving Procedures for Filing Proofs of Claim; (III) Approving the Proof of Claim Forms; (IV) Approving the Form and Manner of Notice Thereof; and (V) Approving the Confidentiality Protocol [Docket No. 733];

WHEREAS, on December 14, 2022, the Debtors filed the *Motion of Debtors for an Order Pursuant to Bankruptcy Code Section 1121(d) Extending the Debtors' Exclusive Periods to File a Chapter 11 Plan and Solicit Acceptances Thereof* [Docket No. 979] (the "Exclusivity Motion");

WHEREAS, the Creditors' Committee filed (i) the *Objection of the Official Committee of Unsecured Creditors to the Debtors' Bidding Procedures and Sale Motion* [Docket No. 1144] on January 6, 2023, (ii) the *Objection of the Official Committee of Unsecured Creditors to the Debtors' Motion to Extend Exclusivity* [Docket No. 1187] on January 12, 2023, and (iii) the *Supplemental Objection of the Official Committee of Unsecured Creditors to the Debtors' Bidding Procedures and Sale Motion* [Docket No. 1375] on February 22, 2023 (collectively, the "UCC Objections");

WHEREAS, the Opioid Claimants' Committee filed (i) the *Objection of the Official Committee of Opioid Claimants to the Debtors' Motion for an Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, (III) Approving the Sale of Substantially all of the Debtors' Assets and (IV) Granting Related Relief* [Docket No. 1145] on January 6, 2023 and (ii) the *Limited Objection of the Official Committee of Opioid Claimants of Endo International plc, et al., to the Motion of Debtors for an Order Pursuant to Bankruptcy Code Section 1121(d) Extending the Debtors' Exclusive Periods to File a Chapter 11 Plan and Solicit Acceptances Thereof* [Docket No. 1181] on January 12, 2023

(collectively, the “OCC Objections” and, together with the UCC Objections, the “Committee Objections”);

WHEREAS, on January 23, 2023, the Committees filed the *Motion of the Official Committee of Unsecured Creditors and the Official Committee of Opioid Claimants for (I) Entry of an Order Granting Leave, Standing, and Authority to Commence and Prosecute Certain Claims on Behalf of the Debtors and (II) Settlement Authority in Respect of Such Claims* [Docket No. 1243] (the “Joint Standing Motion”), which attached thereto, among other things, the forms of four (4) proposed complaints (collectively, the “Challenge Complaints”), consisting of (i) three (3) complaints that the Committees sought standing to commence and prosecute that related to the validity of the liens of the Prepetition First Lien Secured Parties (among other matters), and (ii) one (1) complaint that the Committees sought standing to commence and prosecute that related to matters related to the prepetition compensation of the Debtors’ executives and other personnel (collectively, the “Challenge Claims”);

WHEREAS, the Committees expressed intent to either separately or jointly commence and prosecute additional actions (including by filing additional complaints, objections, and motions for standing, as applicable) to, among other things, (i) seek to object to, avoid, and/or recharacterize certain intercompany claims of the Debtors (the matters described in this clause (i), the “Intercompany Standing Matters”) and (ii) assert certain additional estate and other causes of action (the matters described in this clause (ii), the “Estate Claims Standing Matters”) and, together with the Intercompany Standing Matters, the “Additional Standing Matters”);

WHEREAS, on January 27, 2023, the Court entered the *Stipulation and Order (A) Granting Mediation and (B) Referring Matters to Mediation* [Docket No. 1257]

(the “Mediation Order”), pursuant to which the Parties and certain other parties in interest participated in the Mediation (as defined in the Mediation Order);

WHEREAS, on (1) February 27, 2023, the Debtors filed a *Notice of Filing of Second Revised Proposed Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, and (III) Granting Related Relief* [Docket No. 1395] and (2) March 17, 2023, the Debtors filed a *Notice of Filing of Third Revised Proposed Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, and (III) Granting Related Relief* [Docket No. 1483] (as may be further revised and as ultimately entered by the Bankruptcy Court, the “Bidding Procedures Order” and, the bidding procedures set forth therein, the “Bidding Procedures”);

WHEREAS, (i) the Bidding Procedures and Sale Motion and relief requested thereby (including the entry of the Bidding Procedures Order and approval of the Reconstruction Steps), (ii) the Exclusivity Motion and the relief requested thereby, (iii) the Stalking Horse Bid and the PSA, (iv) the Committee Objections, (v) the Joint Standing Motion and the Ad Hoc First Lien Group’s and Debtors’ disputes thereunder, (vi) the Challenge Complaints and the Ad Hoc First Lien Group’s and Debtors’ disputes thereunder, (vii) the Challenge Claims and the Ad Hoc First Lien Group’s and Debtors’ disputes thereto, (viii) the Additional Standing Matters and the Ad Hoc First Lien Group’s and Debtors’ disputes thereto, and (ix) the entitlements and waivers (including Adequate Protection Payments) under the Cash Collateral Order of, or for the benefit of, the Prepetition Secured Parties (the matters in this clause (ix), the “Cash Collateral Matters”), comprise the heretofore disputed matters among the Parties (clauses (i)-(ix) collectively, the “Disputed Matters”);

WHEREAS, in the Mediation, the Parties entered into negotiations regarding the Disputed Matters and reached agreements in principle to resolve the Disputed Matters;

WHEREAS, the Parties desire to memorialize such resolutions by entering into this Stipulation on the terms and conditions set forth herein and simultaneously modifying the Bidding Procedures Order;

WHEREAS, the Parties are not, at this time, seeking Court approval of such resolutions, but may seek Court approval thereof in connection with the hearing to approve the sale of substantially all of the Debtors' assets as contemplated by the Bidding Procedures and Sale Motion; and

WHEREAS, the undersigned hereby represent and warrant that they have full authority to execute this Stipulation on behalf of the respective Parties and that the respective Parties have full knowledge of, and have consented to, this Stipulation.

NOW, THEREFORE, IT IS STIPULATED AND AGREED BY THE PARTIES THAT:

1. UCC-First Lien Resolution. The Creditors' Committee and the Ad Hoc First Lien Group agree to the terms and conditions set forth on the term sheet attached hereto as **Exhibit 1** (as may be supplemented, modified, or amended in accordance with the terms hereof from time to time, the "UCC Resolution Term Sheet").

2. OCC-First Lien Resolution. The Opioid Claimants' Committee and the Ad Hoc First Lien Group agree to the terms and conditions set forth on the term sheet attached hereto as **Exhibit 2** (as may be supplemented, modified, or amended in accordance with the terms hereof from time to time, the "OCC Resolution Term Sheet"; and, together with the UCC Resolution Term Sheet, the "Committees Resolution Term Sheets").

3. PSA Modifications. The Ad Hoc First Lien Group, constituting Required Holders (as defined in the PSA), and the Debtors agree to modify the PSA and/or any other agreements contemplated thereby or by each of the Committees Resolution Term Sheets (to the extent the Debtors are party thereto) as may be reasonably appropriate and necessary to implement the terms of each of the Committees Resolution Term Sheets (the PSA, as so amended and in the form attached hereto as **Exhibit 3**, and as may be further amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the “Amended PSA”),⁴ including in respect to the scope of the Transferred Assets (as defined in the Amended PSA), the Wind-Down Amount, and the Wind-Down Budget.⁵

4. PSA Credit Bid Rights. Each of the Committees agrees that, subject to the terms of this Stipulation and the Committees Resolution Term Sheets and pursuant to the terms of the Amended PSA, so long as the Committees Resolution Term Sheets remain in effect, the Stalking Horse Bidder shall be permitted to credit bid the Prepetition First Lien Indebtedness pursuant to section 363(k) of the Bankruptcy Code and otherwise deliver the Purchase Price as aggregate consideration for the Transferred Assets in connection with the transactions contemplated by the Amended PSA; *provided* that, for the avoidance of doubt, the Committees reserve their rights with respect to the use of such credit bid and purchase price in connection with any transactions other than those contemplated by the Amended PSA.

5. Suspension of Joint Standing Motion. The prosecution of the Joint Standing Motion by each of the Committees shall, subject to the terms of this Stipulation and the

⁴ The Committees have certain consent rights with regard to the Amended PSA as set forth in their respective Committees Resolution Term Sheets.

⁵ For the avoidance of doubt, the Parties are not seeking approval of the Amended PSA at this time; rather, the Amended PSA is intended to serve as the Stalking Horse Agreement for purposes of the Bidding Procedures and Sale Motion.

Committees Resolution Term Sheets, be held in abeyance and each Committee agrees not to prosecute the Joint Standing Motion during the period commencing on the date of this Stipulation and terminating on the date, if any, on which one or both of the Committees exercises its or their right to terminate this Stipulation with respect to such Committee following the occurrence of an applicable Termination Event (defined below) (such period, the “Committee Support Period”); *provided* that, for the avoidance of doubt, each Committee may choose, but is not required, to continue its respective support period if the support period of the other Committee is terminated, in which case the Committee Support Period shall be deemed to continue as to the non-terminating Committee.

6. No Further Challenge Investigation. During the Committee Support Period and for so long as such Committee Support Period remains in effect as to any Committee, each such Committee, as applicable, shall not (i) pursue, investigate, or assert any Challenge Claims, (ii) incur any fees in connection with the prosecution of the Joint Standing Motion, the Challenge Complaints, the Challenge Claims, the Additional Standing Matters, or the Cash Collateral Matters; *provided* that, subject in all respects to Paragraph 11 hereof, and solely in furtherance of the implementation of the provisions of the UCC Resolution Term Sheet regarding the vesting of the Voluntary GUC Creditor Trust Litigation Consideration in the Voluntary GUC Creditor Trust (each as defined in the UCC Resolution Term Sheet) and in exercise of the Committees’ cooperation obligations pursuant to Paragraph 9 hereof, the Committees may direct their professionals to work and incur fees, and such professionals may work and incur fees, related to claims and causes of action that constitute Voluntary GUC Creditor Trust Litigation Consideration notwithstanding that such claims and causes of action may also have been investigated by one or both of the Committees in connection with the

Additional Standing Matters (*provided* that the Committees shall endeavor not to duplicate any work previously performed), (iii) conduct any further investigations or discovery with respect to the foregoing or any other Challenge matter, subject to the proviso in clause (ii) of this Paragraph 6; or (iv) seek reimbursement (other than as provided for in the UCC Resolution Term Sheet) for any fees or expenses incurred in connection with discovery or other fees incurred on account of any investigations with respect to the foregoing (except to the extent accrued or incurred prior to the date hereof or incurred pursuant to the proviso in clause (ii) of this Paragraph 6). Notwithstanding anything to the contrary herein, other than the fee limitation provisions in Paragraph 11, which shall be applicable in all circumstances, other than as set forth in the Committees Resolution Term Sheets the Committees shall not be restricted in any manner (other than as expressly provided in the Committees Resolution Term Sheets) with respect to (i) the negotiation, documentation, prosecution, and implementation of the transactions contemplated by the Committees Resolution Term Sheets, or (ii) conducting work and incurring fees related to claims and causes of action that constitute Voluntary GUC Creditor Trust Litigation Consideration; *provided* that the foregoing shall not be deemed to modify the Debtors' cooperation obligations set forth in Paragraph 9 hereof.

7. Committee Support. During the applicable Committee Support Period and for so long as such Committee Support Period remains in effect:

(a) The Creditors' Committee shall (i)(A) affirmatively support and (B) take all actions as are reasonably necessary and appropriate to facilitate the implementation and consummation of, the Restructuring (as defined in the Restructuring Support Agreement (as amended, modified, or otherwise supplemented from time to time, and including all schedules and exhibits attached thereto, the "Amended and Restated RSA"); the restructuring term sheet attached

thereto as Exhibit A (as amended, modified, or otherwise supplemented from time to time, and including all schedules and exhibits attached thereto) the “Amended Restructuring Term Sheet”), the Amended PSA, and the UCC Resolution Term Sheet, including any transactions contemplated thereunder; (ii) affirmatively support (including by withdrawing the UCC Objections without prejudice), not object to, and not take any actions that are materially inconsistent with (A) the Bidding Procedures and Sale Motion or the relief sought thereunder, including the entry by the Court of the Bidding Procedures Order or an Acceptable Sale Order,⁶ (B) the Amended PSA, (C) the Exclusivity Motion, as well as any future extensions of the Debtors’ exclusive periods to file and solicit a plan under section 1121 of the Bankruptcy Code, (D) the Committees Resolution Term Sheets, or (E) the implementation of any of the foregoing; (iii) not file any pleading, motion, declaration, supporting exhibit or other document with the Court or any other court that is not materially consistent with this Stipulation and the UCC Resolution Term Sheet; (iv) not, directly or indirectly, (A) object to, impede, or take (or direct or encourage any agents, any official or unofficial committee or any member thereof, or any other person or entity to object to, impede, or take) any action to unreasonably interfere with or postpone the acceptance, approval, consummation, or implementation (as applicable) of the Amended PSA or any of the Committees Resolution Term Sheets on the terms set forth in this Stipulation or in the applicable Committee Resolution Term Sheet, (B) solicit, encourage, propose, file, support, participate in the

⁶ “Acceptable Sale Order” means an order authorizing the Sale to the Stalking Horse Bidder, which order shall be in form and substance acceptable to the Debtors and the Ad Hoc First Lien Group in all respects, and in form and substance acceptable to each Committee, as applicable, with respect to (1) the implementation of the terms of their respective Committees Resolution Term Sheets, and (2) any other item to the extent such item adversely affects their respective constituencies or members thereof (as may be modified by the Committees Resolution Term Sheets); *provided* that, for the avoidance of doubt, items in the Sale Order that are contemplated by and consistent with the terms of this Stipulation, the Committees Resolution Term Sheets, the Amended PSA, and the Amended and Restated RSA shall not be deemed to be adverse to the Committees’ respective constituencies or members.

formulation of or vote for, any Alternative Proposal,⁷ or (C) otherwise take any action that is inconsistent with the terms hereof or the Committees Resolution Term Sheets or that could in any material respect interfere with or postpone the consummation of the Amended PSA or any of the Committees Resolution Term Sheets (it being understood and agreed that reasonable and good faith negotiation and exercise of consent rights among the Parties mutually seeking the implementation of the Committees Resolution Term Sheets on the terms set forth therein shall not be construed as interference or postponement of the consummation of the Amended PSA or any of the Committees Resolution Term Sheets); and (v) to the extent any legal or structural impediment arises that would prevent, hinder, or unreasonably delay the consummation of the Amended PSA or the UCC Resolution Term Sheet, in each case, solely with respect to matters set forth in the UCC Resolution Term Sheet, the Creditors' Committee, on the one hand, and the Ad Hoc First Lien Group (and/or the Stalking Horse Bidder, as applicable), on the other hand, shall negotiate in good faith appropriate alternative provisions to address such impediment to the extent possible (it being understood and agreed that there can be no assurance that such negotiation will result in a resolution); and

(b) the Opioid Claimants' Committee shall (i)(A) affirmatively support and (B) take all actions as are reasonably necessary and appropriate to facilitate the implementation

⁷ "Alternative Proposal" means any plan of reorganization or liquidation, proposal, settlement, term sheet, offer, transaction, dissolution, winding up, liquidation, reorganization, receivership, examinership (or otherwise any enforcement of security over any of the shares or assets of any of the Debtors), assignment for the benefit of creditors, financing or refinancing (debt or equity), recapitalization, restructuring, merger, scheme of arrangement, takeover, reverse takeover, acquisition, consolidation, business combination, joint venture, partnership, sale of assets, liabilities or equity of a Debtor or a subsidiary of a Debtor, or any other procedure or process similar to any of the foregoing (other than the sale or disposition of de minimis assets) proposed or occurring in, or under the laws of, any jurisdiction, in each case, (i) to the extent material and (ii) other than the transactions contemplated by and in accordance with the Amended PSA or the Sale Process. For the avoidance of doubt, an Alternative Proposal shall not include any action taken by the Debtors contemplated by the Bidding Procedures Order, such as the Debtors' acceptance and/or consummation of a transaction by one or more third-party purchasers for the Transferred Assets.

and consummation of, the Restructuring, the Amended PSA, and the OCC Resolution Term Sheet, including any transactions contemplated thereunder; (ii) affirmatively support (including by withdrawing the OCC Objections without prejudice), not object to, and not take any actions that are materially inconsistent with (A) the Bidding Procedures and Sale Motion or the relief sought thereunder, including the entry by the Court of the Bidding Procedures Order or an Acceptable Sale Order, (B) the Amended PSA, (C) the Exclusivity Motion, as well as any future extensions of the Debtors' exclusive periods to file and solicit a plan under section 1121 of the Bankruptcy Code, (D) the Committees Resolution Term Sheets, or (E) the implementation of any of the foregoing; (iii) not file any pleading, motion, declaration, supporting exhibit or other document with the Court or any other court that is not materially consistent with this Stipulation and the OCC Resolution Term Sheet; (iv) not, directly or indirectly, (A) object to, impede, or take (or direct or encourage any agents, any official or unofficial committee or any member thereof, or any other person or entity to object to, impede, or take) any action to unreasonably interfere with or postpone the acceptance, approval, consummation, or implementation (as applicable) of the Amended PSA or any of the Committees Resolution Term Sheets on the terms set forth in this Stipulation or in the applicable Committee Resolution Term Sheet, (B) solicit, encourage, propose, file, support, participate in the formulation of or vote for, any Alternative Proposal (as defined above), or (C) otherwise take any action that is inconsistent with the terms hereof or the Committees Resolution Term Sheets or that could in any material respect interfere with or postpone the consummation of the Amended PSA or any of the Committees Resolution Term Sheets (it being understood and agreed that reasonable and good faith negotiation and exercise of consent rights among the Parties mutually seeking the implementation of the Committees Resolution Term Sheets on the terms set forth therein shall not be construed as interference or

postponement of the consummation of the Amended PSA or any of the Committees Resolution Term Sheets); and (v) to the extent any legal or structural impediment arises that would prevent, hinder, or unreasonably delay the consummation of the Amended PSA or the OCC Resolution Term Sheet, in each case, solely with respect to matters set forth in the OCC Resolution Term Sheet, the Opioid Claimants' Committee, on the one hand, and the Ad Hoc First Lien Group (and/or the Stalking Horse Bidder, as applicable), on the other hand, shall negotiate in good faith appropriate alternative provisions to address such impediment to the extent possible (it being understood and agreed that there can be no assurance that such negotiation will result in a resolution).

(c) For the avoidance of doubt, the aforementioned support obligations of each Committee may include filing pleadings, joinders, or statements, and appearing before the Bankruptcy Court, as well as any appellate court(s) and undertaking any other actions in connection with these Chapter 11 Cases reasonably requested by the Ad Hoc First Lien Group and not otherwise inconsistent with this Stipulation, the Committees Resolution Term Sheets, the Amended PSA or the Committees' fiduciary obligations.

(d) The Ad Hoc First Lien Group will undertake such actions reasonably requested by the Committees to facilitate the implementation of the Committees Resolution Term Sheets.

8. Estate Causes of Action Standing Motion Standstill. During the applicable Committee Support Period and for so long as such Committee Support Period remains in effect, the Debtors shall not transfer or sell (or proceed to a hearing to consider a proposal to transfer or sell (other than as expressly permitted in the Bidding Procedures Order or other order of the

Bankruptcy Court))⁸ any estate causes of action (other than any Specified Avoidance Claims (as defined in the Amended PSA)), to any party except the (a) Stalking Horse Bidder or (b) any other Qualified Bidder that agrees to assume the resolutions reflected in the Committees Resolution Term Sheets. During and after the Committee Support Period, the Debtors shall not (1) settle any estate causes of action (other than (i) estate causes of action relating to the operation of the Debtors' business (subject to the Committees' rights to object to any such settlement), it being understood and agreed that causes of action relating to the maintenance of insurance do not relate to the operation of the Debtors' business or (ii) Specified Avoidance Claims (subject to the Committees' rights to object to any such settlement)); (2) take any action (or inaction) in respect of any rights or property of the Debtors that impairs, jeopardizes, undermines, or otherwise reduces the (a) potential recovery related to any estate causes of action that are subject to the Joint Standing Motion, the Additional Standing Claims, or that constitute Voluntary GUC Creditor Trust Litigation Consideration (unless otherwise agreed to in advance by the Creditors' Committee and the Opioid Claimants' Committee), or (b) ability to maximize the Voluntary GUC Creditor Trust Litigation Consideration, including by failing to retain information, documents, communications, or other evidence relevant to such estate causes of action, or Voluntary GUC Creditor Trust Litigation Consideration, or (3) transfer or sell (or proceed to a hearing to consider a proposal to transfer or sell (other than as expressly permitted in the Bidding Procedures Order or other order of the Bankruptcy Court)) any estate causes of action (other than any Specified

⁸ For the avoidance of doubt, and subject to Paragraph 17 hereof, but without abrogating the requirements of the second sentence of this Paragraph 8, the Debtors shall not take affirmative actions to seek to transfer or sell (other than as expressly permitted in the Bidding Procedures Order or other order of the Bankruptcy Court) any estate causes of action (other than any Specified Avoidance Claims) during the Committee Support Period, provided that, to the extent any party against whom the estate holds claims (including any potential defendant in the estate causes of action that are subject to the Joint Standing Motion, the Additional Standing Claims, or that constitute Voluntary GUC Creditor Trust Litigation Consideration), makes an unsolicited offer to the Debtors to purchase any such claims, the Debtors shall inform the Committees and the Ad Hoc First Lien Group within two (2) business days and shall inform the Committees of any further material actions taken with respect to such offer.

Avoidance Claims (as defined in the Amended PSA)), to any party except the (a) Stalking Horse Bidder or (b) any other Qualified Bidder that agrees to assume the resolutions reflected in the Committees Resolution Term Sheets, in each case, before either (x) the Closing and vesting of Voluntary GUC Creditor Trust Litigation Consideration in the Voluntary GUC Creditor Trust, or (y) the Opioid Claimants' Committee, the Creditors' Committee, or the Committees jointly (if applicable) file and prosecute a (or any) motion(s) for standing and any corresponding complaints related to the pursuit of such estate causes of action (other than any of the Specified Avoidance Claims), and the Court makes a determination regarding any relief requested by the Opioid Claimants' Committee, the Creditors' Committee, or the Committees jointly (as applicable) in such motion(s) for standing and any Additional Standing Matters; it being understood and agreed that all Parties understand that the Opioid Claimants' Committee, the Creditors' Committee, or the Committees jointly (as applicable) will need a period of (a) at least two (2) weeks from the date on which the Committees are notified in writing by the Debtors that the Stalking Horse Bidder or any other Qualified Bidder is not going to be purchasing such estate causes of action, on the terms reflected in the Committees Resolution Term Sheets to file any motion(s) for standing and corresponding complaints relating to any Estate Claims Standing Matters and (b) at least three (3) months from the date of filing any such motion relating to Estate Claims Standing Matters before any hearing with regard to the Committees' request for standing (and any other relief requested in such motion) to allow for a reasonable and appropriate briefing and discovery period (as well as for the Court to adjudicate any disputes regarding discovery), in each case as reflected in the agreed litigation schedule attached hereto as **Exhibit 4** (the "Estate Causes of

Action Litigation Schedule”).⁹ For the avoidance of doubt, the foregoing agreement shall not prevent the Stalking Horse Bidder (or any other bidder that agrees to assume in full the resolutions reflected in the Committees Resolution Term Sheets) from transferring, selling, or settling (or agreeing to transfer, sell, or settle) any estate causes of action (consistent with the UCC Resolution Term Sheet), following the closing of the asset sale contemplated by the Sale Process.

9. Cooperation. Prior to the Closing, the Debtors, the Opioid Claimants’ Committee,¹⁰ and the Ad Hoc First Lien Group shall reasonably cooperate with the Creditors’ Committee to structure the Sale, the Voluntary GUC Creditor Trust, and the PPOC Trust in a manner that facilitates the establishment of the Voluntary GUC Trust in a manner consistent with the UCC Resolution Term Sheet, including (a) the Voluntary GUC Creditor Trust’s ability to preserve, access, maximize, pursue, and settle or otherwise obtain the full value of all of the Debtors’ rights or interests, including any of the Debtors’ rights to claims and/or proceeds, in the Specified Debtor Insurance Policies set forth in the UCC Resolution Term Sheet,¹¹ that the Stalking Horse Bidder acquires from the Debtors pursuant to the Amended PSA; (b) the transfer of such insurance rights following the closing of the Amended PSA by the Stalking Horse Bidder in accordance with the UCC Resolution Term Sheet, including, without limitation, to the extent requested by the Creditors’ Committee or the Voluntary GUC Creditor Trust, transfer to the

⁹ For the avoidance of doubt, the Estate Causes of Action Litigation Schedule shall only apply to the Estate Claims Standing Motion and shall not apply to any disputes, controversies, or litigations with respect to any other matters (including with respect to any Challenges or Intercompany Standing Matters).

¹⁰ Any cooperation that the OCC is requested to provide to the Voluntary GUC Creditor Trust (or otherwise contemplated by the UCC Resolution Term Sheet) shall be negotiated between the Opioid Claimants’ Committee and the Creditors’ Committee at least 45 days prior to the Sale Hearing, and shall be subject to the consent of both the Opioid Claimants’ Committee and the Creditors’ Committee (it being understood and agreed that none of the OCC, the PPOC Trust, or the PPOC Sub-Trusts (or any of their members, trustees, constituents, advisors, consultants, etc.) will incur any costs or liability with regard to such cooperation).

¹¹ As set forth in the UCC Resolution Term Sheet, such policies include, but are not limited to, products liability insurance policies, commercial general liability policies, and life sciences policies, but shall not include director and office insurance policies.

Voluntary GUC Creditor Trust (i) all rights of the Stalking Horse Bidder as purchaser of the Debtors' assets, including any of the Debtors' rights to claims and/or proceeds, under any known or unknown insurance policies that may provide coverage for Eligible Unsecured Claims (for the avoidance of doubt, such insurance policies do not include the Debtors' protected cell captive D&O insurance policy or the Debtors' 2022-2024 commercial Side A insurance policy), and (ii) the sole and exclusive right to pursue and control pursuit of coverage for the Debtors' opioid-related claims, and to the proceeds from any known or unknown insurance policies that may provide coverage for opioid-related claims (for the avoidance of doubt, such insurance policies do not include the Debtors' protected cell captive D&O insurance policy or the Debtors' 2022-2024 commercial Side A insurance policy); (c) the maximization of tax efficiency to the Prepetition First Lien Secured Parties (with such determination to be made by the Required Consenting Global First Lien Creditors), the Stalking Horse Bidder (including with respect to the availability, location and timing of tax deductions), and the Voluntary GUC Creditor Trust (and its beneficiaries); and (d) reasonable steps by the Debtors pre-Closing and reasonable steps by the Stalking Horse Bidder post-Closing to preserve the value of the insurance assets acquired by the Stalking Horse Bidder that may apply to claims against the Excluded D&O Parties (as defined in the UCC Resolution Term Sheet) by the Voluntary GUC Creditor Trust, including but not limited to providing timely notice of any claim asserted against the Excluded D&O Parties by the Voluntary GUC Creditor Trust and complying with all applicable policy terms and conditions; *provided, however*, no Party shall be permitted or required to take any action contemplated by this Paragraph 9 that adversely affects any of the PPOC's or the terms contemplated by the VOTS. Prior to the Closing, the Debtors, the Creditors' Committee, and the Ad Hoc First Lien Group shall reasonably cooperate with the Opioid Claimants' Committee to structure the Sale, the

Voluntary GUC Creditor Trust, and the PPOC Trust in a manner that facilitates the establishment of the PPOC Trust in a manner consistent with the OCC Resolution Term Sheet, including efficient tax treatment of (1) the establishment and transfer to the PPOC Trust of the PPOC Trust Consideration, (2) the PPOC Trust, and (3) the PPOC Trust Beneficiaries on account of distributions by the PPOC Trust (including to the PPOC Sub-Trusts).

(a) Cooperation by the Debtors pre-Closing shall include (i) taking such reasonable actions as may be reasonably requested by the Creditors' Committee to enable the Voluntary GUC Creditor Trust to access, preserve, maximize, pursue, and settle or otherwise obtain the value of all of the Debtors' interests in the Specified Insurance Policies or otherwise realize the value (if any) of all estate causes of action transferred to the Voluntary GUC Creditor Trust, provided that such reasonable actions are consistent with the Debtors' fiduciary duties; (ii) negotiating in good faith and executing a separate, reasonable cooperation agreement to govern post-Closing cooperation of the Debtors (to be attached to the Sale Order or other applicable order), as may be reasonably necessary and consistent with the Debtors' fiduciary duties, financial constraints, and available workforce at any given time, including the provisions in Section 10(b); (iii) to the extent reasonably requested by the Creditors' Committee, (x) facilitating delivery of records and information, including copies of all relevant Proofs of Claim (and any related forms that have been filed or submitted), in each case, subject to the Debtors' reasonable discretion with respect to privilege, to enable the reconciliation and administration by the trustee (or governing body) of the Voluntary GUC Creditor Trust of the claims of the Voluntary GUC Creditor Trust Beneficiaries who may receive consideration from the Voluntary GUC Creditor Trust, and (y) including in the Bar Date Materials a letter from the Creditors' Committee with respect to general unsecured creditors, and either before or after the

Bar Date, but in each case subject to the terms of the UCC Resolution Term Sheet, taking such actions that reasonably requested by the Creditors' Committee with regard to the noticing and sending of forms contemplated by the UCC Resolution Term Sheet; (iv) to the extent reasonably requested by the OCC, (1) prior to the Closing Date, and to the extent set forth in the OCC Resolution Term Sheet, (x) including in any Bar Date materials a letter from the OCC with respect to Opioid Claimants, and (y) either before or after the Bar Date, taking any action reasonable requested by the OCC with regard to assisting with the noticing and sending of opt-in forms and release forms that are contemplated by the OCC Resolution Term Sheet, and (2) facilitating administration by the trustee (or governing body) of the PPOC Trust of the claims by the PPOC Trust and the applicable PPOC Sub-Trusts by, inter alia, providing copies of all relevant Proofs of Claim, opt in forms and release forms (to the extent in the possession of the Debtors) to the PPOC Trust and the applicable PPOC Sub-Trusts and providing the Opioid Claimant Committee's professionals (prior to Closing) periodic reporting regarding, and copies of, the Proofs of Claim, opt in forms and release forms (to the extent in the possession of the Debtors) that have been filed, in each case, subject to the Debtors' reasonable discretion with respect to privilege; *provided, however*, that no Party shall be permitted or required to take any actions contemplated by this Paragraph 9 that adversely affects any of the PPOC's or any of the matters contemplated by the VOTS.

(b) Cooperation by the Debtors post-Closing shall be governed by the abovementioned cooperation agreement, which shall (x) include provisions with respect to (a) preserving, and (b) allowing the Voluntary GUC Creditor Trust to access, review, control, and utilize all information, documents, communications or other evidence, in each case that the Voluntary GUC Creditor Trust reasonably requests to access, review, refer to, or otherwise use

in connection with preparing for and prosecuting any causes of action that are transferred to the Voluntary GUC Creditor Trust and preserving/pursuing the abovementioned insurance rights, and (y) take into account the Debtors' fiduciary duties, financial constraints, and available workforce at any given time.

(c) Post-Closing cooperation by the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder) shall be governed by the Cooperation Agreement (as defined in the UCC Resolution Term Sheet) and shall include (i) taking such reasonable actions as may be reasonably requested by the Creditors' Committee to enable the Voluntary GUC Creditor Trust to access, preserve, maximize, pursue, and settle or otherwise obtain the value of all of the Debtors' interests in the Specified Insurance Policies that are acquired by the Stalking Horse Bidder from the Debtors pursuant to the Amended PSA or otherwise realize the value (if any) of all estate causes of action that are acquired by the Stalking Horse Bidder pursuant to the Amended PSA and transferred by the Stalking Horse Bidder to the Voluntary GUC Creditor Trust; and (ii) to the extent reasonably requested by the Creditors' Committee, facilitating delivery of records and information to enable the reconciliation and administration by the trustee (or governing body) of the Voluntary GUC Creditor Trust of the claims of the Voluntary GUC Creditor Trust Beneficiaries who may receive consideration from the Voluntary GUC Creditor Trust.

10. Agreement on Cash Collateral Matters. Effective as of the Closing, each of the Committees agrees that (i) the Prepetition Secured Parties' Adequate Protection Payments shall not be subject to recharacterization or reallocation as payments of principal, interest, or otherwise, (ii) the Prepetition Secured Parties shall be entitled to waivers of the "equities of the case" exception under section 552(b) of the Bankruptcy Code, (iii) any other rights reserved by the

Committees in the Cash Collateral Order with respect to any entitlements or provisions thereunder benefiting any of the Prepetition Secured Parties shall no longer be reserved, and (iv) the foregoing agreements shall be set forth in the Sale Order (which shall be an Acceptable Sale Order) and/or another order of the Court (in form and substance reasonably satisfactory to the Debtors, the Committees and the Ad Hoc First Lien Group), in each case, so long as the Sale Order or other applicable order has not been vacated, overturned or reversed by an appellate court.

11. Committee Fee Limitations. During the applicable Committee Support Period and for so long as such Committee Support Period remains in effect, (x) the Creditors' Committee agrees (i) to the UCC Hourly Professional Provisions (as defined and set forth in the UCC Resolution Term Sheet) and (y) the Opioid Claimants' Committee agrees (i) to the OCC Hourly Professional Fee provisions (as defined and set forth in the OCC Resolution Term Sheet). All fees incurred by the professionals for the Committees prior to April 1, 2023, shall be paid in full in compliance with the Interim Compensation Order (as defined in the Committees Resolution Term Sheets).

12. Fiduciary Duties. Notwithstanding anything to the contrary in this Stipulation or any of the Committees Resolution Term Sheets, solely to the extent that the Creditors' Committee or Opioid Claimants' Committee (as applicable) reasonably determines in good faith, after consultation with counsel, that continued performance under the applicable Committee Resolution Term Sheet (including taking any action or refraining from taking any action) would be inconsistent with the exercise of its fiduciary duties or applicable law, the Creditors' Committee or Opioid Claimants' Committee (as applicable) shall be entitled to terminate its obligations hereunder and under the applicable Committee Resolution Term Sheet (the "Fiduciary Out"); *provided* that, for the avoidance of doubt, the Creditors' Committee or Opioid Claimants'

Committee shall not affirmatively solicit or encourage any competing or Alternative Proposal. The Creditors' Committee or Opioid Claimants' Committee (as applicable) shall deliver to the Ad Hoc First Lien Group written notice, by email to counsel, of its decision to exercise the Fiduciary Out within one (1) business day thereof. Upon exercise of the Fiduciary Out, the applicable Committee (i) shall be relieved of any obligations hereunder and under the applicable Committee Resolution Term Sheet and (ii) shall revert to any rights as existed prior to the date hereof (other than as may be modified by this Stipulation or the Committees Resolution Term Sheets); *provided* that, as between the Debtors and the Ad Hoc First Lien Group, the then-existing milestones and deadlines (giving effect to any previously agreed extensions) under the Amended and Restated RSA shall remain in place and not be curtailed solely as a result of any Committee's exercise of its Fiduciary Out. Nothing in this Stipulation shall create any additional fiduciary obligations for either of the Committees, or any of their respective members or professionals, or other representatives, each solely in such person's capacity as such, that the Committees or such entities did not have prior to the execution of this Stipulation.

13. Termination Events. If (i) during the Sales Process, (A) the Stalking Horse Bid is not designated as the Successful Bid (other than as may be agreed to by the Committees and the Ad Hoc First Lien Group), or (B) the Stalking Horse Bid is designated as the Successful Bid but (x) the Court enters an order denying entry of an Acceptable Sale Order with respect to the Stalking Horse Bid or (y) the Court strongly indicates or determines, in each case, on the record that it will not enter an Acceptable Sale Order or the Acceptable Sale Order is stayed, (ii) the Debtors publicly announce that they are ceasing pursuit of the Sales Process or the Stalking Horse Bid, (iii) another Party (including with regard to any cooperation required hereto) takes any action that is materially inconsistent with this Stipulation or under the applicable Committees Resolution

Term Sheet (*provided* that compliance with or implementation of the transactions contemplated by the Amended and Restated RSA, Amended PSA, the Bidding Procedures or the Bidding Procedures Order in a manner that does not adversely affect any of the resolutions in the Committees Resolution Term Sheets by the applicable parties thereto shall not be deemed or construed as materially inconsistent for purposes of this clause (iii)) or any Party breaches its obligations hereunder or under the applicable Committees Resolution Term Sheet, (iv) either Committee exercises its Fiduciary Out, (v) the Amended PSA is terminated, (vi) the Amended and Restated RSA is terminated, or (vii) the consensual use of Cash Collateral is terminated (each, a “Termination Event”), either or both Committee(s) and the Ad Hoc First Lien Group shall each be entitled to elect to terminate its obligations under this Stipulation and the applicable Committees Resolution Term Sheet(s).¹² If a Committee or the Ad Hoc First Lien Group, as applicable, exercises its right to terminate upon the occurrence of a Termination Event, the Committee Support Period for that Committee shall terminate and that Committee shall be entitled to initiate and/or continue its prosecution of the Joint Standing Motion (on a schedule to be agreed by the Debtors, the Creditors’ Committee, the Opioid Claimants’ Committee and the Ad Hoc First Lien Group) and the Additional Standing Matters (with respect to the Estate Claims Standing Matters only, on the Estate Causes of Action Litigation Schedule); and with respect to any other Additional Standing Matters, on a schedule to be agreed by the Debtors, the Creditors’ Committee, the Opioid Claimants’ Committee, and the Ad Hoc First Lien Group); *provided* that the Ad Hoc First Lien Group and the Debtors shall retain any and all rights with respect thereto. The terminating Party shall promptly notify each of the Debtors, the Committees (as applicable),

¹² For the avoidance of doubt, a breaching party shall not be entitled to terminate its obligations hereunder or under the Committees Resolution Term Sheets, as applicable.

and the Ad Hoc First Lien Group (as applicable), upon the exercise of its termination rights. For the avoidance of doubt, this Stipulation and/or one or both of the Committees Resolution Term Sheets, as applicable, may be terminated by the mutual, written, agreement of the Ad Hoc First Lien Group and one (in the case of an applicable Committee Resolution Term Sheet) or both (in the case of this Stipulation) of the Committees, as applicable, with respect to the parties to such mutual, written agreement.

14. Modifications and Amendments. This Stipulation and each Committee Resolution Term Sheet, as applicable, may be supplemented, modified, or amended by the mutual, written, agreement of the Ad Hoc First Lien Group, the Debtors (with respect to (x) those provisions of this Stipulation listed above its signature block, unless the Debtors are added to another provision, or affected by an amendment to another provision, in which case, the Debtors shall have consent rights over such provision, and (y) the Committees Resolution Term Sheets, in the case of (y) solely to the extent that such supplement, modification or amendment affects the Debtors, the Debtors' estates or the Disputed Matters (or any other potential estate causes of action)), and both Committees (it being understood and agreed that neither Committee shall object to any supplement, modification, or amendment to the other's term sheet to the extent such supplement, modification or amendment does not adversely affect the constituents, members, or professionals of such Committee (including any obligations thereof) or the consideration to the constituents of such Committee).

15. Withdrawal of The Joint Standing Motion. If, at the conclusion of the Sale Process, the Committee Support Period remains in effect with respect to the Committees Resolution Term Sheets, then, simultaneous with the Closing and upon the establishment and funding of the trusts set forth therein, the Committees (i) shall withdraw the Joint Standing

Motion with prejudice and (ii) be forever barred from asserting any further challenges or claims relating to (a) the Disputed Matters or (b) with respect to the Prepetition First Lien Indebtedness in any matter whatsoever, in all cases, so long as the Sale Order or other applicable order has not been materially vacated, overturned or reversed by an appellate court.

16. Certain Consent Rights. Notwithstanding anything to the contrary contained herein or in the Committees Resolution Term Sheets, nothing herein or therein supersedes or otherwise nullifies the consent rights, solely as it relates to consent rights amongst such creditors, of the Required Consenting Other First Lien Creditors and the Required Consenting Global First Lien Creditors (each as defined in the Amended and Restated RSA) set forth in the Amended and Restated RSA.

17. Debtors' Fiduciary Duties. Notwithstanding anything stated herein, nothing herein shall be construed to require the Debtors to violate their fiduciary duties.

18. Cash Collateral Order Remains in Effect. Except as expressly set forth in this Stipulation and the Exhibits attached hereto, all provisions of the Cash Collateral Order remain in full force and effect and are not modified by this Stipulation in any way; *provided* that the Debtors and Prepetition Secured Parties shall amend the milestones contained in the Cash Collateral Order to facilitate the currently contemplated Sale Transaction timeline, and will amend the Minimum Liquidity Amount to reflect the Debtors' budgeted amounts through the estimated Closing Date.

19. Challenge Period Termination Period. For the avoidance of doubt, nothing herein shall be deemed to extend or change the Challenge Period Termination Date set forth in the Cash Collateral Order with respect to any other party in interest.

20. Headings. The headings in this Stipulation are for purposes of reference only and shall not limit or otherwise affect the meaning of this Stipulation.

21. Retention of Jurisdiction. The Parties agree that the Court shall retain jurisdiction with respect to all matters arising from or related to this Stipulation, including but not limited to the interpretation and enforcement hereof, and shall retain exclusive jurisdiction to enforce this Stipulation.

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Dated: March 24, 2023
New York, New York

Respectfully submitted,

/s/ Scott J. Greenberg _____

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The Debtors are executing this Stipulation solely with respect to Paragraphs 3, 7, 8, 9, 11, 12, 13, 14, 17, 18, 20 and 21.

**KRAMER LEVIN NAFTALIS & FRANKEL
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By: /s/ Kenneth H. Eckstein

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Exhibit 1

UCC Resolution Term Sheet

THIS TERM SHEET IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ANY KIND. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE. NOTHING CONTAINED IN THIS TERM SHEET SHALL BE AN ADMISSION OF FACT OR LIABILITY OR, UNTIL ENTRANCE OF THE RESOLUTION STIPULATION (AND SUBJECT TO THE TERMS THEREOF), DEEMED BINDING ON ANY OF THE PARTIES HERETO.

UCC Resolution Term Sheet

This term sheet (the “*UCC Resolution Term Sheet*” or, the “*Term Sheet*”) dated as of March 24, 2023, by and among the Ad Hoc First Lien Group and the Official Committee of Unsecured Creditors (the “*Creditors’ Committee*”) describes the resolution of various disputes (i) in connection with the Restructuring, including the *Debtors’ Motion for an Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, (III) Approving the Sale of Substantially all of the Debtors’ Assets and (IV) Granting Related Relief* [Docket No. 728] (the “*Bidding Procedures Motion*”), (ii) related to the *Motion of Debtors for an Order Pursuant to Bankruptcy Code Section 1121(d) Extending the Debtors’ Exclusive Periods to File a Chapter 11 Plan and Solicit Acceptances Thereof* [Docket No. 979] (the “*Exclusivity Motion*”), (iii) with respect to the *Motion of the Official Committee of Unsecured Creditors and the Official Committee of Opioid Claimants for (I) Entry of an Order Granting Leave, Standing, and Authority to Commence and Prosecute Certain Claims on Behalf of the Debtors and (II) Settlement Authority in Respect of Such Claims* [Docket No. 1243] (the “*Joint Standing Motion*”), which attached, among other things, the forms of four (4) complaints (collectively, the “*Challenge Complaints*”), consisting of (a) three (3) complaints that the Committees sought standing to commence and prosecute that related to the validity of the liens of the Prepetition First Lien Secured Parties (among other matters), and (b) one (1) complaint that the Committees sought standing to commence and prosecute that related to matters related to the prepetition compensation of the Debtors’ executives and other personnel (collectively, the “*Challenge Claims*”), (iv) the Additional Standing Matters (as defined in the Resolution Stipulation), and (v) other Disputed Matters (such resolution, the “*UCC Resolution*”). In addition, as further set forth in the *Stipulation Among the Debtors, Official Committee of Unsecured Creditors, Official Committee of Opioid Claimants, and Ad Hoc First Lien Group Regarding Resolution of Joint Standing Motion and Related Matters* (the “*Resolution Stipulation*”), the UCC Resolution is also a resolution of any and all lien challenges and/or causes of action that have or could have been asserted with respect to Prepetition First Lien Indebtedness, including, without limitation, the Challenge Claims and claims relating to intercompany claims, as well as all rights and causes of action preserved under the Cash Collateral Order (including reserved recharacterization rights and potential assertion of the “equities of the case” exception under section 552(b) of the Bankruptcy Code) and the Additional Standing Matters. Each party to this Term Sheet acknowledges that the arrangements provided for herein, particularly as they relate to the establishment and funding of the Voluntary GUC Creditor Trust and the transfer of claims to the Voluntary GUC Creditor Trust reflect the genuine commercial interest of the Debtors’ general unsecured creditors.

This UCC Resolution Term Sheet incorporates the rules of construction set forth in section 102 of the Bankruptcy Code. Certain capitalized terms used herein have the meaning ascribed to them in the Resolution Stipulation or the Amended and Restated RSA (as defined in the Resolution Stipulation), as applicable.

This UCC Resolution Term Sheet does not include a description of all of the terms, conditions, and other provisions that are to be contained in the UCC Definitive Documents (defined below), which remain subject to negotiation in accordance with the terms herein and in the Resolution Stipulation, as applicable.

GENERAL TERMS	
Overview	<p>Unless otherwise agreed by the Debtors, the Ad Hoc First Lien Group and the Creditors' Committee, the UCC Resolution shall be implemented in connection with the consummation of the Sale (if such Sale occurs), consistent with the terms of this UCC Resolution Term Sheet and the Resolution Stipulation.</p> <p>The Parties will continue to cooperate regarding the execution of this transaction in a manner that will facilitate implementation of the Sale and implementation of the transfer of the Voluntary GUC Creditor Trust Consideration to the Voluntary GUC Creditor Trust for the benefit of the Voluntary GUC Creditor Trust Beneficiaries (each term as defined herein) in accordance with this UCC Resolution Term Sheet.</p>
Voluntary GUC Creditor Trust Beneficiaries	<p>Holders of Claims¹ against the Debtors on account of (a) the portion of the Second Lien Notes Indebtedness (as defined in the Cash Collateral Order)² that is not secured and constitutes deficiency Claims pursuant to section 506(a) of the Bankruptcy Code (such Claims, the "<i>Second Lien Deficiency Claims</i>"); (b) the Unsecured Notes³ (such Claims, the "<i>Unsecured Notes Claims</i>"), and</p>

¹ "***Claim***" means any claim as that term is defined in section 101(5) of the Bankruptcy Code.

² Nothing in this UCC Resolution Term Sheet shall limit the rights of any holders of Second Lien Secured Claims as Second Lien Secured Claims, including the right to participate in the Sale Process in its capacity as a holder of Second Lien Secured Claims (including, without limitation, the right to credit bid with respect to the obligations and liens securing the Second Lien Secured Claims), subject to the terms of the Bidding Procedures Order.

³ "***Unsecured Notes***" means any notes issued pursuant to (a) that certain Indenture, dated as of June 30, 2014, between Endo Finance LLC and Endo Finco Inc., as issuers, the guarantors party thereto, and U.S. Bank, National Association as trustee; (b) that certain Indenture, dated as of January 27, 2015, between Endo Limited, Endo Finance LLC, and Endo Finco Inc., as issuers, the guarantors party thereto, and UMB Bank, National Association as trustee; (c) that certain Indenture, dated as of July 9, 2015, between Endo Limited, Endo Finance LLC, and Endo Finco Inc., as issuers, the guarantors party thereto, and UMB Bank, National Association as trustee; or (d) that certain Indenture, dated as of June 16, 2020, between Endo Designated Activity Company, Endo Finance LLC, and Endo Finco Inc., as issuers, the guarantors party thereto, and U.S. Bank, National Association as trustee (U.S. Bank, National Association in such capacity and including any successors thereto, and UMB Bank, National Association in such capacity and including any successors thereto, each an "***Unsecured Notes Indenture Trustee***").

	<p>(c) General Unsecured Claims⁴ (collectively, the “Eligible Unsecured Claims”) shall have the option to voluntarily elect to participate in the Voluntary GUC Creditor Trust (defined below) to be formed by the Stalking Horse Bidder (to the extent that the Stalking Horse Bidder is the Successful Bidder). The Voluntary GUC Creditor Trust shall assume the liability of the Debtors for any Eligible Unsecured Claims in accordance with the Voluntary GUC Creditor Trust Documents (defined below) when the holder of such Eligible Unsecured Claim, among other things,</p> <p>(a) completes an election form that provides all required documentation pursuant to the Voluntary GUC Creditor Trust Documents⁵ with respect to their Eligible Unsecured Claims (the “Claimant Election Form”);</p> <p>(b) effectuates a consensual and voluntary release respect to certain claims against the Released Parties, and a covenant not to collect from personal assets of Excluded D&O Parties, to be effective upon settlement or resolution of their Eligible Unsecured Claims in accordance with the Voluntary GUC Creditor Trust Documents;⁶</p> <p>(c) asserts their Eligible Unsecured Claims solely as a basis for the receipt of entitlements as beneficiaries in the Voluntary GUC</p>
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⁴ “**General Unsecured Claim**” means any Claim against one or more of the Debtors that (a) is a claim for damages under section 502(g) of the Bankruptcy Code resulting from the rejection of an executory contract or unexpired lease by the Debtors (a “**Rejection Damages Claim**”); (b) arises from any past or present personal injury, economic injury, or litigation (including any disputed litigation claims), including, in each case, unsatisfied damages or judgments entered against, or settlement amounts related thereto; or (c) unpaid trade claims arising from the Debtors’ business operations (“**Trade Claims**”); *provided*, in each case, that such Claim is not secured by collateral, is not a Second Lien Deficiency Claim, Unsecured Notes Claim, Opioid Claim (as defined in the OCC Resolution Term Sheet), intercompany claim, administrative expense Claim (including under section 503(b)(9) of the Bankruptcy Code), a Claim entitled to priority under the Bankruptcy Code, a Claim of the United States of America or any of its political subdivisions or agencies, a claim otherwise eligible to be paid pursuant to the Debtors’ customer programs order [Docket No. 316] or specified trade claims order [Docket No. 317], a claim for cure costs in connection with the assumption of a contract by the Stalking Horse Bidder, a claim for indemnification related to Opioid Claims pursuant to a contract or agreement assumed by the Debtors and assigned to the Stalking Horse Bidder, or claim by a Debtor or non-Debtor employee related to prepetition compensation programs.

⁵ “**Voluntary GUC Creditor Trust Documents**” means the documents governing: (i) UCC Voluntary GUC Creditor Trust; (ii) any sub-trusts or vehicles that comprise the UCC Voluntary GUC Creditor Trust; (iii) the flow of consideration from the Stalking Horse Bidder or its present or future subsidiaries to the UCC Voluntary GUC Creditor Trust or any sub-trusts or vehicles that comprise the UCC Voluntary GUC Creditor Trust; (iv) submission, resolution, and distribution procedures in respect of all Participating Unsecured Claims; (v) the flow of distributions, payments or flow of funds made from the UCC Voluntary GUC Creditor Trust or any such sub-trusts or vehicles after the Closing Date; and (vi) and all documents related thereto.

⁶ For the avoidance of doubt, participation in the Voluntary GUC Creditor Trust shall not require holders to release any Opioid Claim that may be eligible to participate in the PPOC Trust(s), subject to the terms of the OCC Resolution Term Sheet.

	<p>Creditor Trust in accordance with the Voluntary GUC Creditor Trust Documents; and</p> <p>(d) does not object to (i) the resolutions embodied in this UCC Resolution Term Sheet or in the Resolution Stipulation, (ii) entry of the Bidding Procedures Order, (iii) the Debtors' pending Exclusivity Motion (and any future motions of the Debtors to extend their plan exclusivity pursuant to section 1121 of the Bankruptcy Code); and (iv) the Sale Order and the Sale Transaction.⁷</p> <p>(such holders, collectively, the "Voluntary GUC Creditor Trust Beneficiaries" and, such Claims, the "Participating Unsecured Claims").</p> <p>For the avoidance of doubt, the ultimate right to receive any Voluntary GUC Creditor Trust Consideration (defined below) on account of a Participating Unsecured Claim shall be subject to, and determined pursuant to, the Voluntary GUC Creditor Trust Documents.</p> <p>The Debtors, the Ad Hoc First Lien Group, and the Creditors' Committee shall work together in good faith to develop procedures designed to provide adequate notice to the Voluntary GUC Creditor Trust Beneficiaries of their right to participate in the resolutions reflected herein; <i>provided</i> that such procedures do not delay the date for the Accelerated Sale Hearing (as defined in the Bidding Procedures Order) as set forth in the Bidding Procedures Order, if applicable, absent consent from the Debtors and the Ad Hoc First Lien Group.⁸ For the avoidance of doubt, such noticing (which may take place after the Accelerated Sale Hearing (if any), but in advance of the Closing Date) shall include providing holders of General Unsecured Claims with the appropriate forms to (i) opt in to participation in the Voluntary GUC Creditor Trust, and (ii) participate in the Voluntary GUC Creditor Trust Rights Offering which shall be provided in a manner that affords holders sufficient time to participate in such Voluntary GUC Creditor Trust Rights Offering in accordance with any deadlines set forth herein or as otherwise agreed by the Creditors' Committee and the Ad Hoc First Lien Group, and provides sufficient information to enable holders of Eligible Unsecured Claims to decide whether to participate in the Rights Offering; <i>provided, further</i>, the Creditors' Committee shall work cooperatively and reasonably with the Ad Hoc First Lien Group and the Debtors to make</p>
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⁷ For the avoidance of doubt, objections by contract counterparties that seek to preserve rights under existing contracts shall not preclude such counterparties from participation as a beneficiary in the UCC Voluntary GUC Creditor Trust.

⁸ The bar date materials for holders of non-opioid general unsecured claims will be revised to address information and timing relating to preserving the option for certain creditors to participate in the Voluntary GUC Creditor Trust Rights Offering.

	<p>any noticing process as cost-efficient as possible (including, to the extent determined by the Creditors’ Committee in its sole discretion, by maximizing the use of electronically delivered notice and limiting non-electronic notice to U.S. Postal Service regular first-class mail) and it being understood that the cost of such mailing shall be borne by the Debtors and is not anticipated to exceed \$1,000,000.^{9 10}</p>
<p>Voluntary GUC Creditor Trust</p>	<p>At Closing, the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder) shall establish one or more trusts for the benefit of the Voluntary GUC Creditor Trust Beneficiaries (collectively, the “<i>Voluntary GUC Creditor Trust</i>”), which trusts shall be structured in a manner acceptable to the Creditors’ Committee and reasonably acceptable to the Stalking Horse Bidder. A trustee (or trustees) selected by the Creditors’ Committee shall administer the Voluntary GUC Creditor Trust (the “<i>Voluntary GUC Creditor Trustee</i>”). For the avoidance of doubt, the administration and governance of the Voluntary GUC Creditor Trust shall be pursuant to the Voluntary GUC Creditor Trust Documents, which shall be attached as an exhibit to the Sale Order or other applicable order (and approved thereunder).</p>
<p>Voluntary GUC Creditor Trust Cash Consideration</p>	<p>At Closing, the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder) shall fund the Voluntary GUC Creditor Trust with its cash in the amount of \$60,000,000 (the “<i>Voluntary GUC Creditor Trust Cash Consideration</i>”), which amount shall be used by the Voluntary GUC Creditor Trustee to (i) fund the administration of the Voluntary GUC Creditor Trust, including any costs associated with monetizing the Voluntary GUC Creditor Trust Litigation Consideration (defined below); and (ii) transfer, on behalf of the Stalking Horse Bidder, such Voluntary GUC Creditor Trust Cash Consideration to Voluntary GUC Creditor Trust Beneficiaries in accordance with the Voluntary GUC Creditor Trust Documents.</p> <p>The Voluntary GUC Creditor Trust Cash Consideration shall be subject to upward adjustment to account for (subject to, among other things, the submission, resolution, and distribution procedures in the Voluntary GUC Creditor Trust Documents) Participating Unsecured Claims that are Rejection Damages Claims (the “<i>Rejection Damages Adjustment</i>”). The amount of the Rejection Damages Adjustment, the mechanics for determining rejection damages claims, and the basis for payment of such Rejection Damages Adjustment shall be</p>

⁹ The Debtors are working to confirm that all applicable insurers are on the notice list. To the extent the Debtors identify any such insurers that are not, they will be added.

¹⁰ No Party shall be permitted or required to take any action contemplated by this Term Sheet (or the Resolution Stipulation) that adversely affects any of the holders of Opioid Claims (as defined in the OCC Resolution Term Sheet) or the terms contemplated by the OCC Resolution Term Sheet.

	<p>determined and agreed by the Ad Hoc First Lien Group and the Creditors' Committee no later than 30 days prior to the Sale Hearing.</p>
<p>Voluntary GUC Creditor Trust Equity Consideration</p>	<p>At Closing, the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder) shall issue to the Voluntary GUC Creditor Trust, for the benefit of the Voluntary GUC Creditor Trust Beneficiaries, 4.25% outstanding Newco Ordinary Shares¹¹ at Closing on a fully-diluted basis and after giving effect to the Voluntary GUC Creditor Trust Rights Offering and any other rights offering (including any associated backstop equity or other fees or premiums) or similar transaction contemplated to occur in connection with the Sale or the Closing (subject only to dilution by any issuances under the management incentive plan described in the Amended Restructuring Term Sheet) (the "<i>Voluntary GUC Creditor Trust Equity Consideration</i>"); <i>provided</i> that, if, at Closing, based on a total enterprise value to be agreed in good faith at least thirty (30) days prior to Closing, the Stalking Horse Bidder's net funded debt exceeds or is less than \$2.5 billion (which, for the avoidance of doubt, shall be following payment of any closing costs, including any payments in connection with this Term Sheet or other resolutions reached and/or any paydown to the Prepetition First Lien Parties), the Voluntary GUC Creditor Trust Equity Consideration shall be adjusted on a dollar for dollar basis upwards or downwards, respectively, such that the value remains unchanged by the applicable increase or decrease in net funded debt; <i>provided, further</i>, that the Required Consenting Global First Lien Creditors shall make a determination as to the amount of net funded debt by at least forty-five (45) days prior to the Closing (the "<i>Net Debt Determination</i>"). To the extent the Stalking Horse Bidder is the Successful Bidder, at Closing, it shall not have any equity securities of any class or series ranking senior in priority to the Newco Ordinary Shares in respect of dividends or distributions, including liquidation distributions, or have any pay-in-kind or other accreting feature, nor shall there be outstanding any rights to acquire such securities. To the extent the Stalking Horse Bidder is the Successful Bidder, at Closing the governance documents of the Stalking Horse Bidder shall not contain provisions to squeeze out or compel the disposition of Newco Ordinary Shares acquired by the Voluntary GUC Creditor Trust or Voluntary GUC Creditor Trust Beneficiaries unless such squeeze out or disposition is part of a sale of at least a majority of Newco Ordinary Shares then outstanding and is on the same terms.</p>

¹¹ "***Newco Ordinary Shares***" means the issued and outstanding ordinary shares of the Stalking Horse Bidder.

Voluntary GUC Creditor Trust Rights Consideration	<p>To the extent the Stalking Horse Bidder is the Successful Bidder, the Stalking Horse Bidder will offer to eligible Voluntary GUC Creditor Trust Beneficiaries (“<u>Eligible GUC Beneficiaries</u>”); such eligibility to be determined by the Creditors’ Committee) the option to subscribe for the purchase, in connection with or immediately subsequent to the Closing, of such Eligible GUC Beneficiaries’ pro rata share of up to \$160 million of Newco Ordinary Shares (such amount, the “Voluntary GUC Creditor Trust Rights Offering Amount”), calculated on a fully-diluted basis and after giving effect to the Voluntary GUC Creditor Trust Rights Offering and other any rights offering or similar transaction (including any associated backstop equity or other fees or premiums) contemplated to occur in connection with the Sale or the Closing (subject only to dilution by any issuances under the management incentive plan described in the Amended Restructuring Term Sheet), based on a total enterprise value of \$5.125 billion (the “Setup TEV”) for the Stalking Horse Bidder and a net funded debt for the Stalking Horse Bidder at Closing of \$2.5 billion (which, for the avoidance of doubt, shall be following payment of any closing costs, including any payments in connection with this Term Sheet and other resolutions reached and/or any paydown to the Prepetition First Lien Secured Parties), subject to the adjustment mechanism described below (the “Voluntary GUC Creditor Trust Rights Offering” or, the “Voluntary GUC Creditor Trust Rights Consideration”), which equity (the “Voluntary GUC Creditor Subscription Rights”) must be subscribed for by Eligible GUC Beneficiaries not later than fourteen (14) days prior to the Sale Hearing (the “Voluntary GUC Creditor Commitment Deadline”). For the avoidance of doubt, the Voluntary GUC Creditor Trust Rights Offering shall be for up to approximately 6.1% of the Newco Ordinary Shares calculated on a fully-diluted basis and after giving effect to the Voluntary GUC Creditor Trust Rights Offering and any other rights offering and including any associated backstop equity or other fees or premiums, or similar transaction contemplated to occur in connection with the Sale or the Closing (subject only to dilution by any issuances under the management incentive plan described in the Amended Restructuring Term Sheet); <i>provided that</i> if the Stalking Horse Bidder’s net funded debt at Closing exceeds or is less than \$2.5 billion, such ownership percentage associated with the Voluntary GUC Creditor Trust Rights Offering Consideration shall be adjusted (the “Net Debt Ownership Adjustment”) such that the value remains unchanged by the applicable increase or decrease in net funded debt based on a total enterprise value to be agreed to in good faith at least thirty (30) days prior to Closing (the “Agreed TEV”), (and after the Net Debt Determination); <i>provided, further,</i> that if there is a Net Debt Ownership Adjustment, Eligible GUC Beneficiaries that have subscribed for the Voluntary GUC Creditor</p>
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	<p>Subscription Rights shall be entitled to terminate such subscription within fourteen (14) days of having been provided with notice thereof (which notice may be provided electronically).</p> <p>Voluntary GUC Creditor Subscription Rights not subscribed for by the Voluntary GUC Creditor Commitment Deadline shall be forfeited.</p> <p>Eligible GUC Beneficiaries shall not have any oversubscription or backstop rights with respect to the Voluntary GUC Creditor Trust Rights Offering.</p> <p>The Voluntary GUC Creditor Subscription Rights shall be freely transferable, subject to applicable restrictions under the securities laws. Further, for the avoidance of doubt, nothing herein is intended to, or shall be interpreted to, limit the transferability of any Eligible Unsecured Claim.</p> <p>The Creditors' Committee, the Ad Hoc Cross-Holder Group, and the Required Consenting Global First Lien Creditors shall agree upon subscription procedures for the Voluntary GUC Creditor Trust Rights Offering.</p>
<p>Released Parties & Excluded Parties</p>	<p>“Released Parties” means (I) (a) Tensor Limited (including its designees and assignees, as applicable, the “Stalking Horse Bidder”) and its present and future subsidiaries,¹² (b) each Consenting First Lien Creditor, the Ad Hoc First Lien Group, the Ad Hoc Cross-Holder Group, and the Prepetition Secured Parties, each solely in its capacity as such, (c) the Creditors' Committee, its professionals, the members of the Creditors' Committee, and their professionals, each solely in their capacities as such, (d) the Opioid Claimants' Committee, its professionals, the members of the Opioid Claimants' Committee, and their professionals, each solely in their capacities as such, and (d) with respect to each of the foregoing persons in clauses (a), (b), (c), and (d) such persons' predecessors, successors, permitted assigns, current and former subsidiaries, and respective heirs, executors, estates, and nominees, in each case solely in their capacity as such, and (II) (x) the Debtors, (y) the Debtors' non-Debtor subsidiaries, (z) with respect to each of the foregoing persons in clauses (x) and (y) such persons' predecessors, successors, assigns, current and former subsidiaries and affiliates, heirs, executors, estates, and nominees, in each case solely in their capacity as such, and (aa) with respect to each of the foregoing persons in</p>

¹² For the avoidance of doubt, and notwithstanding anything herein or in the Resolution Stipulation to the contrary, (i) the Stalking Horse Bidder and the Prepetition Secured Parties shall not receive any release of claims, if any, related to the obligation to transfer the Voluntary GUC Creditor Trust Consideration to the Voluntary GUC Creditor Trust pursuant to this Term Sheet until such obligation is satisfied, and (ii) the Debtors shall not receive any release of claims, if any, related to any breaches of obligations under this Term Sheet or the Resolution Stipulation.

	<p>clauses (x) and (y), such persons' (i) current officers (on or after the Petition Date), (ii) directors¹³ that continue serving in their capacity as directors with the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder) post-Closing or continue serving in any other prior senior-level employment position¹⁴ post-Closing and performing services commensurate with such prior position,¹⁵ (iii) current and former officers and directors of subsidiaries of the Debtors that are non-Specified Subsidiaries, and (iv) current and former employees, advisors, agents, and consultants (including any professional retained by the Debtors in the chapter 11 cases except, with respect to ordinary course professionals, as may be agreed on a case by case basis), in each case solely in their capacities as such, and in each case of the parties identified in (I) and (II) above solely to the extent such person is not an Excluded Party (defined below). For the avoidance of doubt, (i) in each case of the parties identified in (I) and (II) above, such release shall be effective in accordance with the Voluntary GUC Creditor Trust Documents¹⁶ and the requirements set forth in "Voluntary GUC Trust Beneficiaries," above, and (ii) no insurer of the Debtors shall be a Released Party unless such insurer executes a settlement with the Debtors (pre-closing, with the consent of the Creditors Committee), or the Voluntary GUC Creditor Trust (post-Closing), under which it receives such protection.</p> <p>Notwithstanding anything herein or in the Resolution Stipulation to the contrary, the following parties shall constitute "Excluded Parties":¹⁷</p> <ol style="list-style-type: none">1. "Non-Continuing Directors", meaning (a) individuals who were, prior to the Petition Date, directors of Endo International plc ("Parent") or one of the subsidiaries listed on Schedule 1 hereto (the "Specified Subsidiaries"), and who, as of the
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¹³ Directors, as used herein, includes any equivalent roles under applicable law.

¹⁴ For the avoidance of doubt, for all purposes herein, any individual serving in a position of Band D or higher shall be deemed to be serving in a senior-level employment position.

¹⁵ For the avoidance of doubt, if a director does not continue in the same position or one or more position(s) of similar seniority post-Closing, such individual shall not be a Released Party under this clause (ii) (*provided*, that such individual, to the extent employed immediately prior to Closing in a senior-level non-director position, was offered employment consistent with the Stalking Horse Bidder's obligations under the Amended PSA, to the extent applicable).

¹⁶ The Debtors shall have consent rights over the form and substance of any Voluntary GUC Creditor Trust Document solely to the extent the releases differ from those described in this Term Sheet.

¹⁷ The Amended PSA, the Amended RSA, and the Sale Order will be consistent with this Term Sheet and will ensure that neither the estate nor the Stalking Horse Bidder is providing broader releases with respect to the Excluded Parties than those described herein. Any releases provided by the estate and by any Voluntary GUC Creditor Trust Beneficiaries shall not be used to undermine the claims against Excluded Parties assigned to the Voluntary GUC Creditor Trust.

	<p>Petition Date, no longer held that role and were no longer as of the Petition Date a director of any Debtor, and (b) individuals who are, as of the date of this Term Sheet, directors of the Parent or Specified Subsidiaries;¹⁸ <i>provided</i> that if an individual described in the foregoing clauses (a) and (b) is, immediately following the Closing, (x) a director or officer of the Stalking Horse Bidder or any of its subsidiaries or (y) a senior-level employee that continues serving in a senior-level position post-Closing and performing services commensurate with such position(s), then such individual shall not be a Non-Continuing Director; <i>provided, further</i>, that the parties understand that the Stalking Horse Bidder intends to appoint new directors to the board of the parent entity of the Stalking Horse Bidder (excluding the CEO);</p> <ol style="list-style-type: none">2. “Excluded Former Officers”, meaning individuals who, as of the Petition Date, were former officers (or officer equivalents, e.g., managers of an LLC) of Parent or a Specified Subsidiary, and, as of the Petition Date, were no longer an officer of any Debtors;¹⁹ <i>provided, however</i>, that if any such individual is, immediately following the Closing, (x) a director or officer of the Stalking Horse Bidder or any of its subsidiaries or (y) a senior-level employee that continues serving in a senior-level employment position post-Closing and performing services commensurate with such position(s), then such individual shall not be an Excluded Former Officer. Excluded Former Officers and Non-Continuing Directors shall be collectively referred to as the “Excluded D&O Parties”;3. McKinsey & Company, Inc., McKinsey & Company, Inc. United States, and any applicable affiliates, subsidiaries, or other related entities or persons (other than, for the avoidance of doubt, directors, officers, or employees of the Debtors that are Released Parties), collectively the “McKinsey Parties”;4. Arnold & Porter Kaye Scholer LLP, and any applicable affiliates, subsidiaries, partners, employees, or other related entities or persons (other than, for the avoidance of doubt,
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¹⁸ For the avoidance of doubt, if a director does not continue in any director or senior-level non-director position post-Closing, such individual shall be a Non-Continuing Director; *provided* that such individual, to the extent employed immediately prior to Closing in a senior-level non-director position, was offered employment consistent with the Stalking Horse Bidder’s obligations under the Amended PSA, to the extent applicable.

¹⁹ For the avoidance of doubt, if an officer does not continue in any senior-level position post-Closing, such individual shall be an Excluded Former Officer; *provided* that such individual, to the extent employed immediately prior to Closing in a senior-level non-director position, was offered employment consistent with the Stalking Horse Bidder’s obligations under the Amended PSA, to the extent applicable.

	<p>directors, officers, or employees of the Debtors that are Released Parties), collectively the “Arnold & Porter Parties”;</p> <ol style="list-style-type: none">5. TPG Inc., TPG Capital, and any applicable affiliates, subsidiaries, managed funds, and immediate or mediate transferees of any consideration paid for Par, or other related entities or persons (other than, for the avoidance of doubt, directors, officers, or employees of the Debtors that are Released Parties), collectively the “TPG Parties”;6. The Debtors’ primary insurance advisor, and any applicable affiliates, subsidiaries, or other related entities or persons (other than, for the avoidance of doubt, directors, officers, or employees of the Debtors that are Released Parties), collectively the “Insurance Advisor Parties”;7. Certain other third-party advisors / consultants / brokers (excluding any professionals retained by the Debtors in the Chapter 11 Cases other than as may be agreed on a case by case basis with respect to ordinary course professionals) to be agreed and enumerated by the Debtors, the Creditors’ Committee, and the Required Consenting Global First Lien Creditors, collectively the “Additional Advisors”; and8. Certain third-parties related to the foregoing to be agreed (by the Debtors, Creditors’ Committee and the Required Consenting Global First Lien Creditors) to the extent necessary to realize the benefit of certain of the Voluntary GUC Creditor Trust Consideration (for the avoidance of doubt, the rights conferred by this section (8) shall not modify the limitations on claims against any party otherwise set forth in this term sheet, including claims against Non-Continuing Directors and Excluded Former Officers elsewhere herein, collectively the “Additional Third-Parties”). <p>For the avoidance of doubt, all estate claims and causes of action against the Excluded Parties shall be preserved and not be released by the Debtors, the estates, the Stalking Horse Bidder, the Creditors’ Committee, the Opioid Claimants Committee, the Opioid Claimants, the Voluntary GUC Creditor Trust Participants, or any other party, <i>provided</i>, that the Parties covenant that (i) any recovery by the Voluntary GUC Creditor Trust (and the beneficiaries thereof) on account of any claim against an Excluded D&O Party, including in each case by way of settlement or judgment, shall be satisfied solely by and to the extent of the proceeds of the Specified D&O Insurance (defined below); (ii) any party, including any trustee for the Voluntary GUC Creditor Trust, seeking to execute, garnish, or otherwise attempt to collect on any settlement of or judgment on account of claims against Excluded D&O Parties shall do so solely</p>
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	<p>upon available insurance coverage from the Specified D&O Insurance; and (iii) the Voluntary GUC Creditor Trust shall not otherwise attempt to collect, directly or indirectly, from the personal assets of any Excluded D&O Party. The covenants set forth herein shall be binding on any transferee, successor, or assign in connection with any transfer, pledge, sale, hypothecation, assignment, or other disposal of claims (a “<i>Transfer</i>”) against the Excluded D&O Parties. In connection with any such Transfer, the failure of a transferee to agree to such covenant shall render such Transfer void ab initio. Each of the Excluded D&O Parties shall be express third-party beneficiaries of the covenants referred to herein.</p>
<p>Voluntary GUC Creditor Trust Litigation Consideration</p>	<p>At Closing, the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder) shall voluntarily vest in the Voluntary GUC Creditor Trust the following additional consideration acquired under the PSA (as reflected in the Amended PSA):</p> <ol style="list-style-type: none"> a. all estate claims and causes of action against (collectively, the “<i>Litigation Trust Claims</i>”): <ol style="list-style-type: none"> 1. The McKinsey Parties; 2. The Arnold & Porter Parties;²⁰ 3. The TPG Parties; 4. The Insurance Advisor Parties; 5. Any insurers that issued director and officer insurance policies to the Debtors prior to 2020, provided that such claims are limited to those related to breach of contract and recovery of past costs; 6. Excluded D&O Parties, (i) solely with respect to actions taken prior to August 1, 2019,²¹ and <i>provided that</i> (ii) such claims shall be satisfied solely by and to the extent of (and trust recoveries with respect to such claims shall be limited to) available coverage, if any, under the Debtors’ 2018-19 director and officer insurance policies and all director and officer

²⁰ The Debtors’ pre-Closing obligations with respect to any claim against the Arnold & Porter Parties shall be governed by Bankruptcy Rule 2004 and the applicable orders of the Bankruptcy Court.

²¹ The Debtors, pre-Closing, shall take reasonable steps, and the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is selected as the Successful Bidder), post-Closing, shall take reasonable steps to preserve the value of the insurance assets acquired by the Stalking Horse Bidder that may apply to claims against the Excluded D&O Parties by the Voluntary GUC Creditor Trust, including but not limited to the Stalking Horse Bidder providing notice required by and in accordance with the terms of the applicable policy of any claim asserted against the Excluded D&O Parties by the Voluntary GUC Creditor Trust and complying with all applicable policy terms and conditions.

	<p>insurance policies issued in years preceding 2018-19, including any associated tail policies (including commercial side A coverage in such policy years but, for the avoidance of doubt, not including policies related to and coverage offered under a protective captive cell arrangement or the Debtors' 2022-24 commercial director and officer insurance policies) ("<i>Specified D&O Insurance</i>");²² and</p> <p>7. the Additional Advisors and Additional Third-Parties, for claims related to the foregoing or subsection (b) hereof; and</p> <p>8. and other rights, claims, or causes of action related to the above to be agreed upon and specifically enumerated by the Debtors, the Creditors' Committee, and the Ad Hoc First Lien Group to the extent as may be necessary to realize the benefit of certain of the Voluntary GUC Creditor Trust Consideration, <i>provided</i>, for the avoidance of doubt, that the rights conferred by this clause shall not modify the limitations on claims against Excluded D&O Parties as described in section (6) hereof.</p> <p>b. (i) all of the Stalking Horse Bidder's rights, including rights to claims and/or proceeds under any known or unknown insurance policies that may provide coverage for Eligible Unsecured Claims, and (ii) the sole and exclusive right to pursue and control pursuit of coverage for the Debtors' opioid-related claims, and to the proceeds from any known or unknown insurance policies that may provide coverage for such opioid-related claims.²³ As to both (i) and (ii), such policies shall include, but are not limited to, known and unknown products liability insurance policies, commercial general liability insurance policies, and life sciences policies, including those known policies set forth on Schedule 2 hereto (such policies, collectively, the "<i>Specified Debtor Insurance Policies</i>" and together with the Litigation Trust Claims, the "<i>Voluntary GUC Creditor Trust Litigation Consideration</i>" and, together with the Voluntary GUC Creditor Trust Cash Consideration, the Voluntary GUC Creditor Trust Equity Consideration, and the Voluntary GUC</p>
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²² The Ad Hoc First Lien Group shall provide the Creditors' Committee with a list of all existing directors and/or officers that are expected to continue with the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder) post-Closing in one or more senior-level positions in the ordinary course and performing services commensurate with such prior positions no later than 30 days prior to the Sale Hearing.

²³ Such policies shall exclude the Debtors' director and officer insurance policies.

	<p>Creditor Trust Rights Consideration, the “<i>Voluntary GUC Creditor Trust Consideration</i>”).²⁴</p> <p>The Voluntary GUC Creditor Trust shall have the sole and exclusive right to control the Voluntary GUC Creditor Trust Litigation Consideration.</p> <p>Schedule 2 hereto sets forth the Debtors’ known products liability insurance policies, and commercial general liability insurance policies.</p> <p>The Voluntary GUC Creditor Trust shall be structured in a manner, and the Voluntary GUC Creditor Trust Consideration shall be vested in the Voluntary GUC Creditor Trust in a manner acceptable to the Creditors’ Committee and reasonably acceptable to the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder) and so as to ensure standing to bring such causes of action and to maximize access to and recovery from such insurance policies (subject to the limitations on claims against any party to the extent expressly set forth in this Term Sheet). For the avoidance of doubt, the Stalking Horse Bidder’s voluntary transfer of the foregoing insurance rights post-Closing to the Voluntary GUC Creditor Trust shall not impair the rights, if any, of (x) pharmaceutical distributors, pharmaceutical manufacturers, and pharmacies as “additional insureds,” or (y) any current or former director or officer.</p>
<p>Rights of Holders of Eligible Unsecured Claims That Do Not Participate in the Voluntary GUC Creditor Trust</p>	<p>For any holder of an Eligible Unsecured Claim that chooses not to effectuate a consensual and voluntary release and covenant not to sue and thus chooses to not participate in the Voluntary GUC Creditor Trust, the Debtors’ estates (including its successors and assigns), on the one hand, and the non-participating holder of an Eligible Unsecured Claim, on the other hand, shall retain whatever rights and remedies are available to each under applicable law.</p>
<p>Cooperation Agreement</p>	<p>To the extent the Stalking Horse Bidder is the Successful Bidder, the Stalking Horse Bidder and the Voluntary GUC Creditor Trust shall enter into an agreement (the “<i>Cooperation Agreement</i>”), which shall be negotiated and attached as an exhibit to the Sale Order or other</p>

²⁴ To the extent any claims or causes of action against the Excluded Parties (the “*Non-Released Claims*”) cannot be transferred to the Voluntary GUC Creditor Trust because of a restriction on transferability under applicable non-bankruptcy law that is not superseded or preempted by the Bankruptcy Code, such Non-Released Claims shall be deemed to be retained by the Stalking Horse Bidder and the Voluntary GUC Creditor Trust shall be deemed to have been designated as a representative of the Stalking Horse Bidder (as successor to the estates) to enforce and pursue such Non-Released Claims on behalf of the Stalking Horse Bidder, having acquired such claims directly from the Debtors, to the extent set forth herein; *provided* that, to the extent, as a result of the forgoing, the pursuit and enforcement of such claims results in claims or counterclaims being asserted against the Stalking Horse Bidder or its subsidiaries, the Voluntary GUC Creditor Trust shall indemnify and hold harmless the Stalking Horse Bidder for such claims.

	<p>applicable order and shall provide for, among other things, the transfer of any documents or information, as well any attorney-client privilege, work-product protection, or other privilege or immunity (whether written or oral) relating to claims constituting the Voluntary GUC Creditor Trust Litigation Consideration (including pursuit of recoveries under the Specified Debtor Insurance Policies), Eligible Unsecured Claims to be administered by the Voluntary GUC Creditor Trust, and reasonable terms for cooperation between the Stalking Horse Bidder and the Voluntary GUC Creditor Trust, in each case, to be operative after the Closing Date.</p>
<p>Discovery</p>	<p>The Voluntary GUC Creditor Trust shall be authorized to conduct Rule 2004 examinations, to the fullest extent permitted thereunder, to investigate the Voluntary GUC Creditor Trust Litigation Consideration, without the requirement of filing a motion for such authorization.</p>
<p>Wind Down Amount</p>	<p>The UCC Resolution is subject, in all respects, to the implementation of the modifications to the Wind-Down Amount and Amended Wind-Down Budget reflected in the Amended Restructuring Term Sheet.</p> <p>The Wind-Down shall be implemented in a manner consistent with this Term Sheet, to the extent matters addressed in this Term Sheet are applicable to the Debtors or their estates during the Wind-Down. The Debtors shall (x) consult with the Creditors' Committee, in good faith, with regard to the Debtors' implementation of the wind down of the Debtors' estates and (y) provide the Creditors' Committee with no less than 45 days' advance notice of the dismissal of any Debtor's chapter 11 case; the Creditors' Committee reserves all rights with respect to the Debtors' dismissal of any Debtor's chapter 11 case.</p> <p>In the event there is anticipated to be post-Closing Date work for the Creditors' Committee, a reasonable budget will be agreed to by the Required Consenting Global First Lien Creditors and the Creditors' Committee (or as determined by the Mediator (as defined in the Mediation Order) or some other third party mutually selected by the Parties if such agreement cannot be reached), and included in the Wind-Down Budget.</p>
<p>Increase in Consideration</p>	<p>To the extent the Stalking Horse Bidder offers incremental consideration to a holder of an Eligible Unsecured Claim and such Eligible Unsecured Claim accepts such offer, such additional consideration shall be paid into the Voluntary GUC Creditor Trust to be allocated in accordance with the Voluntary GUC Creditor Trust Documents.</p>

Allocation	The Creditors’ Committee shall determine the allocation of the Voluntary GUC Creditor Trust Consideration amongst the Voluntary GUC Creditor Trust Beneficiaries, including implementation thereof.
UCC Fee Limitations	<p>Starting on April 1, 2023 through and including the estimated Closing Date of November 1, 2023 (the “<i>Estimated Closing Date</i>” and, the period from April 1, 2023 through the Estimated Closing Date, the “<i>UCC Fee Period</i>”), the Creditors’ Committee agrees that the professional fees of the Creditors’ Committee’s hourly professionals shall be subject to an aggregate budget of \$15,000,000 (the “<i>UCC Fee Budget</i>”) ²⁵ (other than fees incurred in connection with litigation or discovery pursued against the Creditors’ Committee, its members or professionals, which fees (if any) shall be separately accounted for and not subject to the UCC Fee Budget). Any fees incurred during the UCC Fee Period in excess of the UCC Fee Budget shall reduce the Voluntary GUC Creditor Trust Cash Consideration on a dollar for dollar basis to the extent actually paid. To the extent the Closing Date occurs after November 1, 2023, the Creditors’ Committee and the Required Consenting Global First Lien Creditors will negotiate a monthly UCC Fee Budget for the period from November 1, 2023 through the actual Closing Date.</p> <p>To the extent that the Creditors’ Committee’s professional fees are less than the UCC Fee Budget through the Estimated Closing Date, half of any unused portion of the budget shall be used to fund any amount agreed to for the Creditors’ Committee in the Wind-Down Budget, with the remaining half contributed to the Voluntary GUC Creditor Trust to be used solely for fees and expenses incurred by the Voluntary GUC Creditor Trust.</p> <p>The fees and expenses (including counsel fees) of U.S. Bank, National Association as an Unsecured Notes Indenture Trustee, and UMB Bank, National Associate as an Unsecured Notes Indenture Trustee shall each be separately borne by the Stalking Horse Bidder and subject to an aggregate cap through the Estimated Closing Date of \$1,000,000 and \$1,000,000 each, respectively. ²⁶</p> <p>For the avoidance of doubt, all of the professional fees of the Creditors’ Committee shall continue to be subject to, and paid in compliance with, the <i>Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals</i> [Docket No. 326] (the “<i>Interim Compensation</i>”).</p>

²⁵ For the avoidance of doubt, the UCC Fee Budget and the UCC Hourly Professional Provisions do not address any fees incurred by the Creditors’ Committee’s professionals that do not bill on an hourly basis, including Lazard Frères & Co., which shall be paid separately in accordance with any applicable retention orders.

²⁶ For the avoidance of doubt, nothing herein shall prevent the Unsecured Notes Indenture Trustees from exercising any charging lien for any unpaid portion of their fees and expenses (including counsel fees).

	<p><i>Order</i>”), but in no event shall such fees for UCC hourly professionals be sought or awarded in excess of the UCC Fee Budget during the UCC Fee Period except as otherwise agreed by the Required Consenting Global First Lien Creditors and the Creditors’ Committee.</p> <p>The provisions in this section shall be defined as the “<i>UCC Hourly Professional Provisions</i>”.</p> <p>For the avoidance of doubt, all fees incurred by Creditors’ Committee Professionals prior to April 1, 2023, shall be paid in full, subject to compliance with the Interim Compensation Order.</p>
<p>Executory Contracts</p>	<p>The Creditors’ Committee and Ad Hoc First Lien Group shall negotiate a process to facilitate the assumption of executory contracts on existing terms.</p>
<p>UCC Definitive Documents</p>	<p>The Creditors’ Committee and the Ad Hoc Cross-Holder Group shall have certain consent rights over applicable documents, distribution mechanics, and governance of the Voluntary GUC Creditor Trust, including, for the avoidance of doubt, consent rights over (i) the Bidding Procedures Order, Sale Order, the Amended PSA and related documents, in each case, solely to the extent that they impact the Stalking Horse Bidder’s voluntary transfer of the Voluntary GUC Creditor Trust Consideration and implementation of this Term Sheet, (ii) the Voluntary GUC Creditor Trust Documents, (iii) the Cooperation Agreement, and (iv) other documents or provisions that materially impact entitlements or rights provided to the Voluntary GUC Creditor Trust and/or any Voluntary GUC Creditor Trust Beneficiary by the Stalking Horse Bidder, including the Amended Restructuring Term Sheet (collectively, the “<i>UCC Definitive Documents</i>”). The parties shall discuss in good faith (i) the necessary findings regarding the reasonableness of the UCC Resolution and approvals of various portions of this UCC Resolution, and (ii) provisions for retention of jurisdiction of the Court to be included in the Sale Order or other applicable order.²⁷</p> <p>For the avoidance of doubt, the Required Consenting Global First Lien Creditors shall also have certain consent rights over the UCC Definitive Documents solely with respect to provisions related to (a) initial funding of the Voluntary GUC Creditor Trust Consideration, (b) ensuring the scope of beneficiaries of the Voluntary GUC Creditor Trust complies with the terms of this Term Sheet, and (c) any provisions that impact any amounts required to be funded by the Stalking Horse Bidder hereunder, including with respect to the Rejection Damages Adjustment. The Debtors’ rights</p>

²⁷ The Parties agree that there will be findings and approvals contained in an order.

	<p>with respect to the form and content of any document or order (x) to which the Debtors are a party (and solely for those aspects of such document to which they are agreeing), (y) that includes any obligation on the part of the Debtors (and solely to the extent of such obligations), or (z) that the Debtors have proposed (e.g., the Sale Order) shall be preserved in all respects.</p>
<p>Conditions Precedent</p>	<p>As conditions precedent to implementation of the UCC Resolution: (i) the Debtors, the Required Consenting First Lien Creditors and the Stalking Horse Bidder shall amend the PSA and the Restructuring Support Agreement to the extent necessary for the applicable party to comply with and perform their obligations under the UCC Resolution Term Sheet, including that the Debtors, the Required Consenting Global First Lien Creditors and the Stalking Horse Bidder shall preserve the Voluntary GUC Creditor Trust Litigation Consideration, including all estate claims and causes of action against the Excluded Parties, and shall not release the claims and causes of action against the Excluded Parties, and (ii) the Required Consenting First Lien Creditors will direct Tensor Limited to comply with the terms of the UCC Resolution.</p>
<p>Further Assurances</p>	<p>The Debtors (solely to the extent specifically set forth herein or in the Resolution Stipulation), the Required Consenting Global First Lien Creditors, the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder), and the Creditors' Committee (and following its effectiveness, the Voluntary GUC Creditor Trust) shall use commercially reasonable efforts to execute and deliver such documents and take such action as may reasonably be requested in order to consummate more effectively the transactions contemplated by the UCC Resolution Term Sheet and the Resolution Stipulation. To the extent any legal or structural impediment would prevent, hinder, or delay the consummation of the transactions contemplated by the UCC Resolution Term Sheet and the Resolution Stipulation, the foregoing parties shall negotiate in good faith appropriate additional or alternative provisions to address and resolve any such impediment; <i>provided</i> that the economic outcome for such parties, the anticipated timing of the closing under the Amended PSA, and other material terms of the UCC Resolution Term Sheet and the Resolution Stipulation must be substantially preserved in any such alternate provisions. The foregoing parties agree to use good faith efforts to structure and implement the transactions contemplated by this Agreement with the objective of maximizing tax efficiency to the to the Prepetition First Lien Secured Parties (with such determination to be made by the Required Consenting Global First Lien Creditors), the Stalking Horse Bidder (including with respect to the availability, location and timing of tax deductions), the Creditors' Committee, the Voluntary GUC Creditor Trust Beneficiaries, and the Voluntary</p>

	<p>GUC Creditor Trust (including with respect to (i) the establishment of the Voluntary GUC Creditor Trust, (ii) the receipt of the Voluntary GUC Creditor Trust Cash Consideration, the Voluntary GUC Creditor Trust Equity Consideration, the Voluntary GUC Creditor Trust Rights Consideration, and the Voluntary GUC Creditor Trust Litigation Consideration by the Voluntary GUC Creditor Trust or the Voluntary GUC Creditor Trust Beneficiaries, as applicable, (iii) the distributions made to Voluntary GUC Creditor Trust Beneficiaries from the Voluntary GUC Creditor Trust).</p> <p>To the extent that Section 162(f)(1) of the Internal Revenue Code would otherwise apply to payments to the Voluntary GUC Creditor Trust, the Parties agree to treat such payments as “restitution” within the meaning of Section 162(f)(2) of the Internal Revenue Code solely to the extent allowed by applicable law.</p> <p>The Parties agree to treat the implementation of this Term Sheet consistent with the foregoing to the extent permitted by applicable law, provided, however, that to the extent the Voluntary GUC Creditor Trust Cash Consideration is paid by, or on behalf of, an Irish or other entity that is created, organized or resident in a jurisdiction outside the United States (a “<i>Non-U.S. Payor</i>”) to the Voluntary GUC Creditor Trust, the structuring, implementation and tax reporting with the objective of maximizing tax efficiency to the Prepetition First Lien Secured Parties or Stalking Horse Bidder shall be exclusively at the expense of the Stalking Horse Bidder.</p> <p>To the extent the Stalking Horse Bidder is the Successful Bidder and elects for Voluntary GUC Creditor Trust Cash Consideration to be paid to the Voluntary GUC Creditor Trust by a Non-U.S. Payor, the Stalking Horse Bidder shall bear any non-U.S. income, withholding, stamp, transfer or any other taxes imposed by such jurisdiction on the payment of Voluntary GUC Creditor Trust Cash Consideration to the Voluntary GUC Creditor Trust (and to the extent the Voluntary GUC Creditor Trust is ignored for such non-U.S. tax purposes, any sub-trusts established thereunder), and without duplication, reporting costs incurred by the Voluntary GUC Creditor Trust (or any sub-trusts established thereunder if applicable), that would not have been incurred but for the use of a Non-U.S. Payor.</p>
<p>Other Resolutions</p>	<p>Nothing in this Term Sheet limits the ability of the Debtors or the Required Consenting Global First Lien Creditors to reach agreements and/or resolutions with holders of Claims that are not Eligible Unsecured Claims, which agreements and/or resolutions do not impair, affect, or otherwise modify the terms set forth herein or would otherwise affect holders of Eligible Unsecured Claims or the Creditors’ Committee; <i>provided</i> that the Creditors’ Committee shall be consulted, in good faith, with regard to any material proposed</p>

	resolutions among the Ad Hoc First Lien Group and other case parties; <i>provided, further,</i> that any such proposed resolutions between the Ad Hoc First Lien Group and such other parties that adversely affect holders of Eligible Unsecured Claims shall be acceptable to the Creditors' Committee.
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Schedule 1

Specified Subsidiaries

1. Endo Ventures Limited
2. Endo Health Solutions Inc.
3. Endo Pharmaceuticals Inc.
4. Endo Generics Holdings, Inc.
5. Par Pharmaceutical Companies, Inc.
6. Par Pharmaceutical, Inc.
7. Generics Bidco I, LLC
8. Vintage Pharmaceuticals, LLC
9. Par Sterile Products, LLC
10. Paladin Labs Inc.
11. DAVA Pharmaceuticals, LLC
12. Par Pharmaceutical Holdings, Inc.

Schedule 2

Specified Debtor Insurance Policies

Insurer	Policy Number	Policy Period
American Guarantee & Liability Insurance Company	AUC 5916388 00	9/26/2005-9/26/2006
American Guarantee & Liability Insurance Company	AUC 5916388 01	9/26/2006-9/26/2007
American Guarantee & Liability Insurance Company	AUC 5916388 02	9/26/2007-9/26/2008
Liberty Mutual Fire Insurance Company	TL2-631-508626-048	9/26/2008-9/26/2009
Lexington Insurance Company	6794179	9/26/2010-9/26/2011
Federal Insurance Company	7987-69-63	9/26/2010-9/26/2011
Chubb Custom Insurance Company	7995-69-88	9/26/2010-9/26/2011
Columbia Casualty Company	ADE 2054989843-8	9/26/2010-9/26/2011
Gemini Insurance Company	EX10130-2	9/26/2010-9/26/2011
Aspen Insurance UK Limited	00A0YWK10A0H	9/26/2010-9/26/2011
Lexington Insurance Company	6794179	9/26/2011-9/26/2012
Aspen Insurance UK Limited	00A0YWK11A0H	9/26/2011-9/26/2012
Chubb Custom Insurance Company	7995-73-17	9/26/2011-9/26/2012
Ironshore Specialty Insurance Company	001160200	9/26/2011-9/26/2012
Federal Insurance Company	7987-69-63	9/26/2011-9/26/2012
Lloyd's Syndicate 2003	509/DL575111	9/26/2011-9/26/2012
Lloyd's Syndicate 1225 AES, London	509/DL575211	9/26/2011-9/26/2012
Alterra Europe PLC	71408-877-XSCLM-2011	9/26/2011-9/26/2012
Columbia Casualty Company	ADE 2054989843-9	9/26/2011-9/26/2012
Columbia Casualty Company	ADE 2054989843-10	9/26/2012-9/26/2013
Ironshore Specialty Insurance Company	001160201	9/26/2012-9/26/2013
Lexington Insurance Company	6794179	9/26/2012-9/26/2013
Federal Insurance Company	7987-69-63	9/26/2012-9/26/2013
Chubb Custom Insurance Company	7995-73-17	9/26/2012-9/26/2013
Lloyd's Syndicate 2003 SJC, London	B0509DL575112	9/26/2012-9/26/2013
Gemini Insurance Company	EX11520-1	9/26/2012-9/26/2013
Aspen Insurance UK Limited	00A0YWK12A0H	9/26/2012-9/26/2013
Gemini Insurance Company	GL_12089-1	9/26/2013-9/26/2014
Lloyd's Syndicate 2003 SJC, London	B0509DL575113	9/26/2013-9/26/2014
Endurance Specialty Insurance Ltd.	EXC10004224400	9/26/2013-9/26/2014
Ironshore Specialty Insurance Company	001160202	9/26/2013-9/26/2014
Columbia Casualty Company	ADE 2054989843-11	9/26/2013-9/26/2014
Aspen Insurance UK Limited	00A0YWK13A0H	9/26/2013-9/26/2014
Chubb Custom Insurance Company	7995-73-17	9/26/2013-9/26/2014
Columbia Casualty Company	ADE 4032127311-0	9/26/2013-9/26/2014
Markel Europe PLC	100126-1289-XSCLM-2013	9/26/2013-9/26/2014
Markel Europe PLC	107239-1533-XSCLM-2014	9/26/2014-9/26/2015

James River Insurance Company	00064035-0	9/26/2014-9/26/2015
Ironshore Specialty Insurance Company	001160203	9/26/2014-9/26/2015
Torus Specialty Insurance Company	34048D140AHL	9/26/2014-9/26/2015
Newline Syndicate NWL 1218	B0509DR691314	9/26/2014-9/26/2015
Endurance Specialty Insurance Ltd.	EXC10004224401	9/26/2014-9/26/2015
Gemini Insurance Company	GL_12089-2	9/26/2014-9/26/2015
Aspen Insurance UK Limited	00A0YWK14A0H	9/26/2014-9/26/2015
Ironshore Specialty Insurance Company	001160204	9/26/2015-9/26/2016
Torus Specialty Insurance Company	34048D151AHL	9/26/2015-9/26/2016
Newline Syndicate NWL 1218	B0509DR734415	9/26/2015-9/26/2016
Gemini Insurance Company	GL_12089-3	9/26/2015-9/26/2016
Aspen Insurance UK Limited	K0A0YWK15A0H	9/26/2015-9/26/2016
Certain Underwriters at Lloyds	LSR-XS-00111-15	9/26/2015-9/26/2016
Gemini Insurance Company	GL_12089-4	9/26/2016-9/26/2017
Ironshore Specialty Insurance Company	001160205	9/26/2016-9/26/2017
Underwriters at Lloyd's of London	LSR-XS-00198-16	9/26/2016-9/26/2017
TDC Specialty Insurance Company	LSX-00001-16-00	9/26/2016-9/26/2017
Newline Syndicate NWL 1218	B0509BOWCI1600558	9/26/2016-9/26/2017
StarStone Specialty Insurance Company	34048D162AHL	9/26/2016-9/26/2017
Gemini Insurance Company	GL_12089-5	9/26/2017-9/26/2018
Ironshore Specialty Insurance Company	001160206	9/26/2017-9/26/2018
Gemini Insurance Company	EX_15281-1	9/26/2017-9/26/2018
Underwriters at Lloyd's of London	LSR-XS-00285-17	9/26/2017-9/26/2018
TDC Specialty Insurance Company	LSX-00024-17-00	9/26/2017-9/26/2018
TDC Specialty Insurance Company	LSX-00001-17-01	9/26/2017-9/26/2018
Illinois Union Insurance Company	XSP G46817837 001	9/26/2017-9/26/2018
Newline Syndicate NWL 1218	BOWCI1700522	9/26/2017-9/26/2018
Endurance Specialty Insurance Ltd.	EXC10011805900	9/26/2017-9/26/2018
Ironshore Specialty Insurance Company	001160207	9/26/2018-9/26/2019
Ironshore Specialty Insurance Company	003753200	9/26/2018-9/26/2019
Newline Syndicate 1218	BOWCI1800502	9/26/2018-9/26/2019
Endurance Specialty Insurance Ltd.	EXC10011805901	9/26/2018-9/26/2019
Underwriters at Lloyd's of London	EXSS 1054 18	9/26/2018-9/26/2019
Illinois Union Insurance Company	XSP G46817837 002	9/26/2018-9/26/2019
Underwriters at Lloyd's of London	LSR-XS-00360-18	9/26/2018-9/26/2019
TDC Specialty Insurance Company	LSX-00001-18-02	9/26/2018-9/26/2019
Lloyd's Syndicates 2623 and 623	W24602180101	9/26/2018-9/26/2019
Ironshore Specialty Insurance Company	001160208	9/26/2019-9/26/2020
Ironshore Specialty Insurance Company	003753201	9/26/2019-9/26/2020
Newline Syndicate 1218	BOWCI1900557	9/26/2019-9/26/2020
Underwriters at Lloyd's of London	EXSS 1054 19	9/26/2019-9/26/2020
Illinois Union Insurance Company	XSP G46817837 003	9/26/2019-9/26/2020
Liberty Specialty Markets Bermuda Limited and Antares Syndicate 1274	ISH0005557	9/26/2019-9/26/2020

Underwriters at Lloyd's of London and XL Catlin Insurance Company UK LTD	LSR-XS-00456-19	9/26/2019-9/26/2020
TDC Specialty Insurance Company	LSX-00001-19-03	9/26/2019-9/26/2020
Lloyd's Syndicates 2623 and 623	W24602190201	9/26/2019-9/26/2020
Newline Syndicate 1218	BOWC12000740	9/26/2020-9/26/2021
Underwriters at Lloyd's of London	EXSS 1054 20	9/26/2020-9/26/2021
Underwriters at Lloyd's of London	EXSS 2386 20	9/26/2020-9/26/2021
Ironshore Specialty Insurance Company	HC7NAB115P001	9/26/2020-9/26/2021
Ironshore Specialty Insurance Company	HC7NAB20PS001	9/26/2020-9/26/2021
Liberty Specialty Markets Bermuda Limited	LSMAHC101307A	9/26/2020-9/26/2021
Underwriters at Lloyd's of London and XL Catlin Insurance Company UK LTD	LSR-XS-00550-20	9/26/2020-9/26/2021
TDC Specialty Insurance Company	LSX-00001-20-04	9/26/2020-9/26/2021
Lloyd's Syndicates 2623 and 623	W24602200301	9/26/2020-9/26/2021
Newline Syndicate 1218	BOWC12000740	9/26/2021-9/26/2022
Lloyd's Insurance Company S.A.	LLR021MD0167	9/26/2021-9/26/2022
Underwriters at Lloyd's of London	EXSS 1054 21	9/26/2021-9/26/2022
Underwriters at Lloyd's of London	EXSS 1054 21 1	9/26/2021-9/26/2022
Liberty Specialty Markets Bermuda Limited	LSMAHC158997A	9/26/2021-9/26/2022
Underwriters at Lloyd's of London and XL Catlin Insurance Company UK LTD	LSR-PCO-00382-21	9/26/2021-9/26/2022
TDC Specialty Insurance Company	LSX-00001-21-05	9/26/2021-9/26/2022
Lloyd's Syndicates 2623 and 623	W24602210401	9/26/2021-9/26/2022
Illinois Union Insurance Company	XSP G72543361 001	9/26/2021-9/26/2022
Greenwich Insurance Company	RGG943739202	9/26/2011-9/26/2012
The Phoenix Insurance Company	H-660-3C070750-PHX-12	9/26/2012-9/26/2013
The Travelers Indemnity Company of America	H-660-3C070750-TIA-13	9/26/2013-9/26/2014
The Travelers Indemnity Company of America	H-660-3C070750-TIA-14	9/26/2014-9/26/2015
XL Insurance America, Inc.	US00011755LI14A	9/26/2014-9/26/2015
St. Paul Fire & Marine Insurance Company	ZUP-11R91939-14-NF	9/26/2014-9/26/2015
American Guaranty & Liability Insurance Company	AEC 6553895-05	9/26/2014-9/26/2015
Liberty Insurance Underwriters Inc.	1000065157-07	9/26/2014-9/26/2015
Travelers Property Casualty Company of America	HSM-CUP-3C070750-TIL-14	9/26/2014-9/26/2015
The Travelers Indemnity Company of America	H-660-3C070750-TIA-15	9/26/2015-9/26/2016
XL Insurance America, Inc.	US00011755LI15A	9/26/2015-9/26/2016
Travelers Property Casualty Company of America	ZUP-11R91939-15-NF	9/26/2015-9/26/2016

American Guaranty & Liability Insurance Company	AEC 6553895-06	9/26/2015-9/26/2016
Liberty Insurance Underwriters Inc.	1000065157-08	9/26/2015-9/26/2016
Travelers Property Casualty Company of America	HSM-CUP-3C070750-TIL-15	9/26/2015-9/26/2016
The Travelers Indemnity Company of America	H-660-3C070750-TIA-16	9/26/2016-9/26/2017
XL Insurance America, Inc.	US00011755LI16A	9/26/2016-9/26/2017
Travelers Property Casualty Company of America	ZUP-11R91939-16-NF	9/26/2016-9/26/2017
QBE Insurance Corporation	CCU3971311	9/26/2016-9/26/2017
Liberty Insurance Underwriters Inc.	1000065157-09	9/26/2016-9/26/2017
Travelers Property Casualty Company of America	HSM-CUP-3C070750-TIL-16	9/26/2016-9/26/2017
The Travelers Indemnity Company of America	H-660-3C070750-TIA-17	9/26/2017-9/26/2018
Everest National Insurance Company	RM5GL00029181	9/26/2018-9/26/2019
XL Insurance America, Inc.	US00011755LI18A	9/26/2018-9/26/2019
QBE Insurance Corporation	CCU1317529	9/26/2018-9/26/2019
Liberty Insurance Underwriters Inc.	1000065157-11	9/26/2018-9/26/2019
Navigators Insurance Company	NY18MXE916645IV	9/26/2018-9/26/2019
Everest National Insurance Company	RM5GL00029191	9/26/2019-9/26/2020
XL Insurance America, Inc.	US00011755LI19A	9/26/2019-9/26/2020
QBE Insurance Corporation	CCU1317529	9/26/2019-9/26/2020
The Ohio Casualty Insurance Company	ECO(20)59929060	9/26/2019-9/26/2020
Navigators Insurance Company	NY19MXE916645IV	9/26/2019-9/26/2020
Everest National Insurance Company	RM5GL00029201	9/26/2020-9/26/2021
Everest National Insurance Company	XC5CU00208-201	9/26/2020-9/26/2021
XL Insurance America, Inc.	US00011755LI20A	9/26/2020-9/26/2021
QBE Insurance Corporation	100041114	9/26/2020-9/26/2021
The Ohio Casualty Insurance Company	ECO(21)59929060	9/26/2020-9/26/2021
Navigators Insurance Company	NY20MXE916645IV	9/26/2020-9/26/2021
Everest National Insurance Company	RM5GL00029211	9/26/2021-9/26/2022
Everest National Insurance Company	XC5CU00208-211	9/26/2021-9/26/2022
ACE Property and Casualty Insurance Company	XCQ G72542083 001	9/26/2021-9/26/2022
XL Insurance America, Inc.	US00011755LI21A	9/26/2021-9/26/2022
The Ohio Casualty Insurance Company	ECO(22)59929060	9/26/2021-9/26/2022
Navigators Insurance Company	NY21MXE916645IV	9/26/2021-9/26/2022

Exhibit 2

OCC Resolution Term Sheet

THIS TERM SHEET IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ANY KIND. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE. NOTHING CONTAINED IN THIS TERM SHEET SHALL BE AN ADMISSION OF FACT OR LIABILITY OR, UNTIL ENTRANCE OF THE RESOLUTION STIPULATION (AND SUBJECT TO THE TERMS THEREOF), DEEMED BINDING ON ANY OF THE PARTIES HERETO.

Voluntary Present Private Opioid Claimant Trust Term Sheet

This Voluntary Present Private Opioid Claimant Trust Term Sheet (the “VOTS” or “OCC Resolution Term Sheet”) dated March 24, 2023, by and among the Ad Hoc First Lien Group and the Official Committee of Opioid Claimants (collectively, the “Parties”), describes the proposed resolution with respect to certain items as set forth below, as well as certain related implementation and other matters being addressed between the Parties pursuant to the resolution of Opioid Claims through the establishment of a voluntary trust by the Stalking Horse Bidder as described herein (the “OCC Resolution”). This VOTS incorporates the rules of construction set forth in section 102 of the Bankruptcy Code. Certain capitalized terms used herein are defined in the glossary attached hereto or in the Bankruptcy Code. This VOTS does not include a description of all of the terms, conditions, and other provisions that are to be contained in the definitive documents implementing the OCC Resolution, which remain subject to negotiation among the Parties in accordance with the terms herein, as applicable. In addition, and as and to the extent necessary, the Parties intend on filing on the docket of the Bankruptcy Court in the Chapter 11 Cases an updated agreed version of, or supplement to, this VOTS within the next thirty days to potentially modify or provide additional detail regarding, inter alia, the mechanics and process by which PPOCs can qualify as Participating PPOCs.

GENERAL TERMS	
Overview	<p>The OCC Resolution will be implemented in connection with the Sale (if such Sale occurs), consistent with the terms of (a) this VOTS, and (b) the order approving the Sale Transaction (the “<u>Sale Order</u>”), which Sale Order will be in form and substance acceptable to the OCC as it relates to any terms related to this VOTS, or to Present Private Opioid Claimants (“<u>PPOCs</u>”) or to Public Opioid Claimants that are not otherwise represented by the Multi-State EC or the Plaintiffs Executive Committee (the “<u>PEC</u>”).</p> <p>To the extent the Stalking Horse Bidder is the Successful Bidder (as defined in the Bidding Procedures), the Stalking Horse Bidder will, on the Closing Date, provide for the establishment of the Present Private Opioid Claimant Resolution Trust (the “<u>PPOC Trust</u>”), which will be funded on the Closing Date with the PPOC Trust Consideration (defined below) provided by the Stalking Horse Bidder.</p> <p>Each PPOC that files a Proof of Claim by the Bar Date shall be offered the option to elect, on the terms and conditions set forth herein, to submit its Present Private Opioid Claim to the PPOC Trust and the applicable PPOC Sub-Trust, both to be established by the Stalking Horse Bidder on the terms and subject to conditions set forth herein.</p> <p>As a condition to the participation in the PPOC Trust by any PPOC, and as further set forth herein, each such PPOC shall be required to, first, “opt-</p>

	<p>in” to participate in the applicable PPOC Sub-Trust by, among other things, complying with any requirement to provide documentation in support of its Proof of Claim (such PPOCs that “opt-in” but that <i>do not</i> become Participating PPOCs, the “<u>Opt-In PPOCs</u>”) and, second (and thereafter), execute a PPOC Release Form (the form of which is attached to this VOTS as Exhibit 1 and any modifications thereof shall be in form and substance acceptable to the OCC and, to the extent adversely affected by such modification, reasonably acceptable to the Debtors; <i>provided</i> that (i) the scope of the underlying release and the identity of the Released Parties listed in clauses (c) and (d), (i) (as it pertains to the Released Parties identified in clauses (c) and (d)), and (j) (as it pertains to the Released Parties identified in clauses (c) and (d)) of the definition of “Released Parties” in this VOTS dated as of March 24, 2023 shall be acceptable to the Required Consenting Global First Lien Creditors and (ii) any other aspect of the underlying release shall be reasonably acceptable to the Required Consenting Global First Lien Creditors), which PPOC Release Form will release all of such Participating PPOC’s Opioid Claims against the Released Parties, to be effective upon resolution of their Opioid Claims in accordance with the PPOC Trust Documents.</p> <p>The terms of the PPOC Trust shall be subject to definitive documentation in form and substance acceptable to the Required Consenting Global First Lien Creditors, the Stalking Horse Bidder, and the OCC.</p> <p>It is contemplated that, similar to the structures set forth in the <i>Purdue¹</i> and <i>Mallinckrodt</i> chapter 11 plans of reorganization, various sub-trusts for PPOCs will be established by the Stalking Horse Bidder pursuant to this VOTS (and an order of the Bankruptcy Court) on the Closing Date or as otherwise set forth in the PPOC Trust Documents or applicable PPOC Sub-Trust Documents (as applicable) for the benefit of specific subsets of PPOCs, and the PPOC Trust shall allocate portions of the PPOC Trust Consideration (as determined in accordance with this VOTS) to such PPOC Sub-Trusts, which shall in turn make distributions to the relevant PPOC beneficiaries of such PPOC Sub-Trusts in accordance with the applicable PPOC Sub-Trust Documents.²</p> <p>The Parties will continue to reasonably cooperate regarding the execution of the transactions contemplated herein in a manner that will facilitate implementation of the Sale and implementation of the transfer of PPOC Trust Consideration to the PPOC Trust for the benefit of Participating PPOCs in accordance with this VOTS.</p>
PPOC Trust	<p>Each Opioid Claim held by a Participating PPOC shall be resolved in accordance with the terms, provisions, and procedures of the PPOC Trust Documents and any applicable PPOC Sub-Trust Documents. The PPOC Trust shall be funded in accordance with the provisions of this VOTS. The sole recourse of any Participating PPOC on account of any Opioid Claim</p>

¹ This reference is to the structure agreed in connection with the currently vacated *Twelfth Amended Joint Chapter 11 Plan of Reorganization of Purdue Pharma L.P. and its Affiliated Debtors* filed in *In re Purdue Pharma L.P.*, Case No. 19-23649 (SHL) (Bankr. S.D.N.Y. Sept. 2, 2021) [ECF No. 3726], and for the avoidance of doubt is not intended to incorporate any developments in the *Purdue* cases that have not yet occurred at the time of entry into this VOTS.

² No Party shall be permitted or required to take any action contemplated by this VOTS (or the Resolution Stipulation) that adversely affects any of the holders of General Unsecured Claims (as defined in the UCC Resolution Term Sheet) or the terms contemplated by the UCC Resolution Term Sheet.

shall be to the PPOC Trust (and any relevant PPOC Sub-Trust(s)) and each such Participating PPOC shall have no right whatsoever at any time to assert any Opioid Claim against any Released Party. For the avoidance of doubt, and as will be provided for in the PPOC Release Form (or some other document with respect to Opt-In PPOCs), the PPOC Release Form shall provide that the Stalking Horse Bidder shall have no liability whatsoever with respect to any Participating PPOC or Opt-In PPOC (even if such Opt-In PPOC does not execute the PPOC Release Form).

Subject to the Prepayment Option and to the extent the Stalking Horse Bidder is the Successful Bidder, the PPOC Trust will be funded with cash consideration by the Stalking Horse Bidder (the "PPOC Trust Consideration") in the aggregate amount of \$119,200,000 in U.S. dollars (such amount, the "PP Base Resolution Amount") in the following installment payments on the following dates (the "PPOC Trust Installment Payments") (subject to adjustment as set forth herein):

1. The first PPOC Trust Installment Payment shall be in the amount of \$29,733,333.34, to be paid on the Closing Date.
2. The next PPOC Trust Installment Payment shall be in the amount of \$29,733,333.33, to be paid on the first anniversary of the Closing Date;
3. The final PPOC Trust Installment Payment shall be in the amount of \$59,733,333.33, to be paid on the second anniversary of the Closing Date (the "Third PPOC Trust Installment Payment").

Any PPOC Trust Installment Payment not paid when due shall bear interest at a default rate of 12% per annum, compounding quarterly, from the due date until paid in full.

During the twelve (12) month-period commencing on the Closing Date, the Stalking Horse Bidder shall have the option to prepay in full the then-outstanding amount of the PPOC Trust Installment Payments, in an amount equal to the following (such option, the "PP Prepayment Option"):

- (a) \$89,200,000 if paid on the Closing Date;
- (b) \$95,300,000 if paid after the Closing Date but on or prior to the six month anniversary of the Closing Date; or
- (c) \$102,900,000 if paid after the six-month anniversary of the Closing Date but on or prior to the twelve month anniversary of the Closing Date (the applicable amount in each of the immediately preceding clauses (a) and (b) and this clause (c), the "PP Prepayment Amount").

For the avoidance of doubt, the applicable PP Prepayment Amount is inclusive of the amount of the first PPOC Trust Installment Payment paid on the Closing Date (and, with respect to any PP Prepayment Amount paid on or before the first anniversary of the Closing Date, in lieu of the PPOC Trust Installment Payment payable on the first anniversary of the Closing Date), and the applicable amount required to be paid in respect of a PP Prepayment Amount paid after the Closing Date shall be reduced by the PPOC Trust Installment Payment paid on the Closing Date and shall not include the PPOC Trust Installment Payment that would have otherwise been due on the first anniversary of the Closing Date.

	<p>For the avoidance of doubt, the PP Base Resolution Amount shall not be subject to increase as a result of disputes among any PPOCs and/or other parties regarding allocation or other issues with respect to Opioid Claims and/or the VOTS, but shall be subject to increase as set forth below in the section entitled “Adjustment to PP Base Resolution Amount”.</p>
<p>Prepayment Obligation</p>	<p>To the extent the Stalking Horse Bidder is the Successful Bidder, if at any time the Stalking Horse Bidder prepays in full³ the amounts owing to the Public Opioid Trust or the Tribal Opioid Trust (other than as set forth elsewhere in this VOTS) as set forth in the Amended Voluntary Public/Tribal Opioid Trust Term Sheet (the “<u>Triggering Prepayment</u>”), then the Stalking Horse Bidder shall, on the same day as the prepayment to the Public Opioid Trust or the Tribal Opioid Trust, make a payment to the PPOC Trust (i) in the amount corresponding to the applicable PP Prepayment Amount, if the Triggering Prepayment occurs on or before the first anniversary of the Closing Date or (ii) in the amount of the net present value of the Third PPOC Trust Installment Payment (and any other outstanding remaining installment payments that come into existence due to the application of the PPOC Adjustment), discounted at a discount rate of twelve (12%) percent per annum, if the Triggering Prepayment occurs after the first anniversary of the Closing Date but before the second anniversary of the Closing Date. Notwithstanding the foregoing, if the Stalking Horse Bidder makes a Triggering Prepayment at a time when there are any overdue PPOC Trust Installment Payments, then in addition to the amounts described above, the Stalking Horse Bidder shall immediately make a payment to the PPOC Trust of such overdue amounts and any unpaid default interest at a rate of 12% of per annum, compounding quarterly from the date the underlying obligation was due to the date paid in full.</p> <p>Any payment required to be made under this section entitled “Prepayment Obligation” and not paid when due shall bear interest at a default rate of 12% per annum, compounding quarterly, from the due date until paid in full.</p> <p>For the avoidance of doubt, the provisions in this section shall apply to any payment to any Public Opioid Claimant or Tribal Opioid Claimant of cash or non-cash consideration, regardless whether such payment is made to the Public Opioid Trust, the Tribal Opioid Trust, or in some other manner, other than any payment made to the Public Schools.</p>
<p>PPOC Trust Beneficiaries</p>	<p>The eligible beneficiaries of the PPOC Trust (including any applicable PPOC Sub-Trusts) shall consist only of PPOCs who file Proofs of Claim prior to the Bar Date; <i>provided</i> that no PPOC that files a Proof of Claim shall be entitled to a distribution from the PPOC Trust (or the applicable PPOC Sub-Trust) unless such PPOC both (a) “opts-in” to participate in the applicable PPOC Sub-Trust by, among other things, complying with any requirement to provide documentation in support of its Proof of Claim and (b) executes and returns a PPOC Release Form; <i>provided, further</i>, that all</p>

³ As of the date hereof, the Amended Voluntary Public/Tribal Opioid Term Sheet provides for only full prepayments to the Public Opioid Trust or the Tribal Opioid Trust. As such, this provision only applies to full prepayments of the Public Opioid Trust or the Tribal Opioid Trust. To the extent that the Stalking Horse Bidder, before or after the Closing Date, makes any partial prepayment of the Public Opioid Trust or the Tribal Opioid Trust, such partial prepayment of the Public Opioid Trust or the Tribal Opioid Trust shall be treated as a Triggering Prepayment.

	<p>eligible PPOCs shall be subject to the procedures set forth in the PPOC Trust Documents and any applicable PPOC Sub-Trust Documents.</p> <p>For the avoidance of doubt, (1) none of the Public Opioid Claimants, Tribal Opioid Claimants, Putative Future Opioid Claimants (to the extent any are ever determined, adjudicated, or agreed to exist), Co-Defendants, or any distributor, manufacturer, or pharmacy engaged in the distribution, manufacture, or dispensing/sale of opioids or opioid products shall be entitled to receive funds from the PPOC Trust or any applicable PPOC Sub-Trusts, and (2) the ultimate right to receive any PPOC Trust Consideration on account of an Opioid Claim shall be subject to, and determined pursuant to, the PPOC Trust Documents and the PPOC Sub-Trust Documents.</p>
<p>Allocation, Participation Procedure, and Over Funding of the PPOC Trust</p>	<p>Prior to the Bar Date, the OCC shall place information on its website (https://cases.ra.kroll.com/EndoOpioidClaimantInfo) with regard to (a) the allocation of PPOC Trust Consideration and (b) the trust distribution procedures for each PPOC Sub-Trust. It is contemplated that such allocations will be established according to PPOC categories.</p> <p>Following the Bar Date, each PPOC who filed a Proof of Claim will be offered the opportunity to participate in the further sub-allocation of that portion of the PPOC Trust Consideration that has been allocated to the PPOC category applicable to such PPOC's Opioid Claims. It is currently contemplated that in order to participate in the applicable PPOC Sub-Trust, each PPOC (or its counsel on behalf such PPOC) will need to (a) "opt-in" to participate in the applicable PPOC Sub-Trust by, among other things, complying with any requirement to provide documentation in support of its Proof of Claim, and (b) execute a PPOC Release Form. In order to assist PPOCs, on a timetable determined by the OCC in consultation with the Ad Hoc First Lien Group (which shall be at some point after the Bar Date), "opt-in" forms (which will include blank PPOC Release Forms) will be mailed or e-mailed to each PPOC (or their counsel) that submitted a Proof of Claim and will be made available for electronic download at https://cases.ra.kroll.com/EndoOpioidClaimantInfo. The cost of mailing or e-mailing such forms (including all work necessary to do so) will not be borne by the OCC, Opioid Claimants, the PPOC Trust, any PPOC Sub-Trust, any Prepetition Secured Party (as defined in the Cash Collateral Order), or the Stalking Horse Bidder, it being understood that the OCC shall work cooperatively and reasonably with the Ad Hoc First Lien Group and the Debtors to make such process as cost-efficient as possible (including, to the extent determined by the OCC in its sole discretion, by maximizing the use of electronically delivered notice and limiting non-electronic notice to U.S. Postal Service regular first-class mail), while still balancing the need to ensure that Opioid Claimants that submitted a Proof of Claim are provided reasonable notice (which may be delivered electronically to their counsel to the extent such Opioid Claimants are represented by counsel) of both their right to "opt in" and the manner of how to do so; <i>provided</i> that the cost of such mailing shall be borne by the Debtors and is not anticipated to exceed \$1,000,000. The Debtors, the Ad Hoc First Lien Group, and the OCC shall work together in good faith to develop procedures designed to provide adequate notice to the PPOCs of their right to participate in the resolutions reflected</p>

	<p>herein;⁴ <i>provided</i> that such procedures do not delay the date for the Accelerated Sale Hearing (as defined in the Bidding Procedures Order) as set forth in the Bidding Procedures Order absent consent from the Debtors and the Ad Hoc First Lien Group. The PPOC Trust (or the applicable PPOC Sub-Trust) will not make distributions to any PPOC that does not both (a) opt-in to participate in the applicable PPOC Sub-Trust, and (b) execute a PPOC Release Form on or prior to the PPOC Participation Deadline.</p> <p>PPOCs will be provided with sufficient time (which will extend until at least six months after the Closing Date) (such date, as determined and agreed to by the OCC and the Ad Hoc First Lien Group, the “<u>PPOC Participation Deadline</u>”) to (a) opt-in to the applicable PPOC Sub-Trust and (b) voluntarily elect to execute and return the PPOC Release Form at his/her/its/their option and sole and unqualified discretion. Counsel to PPOCs shall have the ability to execute “Consolidated PPOC Release Forms” on behalf of their clients in the same manner as such counsel filed a consolidated Proof of Claim in accordance with the Bar Date Order on or prior to the Bar Date.</p> <p>Any PPOC that has both (a) opted-in to participate in the applicable PPOC Sub-Trust but (b) failed to timely execute and return a PPOC Release Form shall not be permitted to subsequently participate in the PPOC Trust (or applicable PPOC Sub-Trust); <i>provided</i> that in the sole discretion of the PPOC Trust Board (in good faith consultation with the applicable PPOC Sub-Trust Board), a PPOC Release Form received after the PPOC Participation Deadline may, for cause, be treated as timely.</p> <p>Promptly following the PPOC Participation Deadline, the PPOC Trust Board shall perform an accounting of how many PPOC Release Forms were executed and returned when compared with how many PPOCs chose to “opt-in” to participate in the PPOC Sub-Trust. At the request of the Stalking Horse Bidder, such accounting and underlying data shall be delivered (if so requested, the cost of such delivery shall be borne by the Stalking Horse Bidder, and redacted as necessary at the expense of the Stalking Horse Bidder) to the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder). With respect to each PPOC Sub-Trust, to the extent that the percentage of Opt-In PPOCs for such PPOC Sub-Trust exceeds 40% of the sum of Opt-In PPOCs and Participating PPOCs for such PPOC Sub-Trust (such excess percentage, the “<u>Underparticipation Percentage</u>”), then an amount equal to the product of the aggregate amount of PPOC Trust Consideration allocated to such PPOC Sub-Trust multiplied by the Underparticipation Percentage shall be returned to the Stalking Horse Bidder no later than ninety (90) days after such accounting is completed; <i>provided</i> that in no event shall funds be returned on account of a PPOC’s failure to timely execute a PPOC Release Form, which PPOC Release Form is subsequently treated as timely by the PPOC Trust Board.</p>
<p>Adjustment to PP Base Resolution Amount</p>	<p>The net present value (determined using a 12% discount rate) of the PP Base Resolution Amount is \$103,900,000 (the “<u>PP NPV</u>”).</p>

⁴ This shall include the provision of a letter from the OCC to Opioid Claimants contained in the Debtors’ Bar Date materials.

	<p>If the Stalking Horse Bidder is the Successful Bidder and to the extent that the consideration paid by the Stalking Horse Bidder (or any other party) to the Public Opioid Trust and the Tribal Opioid Trust exceeds a net present value of \$285,830,121 (the “<u>Public/Tribal Base NPV</u>”, which shall include both cash and non-cash consideration (if any)),⁵ then the PP NPV shall be proportionately increased, and the PP Base Resolution Amount shall be adjusted to reflect such increase (determined using a 12% discount rate) (such adjustment, a “<u>PPOC Adjustment</u>”). In furtherance of the foregoing, (i) to the extent such Public/Tribal Base NPV is increased on or prior to the Closing Date, the associated increase to the PP NPV contemplated hereby shall be funded to the PPOC Trust in full on the Closing Date, and (ii) to the extent such Public/Tribal Base NPV is increased after the Closing Date, the associated increase to PP NPV contemplated hereby shall be funded to the PPOC Trust within twenty (20) calendar days of the date of agreement on the amount of the increase to the Public/Tribal Base NPV.</p> <p>For purposes of this provision, the foregoing amount of Public/Tribal Base NPV (and any subsequent increases) is (or shall be) determined using (a) a 12% discount rate for the Tribal Opioid Trust and (b) a 12.75% discount rate for the Public Opioid Trust.</p> <p>For the avoidance of doubt, the provisions in this section shall apply to any payment of cash or non-cash consideration made to any Public Opioid Claimant or Tribal Opioid Claimant, regardless of whether such payment is made to the Public Opioid Trust, the Tribal Opioid Trust, or in some other manner, other than any payment made to the Public Schools.</p> <p>Any payment required to be made under this section entitled “Adjustment to PP Base Resolution Amount” and not paid when due shall bear interest at a default rate of 12% per annum, compounding quarterly, from the due date until paid in full.</p>
<p>PPOC Trust -- <i>Dividend Payments</i></p>	<p>The PPOC Trust Documents (and any relevant document executed by the Stalking Horse Bidder, to the extent the Stalking Horse Bidder is the Successful Bidder) shall provide that, upon the payment of a dividend to holders of equity interests in the Stalking Horse Bidder (or, without duplication, a parent entity thereof that issues equity interests on the Closing Date), an equal payment of the gross amount of such dividend must be made to the PPOC Trust, which shall reduce the amount of the outstanding PPOC Trust Installment Payments on a dollar-per-dollar basis, with such reduction to be applied to the remaining PPOC Trust Installment Payments in reverse chronological order.</p> <p>Any payment required to be made under this section entitled “PPOC Trust-Dividend Payments” and not paid when due shall bear interest at a default rate of 12% per annum, compounding quarterly, from the due date until paid in full.</p>

⁵ As of the date hereof, the Amended Voluntary Public/Tribal Opioid Term Sheet does not provide either the Public Opioid Trust or the Tribal Opioid Trust with any non-cash consideration from the Stalking Horse Bidder. To the extent such fact changes in the future, the OCC and the Ad Hoc First Lien Group agree to work together in good faith to determine the value of any such non-cash consideration.

<p>PPOC Trust -- Change of Control</p>	<p>The PPOC Trust Documents shall provide that, upon a Change of Control, the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder) must either (1) immediately provide the PPOC Trust with a payment equal to (i) with respect to any Change of Control that occurs on or before the first anniversary of the Closing Date, the applicable PP Prepayment Amount otherwise payable on the date of such Change of Control; or (ii) with respect to any Change of Control that occurs after the first anniversary of the Closing Date, the Third PPOC Trust Installment Payment and any other outstanding remaining installment payments that come into existence due to the application of the PPOC Adjustment, which amount in this clause (ii), if made before the second anniversary of the Closing Date, shall be paid at a price equal to the present value of such amount, discounted at a discount rate of twelve (12%) percent per annum (the “Change of Control Payment”), or (2) provide for the assumption of the obligation to make the PPOC Trust Installment Payments by a Qualified Successor.</p> <p>Any payment required to be made under this section entitled “PPOC Trust-Change of Control” and not paid when due shall bear interest at a default rate of 12% per annum, compounding quarterly, from the due date until paid in full.</p>
<p>PPOC Trust – Other Covenants</p>	<p>The PPOC Trust Documents shall provide for covenants that are the same (<i>mutatis mutandis</i>) as those covenants that are included in the Public Opioid Trust (in accordance with the Amended Voluntary Public/Tribal Opioid Trust Term Sheet) (and/or are included in any documentation thereof), which shall include, without limitation, (i) a limitation on permitted investments by the Obligors, which shall be consistent with terms agreed in any new money indebtedness raised or deemed incurred at or around the Closing Date by any of the Obligors plus a customary level of incremental cushion, consistent with the covenants set forth in this VOTS and agreed as part of the PPOC Trust solely with respect to Present Private Opioid Claims, (ii) a maximum allowed net leverage ratio equal to 5.0x, (iii) a limitation on restricted payments by the Obligors which shall be consistent with terms agreed in any new money indebtedness raised or deemed incurred at or around the Closing Date by any of the Obligors plus a customary level of incremental cushion, consistent with the covenants set forth in this VOTS and agreed as part of the PPOC Trust solely with respect to Present Private Opioid Claims, and (iv) reporting requirements to be provided to the PPOC Trust, which shall require the provision of periodic reporting materials and notices consistent with the reporting and notice requirements agreed in any new money indebtedness raised or deemed incurred at or around the Closing Date by any of the Obligors.</p> <p>For the avoidance of doubt, the PPOC Trust (and any PPOC Sub-Trusts, to the extent applicable) shall receive the benefit of the same covenants (as well as prepayment obligations, as set forth elsewhere in this VOTS) as the Public Opioid Trust.</p>
<p>Rights of PPOCs That Do Not Participate in PPOC Trust</p>	<p>The rights, as against the Debtors, of any PPOC that chooses not to participate in the PPOC Trust shall be fully preserved and such PPOC and the Debtors shall retain whatever respective rights and remedies are available to each under applicable law.</p>

<p>Trust Expenses</p>	<p>Except as otherwise set forth herein, all expenses for the post-closing administration of the PPOC Trust and any PPOC Sub-Trust (collectively, the “PPOC Trust Expenses”) shall, in accordance with the applicable PPOC Trust Documents and PPOC Sub-Trust Documents, respectively, be paid solely from the PPOC Trust Consideration. Notwithstanding the above, if the applicable PP Prepayment Amount is not paid at Closing, then at Closing, the Stalking Horse Bidder shall fund \$875,000 into an escrow account, and the escrow agent and documentation with respect thereto shall be reasonably acceptable to the Required Consenting Global First Lien Creditors and the OCC, which funds shall solely be used by the PPOC Trust for litigation or enforcement costs necessary to enforce the terms of the VOTS, the Private Opioid Trust Documents, or the Private Opioid Sub-Trust Documents, against the Stalking Horse Bidder.</p>
<p>Tax Matters</p>	<p>The PPOC Trust and any PPOC Sub-Trusts are each intended to be treated as a qualified settlement fund for U.S. federal income tax purposes (“QSF”) to the extent permitted under applicable law, and, to such extent, the PPOC Trust Consideration is intended to be treated as amounts transferred to a QSF by, or on behalf of, a transferor to resolve or satisfy a liability for which the QSF is established; provided, however, that solely for U.S. federal income tax purposes, to the extent that the PPOC Trust does not meet the requirements of U.S. Treas. Reg. Section 1.468B-1(c)(1) and (3), the PPOC Trust Consideration shall be treated as owned by the transferor thereof pursuant to U.S. Treas. Reg. Section 1.468B-1(j)(1); provided, further, however, that the PPOC Trust and any PPOC Sub-Trusts shall be implemented with the objective of maximizing tax efficiency to the Prepetition First Lien Secured Parties (as defined in the Cash Collateral Order), the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder and, including with respect to the availability, location, and timing of tax deductions), the PPOC Trust, any PPOC Sub-Trusts, and the Participating PPOCs. To the extent that there is a tax savings for benefit of the PPOC Trust because the PPOC Trust is not a QSF and the transferor of the PPOC Trust Consideration is treated as owning the PPOC Trust Consideration for U.S. federal income tax purposes (pursuant to U.S. Treas. Reg. Section 1.468B-1(j)(1)), as determined by the PPOC Trust, upon a reasonable request setting forth in reasonable detail the amount of such tax savings, to the extent of available cash in the PPOC Trust the transferor shall be entitled to receive from the PPOC Trust an amount equal to such tax savings.</p> <p>To the extent that Section 162(f)(1) of the Internal Revenue Code would otherwise apply to payments to the PPOC Trust, the Parties agree to treat such payments as “restitution” within the meaning of Section 162(f)(2) of the Internal Revenue Code solely to the extent allowed by applicable law.</p> <p>The Parties agree to treat the implementation of this VOTS consistent with the foregoing to the extent permitted by applicable law, provided, however, that to the extent the PPOC Trust Consideration is paid by, or on behalf of, an Irish or other entity that is created, organized or resident in a jurisdiction outside the United States (a “<u>Non-U.S. Payor</u>”) to the PPOC Trust or, if applicable, the PPOC Sub-Trusts, the structuring, implementation and tax reporting with the objective of maximizing tax efficiency to the Prepetition First Lien Secured Parties or Stalking Horse Bidder shall be exclusively at the expense of the Stalking Horse Bidder.</p>

	<p>To the extent the Stalking Horse Bidder is the Successful Bidder and elects for the PPOC Trust Consideration to be paid to the PPOC Trust by a Non-U.S. Payor the Stalking Horse Bidder shall bear any non-U.S. income, withholding, stamp, transfer or any other taxes imposed by such jurisdiction on the payment of PPOC Trust Consideration to the PPOC Trust, and to the extent that the PPOC Trust is ignored for such non-U.S. tax purposes, the PPOC Sub-Trusts, and, without duplication, any non-U.S. tax reporting costs incurred by the PPOC Trust, or if applicable, the PPOC Sub-Trusts, that would not have been incurred but for the use of a Non-U.S. Payor.</p>
<p>Sale Order</p>	<p>The Sale Order shall be in form and substance acceptable to the Required Consenting Global First Lien Creditors and acceptable to the OCC as it relates to the terms of this VOTS and any other matters affecting PPOCs or Public Opioid Claimants that are not otherwise represented by the Multi-State EC or the PEC.</p>
<p>Bidding Procedures Order</p>	<p>The Bidding Procedures, and the Bidding Procedures Order, shall be in form and substance acceptable to the Required Consenting Global First Lien Creditors and acceptable to the OCC as it relates to the terms of this VOTS and any other matters affecting PPOCs or Public Opioid Claimants that are not otherwise represented by the Multi-State EC or the PEC, and shall otherwise be in form and substance reasonably acceptable to the OCC, it being understood and agreed that the form of Bidding Procedures Order (and the Bidding Procedures themselves) filed at Docket No. 1483 is acceptable to the OCC.</p>
<p>Document Repository</p>	<p>The terms of funding of the Document Repository shall be as set forth in the Voluntary Operating Injunction. All costs and expenses in excess of this amount shall be paid from the Public Trust Consideration (as that term is defined in the Amended Voluntary Public/Tribal Opioid Trust Term Sheet).</p> <p>As set forth in the Voluntary Operating Injunction, the specific provisions of the Voluntary Operating Injunction related to Endo’s Opioid Business (as such term is defined in the Voluntary Operating Injunction) apply to the operation of Endo’s Opioid Business by any subsequent purchaser.</p> <p>Upon the filing of this OCC Resolution Term Sheet with the Bankruptcy Court, the Ad Hoc First Lien Group will facilitate further discussions among the OCC and the Multi-State EC regarding the inclusion of PPOC representatives on any board or other managing body of the Document Repository.</p>
<p>Other Resolutions</p>	<p>Nothing in this VOTS limits the ability of the Debtors or the Required Consenting Global First Lien Creditors to reach agreements and/or resolutions with non-PPOCs that do not impair, affect, or otherwise modify the terms set forth herein or that would otherwise affect PPOCs; <i>provided</i> that the Ad Hoc First Lien Group shall engage in good faith consultation with the OCC, with regard to any proposed resolutions among the Ad Hoc First Lien Group and other case parties who hold, may hold, or purport to hold opioid claims (both present and/or future); <i>provided, further,</i> that any such proposed resolutions that adversely affects PPOCs shall be in form and substance acceptable to the OCC.</p>

OCC Hourly Professional Fees	<p>Beginning as of the date hereof, the following terms shall apply to the incurrence of fees by professionals retained or otherwise employed by the OCC that are compensated on an hourly basis (such professionals, the “OCC Hourly Professionals” and, the fees of such professionals, the “OCC Hourly Professional Fees”):</p> <p>(a) Subject to the carve outs listed below in the immediately succeeding clause (b), OCC Hourly Professional Fees that are paid shall be capped (the “Fee Cap”) at (i) \$8.5 million from and including the date hereof through and including October 31, 2023, and (ii) \$500,000 per month beginning November 1, 2023. For the avoidance of doubt, the Fee Cap shall not apply to any amounts owing to Jefferies, LLC (“Jefferies”) under the order approving Jefferies’ retention as investment banker to the OCC.</p> <p>(b) The fees paid to OCC Hourly Professionals for the following services shall not be subject to the Fee Cap:</p> <ol style="list-style-type: none">(1) Negotiation, documentation, prosecution, and implementation of this VOTS, including any and all of its provisions (including, without limitation, and for the avoidance of doubt, any and all work relating to the PPOC Trust Documents, the PPOC Sub-Trust Documents, and any other matters contemplated by this VOTS);(2) Negotiation and documentation of the Resolution Stipulation among the OCC, the Debtors, the Official Committee of Unsecured Creditors, and the Ad Hoc First Lien Group and any approval (to the extent applicable) of any further stipulation or entry of any order (which could include the Sale Order) approving any provisions in this VOTS;(3) Any work responding to discovery (including any subpoenas for trial or deposition testimony, interrogatories, document discovery, etc.) propounded on the OCC, its members, or its professionals (or any discovery issues to which the OCC, its members, or its professionals must participate in);(4) Any cooperation given by the OCC Hourly Professionals relating to inbound requests from third parties (or Court orders) regarding other case resolutions; and(5) The fulfillment of the OCC’s fiduciary duties that arise from reasonably unforeseen consequences or facts as of the Standstill Commencement Date (it being understood and agreed that the OCC Hourly Professionals shall provide immediate written notice to counsel to the Ad Hoc First Lien Group of such unforeseen consequences or facts, <i>provided</i> any such consequences or facts that constitute confidential information of the OCC may be disclosed to the advisors to the Ad Hoc First Lien Group on a “professional eyes only” basis, provided, further, that the advisors to the Ad Hoc First Lien Group may disclose the fact that such notice was delivered, and the
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	<p>advisors to the Ad Hoc First Lien Group and the advisors to the OCC will discuss in good faith the content of additional disclosures that may be made in connection with such notice).</p> <p>(c) The Fee Cap is only applicable in the event of both (i) a global resolution between the Official Committee of Unsecured Creditors, the Debtors, the Ad Hoc First Lien Group, and the OCC and (ii) the implementation of the resolution herein via the establishment and funding of the PPOC Trust by the Stalking Horse Bidder in the event it is the Successful Bidder in the Debtors’ sale process.</p> <p>(d) Assuming that the OCC Hourly Professionals are not required (as reasonably determined by the OCC Hourly Professionals) to perform any services during and in furtherance of the Wind-Down (as defined in the Amended Restructuring Term Sheet), (i) any rows entitled “TBD” in the Amended Wind-Down Budget (as defined in, and attached as Exhibit B to, the Amended Restructuring Term Sheet) for OCC Hourly Professional Fees shall be removed from the Wind-Down Budget and (ii) OCC Hourly Professional Fees incurred at any time after the Closing Date shall not be asserted against or paid by the Debtors’ estates. In the event there is anticipated to be post-Closing Date work for the OCC, a reasonable budget will be agreed to by the Required Consenting Global First Lien Creditors and the OCC (or as determined by the Mediator (as defined in the Mediation Order) or some other third party mutually selected by the Parties if such agreement cannot be reached), and included in the Wind-Down Budget. It is acknowledged and agreed that if the Debtors pursue a liquidating Plan (whether for one or more Debtors), the OCC Hourly Professionals shall be required to provide services. The OCC Resolution is subject, in all respects, to the implementation of the modifications to the Wind-Down Amount and Amended Wind-Down Budget reflected in the Amended Restructuring Term Sheet. The Wind-Down shall be implemented in a manner consistent with this VOTS, to the extent matters addressed in this VOTS are applicable to the Debtors or their estates during the Wind-Down. The Debtors shall (x) consult with the OCC, in good faith, with regard to the Debtors’ implementation of the wind down of the Debtors’ estates and (y) provide the OCC with no less than 45 days’ advance notice of the dismissal of any Debtor’s chapter 11 case; the OCC reserves all rights with respect to the Debtors’ dismissal of any Debtor’s chapter 11 case.</p> <p>(e) All fees of OCC Hourly Professionals incurred prior to the Standstill Commencement Date shall be paid in full, subject to fee examiner review, Bankruptcy Court review, and any objections that may be filed by any party other than the Debtors, the Official Committee of Unsecured Creditors, the Ad Hoc First Lien Group, the Non-RSA First Lien Lender Group, and the Ad Hoc Cross-Holder Group.</p>
<p>Allocation of PPOC Trust Proceeds Among PPOCs</p>	<p>The following terms shall apply to the allocation of PPOC Trust Consideration among the Participating PPOCs:</p>

	<p>(a) The OCC, in consultation with counsel to certain PPOCs, will, in the exercise of its fiduciary duties, determine the reasonable allocation of any PPOC Trust Consideration among the various categories of PPOCs.</p> <p>(b) To the extent that the OCC determines it is necessary, the OCC shall select a mediator to help mediate any disputes regarding allocation of any PPOC Trust Consideration among the PPOCs; <i>provided</i> that, for the avoidance of doubt, the OCC will make the final determination regarding allocation of PPOC Trust Consideration if mediation does not result in a resolution.</p> <p>(c) To the extent that a mediator is selected, the mediator’s fees shall be subject to the Fee Cap (as if such mediator was an OCC Hourly Professional), and the duration of mediation shall be no longer than one month from the date that the OCC determines to select a mediator.</p> <p>(d) To the extent any ad hoc group of PPOCs (representing more than 50% of the PPOCs in number in such PPOC sub-category) files and thereafter prosecutes at the Sale Hearing an objection to the Debtors’ proposed sale to the Stalking Horse Bidder, the allocated portion of PPOC Trust Consideration that would otherwise have been distributed to such PPOC sub-category shall be reduced from the amount that the Stalking Horse Bidder is required to fund in the section herein entitled “PPOC Trust”.</p>
<p>Documentation</p>	<p>The Private Opioid Trust Documents, which may be attached as an exhibit to the Sale Order or other applicable order (and shall be approved thereunder), shall be in form and substance reasonably acceptable to the OCC and the Required Consenting Global First Lien Creditors; <i>provided</i> that approval of such PPOC Trust Documents by the Required Consenting Global First Lien Creditors shall not be unreasonably withheld or conditioned, or delayed; <i>provided further</i> that the categorization of the various PPOC Sub-Trusts and the distribution mechanics related to the PPOC Trust and any PPOC Sub-Trusts shall be acceptable to the OCC. Any and all PPOC Sub-Trust Documents shall be in form and substance reasonably acceptable to the lead counsel to the applicable category of Participating PPOCs (as identified by the OCC) and, solely to the extent any such PPOC Sub-Trust Documents impose obligations on the Stalking Horse Bidder, the Requisite Consenting Global First Lien Creditors.</p> <p>For the avoidance of doubt, the OCC shall have consent rights over (i) the Bidding Procedures Order, Sale Order and related documents to the extent that they relate to the OCC Resolution or PPOCs or Public Opioid Claimants that are not otherwise represented by the Multi-State EC or the PEC (and the Bidding Procedures Order shall be in form and substance acceptable to the Required Consenting Global First Lien Creditors), (ii) all Private Opioid Trust Documents, and (iii) other documents or provisions that relate to the OCC Resolution, this VOTS, or Participating PPOCs. The parties shall discuss in good faith and agree to (i) the necessary findings regarding the reasonableness of the OCC Resolution and approvals of various portions of the OCC Resolution to be included in the Sale Order</p>

	<p>or other applicable order and (ii) provisions for retention of jurisdiction of the Court to be included in the Sale Order or other applicable order.⁶</p>
<p>Further Assurances</p>	<p>The Debtors (solely to the extent specifically set forth herein or in the Resolution Stipulation), the Required Consenting Global First Lien Creditors, the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder), and the OCC (and following its effectiveness, the PPOC Trust) shall use commercially reasonable efforts to execute and deliver such documents and take such actions as may reasonably be requested in order to consummate more effectively the transactions contemplated by the VOTS and the Resolution Stipulation. To the extent any legal or structural impediment would prevent, hinder, or delay the consummation of the transactions contemplated by the VOTS and the Resolution Stipulation, the foregoing parties shall negotiate in good faith appropriate additional or alternative provisions to address and resolve any such impediment; <i>provided</i> that the economic outcome for such parties, the anticipated timing of the closing under the Amended PSA, and other material terms of the VOTS and the Resolution Stipulation must be substantially preserved in any such alternative provisions.</p>
<p>Condition Precedent to Effectiveness of this VOTS</p>	<p>Prior to the date hereof, the OCC will be provided with a copy of the proposed final UCC Resolution Term Sheet (as defined in the Resolution Stipulation) so as to permit the OCC to assure itself that there is no difference between the two Committees Resolution Term Sheets (as defined in the Resolution Stipulation) (or that the OCC is comfortable with such difference) as it relates to (a) whether the respective Committees Resolution Term Sheets will apply in the event a party other than the Stalking Horse Bidder is declared the Successful Bidder, (b) whether the respective Committees Resolution Term Sheets will apply in the event of a sale of the Debtors' assets to another bidder other than the Stalking Horse Bidder, or (c) on what conditions the respective Committees Resolution Term Sheets terminate.</p>

⁶ The Parties agree that there will be findings and approvals contained in an order.

Glossary of Key Defined Terms

Term	Meaning
Ad Hoc Cross-Holder Group	That certain ad hoc group of First Lien Creditors, Second Lien Creditors, and Unsecured Notes Creditors (each as defined in the Amended and Restated RSA) (together with their respective successors and permitted assigns) represented by Paul Weiss Rifkind and Garrison, LLP in the Chapter 11 Cases.
Ad Hoc First Lien Group	Has the meaning ascribed to such term in the Cash Collateral Order.
Amended and Restated RSA	Has the meaning ascribed to such term in the Resolution Stipulation.
Amended PSA	Has the meaning ascribed to such term in the Resolution Stipulation.
Amended Restructuring Term Sheet	Has the meaning ascribed to such term in the Resolution Stipulation.
Amended Voluntary Public/Tribal Opioid Trust Term Sheet	The term sheet dated March 24, 2023 describing the resolution agreed to between the Ad Hoc First Lien Group and the Multi-State EC.
Arnold & Porter Parties	Arnold & Porter Kaye Scholer LLP, and any applicable affiliates, subsidiaries, partners, employees, or other related entities or persons (other than, for the avoidance of doubt, directors, officers or employees of the Debtors that are Released Parties).
Bankruptcy Code	Title 11 of the United States Code.
Bankruptcy Court	The United States Bankruptcy Court for the Southern District of New York.
Bar Date	The applicable deadline established by the Bar Date Order for all Persons to file a Proof of Claim.
Bar Date Order	The <i>Order (I) Establishing Deadlines for Filing Proofs of Claim; (II) Approving Procedures for Filing Proofs of Claim; (III) Approving the Proof of Claim Forms; (IV) Approving the Form and Manner of Notice Thereof; and (V) Approving the Confidentiality Protocol</i> , filed at ECF No. 733, as may be revised and as ultimately entered by the Bankruptcy Court in the Chapter 11 Cases.
Bidding Procedures	The bidding procedures in connection with the sale or sales of substantially all of the Debtors' assets pursuant to section 363 of the Bankruptcy Code, including certain dates and deadlines thereunder, as approved by the Bidding Procedures Order.
Bidding Procedures Order	The order attached to the notice filed at ECF No. 1483, as may be further revised and as ultimately entered by the Bankruptcy Court in the Chapter 11 Cases.
Cash Collateral Order	The <i>Amended Final Order (I) Authorizing Debtors to Use Cash Collateral; (II) Granting Adequate Protection to Prepetition Secured Parties; (III) Modifying</i>

Term	Meaning
	<i>Automatic Stay; and (IV) Granting Related Relief</i> [Docket No. 535] authorizing the Debtors’ use of Cash Collateral, inclusive of all exhibits and schedules thereto.
Change of Control	Has the meaning ascribed to such term in the First Lien Notes Indentures, as applied to the Stalking Horse Bidder.
Change of Control Payment	Has the meaning ascribed to such term in the section entitled “ <u>PPOC Trust -- Change of Control.</u> ”
Chapter 11 Cases	The voluntary cases commenced by the Debtors on August 16, 2022 in the Bankruptcy Court under chapter 11 of the Bankruptcy Code and jointly administered under the case caption <i>In re Endo International plc, et al.</i> , Case No. 22-22549 (JLG).
Closing Date	Has the meaning ascribed to such term in the Amended PSA.
Co-Defendant(s)	Any person or entity that is named as a defendant in any cause of action in any way related to opioids or opioid products in which any of the Debtors are also named as a party defendant.
Debtors	Endo International plc and its debtor affiliates, as debtors and debtors in possession.
Document Repository	Shall mean the public document repository described in the Voluntary Operating Injunction.
Estate Causes of Action	Any and all claims, suits, judgments, damages, rights, remedies, causes of action, avoidance powers, liabilities of any nature whatsoever, arising under any provision of the Bankruptcy Code or any applicable nonbankruptcy law, including, without limitation, any and all claims under chapter 5 of the Bankruptcy Code, whether asserted or assertable directly or derivatively in law or equity or otherwise, that the Debtors’ estates may have or are entitled to assert on behalf of their respective estates (whether or not asserted), including against (a) the Debtors’ current and former officers, directors, and fiduciaries, (b) the Debtors’ current and former advisors, attorneys, accountants, consultants, or representatives, (c) the Debtors’ current and former insurers, and (d) TPG Inc. and/or its subsidiaries, affiliates, parents and each of their predecessors, successors, and assigns. For the avoidance of doubt, Estate Causes of Action includes claims, suits, judgments, damages, rights, remedies, causes of action, and avoidance powers against Released Parties and Excluded Parties.
Excluded Parties	(i) any of the Debtors’ current or former third party agents, partners, representatives, or consultants involved in the production, distribution, marketing, promotion, or sale of opioid products, but shall exclude the Debtors’ (x) current and former officers, directors, and employees (solely in their capacity as such) and (y) professionals retained by the Debtors in the chapter 11 cases (which for the avoidance of doubt shall include any ordinary course professionals) (solely in their capacity as such), (ii) the Arnold & Porter Parties; (iii) the McKinsey Parties; (iv) Practice Fusion, Inc.; (v) Publicis Health Media, an affiliate of Razorfish Health LLC; (vi) ZS Associates, Inc; (vii) the Co-Defendants; and (viii) any distributor, manufacturer or pharmacy engaged in the distribution, manufacture, or dispensing/sale of opioids or opioid products.
Exclusivity Motion	The <i>Motion of Debtors for an Order Pursuant to Bankruptcy Code Section 1121(d) Extending the Debtors’ Exclusive Periods to File a Chapter 11 Plan and Solicit Acceptances Thereof</i> , dated December 14, 2022 [ECF No. 979].

Term	Meaning
Fee Cap	Has the meaning ascribed to such term in the section entitled “ <u>OCC Hourly Professional Fees</u> ”.
Jefferies	Has the meaning ascribed to such term in the section entitled “ <u>OCC Hourly Professional Fees</u> .”
Joint Standing Motion	The <i>Motion of the Official Committee of Unsecured Creditors and the Official Committee of Opioid Claimants for (I) Entry of an Order Granting Leave, Standing, and Authority to Commence and Prosecute Certain Claims on Behalf of the Debtors and (II) Settlement Authority in Respect of Such Claims</i> , dated January 23, 2023 [ECF No. 1243].
Mediation Order	Has the meaning ascribed to such term in the Resolution Stipulation.
McKinsey Parties	McKinsey & Company, Inc., McKinsey & Company, Inc. United States, and any applicable affiliates, subsidiaries, or other related entities or persons (other than, for the avoidance of doubt, directors, officers, or employees of the Debtors that are Released Parties).
Multi-State EC	The Multi-State Endo Executive Committee, comprised of, as of the date hereof, 38 States and the District of Columbia, as well as the Territories of Guam, Puerto Rico, and the U.S. Virgin Islands, as disclosed in the statements filed by the Multi-State Endo Executive Committee pursuant to Bankruptcy Rule 2019 in the Chapter 11 Cases at Docket Nos. 125, 141, 568, and 632, and advised by Pillsbury Winthrop Shaw Pittman, LLP in the Chapter 11 Cases.
Non-Debtor Affiliates	The affiliates and subsidiaries of Endo International plc that did not file voluntary petitions for relief in the Chapter 11 Cases.
Non-RSA First Lien Lender Group	The ad hoc group of First Lien Creditors (as defined in the Amended and Restated RSA) represented by Jones Day and identified on the most recent verified statement filed by Jones Day on the docket in the Chapter 11 Cases pursuant to Bankruptcy Rule 2019.
Obligors	The Stalking Horse Bidder, to the extent the Stalking Horse Bidder is the Successful Bidder, and all of its restricted subsidiaries.
OCC	The Official Committee of Opioid Claimants appointed in the Chapter 11 Cases.
OCC Resolution	As defined in the preamble of this VOTS.
Opioid Claim	Claims and Causes of Action, existing as of the Petition Date, against any of the Debtors or Non-Debtor Affiliates in any way arising out of or relating to opioid products manufactured or sold by any of the Debtors, any Non-Debtor Affiliate, any of their respective predecessors, or any other Released Party prior to the Closing Date, including, for the avoidance of doubt, Claims for indemnification (contractual or otherwise), contribution, or reimbursement against any of the Debtors, any Non-Debtor Affiliate, any of their respective predecessors, or any other Released Party on account of payments or losses in any way arising out of or relating to opioid products manufactured or sold by any of the Debtors, any Non-Debtor Affiliate, or any of their respective predecessors prior to the Closing Date. Notwithstanding anything in this

Term	Meaning
	definition of “Opioid Claim,” for the avoidance of doubt, a Putative Future Opioid Claimant (to the extent any exist) does not hold an Opioid Claim.
Participating PPOC	A Present Private Opioid Claimant that (i) files a Proof of Claim, (ii) elects to participate in (i.e. “opts in” to) the PPOC Trust or such claimant’s applicable PPOC Sub-Trust, and (iii) executes and returns a PPOC Release Form, subject to the terms and conditions of the PPOC Trust Documents (including with respect to the releases described herein and therein).
Person	An individual, a partnership, a joint venture, a limited liability company, a corporation, a trust, a government entity, an unincorporated organization, a group, or any legal entity or association.
Petition Date	August 16, 2022.
PP Base Resolution Amount	Has the meaning ascribed to such term in the section entitled “ <u>PPOC Trust</u> ”.
PP NPV	Has the meaning ascribed to such term in the section entitled “ <u>Adjustment to PP Base Resolution Amount</u> ”.
PP Prepayment Option	Has the meaning ascribed to such term in the section entitled “ <u>PPOC Trust</u> ”.
PPOC Participation Deadline	Has the meaning ascribed to such term in the section entitled “Allocation, Participation Procedure, and Over Funding of the PPOC Trust”.
PPOC Release Form	The form attached hereto as Exhibit 1, which PPOCs must execute and deliver to the PPOC Trust in order to become a beneficiary of the PPOC Trust and such PPOC’s applicable PPOC Sub-Trust.
PPOC Sub-Trust(s)	One or more sub-trusts formed in respect of categories of Participating PPOCs that will receive allocations of PPOC Trust Consideration from the PPOC Trust.
PPOC Sub-Trust Administrator	The administrator that may be appointed by the OCC or the applicable PPOC Sub-Trustee(s) pursuant to the PPOC Sub-Trust Documents to administer Opioid Claims and perform other administrative functions related to the applicable PPOC Sub-Trust.
PPOC Sub-Trust Board	The applicable board (or similar body) charged with the management and oversight of a PPOC Sub-Trust in accordance with the relevant PPOC Sub-Trust Document, which board or body shall be comprised of one or more trustees appointed in accordance with the PPOC Sub-Trust Document.
PPOC Sub-Trust Documents	The documents governing, inter alia,; (i) each PPOC Sub-Trust; (ii) the flow of consideration from the PPOC Trust to the applicable PPOC Sub-Trust; (iii) the submission, resolution, and distribution procedures in respect of the Participating PPOCs that are beneficiaries under the applicable PPOC Sub-Trust; and (iv) the flow of distributions, payments or flow of funds made from the applicable PPOC Sub-Trusts after the Closing Date.
PPOC Sub-Trust Trustee(s)	The Person or Persons selected by the Official Committee of Opioid Claimants (or the PPOC Trust) in accordance with the PPOC Sub-Trust Documents and appointed to serve as trustee(s) of the PPOC Sub-Trusts to administer the PPOC Sub-Trusts and

Term	Meaning
	Opioid Claims channeled to the PPOC Sub-Trusts and any successors thereto, pursuant to the terms of the PPOC Sub-Trust Documents.
PPOC Trust	The trust that is to be established pursuant to this VOTS and pursuant to an order of, or as approved by, the Bankruptcy Court, and funded by the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder), in accordance with this VOTS and the Private Opioid Trust Documents.
PPOC Trustee(s)	The Person or Persons selected by the Official Committee of Opioid Claimants in accordance with the PPOC Trust Documents and appointed to serve as trustee(s) of the PPOC Trust to administer the PPOC Trusts and Opioid Claims channeled to the PPOC Trusts and any successors thereto, pursuant to the terms of the PPOC Trust Documents.
PPOC Trust Administrator	The administrator that may be appointed by the OCC or the PPOC Trustee(s) pursuant to the PPOC Trust Documents to perform any services required by the PPOC Trust Documents related to the PPOC Trust.
PPOC Trust Board	The board (or similar body) charged with the management and oversight of the PPOC Trust in accordance with the PPOC Trust Documents, which board or body shall be comprised of one or more trustees appointed by the OCC in accordance with the PPOC Trust Documents.
PPOC Trust Consideration	Has the meaning ascribed to such term in the section entitled “ <u>PPOC Trust</u> ”.
PPOC Trust Documents	The documents governing: (i) the PPOC Trust; (ii) the flow of PPOC Trust Consideration from the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder) or its present or future subsidiaries to the PPOC Trust or any PPOC Sub-Trust; (iii) the submission, resolution, and distribution procedures in respect of all Participating PPOCs; and (iv) the flow of distributions, payments or flow of funds made from the PPOC Trust or any PPOC Sub-Trust after the Closing Date.
PPOC Trust Expenses	Has the meaning ascribed to such term in the section entitled “ <u>Trust Expenses</u> ”.
PPOC Trust Installment Payments	Has the meaning ascribed to such term in the section entitled “ <u>PPOC Trust</u> ”.
Present Private Opioid Claimant or PPOC	A holder of an Opioid Claim that is not a Public Opioid Claimant or Tribal Opioid Claimant, in their capacity as such. For the avoidance of doubt, neither Putative Future Opioid Claimants, nor Co-Defendants nor any distributor, manufacturer or pharmacy engaged in the distribution, manufacture, or dispensing/sale of opioids or opioid products are PPOCs; <i>provided that</i> no hospital shall be excluded from being deemed a PPOC solely as a result of such hospital operating a pharmacy that distributed, dispensed or sold opioids or opioid products.
Present Private Opioid Claims	The Opioid Claims held by Present Private Opioid Claimants.
Private Opioid Claimant	A holder of an Opioid Claim that is not a Public Opioid Claimant or Tribal Opioid Claimant.

Term	Meaning
Private Opioid Trust Documents	Collectively, the PPOC Trust Documents and PPOC Sub-Trust Documents.
Proof of Claim	A proof of claim filed in the Chapter 11 Cases on or before the Bar Date with respect to prepetition Claims against the Debtors.
Public Opioid Claimant	Has the meaning ascribed to such term in the Amended Voluntary Public/Tribal Opioid Trust Term Sheet.
Public Opioid Trust	Has the meaning ascribed to such term in the Amended Voluntary Public/Tribal Opioid Trust Term Sheet.
Public Opioid Trust Documents	Has the meaning ascribed to such term in the Amended Voluntary Public/Tribal Opioid Trust Term Sheet.
Public Schools	Any public school (or any board thereof) or initiative or trust established on behalf of or for the benefit of any public school (or any board thereof), or any group comprised of any of the foregoing.
Putative Future Opioid Claimants	Any holder of a future demand for payment against a Debtor (to the extent any such holder is ever determined, adjudicated, or agreed to exist) that (a) is not an Opioid Claim; and (b) is based in whole or in part on any conduct or circumstance that occurs or arises after the Petition Date but before the Closing Date as a result of the same or similar conduct or events that gave rise to the Present Private Opioid Claims. For the avoidance of doubt, a Putative Future Opioid Claimant (to the extent any such claimant is ever determined, adjudicated or agreed to exist) shall not include a claimant that holds a contingent, disputed, or unliquidated Claim that exists on or before the Petition Date.
Qualified Successor	A successor entity to the Obligors that has net leverage less than the greater of (a) the 5.0x maximum allowed net leverage of the Stalking Horse Bidder and (b) Stalking Horse Bidder's net leverage at the time of the Change of Control.
Released Party ⁷	(a) the Debtors, (b) the Non-Debtor Affiliates, (c) the Stalking Horse Bidder and each of its present and future subsidiaries (in each case solely in its capacity as such), (d) each Consenting First Lien Creditor, the Ad Hoc First Lien Group, the Ad Hoc Cross-Holder Group (each as defined in the Amended and Restated RSA), and the Prepetition Secured Parties (as defined in the Cash Collateral Order) (in each case solely in their capacity as such), (e) the Official Committee of Opioid Claimants and each of the members thereof in their capacity as such, and each of the advisors to the Official Committee of Opioid Claimants or the individual members thereof, in their capacity as such, (f) the Official Committee of Unsecured Creditors and each of the members thereof in their capacity as such, and each of the advisors to the Official Committee of Unsecured Creditors or the members thereof, in their capacity as such, (g) the PPOC Trustee(s), PPOC Trust Administrator, PPOC Trust Board, any advisors to the PPOC Trust and any other parties with similar administrative or supervisory roles in connection with the PPOC Trust, each in their capacity as such, (h) the PPOC Sub-Trust Trustee(s), PPOC Sub-Trust Administrator(s), PPOC Sub-Trust Boards,

⁷ For the avoidance of doubt, and notwithstanding anything herein or in the Resolution Stipulation to the contrary, (i) the Stalking Horse Bidder and the Prepetition Secured Parties shall not receive any release of claims, if any, related to the obligation to transfer the PPOC Trust Consideration to the PPOC Trust pursuant to this VOTS, and (ii) the Debtors shall not receive any release of claims, if any, related to any breaches of obligations under this VOTS or the Resolution Stipulation.

Term	Meaning
	<p>any advisors to the PPOC Sub-Trusts, and any other parties with similar administrative or supervisory roles in connection with the PPOC Sub-Trusts, each in their capacity as such, and (i) with respect to each of the foregoing Persons in clauses (a) through (h), such Persons’ predecessors, successors, permitted assigns, current and former subsidiaries, and affiliates, respective heirs, executors, estates, and nominees, in each case solely in their capacity as such, and (j) with respect to each of the foregoing Persons in clauses (a) through (i), such Persons’ current and former officers and directors, principals, members, equityholders, managers, partners, agents, advisory board members, employees, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, experts and other professionals, in each case solely in their capacity as such.</p> <p>For the avoidance of doubt, “Released Parties” shall not include any Excluded Parties.</p>
Required Consenting Global First Lien Creditors	As of any date of determination after the Amendment Effective Date, the Consenting First Lien Creditors holding more than 50% of the principal amount of Prepetition First Lien Indebtedness held by all Consenting First Lien Creditors (capitalized terms have the meanings ascribed to them in the Amended and Restated RSA).
Resolution Stipulation	<i>The Stipulation Among the Debtors, Official Committee of Unsecured Creditors, Official Committee of Opioid Claimants, and Ad Hoc First Lien Group Regarding Resolution of Joint Standing Motion and Related Matters.</i>
Sale	The sale or sales of substantially all of the Debtors’ assets pursuant to section 363 of the Bankruptcy Code.
Sale Motion	Has the meaning ascribed to it in the provision entitled “Support by the OCC.”
Sale Order	Has the meaning ascribed to it in the provision entitled “Overview.”
Sale Transaction	The proposed transaction pursuant to which the Stalking Horse Bidder will acquire from the Debtors to be party to the Amended PSA the Transferred Assets (as defined in the Amended PSA) free and clear of all liens, encumbrances, claims, and other interests (other than certain permitted encumbrances) in accordance with section 363(f) of the Bankruptcy Code, and assume the Assumed Liabilities (as defined in the Amended PSA).
Stalking Horse Bidder	Tensor Limited (or one or more of its designee(s) or assignee(s)), an entity formed under the laws of Ireland to serve as the stalking horse bidder under the Amended PSA in connection with the Sale Process (as defined in the Bidding Procedures).
Standstill Commencement Date	March 6, 2023.
State	Any of the fifty states of the United States of America or the District of Columbia.
Territory	Any of the following territories of the United States of America: American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.
Tribal Opioid Claimant	Has the meaning ascribed to such term in the Amended Voluntary Public/Tribal Opioid Trust Term Sheet.

Term	Meaning
Tribal Opioid Trust	Has the meaning ascribed to such term in the Amended Voluntary Public/Tribal Opioid Trust Term Sheet.
Tribal Opioid Trust Documents	Has the meaning ascribed to such term in the Amended Voluntary Public/Tribal Opioid Trust Term Sheet.
Tribe	Any American Indian or Alaska Native Tribe, band, nation, pueblo, village or community, that the U.S. Secretary of the Interior acknowledges as an Indian Tribe, as provided in the Federally Recognized Tribe List Act of 1994, 25 U.S.C. § 5130, and as periodically listed by the U.S. Secretary of the Interior in the Federal Register pursuant to 25 U.S.C. § 5131; and any “Tribal Organization” as provided in the Indian Self-Determination and Education Assistance Act of 1975, as amended, 25 U.S.C. § 5304(I).
Voluntary Operating Injunction	Means the operating injunction that the Stalking Horse Bidder and applicable subsidiaries will be subject to, the terms of which are set forth in Appendix 1 annexed to the <i>Order Granting Debtors’ Motion for a Preliminary Injunction Pursuant to Section 105(a) of the Bankruptcy Code</i> [Adv. Pr. No. 22-07039, Docket No. 63].
VOTS	Has the meaning ascribed to it in the preamble of this Voluntary Present Private Opioid Claimant Trust Term Sheet.

Exhibit 1

Form of PPOC Release Form⁸

Releases by Participating PPOCs

Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Voluntary Present Private Opioid Claimant Trust Term Sheet, dated March 24, 2023.

As of the Closing Date, for good and valuable consideration, the adequacy of which is hereby confirmed, the Released Parties (defined below), but not the Excluded Parties, shall be conclusively, absolutely, unconditionally, irrevocably, fully, finally, forever and permanently released by each Participating PPOC notwithstanding section 1542 of the California Civil Code or any law of any jurisdiction that is similar, comparable, or equivalent thereto (which shall conclusively be deemed waived) from the following (collectively, the “Released Claims”):

any and all Claims and Causes of Action (each defined below) arising from the beginning of time through the Closing Date and relating in any way to the Debtors, the Debtors’ estates, the Debtors’ business or the Chapter 11 Cases, including, without limitation, any and all Claims and Causes of Action based on or relating to, or in any manner arising from, in whole or in part, the following:

1. the use of Cash Collateral (defined below),
2. any Avoidance Actions (defined below),
3. the negotiation, formulation, preparation, dissemination, filing, or implementation of, prior to the Closing Date, the OCC Resolution, the Voluntary Present Private Opioid Claimant Trust Term Sheet (including all of its provisions), the PPOC Trust, the PPOC Sub-Trusts, the PPOC Trust Documents, the PPOC Sub-Trust Documents, the Amended and Restated RSA (including the exhibits and joinders thereto and any amendments to the Amended and Restated RSA or any exhibits or joinders thereto) and related transactions, the Sale Transaction, the Resolution Stipulation, or the PSA, or any contract, instrument, release, or other agreement or document created or entered into prior to the Closing Date in connection with the VOTS, and the creation of the PPOC Trust and the PPOC Sub-Trusts,
4. the Bidding Procedures and Sale Motion and Bidding Procedures Order (each defined below),
5. the Amended and Restated RSA (including the exhibits, joinders, and any amendments thereto), the Sale Transaction (defined below) and the pursuit and conduct thereof,
6. the Sale Order (defined below) and the pursuit thereof, and
7. the administration and implementation of the Sale (as defined in the Bidding Procedures) and the PSA, including the issuance or distribution of securities or

⁸ If the general release to be given by holders of General Unsecured Claims with regard to the items contained in this Form of Release is narrower than the Form of Release set forth in this Exhibit 1, the OCC and the Debtors acknowledge and agree that the OCC shall have the right to modify this Form of Release to be consistent with respect to such narrower terms in the release to be given by holders of General Unsecured Claims. For the avoidance of doubt, the foregoing applies solely to the general release to be granted by holders of General Unsecured Claims and does not apply to the covenant not to collect or the scope of claims that may be pursued by the Voluntary GUC Creditor Trust.

indebtedness in connection with the Sale, the establishment of funding of the PPOC Trust and PPOC Sub-Trusts, or upon any other act or omission, transaction, agreement, event, or other occurrence or circumstance taking place on or before the Closing Date related or relating to any of the foregoing.

Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release or waive (i) any post-Closing Date obligations of any party or Entity (as such term is defined in the Bankruptcy Code) under the PSA, the PPOC Trust Documents, the PPOC Sub-Trust Documents, or any document, instrument, or agreement executed to implement the Sale or the OCC Resolution (including as set forth in the Voluntary Present Private Opioid Claimant Trust Term Sheet); and (ii) any General Unsecured Claim against the Debtors. For the avoidance of doubt, and notwithstanding anything to the contrary that may be construed from any of the previous paragraphs or elsewhere in this Release Form, (a) the rights of any PPOC with respect to any General Unsecured Claim (as opposed to Opioid Claim) it has or believes it has against the Debtors shall be governed by the terms of the UCC Resolution Term Sheet and the Voluntary GUC Creditor Trust Documents and (b) any releases being provided to any entity listed in (g), (h), (i) (as it relates to (g) and (h), and (i) (as it relates to (g) and (h)) of the defined term “Released Parties” shall operate as a waiver of any Claims or Causes of Action against such parties with regard to any actions they shall take after the Closing Date in implementing the Voluntary Present Private Opioid Claimant Trust Term Sheet.⁹

The Releasing Parties expressly waive and relinquish any and all provisions, rights and benefits conferred by any law of the United States or of any state, territory or tribe of the United States or any other jurisdiction, or by any principle of common law that is similar, comparable or equivalent to California Civil Code § 1542, which provides: “A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.”

Additional defined terms used herein:

A. “Amended PSA” means the definitive purchase and sale agreement, by and between certain Debtors and the Stalking Horse Bidder, in connection with the Sale Transaction (as may be further amended, restated, amended and restated, supplemented, or otherwise modified from time to time).

B. “Amended and Restated RSA” means that certain Amended and Restated RSA dated March 24, 2023, which amends and restates the Restructuring Support Agreement dated as of August 16, 2022 between the Consenting First Lien Creditors and the Debtors [Docket No. 20] (as may be amended, modified, or supplemented from time to time).

C. “Amended Restructuring Term Sheet” means that certain Amended Restructuring Term Sheet attached to the Amended and Restated RSA as Exhibit A (as may be amended, modified, or supplemented from time to time).

D. “Arnold & Porter Parties” means Arnold & Porter Kaye Scholer LLP, and any applicable affiliates, subsidiaries, partners, employees, or other related entities or persons (other than, for the avoidance of doubt, directors, officers, or employees of the Debtors that are Released Parties).

E. “Assumed Liabilities” has the meaning set forth in the Amended Restructuring Term Sheet.

⁹ The terms of such waiver shall be set forth with more particularity in the final version of the PPOC Release Form.

F. “Avoidance Actions” means any and all avoidance, recovery, subordination or similar actions, remedies, Claims, or Causes of Action, that may be brought under the Bankruptcy Code or applicable non-bankruptcy law, including, without limitation, actions or remedies arising under chapter 5 of the Bankruptcy Code or under similar or related local, state, federal, or foreign statutes and common law, including fraudulent transfer laws, fraudulent conveyance laws, or other similar related laws.

G. “Bidding Procedures” means the bidding procedures set forth in the Bidding Procedures Order.

H. “Bidding Procedures and Sale Motion” means the *Debtors’ Motion for an Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, (III) Approving the Sale of Substantially all of the Debtors’ Assets and (IV) Granting Related Relief* [Docket No. 728].

I. “Bidding Procedures Order” means the order attached to the notice filed at ECF No. 1483, as may be further revised and as ultimately entered by the Bankruptcy Court in the Chapter 11 Cases.

J. “Cash Collateral” has the meaning set forth in section 363(a) of the Bankruptcy Code.

K. “Cash Collateral Order” means the *Amended Final Order (I) Authorizing Debtors to Use Cash Collateral; (II) Granting Adequate Protection to Prepetition Secured Parties; (III) Modifying Automatic Stay; and (IV) Granting Related Relief* [Docket No. 535], inclusive of all exhibits and schedules thereto.

L. “Cause of Action” means any Claim, action, class action, claim, cross-claim, counterclaim, third-party claim, cause of action, controversy, dispute, demand, right, Lien (as defined in the Bankruptcy Code), indemnity, contribution, rights of subrogation, reimbursement, guaranty, suit, obligation, liability, debt, damage, judgment, loss, cost, attorneys’ fees and expenses, account, defense, remedy, offset, power, privilege, license or franchise, in each case, of any kind, character or nature whatsoever, asserted or unasserted, accrued or unaccrued, known or unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, foreseen or unforeseen, direct or indirect, choate or inchoate, secured or unsecured, allowable or disallowable, allowed or disallowed, assertible directly or derivatively (including, without limitation, under alter-ego theories), in rem, quasi in rem, in personam or otherwise, arising before or after the Petition Date, arising under federal, state, territorial or tribal statutory or common law, or any other applicable international, foreign or domestic law, rule, statute, regulation, treaty, right, duty, requirement or otherwise, in contract or in tort, at law, in equity or pursuant to any other theory or principle of law, including fraud, negligence, gross negligence, recklessness, reckless disregard, deliberate ignorance, public or private nuisance, breach of fiduciary duty, avoidance, willful misconduct, veil piercing, unjust enrichment, disgorgement, restitution, contribution, indemnification, rights of subrogation, and joint liability, regardless of where in the world accrued or arising.

M. “Claim” has the meaning set forth in section 101(5) of the Bankruptcy Code.

N. “Closing Date” means the date upon which all conditions precedent to the closing of the Sale Transaction have been satisfied or are expressly waived and the Sale Transaction is consummated, including the funding of the PPOC Trust.

O. “Co-Defendant(s)” means any person or entity that is named as a defendant in any Cause of Action in any way related to Opioids or Opioid Products in which any of the Debtors are also named as a party defendant.

P. “Consenting First Lien Creditors” means each lender under, holder of, or investment advisor, beneficial holder, investment manager, manager, nominee, advisor, or subadvisor to lenders, holders or funds that beneficially own certain of the Loans, First Lien Notes, Second Lien Notes, and Unsecured Notes of the Debtors that are party to the Amended and Restated RSA.

Q. “Debtors” means Endo International plc and its direct and indirect subsidiaries, which are debtors and debtors-in-possession in the chapter 11 cases in the Bankruptcy Court for the Southern District of New York, Case No. 22-22549 (JLG).

R. “DMP” means any distributor, manufacturer or pharmacy engaged in the distribution, manufacture, or dispensing/sale of Opioids or Opioid Products.

S. “Excluded Parties” means (i) any of the Debtors’ current or former third party agents, partners, representatives, or consultants involved in the production, distribution, marketing, promotion, or sale of opioid products, but shall exclude the Debtors’ (x) current and former officers, directors and employees (solely in their capacity as such) and (y) professionals retained by the Debtors in the chapter 11 cases (which for the avoidance of doubt shall include any OCPs) (solely in their capacity as such); (ii) the Arnold & Porter Parties; (iii) the McKinsey Parties; (iv) Practice Fusion, Inc.; (v) Publicis Health Media, an affiliate of Razorfish Health LLC; (vi) ZS Associates, Inc.; (vii) the Co-Defendants; and (viii) the DMPs.

T. “General Unsecured Claim” means any Claim against one or more of the Debtors that (a) is a claim for damages under section 502(g) of the Bankruptcy Code resulting from the rejection of an executory contract or unexpired lease by the Debtors; (b) arises from any past or present personal injury, economic injury, or litigation (including any disputed litigation claims), including, in each case, unsatisfied damages or judgments entered against, or settlements amount related thereto; or (c) unpaid trade claims arising from the Debtors' business operations; provided, in each case, that such Claim is not secured by collateral, is not a Second Lien Deficiency Claim, Unsecured Notes Claim, Opioid Claim, intercompany Claim, administrative expense claim (including under section 503(b)(9) of the Bankruptcy Code), a Claim entitled to priority under the Bankruptcy Code, a Claim of the United States of America or any of its political subdivisions or agencies, a claim otherwise eligible to be paid pursuant to the Debtors' customer programs order [Docket No. 316] or specified trade claims order [Docket No. 317], a claim for cure costs in connection with the assumption of a contract by the Stalking Horse Bidder, a claim for indemnification related to Opioid Claims pursuant to a contract or agreement assumed by the Debtors and assigned to the Stalking Horse Bidder, or a claim by a Debtor or non-Debtor employee related to prepetition compensation programs.

U. “McKinsey Parties” means McKinsey & Company, Inc., McKinsey & Company, Inc. United States, and any applicable affiliates, subsidiaries, or other related entities or persons (other than, for the avoidance of doubt, directors, officers, or employees of the Debtors that are Released Parties).

V. “Non-Debtor Affiliates” mean the affiliates and subsidiaries of Endo International plc that did not file voluntary petitions for relief in the chapter 11 cases.

W. “OCC Resolution” means the proposed resolution between the Ad Hoc First Lien Group and the Official Committee of Opioid Claimants pertaining to the resolution of Opioid Claims through the establishment of a voluntary trust by the Stalking Horse Bidder.

X. “Opioid(s)” means all natural, semi-synthetic, or synthetic chemicals that interact with opioid receptors and act like opium. The term Opioid shall not include such chemicals used in products with an FDA-approved label that lists the treatment of opioid or other substance use disorder, abuse, addiction, dependence, or overdose as their “indications or usage.” For the avoidance of doubt, the term Opioid shall not include the opioid antagonists naloxone or naltrexone.

Y. “Opioid Claim(s)” means Claims and Causes of Action, existing as of the Petition Date, against any of the Debtors or Non-Debtor Affiliates in any way arising out of or related to Opioid Products manufactured or sold by any of the Debtors, any Non-Debtor Affiliate, any of their respective predecessors, or any other Released Party prior to the Closing Date, including, for the avoidance of doubt, Claims for indemnification (contractual or otherwise), contribution, or reimbursement against any of the Debtors, any Non-Debtor Affiliate, any of their respective predecessors, or any other Released Party on account of payments or losses in any way arising out of or relating to Opioid Products manufactured or sold by any of the Debtors, any Non-Debtor Affiliate, or any of their respective predecessors prior to the Closing Date. Notwithstanding anything in this definition of “Opioid Claim,” for the avoidance of doubt, a Putative Future Opioid Claimant (to the extent any exist) does not hold an Opioid Claim.

Z. “Opioid Product(s)” means all current and future medications containing Opioids approved by the U.S. Food & Drug Administration (“FDA”) and listed by the Drug Enforcement Administration (“DEA”) as Schedule II, III, or IV pursuant to the federal Controlled Substances Act (including but not limited to buprenorphine, codeine, fentanyl, hydrocodone, hydromorphone, meperidine, methadone, morphine, oxycodone, oxymorphone, tapentadol, and tramadol). The term “Opioid Products(s)” shall not include (i) methadone, buprenorphine, or other products with an FDA-approved label that lists the treatment of opioid or other substance use disorder, abuse, addiction, dependence or overdose as their “indications or usage”, insofar as the product is being used to treat opioid abuse, addiction, dependence or overdose, or (ii) raw materials, immediate precursors, and/or active pharmaceutical ingredients (“APIs”) used in the manufacture or study of Opioids or Opioid Products, but only when such materials, immediate precursors, and/or APIs are sold or marketed exclusively to DEA-licensed manufacturers or DEA-licensed researchers.

AA. “Participating Present Private Opioid Claimant” or “Participating PPOC” means a Present Private Opioid Claimant that (i) files a Proof of Claim, (ii) opts in to participate in (i.e. “opts in” to) the PPOC Trust or such claimants’ applicable PPOC Sub-Trust, and (iii) executes and returns a PPOC Release Form, subject to the terms and conditions of the PPOC Trust Documents (including with respect to the releases described herein and therein).

BB. “Person” means an individual, a partnership, a joint venture, a limited liability company, a corporation, a trust, a government entity, an unincorporated organization, a group, or any legal entity or association.

CC. “Petition Date” means August 16, 2022.

DD. “PPOC Release Form” means this form, which PPOCs must execute and deliver to the PPOC Trust in order to become a beneficiary of the PPOC Trust, and such PPOC’s applicable PPOC Sub-Trust.

EE. “PPOC Sub-Trust(s)” means one or more sub-trusts formed in respect of categories of Participating PPOCs that will receive allocations of PPOC Trust Consideration from the PPOC Trust.

FF. “PPOC Sub-Trust Administrator” means the administrator that may be appointed by the Official Committee of Opioid Claimants or the applicable PPOC Sub-Trustee(s) pursuant to the PPOC Sub-Trust Documents to administer Opioid Claims and perform other administrative functions related to the applicable PPOC Sub-Trust.

GG. “PPOC Sub-Trust Board” means the applicable board (or similar body) charged with the management and oversight of a PPOC Sub-Trust in accordance with the relevant PPOC Sub-Trust Documents, which board or body shall be comprised of one or more PPOC Sub-Trust Trustee(s) appointed in accordance with the PPOC Sub-Trust Documents.

HH. “PPOC Sub-Trust Documents” means the documents governing, inter alia,: (i) each PPOC Sub-Trust; (ii) the flow of consideration from the PPOC Trust to the applicable PPOC Sub-Trust; (iii) the submission, resolution, and distribution procedures in respect of the Participating PPOCs that are beneficiaries under the applicable PPOC Sub-Trust; and (iv) the flow of distributions, payments or flow of funds made from the applicable PPOC Sub-Trusts after the Closing Date.

II. “PPOC Sub Trust Trustee(s)” means the Person or Persons selected by the Official Committee of Opioid Claimants (or the PPOC Trust) in accordance with the PPOC Sub-Trust Documents and appointed to serve as trustee(s) of the PPOC Sub-Trusts to administer the PPOC Sub-Trusts and Opioid Claims channeled to the PPOC Sub-Trusts and any successors thereto, pursuant to the terms of the PPOC Sub-Trust Documents.

JJ. “PPOC Trust” means the trust that is to be established pursuant to the Voluntary Present Private Opioid Claimant Trust Term Sheet and pursuant to an order of, or as approved by, the Bankruptcy Court, and funded by the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder), in accordance with the Voluntary Present Private Opioid Claimant Trust Term Sheet and the Private Opioid Trust Documents.

KK. “PPOC Trustee(s)” means the Person or Persons selected by the Official Committee of Opioid Claimants in accordance with the PPOC Trust Documents and appointed to serve as trustee(s) of the PPOC Trust to administer the PPOC Trust and Opioid Claims channeled to the PPOC Trust and any successor thereto, pursuant to the terms of the PPOC Trust Documents.

LL. “PPOC Trust Administrator” means the administrator that may be appointed by the Official Committee of Opioid Claimants or the PPOC Trustee(s) pursuant to the PPOC Trust Documents to perform any services required by the PPOC Trust Documents related to the PPOC Trust.

MM. “PPOC Trust Board” means the board (or similar body) charged with the management and oversight of the PPOC Trust in accordance with the PPOC Trust Documents, which board or body shall be comprised of one or more PPOC Trustees appointed by the Official Committee of Opioid Claimants in accordance with the PPOC Trust Documents.

NN. “PPOC Trust Documents” means the documents governing: (i) the PPOC Trust; (ii) the flow of PPOC Trust Consideration from the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder) or its present or future subsidiaries to the PPOC Trust or any PPOC Sub-Trust; (iii) the submission, resolution, and distribution procedures in respect of all Participating PPOCs; and (iv) the flow of distributions, payments or flow of funds made from the PPOC Trust or any PPOC Sub-Trust after the Closing Date.

OO. “Present Private Opioid Claimant” or “PPOC” means a holder of an Opioid Claim that is not a Public Opioid Claimant or Tribal Opioid Claimant, in their capacity as such. For the avoidance

of doubt, neither Putative Future Opioid Claimants nor DMPs are PPOCs *provided that* no hospital shall be excluded from being deemed a PPOC solely as a result of such hospital operating a pharmacy that distributed, dispensed or sold opioids or opioid products.

PP. “Putative Future Opioid Claimant” means any holder of a future demand for payment against a Debtor (to the extent any such holder is ever determined, adjudicated, or agreed to exist) that (a) is not an Opioid Claim; and (b) is based in whole or in part on any conduct or circumstance that occurs or arises after the Petition Date but before the Closing Date as a result of the same or similar conduct or events that gave rise to the Present Private Opioid Claims. For the avoidance of doubt, a Putative Future Opioid Claimant (to the extent any such claimant is ever determined, adjudicated or agreed to exist) shall not include a claimant that holds a contingent, disputed, or unliquidated Claim that exists on or before the Petition Date.

QQ. “Released Party” means (a) the Debtors, (b) the Non-Debtor Affiliates, (c) the Stalking Horse Bidder and each of its present and future subsidiaries (in each case solely in its capacity as such), (d) each Consenting First Lien Creditor, the Ad Hoc First Lien Group, the Ad Hoc Cross-Holder Group (each as defined in the Amended and Restated RSA), and the Prepetition Secured Parties (as defined in the Cash Collateral Order) (in each case solely in their capacity as such), (e) the Official Committee of Opioid Claimants, and each of the members thereof in their capacity as such, and each of the advisors to the Official Committee of Opioid Claimants or the members thereof, in their capacity as such, (f) the Official Committee of Unsecured Creditors and each of the members thereof in their capacity as such, and each of the advisors to the Official Committee of Unsecured Creditors or the members thereof, in their capacity as such, (g) the PPOC Trustee(s), PPOC Trust Administrator, PPOC Trust Board, any advisors to the PPOC Trust and any other parties with similar administrative or supervisory roles in connection with the PPOC Trust, each in their capacity as such, (h) the PPOC Sub-Trust Trustee(s), PPOC Sub-Trust Administrator(s), PPOC Sub-Trust Board, any advisors to the PPOC Sub-Trusts, and any other parties with similar administrative or supervisory roles in connection with the PPOC Sub-Trusts, each in their capacity as such and (i) with respect to each of the foregoing Persons in clauses (a) through (h), such Persons’ predecessors, successors, permitted assigns, current and former subsidiaries, and affiliates, respective heirs, executors, estates, and nominees, in each case solely in their capacity as such, and (j) with respect to each of the foregoing Persons in clauses (a) through (i), such Persons’ current and former officers and directors, principals, members, equityholders, managers, partners, agents, advisory board members, employees, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, experts and other professionals, in each case solely in their capacity as such. **For the avoidance of doubt, “Released Parties” shall not include any Excluded Parties.**

RR. “Sale Order” means an order of the Bankruptcy Court approving the Sale Transaction.

SS. “Sale Transaction” means the proposed transaction pursuant to which the Stalking Horse Bidder will acquire from the Debtors to be party to the Amended PSA the Transferred Assets (as defined in the Amended PSA) free and clear of all liens, encumbrances, claims, and other interests (other than certain permitted encumbrances) in accordance with section 363(f) of the Bankruptcy Code, and assume the Assumed Liabilities (as defined in the Amended PSA).

TT. “Second Lien Deficiency Claim” means the portion of the Second Lien Notes Indebtedness (as defined in the Cash Collateral Order) that is not secured and constitutes deficiency Claims pursuant to section 506(a) of the Bankruptcy Code.

UU. “Stalking Horse Bidder” means Tensor Limited (or more or more of its designee(s) or assignee(s)), an entity formed under the laws of Ireland to serve as the stalking horse bidder under the Amended PSA in connection with the Sale Process (as defined in the Bidding Procedures).

VV. “Unsecured Notes” means any notes issued pursuant to (a) that certain Indenture, dated as of June 30, 2014, between Endo Finance LLC and Endo Finco Inc., as issuers, the guarantors party thereto, and U.S. Bank, National Association as trustee; (b) that certain Indenture, dated as of January 27, 2015, between Endo Limited, Endo Finance LLC, and Endo Finco Inc., as issuers, the guarantors party thereto, and UMB Bank, National Association as trustee; (c) that certain Indenture, dated as of July 9, 2015, between Endo Limited, Endo Finance LLC, and Endo Finco Inc., as issuers, the guarantors party thereto, and UMB Bank, National Association as trustee; or (d) that certain Indenture, dated as of June 16, 2020, between Endo Designated Activity Company, Endo Finance LLC, and Endo Finco Inc., as issuers, the guarantors party thereto, and U.S. Bank, National Association as trustee.

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[Signature Pages to follow]

Effect of Voluntary Release by Participating PPOCs

Terms. From and after the Closing Date and following execution by a Participating PPOC of a PPOC Release Form, the sole recourse of any Participating PPOC on account of its Opioid Claims shall be to the PPOC Trust and the applicable PPOC Sub-Trust pursuant to the applicable Private Opioid-Trust Documents, and such Participating PPOC shall have no right whatsoever at any time to assert its Opioid Claim against any Released Party or any property or interest in property of any Released Party. On and after the Closing Date, all Participating PPOCs shall be permanently and forever stayed, restrained, barred, and enjoined from taking any of the following actions for the purpose of, directly or indirectly or derivatively collecting, recovering, or receiving payment of, on, or with respect to any Opioid Claim other than from the PPOC Trust and applicable PPOC Sub-Trust pursuant to the applicable Private Opioid Trust Documents:

- commencing, conducting, or continuing in any manner, directly, indirectly or derivatively, any suit, action, or other proceeding of any kind (including a judicial, arbitration, administrative, or other proceeding) in any forum in any jurisdiction around the world against or affecting any Released Party or any property or interests in property of any Released Party;
- enforcing, levying, attaching (including any prejudgment attachment), collecting, or otherwise recovering by any means or in any manner, whether directly or indirectly, any judgment, award, decree, or other order against any Released Party or any property or interests in property of any Released Party;
- creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any Encumbrance against any Released Party or any property or interests in property of any Released Party;
- setting off, seeking reimbursement of, contribution from, or subrogation against, or otherwise recouping in any manner, directly or indirectly, any amount against any liability owed to any Released Party or any property or interests in property of any Released Party; or
- proceeding in any manner in any place with regard to any matter that is within the scope of the matters subject to resolution by the PPOC Trust or the applicable PPOC Sub-Trust, except in conformity and compliance with the applicable Private Opioid Trust Documents.

Reservations. The foregoing terms shall not stay, restrain, bar, or enjoin the rights of Participating PPOCs in connection with the administration and resolution of their Opioid Claims under the PPOC Trust and the applicable PPOC Sub-Trust in accordance with the applicable Private Opioid Trust Documents.

Forum. The Stalking Horse Bidder or any Released Party shall be permitted to (i) enter these injunctive terms as a consent order in any State or Territory and (ii) seek enforcement of

these injunctive terms in any courts of competent jurisdiction in any State in which any Participating PPOC against which enforcement is sought resides or is domiciled.

Exhibit 3

Amended PSA

[Intentionally Omitted]

Please refer to Term Sheet Exhibit F attached to the *Notice of Filing of Amended and Restated Restructuring Support Agreement* filed contemporaneously herewith

Exhibit 4

Estate Causes of Action Litigation Schedule

Estate Causes of Action Litigation Schedule

Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the *Stipulation Among the Debtors, Official Committee of Unsecured Creditors, Official Committee of Opioid Claimants, and Ad Hoc First Lien Group Regarding Resolution of Joint Standing Motion and Related Matters*, dated March 24, 2023.

This litigation schedule shall govern the Estate Claims Standing Matters in the event that the Debtors notify the Official Committee of Opioid Claimants (the “OCC”) and the Official Committee of Unsecured Creditors (the “UCC” and, together with the OCC, the “Committees”) that the Stalking Horse Bidder or any other Qualified Bidder is not going to be purchasing the estate causes of action, on the terms reflected in the Committees Resolution Term Sheets.

a. Commencement of Estate Causes of Action Litigation Schedule.

1. **Day one** (the “Commencement Date”). The Estate Causes of Action Litigation Schedule shall commence on the date that the Debtors notify the Committees formally in writing that the Stalking Horse Bidder or any other Qualified Bidder is not going to be purchasing the estate causes of action, on the terms reflected in the Committees Resolution Term Sheets.

b. Litigation Demand.

1. **Five business days after the Commencement Date** shall be the date by which the OCC shall serve a letter on the Debtors to demand that the Debtors commence litigation to prosecute the Estate Claims Standing Matters (the “Demand”).
2. **Ten business days after the Commencement Date** shall be the date by which the Debtors must provide a written response to the OCC’s Demand.

c. Fact Discovery Deadlines.

1. **Five business days after the Commencement Date** shall be the date on which the Debtors must complete production to the OCC of board materials, board committee materials, IQVIA data, and expert materials, as set forth in correspondence between the Debtors and the OCC dated March 20, 2023, as supplemented by correspondence on March 21, 2023.
2. **Five business days after the Commencement Date** shall be the date on which the parties may begin to serve additional discovery requests related to the Estate Claims Standing Matters.
3. **Fourteen calendar days after service of discovery requests** shall be the date upon which responses and objections to such discovery requests shall be due.

4. **Fifty-eight calendar days after the Commencement Date** shall be the deadline for the production of documents in response to the additional discovery requests.
5. **Eighty calendar days after the Commencement Date** shall be the deadline for the depositions related to the Estate Claims Standing Matters.

d. Standing Motion

1. **Fourteen business days after the Commencement Date** shall be the deadline for the OCC and the UCC to file any motion(s) and proposed complaint(s) seeking standing and authority to prosecute and to settle Estate Claims Standing Matters on behalf of the Debtors' estates (the "Standing Motion").
2. **Forty-four calendar days after the Commencement Date** shall be the deadline for any opposition to the Standing Motion(s).
3. **Fifty-eight calendar days after the Commencement Date** shall be the deadline for any reply in support of the Standing Motion(s).

e. Expert Discovery

1. **Eighty-six calendar days after the Commencement Date** shall be the deadline for the exchange of any expert reports related to the Estate Claims Standing Matters.
2. **Ninety-six calendar days after the Commencement Date** shall be the deadline for the depositions of any experts related to the Estate Claims Standing Matters.

f. Hearing

1. **One hundred and four days after the Commencement Date** shall be the earliest date for any hearing on the Standing Motion(s) related to the Estate Claims Standing Matters.

Appendix “C”

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Counsel to Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

ENDO INTERNATIONAL plc, et al.,

Debtors.¹

Chapter 11

Case No. 22-22549 (JLG)

(Jointly Administered)

Related Docket Nos. 1131, 1502, 1505

**NOTICE OF FILING OF STALKING HORSE BIDDER-FCR TERM SHEET AND
AMENDED OCC RESOLUTION TERM SHEET**

PLEASE TAKE NOTICE that, on September 30, 2022, the Court entered the *Order (I) Appointing Roger Frankel as Future Claimants' Representative, Effective as of the Petition Date; and (II) Granting Related Relief* [Docket No. 318] (the "FCR Appointment Order"), which appointed Roger Frankel to serve as the FCR for Future Claimants.²

PLEASE TAKE FURTHER NOTICE that, on January 6, 2023, the FCR filed the *Objection of Future Claimants' Representative to Debtors' Motion for an Order (I) Establishing*

¹ The last four digits of Debtor Endo International plc's tax identification number are 3755. Due to the large number of debtors in these chapter 11 cases, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at <https://restructuring.ra.kroll.com/Endo>. The location of the Debtors' service address for purposes of these chapter 11 cases is: 1400 Atwater Dr, Malvern PA 19355.

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed in the FCR Appointment Order and the *Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, and (III) Granting Related Relief* [Docket No. 1765], as applicable.

Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, (III) Approving the Sale of Substantially All of the Debtors' Assets and (IV) Granting Related Relief [Docket No. 1131] (the "FCR Objection").

PLEASE TAKE FURTHER NOTICE that, on January 27, 2023, the Court entered an order [Docket No. 1257] referring certain matters, including the FCR Objection, to mediation (the "Mediation").

PLEASE TAKE FURTHER NOTICE that, following Mediation, the Stalking Horse Bidder and the FCR reached a resolution of certain claims, disputes, and other matters related to the FCR Objection, which resolution is memorialized in a term sheet (the "Stalking Horse Bidder-FCR Resolution Term Sheet"), a copy of which is attached hereto as **Exhibit A**.

PLEASE TAKE FURTHER NOTICE that, on March 24, 2023, (a) the Debtors filed that certain Amended and Restated Restructuring Support Agreement [Docket No. 1502] (as amended, modified, or otherwise supplemented from time to time, and including all schedules and exhibits attached thereto, the "Amended RSA") and (b) the Ad Hoc First Lien Group filed the *Stipulation Among the Debtors, Official Committee of Unsecured Creditors, Official Committee of Opioid Claimants, and Ad Hoc First Lien Group Regarding Resolution of Joint Standing Motion and Related Matters* [Docket No. 1505] (the "Resolution Stipulation"), each of which incorporated a term sheet entered into between the Ad Hoc First Lien Group and the OCC (the "OCC Resolution Term Sheet").

PLEASE TAKE FURTHER NOTICE that an amended version of the OCC Resolution Term Sheet, which includes minor modifications and clarifications to the last filed version of the same, is attached hereto as **Exhibit B** (the "Amended OCC Resolution Term Sheet") and a redline showing such modifications is attached hereto as **Exhibit C**.

PLEASE TAKE FURTHER NOTICE that, the Amended RSA will be amended to incorporate the Stalking Horse Bidder-FCR Resolution Term Sheet and the Amended OCC Resolution Term Sheet.

Dated: July 13, 2023
New York, New York

/s/ Paul D. Leake

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Exhibit A

Stalking Horse Bidder-FCR Resolution Term Sheet

STALKING HORSE BIDDER-FCR RESOLUTION TERM SHEET

July 13, 2023

This Term Sheet outlines the principal terms and conditions for resolution of certain claims, disputes and other matters by and among (1) Roger Frankel, as the court-appointed legal representative for Future Claimants (as such term is defined in the *Order (I) Appointing Roger Frankel as Future Claimants’ Representative, Effective as of the Petition Date; and (II) Granting Related Relief* [Docket No. 318], subject to paragraph 5 thereof) (the “FCR”) in the chapter 11 cases of Endo International plc, et al., as debtors and debtors-in-possession (the “Debtors”), which are jointly administered under case number 22-22549 (the “Chapter 11 Cases”) in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”), and (2) the Stalking Horse Bidder¹ (together with the FCR, the “Parties”).

<p>General Framework</p>	<p>This Term Sheet describes the key terms governing the Parties’ resolution of the FCR’s objection to the <i>Debtors’ Motion for an Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, (III) Approving the Sale of Substantially All of the Debtors’ Assets and (IV) Granting Related Relief</i> [Docket No. 728] (the “<u>Bidding Procedures and Sale Motion</u>”) and the proposed Sale.</p> <p>This Term Sheet is subject to definitive documentation, including, as applicable, through incorporation into the Sale Order, any other orders necessary to effectuate the resolutions set forth herein, and any related Sale documents.</p> <p>The Sale Order shall contain findings and relief provisions reasonably acceptable to the FCR, the Debtors, and the Ad Hoc First Lien Group regarding the FCR’s evaluation of, and satisfaction with, the terms of the resolutions proposed herein, the implementation thereof, and the binding effect of such order on parties deemed to be represented by the FCR, and, for the avoidance of doubt, shall include a determination that the FCR properly fulfilled his fiduciary duties and a determination that the treatment of future claims is fair and reasonable.</p>
<p>Sale Order</p>	<p>The FCR agrees (a) not to object to or contest any motion seeking entry of a Sale Order (or any ancillary orders) authorizing the sale of substantially all of the Debtors’ assets to the Stalking Horse Bidder free and clear of any Claims (as defined in the Bankruptcy Code) and interests in such assets, including Claims of Future Claimants whose interests the FCR was appointed to represent, provided such order is</p>

¹ Capitalized terms used but not otherwise defined herein shall have the meanings provided to them in the Bidding Procedures and Sale Motion (defined below), the Bidding Procedures Order, or the Restructuring Support Agreement.

	<p>modified consistent with this Term Sheet, (b) to support entry of a Sale Order and any other orders necessary to effectuate this Term Sheet, and (c) after entry of appropriate orders implementing the agreements reflected in this Term Sheet and upon closing of the Sale, to release, waive and discharge any and all rights to commence any action, claim, objection or complaint against any of the Parties.</p> <p>The Parties further agree that the FCR’s right to object to the Sale is tolled pending entry of a Sale Order consistent with the terms of this Term Sheet, and the FCR’s right to seek an extension of his objection deadline to the Sale is reserved in the event this Term Sheet is terminated before the hearing to consider approval of the Sale.</p>
<p>Trust Funding and Operation for Future Opioid Beneficiaries</p>	<ul style="list-style-type: none"> • The Stalking Horse Bidder shall establish a trust for Eligible Future Opioid Trust Beneficiaries (defined below) (such trust, the “<u>Future Opioid Trust</u>”), which will be funded by the Stalking Horse Bidder (x) at Closing and on the first, second, third, fourth, and fifth anniversary of the Closing Date in the amount of \$1.15 million, and (y) on the sixth, seventh, eighth, and ninth anniversary of the Closing Date, in an amount up to the lesser of (i) \$1.15 million and (ii) the amount (if any) sufficient to fund the Future Opioid Trust with \$3.5 million (together with any recoveries or investment income from any source) in the years following the sixth and seventh anniversary of the Closing Date and \$2.35 million in the years following the eighth and ninth anniversary of the Closing Date; <i>provided</i> that the maximum amount of any such annual payment shall be \$1.15 million (the maximum aggregate amount of all payments described in clauses (x) and (y) is \$11.5 million) (the amounts described in clauses (x) and (y), the “<u>Future Opioid Trust Consideration</u>”). • The Future Opioid Trust shall terminate on the earlier of (x) the tenth anniversary of the Closing Date and (y) the date on which no claims have been submitted for administration to the Future Opioid Trust during any trailing 12-month period calculated from the date starting on the second anniversary of the Closing Date. • Future Opioid Trust Consideration (together with any recoveries or investment income from any source) that (a) on the fifth, sixth, and seventh anniversaries of the Closing Date exceeds \$3.5 million, (b) on the eighth and ninth anniversaries of the Closing Date exceeds \$2.35 million, and (c) remains in the Future Opioid Trust upon the termination thereof shall, in each case, revert to the Stalking Horse Bidder upon such occurrence or termination, as applicable.

	<ul style="list-style-type: none">• “<u>Eligible Future Opioid Trust Beneficiaries</u>” shall consist solely of (1) natural persons who, prior to January 1, 2019, used Opioid Products² manufactured, marketed, or sold by any of the Debtors or any of their respective predecessors that constitute Qualifying Opioids,³ as demonstrated by a record that satisfies the requirements set forth on Annex 2 (which pharmacy prescription records, valid prescription, or other records must be submitted by each such individual to the Future Opioid Trust) and whose first injury resulting from such use manifested after the General Bar Date⁴ (as supported by a sworn statement by each such natural person, or, if deceased or lacking legal capacity, by such natural person’s authorized legal representative, regarding the same), and (2) natural persons who are born after the General Bar Date but before the date that is ten months after the General Bar Date and diagnosed with neonatal abstinence syndrome (“<u>NAS</u>”) resulting from such natural person’s intrauterine exposure to Opioid Products. For the avoidance of doubt, any party who has filed a proof of claim (or who has had a proof of claim filed on their behalf) in the Chapter 11 Cases or who has used Opioid Products manufactured, marketed, or sold by any of the Debtors or any of their respective predecessors and whose first injury resulting from such use manifested before the General Bar Date is not an Eligible Future Opioid Trust Beneficiary.
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² “Opioid Product(s)” means all current and past medications containing Opioids (defined below) approved by the U.S. Food & Drug Administration (“FDA”) or Health Canada, and listed by the Drug Enforcement Administration (“DEA”) as Schedule II or III pursuant to the federal Controlled Substances Act (including but not limited to codeine, fentanyl, hydrocodone, meperidine, morphine, oxycodone, oxymorphone, tapentadol, and tramadol). The term “Opioid Product(s)” shall not include (i) methadone, buprenorphine, or other products with an FDA-approved label that lists the treatment of opioid or other substance use disorder, abuse, addiction, dependence or overdose as their “indications or usage”, insofar as the product is being used to treat opioid abuse, addiction, dependence or overdose, or (ii) raw materials, immediate precursors, and/or active pharmaceutical ingredients (“APIs”) used in the manufacture or study of Opioids or Opioid Products, but only when such materials, immediate precursors, and/or APIs are sold or marketed exclusively to DEA-licensed manufacturers or DEA-licensed researchers. “Opioid(s)” means all FDA- or Health Canada-approved pain-reducing medications consisting of natural, synthetic, or semisynthetic chemicals that bind to opioid receptors in a patient’s brain or body to produce an analgesic effect. The term “Opioid(s)” does not include: (i) medications and other substances to treat opioid or other substance use disorders, abuse, addiction or overdose; (ii) raw materials and/or immediate precursors used in the manufacture or study of opioids or opioid products, but only when such materials and/or immediate precursors are sold or marketed exclusively to DEA-licensed manufacturers or DEA-licensed researchers; or (iii) opioids listed by the DEA as Schedule IV drugs pursuant to the federal Controlled Substances Act. The term Opioid shall not include such chemicals used in products with an FDA-approved label that lists the treatment of opioid or other substance use disorder, abuse, addiction, dependence, or overdose as their “indications or usage.” For the avoidance of doubt, the term Opioid shall not include the opioid antagonists buprenorphine, methadone, naloxone or naltrexone.

³ “Qualifying Opioids” shall have the definition set forth in Annex 1 hereto.

⁴ “General Bar Date” shall have the meaning ascribed to it in the Bar Date Order.

	<ul style="list-style-type: none">• The trustee for the Future Opioid Trust shall be Ed Gentle, or if he is unavailable, an individual selected by the FCR with the consent of the Stalking Horse Bidder, which consent shall not to be unreasonably withheld (the “<u>Future Opioid Trustee</u>”).• The trust agreement (“<u>Future Opioid Trust Agreement</u>”), trust distribution procedures (“<u>TDPs</u>”), and related documents for the Future Opioid Trust shall be substantially similar to the trust agreements and the single-tier award-based TDPs for the sub-trusts of the PPOC Trust (as defined and described in the OCC Resolution Term Sheet⁵) and related documents established for personal injury and NAS PPOCs (as defined in the OCC Resolution Term Sheet) (such TDPs, the “<u>PPOC PI/NAS TDPs</u>”; such sub-trusts, the “<u>Present PI-NAS Sub-Trusts</u>”), except with respect to changes necessary to reflect the presence of future claims (and eligibility requirements implementing the definition herein of “Eligible Future Opioid Trust Beneficiaries”) and the absence and ineligibility of present claims, in each case, as is reasonably acceptable to the Stalking Horse Bidder and the FCR. Any material modification to the Future Opioid Trust TDPs based on any modification to any of the PPOC PI/NAS TDPs relative to what has been disclosed to date to the Ad Hoc First Lien Group shall be subject to the reasonable consent of the Ad Hoc First Lien Group.• The claim evaluation process for the Future Opioid Trust shall be subject to the right of the Stalking Horse Bidder, subject to any limitations imposed by the Health Insurance Portability and Accountability Act of 1996 (HIPAA), or applicable state laws of similar import, if any, on the Future Opioid Trustee and Stalking Horse Bidder, to audit the eligibility and award decisions of the Future Opioid Trust no more frequently than annually, and to pursue any available legal recourse in connection with any decisions alleged to be inconsistent with the terms of the TDPs; <i>provided</i> that the Stalking Horse Bidder shall reimburse the Future Opioid Trust for the incremental costs incurred in respect of such audit and legal challenges. The Future Opioid Trustee shall retain discretion to inquire into the veracity of any claims submitted to the Future Opioid Trust.• The Future Opioid Trustee shall issue awards on a first-in first-out “FIFO” basis, utilizing multiple payments if cash flow constraints or other risk factors warrant, to Eligible Future Opioid
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⁵ “OCC Resolution Term Sheet” means the *Amended Voluntary Present Private Opioid Claimant Trust Term Sheet* filed contemporaneously herewith.

	<p>Trust Beneficiaries who have submitted claims to the Future Opioid Trust that have been accepted and validated by the Future Opioid Trustee in accordance with the TDPs for the Future Opioid Trust. Award payments to Eligible Future Opioid Trust Beneficiaries shall be no greater in amount than the award amounts offered by the Present PI-NAS Sub-Trusts to personal injury and NAS PPOCs, respectively and as applicable (each such award amount level, the “<u>Applicable PPOC Award Amount</u>”). In the event the amount of Future Opioid Trust Consideration available for award payments is determined by the Future Opioid Trustee, with consent of the FCR, to be insufficient to make such award payments in an amount equal to the Applicable PPOC Award Amount then the Future Opioid Trustee shall, with the consent of the FCR, reduce the payment amount for subsequent payments. If the Future Opioid Trustee, with the consent of the FCR, subsequently determines that the payment amount should be increased, up to the Applicable PPOC Award Amount, the payment amount may be increased, and catch-up payments made, with the consent of the FCR.</p>
<p>Trust Funding and Operation for Future Mesh PI Claims</p>	<ul style="list-style-type: none"> • The Stalking Horse Bidder shall establish a trust for Eligible Future Mesh Trust Beneficiaries (defined below) (such trust, the “<u>Future Mesh Trust</u>” and, together with the Future Opioid Trust, the “<u>Future Trusts</u>”), which will be funded by the Stalking Horse Bidder in an aggregate amount of up to \$500,000 (the “<u>Future Mesh Trust Consideration</u>” and, together with the Future Opioid Trust Consideration, the “<u>Future Trust Consideration</u>”). The Future Mesh Trust Consideration will consist of an initial payment of \$250,000 to be made at Closing, and a second payment of \$250,000 to be made on the date that is the first anniversary of the Closing. • The Future Mesh Trust shall terminate on the earlier of (x) the fourth anniversary of the Closing Date and (y) the date on which no claims have been submitted for administration to the Future Mesh Trust during any trailing 12-month period calculated from the date starting on the first anniversary of the Closing Date. • The Future Mesh Trust Consideration (together with any recoveries or investment income from any source) that remains in the Future Mesh Trust upon the termination thereof shall be transferred and revert to the Stalking Horse Bidder.

	<ul style="list-style-type: none">• “<u>Eligible Future Mesh Trust Beneficiaries</u>”⁶ shall consist solely of individuals who have had a transvaginal mesh product manufactured by any of the Debtors or any of their respective predecessors implanted in them before the Petition Date and whose first injury from such implantation manifested after the General Bar Date (as supported by (x) a sworn statement by each such individual, or, if deceased or lacking legal capacity, by such individual’s authorized legal representative, regarding the same and (y) proof of such implantation). For the avoidance of doubt, any party who has filed a proof of claim (or who has had a proof of claim filed on their behalf) in the Chapter 11 Cases or who has had a transvaginal mesh product manufactured by any of the Debtors or any of their respective predecessors implanted into them before the Petition Date and whose first injury from such implantation manifested before the General Bar Date is not an Eligible Future Mesh Trust Beneficiary.• The trustee for the Future Mesh Trust shall be Ed Gentle, or if he is unavailable, an individual selected by the FCR with the consent of the Stalking Horse Bidder, which consent shall not to be unreasonably withheld (the “<u>Future Mesh Trustee</u>” and, together with the Future Opioid Trustee, the “<u>Future Trustees</u>”).• The trust agreement for the Future Mesh Trust (the “<u>Future Mesh Trust Agreement</u>”) shall be substantially similar to the Future Opioid Trust Agreement (or, at the FCR’s election, identical to the Future Opioid Trust Agreement if a single trust with sub-funds is created) and TDPs for the Future Mesh Trust shall be, to the extent practicable, substantially similar to the single-tiered TDPs for the Voluntary GUC Creditor Trust (as defined and described in the <i>UCC Resolution Term Sheet</i> annexed as Exhibit 1 to Docket No. 1505) or a sub-trust thereof, in each case, as established for present private transvaginal mesh personal injury claimants (such TDPs, the “<u>Present Mesh TDPs</u>”), except with respect to the eligibility qualifications for Eligible Future Mesh Trust Beneficiaries set forth herein, and reasonably acceptable to the Stalking Horse Bidder and the FCR. Any material modification to the Future Mesh Trust TDPs based on any modification to any of the Present Mesh TDPs relative to what has been disclosed to date to the Ad Hoc First Lien Group shall be subject to the reasonable consent of the Ad Hoc First Lien Group.• The claim evaluation process shall be subject to the right of the Stalking Horse Bidder to audit the eligibility and award decisions
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⁶ Eligible Future Opioid Trust Beneficiaries and Eligible Future Mesh Trust Beneficiaries, collectively, shall be referred to as the “Eligible Future Beneficiaries”).

	<p>of the Future Opioid Trust no more frequently than annually, and to pursue any available legal recourse in connection with any decisions alleged to be inconsistent with the terms of the TDPs; <i>provided</i> that the Stalking Horse Bidder shall reimburse the Future Mesh Trust for the incremental costs incurred in respect of such audit and legal challenges. The Future Mesh Trustee shall retain discretion to inquire into the veracity of any claims submitted to the Future Mesh Trust.</p> <ul style="list-style-type: none">• The Future Mesh Trustee shall issue awards on a FIFO basis to Eligible Future Mesh Trust Beneficiaries who have submitted claims to the Future Mesh Trust that have been accepted and validated by the Future Mesh Trustee in accordance with the Future Mesh Trust TDPs. Award payments to each Eligible Future Mesh Trust Beneficiary shall be (i) in the event award payments established by the Voluntary GUC Creditor Trust or the applicable sub-trust thereof for compensable claims submitted by similarly situated present transvaginal mesh personal injury claimants are made in cash, equal in amount to the award amount offered by the Voluntary GUC Creditor Trust or a sub-trust thereof to each similarly situated present transvaginal mesh personal injury claimant in respect of a compensable claim, or (ii) in the event such award payments offered by the Voluntary GUC Creditor Trust or a sub-trust thereof for compensable claims submitted by similarly situated present transvaginal mesh personal injury claimants are in part or in whole in a form of contingent consideration, the Parties agree that they will negotiate in good faith to establish an agreed upon risk-adjusted fixed amount for for the contingent portion of the award payments to Eligible Future Mesh Trust Beneficiaries that approximate the contingent portion of the award payments offered by the Voluntary GUC Creditor Trust or a sub-trust thereof to each similarly situated present transvaginal mesh personal injury claimant in respect of a compensable claim, and if the Parties cannot agree on such award amount for Eligible Future Mesh Trust Beneficiaries, the Parties agree that Judge Chapman (or, if unavailable, another mutually agreed upon mediator) shall determine the amount (such award amount, together with the non-contingent amount, for similarly situated present transvaginal mesh personal injury claimants with compensable claims, the “<u>Present Mesh Award Amount</u>”). In the event the amount of Future Mesh Trust Consideration available for award payments is determined by the Future Mesh Trustee, with consent of the FCR, to be in the applicable trust year (such amount, the “<u>Available Future Mesh Award Consideration Amount</u>”) insufficient to make such award payments in an amount equal to the product of the number of Future Mesh Trust Beneficiaries granted an award in
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	<p>such trust year multiplied by the Present Mesh Award Amount (such product, the “<u>Annual Future Mesh Award Amount</u>”), then the Future Mesh Trustee shall reduce the payment amount for subsequent payments. If the Future Mesh Trustee, with the consent of the FCR, subsequently determines that the payment amount should be increased, up to the original payment amount, the payment amount may be increased, and catch-up payments made, with the consent of the FCR.</p>
Reporting	<p>The Future Trustees shall deliver to the Stalking Horse Bidder and the trustees of the Present PI-NAS Sub-Trusts (i) monthly reports on the status of claims submitted to and processed, paid, or resolved by the applicable Future Trusts and (ii) quarterly and annual reports of Future Trust Consideration balances, expenditures, distributions, forward-looking projections, and the status thereof, any related proceedings (including insurance proceedings), and any assets (including the value thereof) obtained or retained for the benefit of the Future Mesh Trust.</p>
Trust Funding – Change of Control	<p>Upon a Change of Control (as defined in the First Lien Notes Indentures) and to the extent that the Future Trusts have not both terminated, the Stalking Horse Bidder (if required by the applicable Future Trustees) must immediately provide the Future Trusts with payments equal to the then-outstanding amount of the Future Trust Consideration, which may be paid at a price equal to the present value of such amounts, discounted at a discount rate of twelve percent (12%) per annum; <i>provided</i> that upon termination of the Future Trusts such amounts shall remain subject to the reversionary interest therein of the selling shareholders of the Stalking Horse Bidder.</p>
Future Ranitidine PI Claims	<p>The <i>Order (I) Appointing Roger Frankel as Future Claimants’ Representative, Effective as of the Petition Date; and (II) Granting Related Relief</i> [Docket No. 318] (the “<u>FCR Appointment Order</u>”) shall be amended to relieve the FCR of any further service as representative to Future Claimants (as defined in the FCR Appointment Order) with personal injury claims related to ranitidine products (“<u>Future Ranitidine PI Claimants</u>”), effective of the date of July 7, 2023 (the “<u>Ranitidine Amendment</u>”), on the basis that, among other things, the assertion of substantial future compensable ranitidine claims by claimants incapable of asserting claims by the bar date is unlikely. The Parties agree that they will cooperate with the Debtors in promptly seeking and obtaining the Ranitidine Amendment.</p>
Key Terms of Future Trusts	<ul style="list-style-type: none"> • The FCR shall negotiate in good faith with the Future Trustees on a reasonable budget to administer and operate both of the Future Trusts and to compensate both of the Future Trustees, not to exceed \$1 million during the period between the Closing Date and

	<p>the third anniversary thereof and \$140,000 per annum thereafter; <i>provided, further,</i> that for the year in which the Future Opioid Trust is terminated, the budget shall be increased by \$100,000, absent the agreement of the FCR and the Ad Hoc First Lien Group.</p> <ul style="list-style-type: none"> • Conditions to payment from Future Trusts will include the delivery by Eligible Future Beneficiaries of customary releases of the Debtors, the Stalking Horse Bidder, and any other protected parties (to be defined). • The Future Trusts and the entities responsible for making distributions to personal injury and NAS PPOCs and present transvaginal mesh personal injury claimants shall coordinate on reasonable mechanics and information-sharing among such trusts whereby such claimants are not permitted to recover from both the present trusts and the Future Trusts. • All agreements and documents governing the Future Trusts (including, for the avoidance of doubt, any sub-trusts thereof) shall be in form and substance reasonably acceptable to the Stalking Horse Bidder and the FCR.
<p>FCR Hourly Professional Fees</p>	<p>Beginning as of the date hereof, the incurrence of fees by professionals retained or otherwise employed by the FCR that are compensated on an hourly basis shall be capped in the aggregate amount of (x) \$1.35 million from and including the date hereof through and including October 31, 2023 and (y) \$135,000 per month from and after November 1, 2023 (collectively, the “<u>Fee Cap</u>”); <i>provided</i> that the Fee Cap will not apply to fees incurred in connection with addressing, including defending and responding to discovery related to: (i) any objection to the Sale that alleges (a) the FCR has not discharged his fiduciary duties or (b) the resolution embodied in this Term Sheet negotiated by the FCR on behalf of the putative beneficiaries described hereunder is insufficient or otherwise inadequate; or (ii) any objection to the Ranitidine Amendment. In the event that resolutions embodied in this Term Sheet are sought to be implemented through a plan of reorganization in lieu of the Sale, the Parties shall update and negotiate the terms of the Fee Cap in good faith.</p> <p>For the avoidance of doubt, the incurrence of fees by professionals retained or otherwise employed by the FCR shall continue to be subject to the <i>Amended Final Order (I) Authorizing Debtors to Use Cash Collateral; (II) Granting Adequate Protection to Prepetition Secured Parties; (III) Modifying Automatic Stay; and Granting Related Relief</i> [Docket No. 535] and the <i>Order Establishing</i></p>

	<p><i>Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals</i> [Docket No. 326].</p>
<p>Fiduciary Out</p>	<p>Notwithstanding anything to the contrary in this Term Sheet, solely to the extent that the FCR reasonably determines in good faith, after consultation with counsel, that continued performance under the Term Sheet (including taking any action or refraining from taking any action) would be inconsistent with the exercise of his fiduciary duties or applicable law, the FCR shall be entitled to terminate his obligations hereunder (the “<u>Fiduciary Out</u>”); <i>provided that</i>, for the avoidance of doubt, the FCR shall not affirmatively solicit or encourage any competing or Alternative Proposal. The FCR shall deliver to the Ad Hoc First Lien Group written notice, by email to counsel, of its decision to exercise the Fiduciary Out within one (1) business day thereof. Upon exercise of the Fiduciary Out, the FCR (i) shall be relieved of any obligations hereunder and (ii) shall revert to any rights as existed prior to the date hereof (other than as may be modified by the Ranitidine Amendment to the extent authorized by prior Court order). Nothing in this Stipulation shall create any additional fiduciary obligations for the FCR, or any of his professionals, that the FCR or such professionals did not have prior to the execution of this Term Sheet.</p>
<p>Termination Events</p>	<p>If (i) during the Sale process (x) the Court enters an order denying entry of a Sale Order with respect to the Stalking Horse Bid or (y) the Court strongly indicates or determines, in each case, on the record that it will not enter a Sale Order or the Sale Order is stayed, and one or both of the Committees exercise their right to terminate their settlement agreement under the <i>Stipulation Among the Debtors, Official Committee of Unsecured Creditors, Official Committee of Opioid Claimants, and Ad Hoc First Lien Group Regarding Resolution of Joint Standing Motion and Related Matters</i> [Docket No. 1505] (the “<u>Committee Settlements</u>”), (ii) the Debtors publicly announce that they are ceasing pursuit of the Sale process or the Stalking Horse Bid, (iii) another Party (including with regard to any cooperation required hereto) takes any action that is materially inconsistent with this Term Sheet or any Party breaches its obligations under this Term Sheet, (iv) the FCR exercises his Fiduciary Out, (v) the Amended PSA is terminated, (vi) the consensual use of Cash Collateral is terminated, and one or both of the Committees exercise their right to terminate the Committee Settlements, or (vii) the Ranitidine Amendment is not approved by the Court (each, a “<u>Termination Event</u>”), either the FCR or the Ad Hoc First Lien Group shall be entitled to elect to terminate its obligations under this Term</p>

	Sheet. ⁷ For the avoidance of doubt, this Term Sheet may be terminated by the mutual, written, agreement of the Ad Hoc First Lien Group and the FCR.
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⁷ For the avoidance of doubt, a breaching party shall not be entitled to terminate its obligations under this Term Sheet.

ANNEX 1

Definition of “Qualifying Opioids”¹

- (i) Qualifying Brand Name Opioids shall include, but are not limited to, the following Debtor or Paladin opioids: ABSTRAL®; BELBUCA®; CHERATUSSIN®AC; DARVON-N®; DEPODUR®; ENDOCET®; ENDODAN®; IBUDONE®; METADOL®; MEPERITAB®; METADOL-D®; NUBAIN®; NUCYNTA®; OPANA®; OPANA® ER; PERCOCET®; PERCODAN®; TRIDURAL®; STATEX®; VI-G-TUSS®; ZYDONE®.
- (ii) Qualifying Generic Opioids shall include any generic opioid manufactured, marketed, and/or sold by the Debtors, including but not limited to any of the following names: Anchen Pharmaceuticals, Boca Pharmacal, DAVA Pharmaceuticals, Endo Pharmaceuticals, Par Pharmaceutical, Par Sterile Products, Qualitest Pharmaceuticals, and Vintage Pharmaceuticals.

The following is a currently known (but not necessarily exhaustive) list of National Drug Codes (NDC’s) associated with Qualifying Generic Opioids: 63481-0161; 63481-0207; 63481-0348; 63481-0519; 63481-0685; 63481-0820; 63481-0952; 60951-0310; 63481-0612; 63481-0613; 63481-0624; 63481-0434; 63481-0435; 63481-0436; 63481-0437; 63481-0438; 63481-0439; 63481-0440; 63481-0522; 63481-0553; 63481-0571; 63481-0617; 63481-0674; 63481-0693; 63481-0812; 63481-0813; 63481-0814; 63481-0815; 63481-0816; 63481-0817; 63481-0818; 63481-0907; 63481-0621; 63481-0622; 63481-0623; 63481-0627; 63481-0628; 63481-0629; 63481-0121; 63481-0668; 63481-0669; 63481-0698; 00603-2337; 00603-2338; 00603-2339; 00603-9013; 00603-1020; 00603-1295; 00603-3880; 00603-3881; 00603-3882; 00603-3883; 00603-3884; 00603-3885; 00603-3886; 00603-3887; 00603-3888; 00603-3890; 00603-3891; 00603-3609; 00603-3897; 00603-3584; 00603-3586; 00603-4998; 00603-4978; 00603-4979; 00603-4982; 00603-4990; 00603-4991; 00603-4992; 00603-4993; 00603-4994; 00603-4997; 00603-1492; 60951-0602; 60951-0602; 60951-0700; 60951-0701; 60951-0712; 60951-0796; 60951-0797; 60951-6027; 60951-7968; 60951-7978; 60951-0310; 60951-6107; 60951-6108; 49884-0761; 49884-0762; 49884-0764; 63481-0532; 49884-0459; 49884-0460; 49884-0461; 49884-0462; 49884-0463; 49884-0464; 63481-0531; 63481-0533; 63481-0534; 49884-0761; 49884-0762; 49884-0763; 49884-0764; 67767-0120; 67767-0121; 67767-0122; 67767-0123; 67767-0120; 67767-0121; 67767-0122; 67767-0123; 00603-1091; 00603-1091; 00603-3897; 00603-3897; 00603-1306; 00603-3584; 00603-3586; 00603-3609; 00603-3880; 00603-3882; 00603-3882; 00603-3882; 00603-3882; 00603-3882; 00603-3882; 00603-3882; 00603-3883; 00603-3883; 00603-3883; 00603-3884; 00603-3884; 64376-0640; 64376-0640; 60951-6397; 60951-6398; 60951-6399; 60951-6407; 60951-6408; 60951-6417; 00254-3594; 00254-3591; 00254-3594; 00254-3594; 00254-3595; 00254-3596; 00603-1295; 00603-3881; 00603-3881; 00603-3881; 00603-3881; 00603-3881; 00603-3881; 00603-3881; 00603-3882; 00603-3882; 00603-3883; 00603-3883; 00603-3883; 00603-3885; 00603-3885; 00603-3885; 00603-3885 00603-3885; 00603-3885; 00603-3885; 00603-3885; 00603-3886; 00603-3886; 00603-3887; 00603-3887; 00603-3887; 00603-3887; 00603-

¹ [NTD: Subject to confirmation and verification.]

3887; 00603-3887; 00603-3887; 00603-3887; 00603-3887; 00603-3888; 00603-3888;
00603-3888; 00603-3888; 00603-3888; 00603-3888; 00603-3888; 00603-3888; 00603-
3888; 00603-3890; 00603-3890; 00603-3890; 00603-3890; 00603-3890; 00603-3890;
00603-3890; 00603-3890; 00603-3891; 00603-3891; 00603-3891; 00603-3891; 00603-
3891; 00254-3598; 00254-3601; 64376-0643; 64376-0643; 64376-0648; 64376-0648;
64376-0649; 64376-0649; 00254-3600; 00172-5643; 00172-5643; 00182-0681; 00182-
0681; 00254-3597; 00254-3597; 00254-3598; 00254-3600; 00254-3600; 00254-3601;
00677-1184; 00677-1184; 00677-1504; 00677-1504; 00677-1621; 00677-1622; 58809-
8380; 06686-9118; 06686-9128; 50991-0578; 50991-0579; 50991-0579; 50991-0578;
00603-4415; 00603-4416; 49884-0665; 49884-0666; 49884-0667; 49884-0668; 49884-
0669; 49884-0670; 49884-0833; 49884-0834; 49884-0835; 49884-0836; 49884-0837;
49884-0838; 60951-0652; 60951-0653; 60951-0655; 60951-0658; 60951-0659; 60951-
6528; 60951-6538; 60951-6558; 60951-6588; 00603-4978; 00603-4979; 00603-4979;
00603-4982; 00603-4982; 00603-4997; 00603-4998; 00603-4998; 00182-1465; 00254-
4832; 60951-6607; 60951-6608; 49881-0327; 49884-0326; 60951-0794; 60951-0795;
60316-2558; 60317-9958; 00603-1853; 60318-5358.

ANNEX 2

Acceptable Evidence for Establishing Use of Qualifying Opioid Products. All Eligible Future Opioid Trust Beneficiaries (“Claimant” or “Claimants”) must demonstrate a prescription (which contains the name of the Claimant or Decedent, as applicable) and a Qualifying Opioid by submitting one of the following pieces of evidence:

- (a) Pharmacy prescription records;
- (b) Prescription records, including without limitation:
 - (i) A visit note in which the prescribing physician lists a prescription for one of the Qualifying Opioids, or
 - (ii) A signed prescription from a doctor for one of the Qualifying Opioids;
- (c) A historical reference to one of the Qualifying Opioids, including but not limited to:
 - (i) A reference in contemporaneous medical records to historical use of one of the Qualifying Opioids,
 - (ii) A reference in contemporaneous substance abuse, rehabilitation, or mental health records to historical use of one of the Qualifying Opioids,
 - (iii) A reference in contemporaneous law enforcement records to historical use of one of the Qualifying Opioids, or
 - (iv) A reference in contemporaneous family law or other legal proceedings records to historical use of one of the Qualifying Opioids;
- (d) A photograph of the prescription bottle or packaging of one of the Qualifying Opioids with the name of the Claimant (or Decedent, as applicable) as the patient listed on the prescription label; or
- (e) A certification supplied by a Debtor, any of its successors (including the Future Opioid Trust), or a third party at a Debtor’s or one of its successors’ request, indicating the customer loyalty programs, patient assistance programs (“PAPs”) copay assistance programs, or any other data otherwise available to the certifying entity reflects that the Claimant (or Decedent, as applicable) had at least one prescription for one of the Qualifying Opioids.
- (f) The Future Opioid Trust shall have discretion to determine whether these requirements have been met so as to provide sufficient indicia of reliability that the Claimant or Decedent (as applicable) was prescribed and used Qualifying Opioids.

Exhibit B

Amended OCC Resolution Term Sheet

THIS TERM SHEET IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ANY KIND. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE. NOTHING CONTAINED IN THIS TERM SHEET SHALL BE AN ADMISSION OF FACT OR LIABILITY OR, UNTIL ENTRANCE OF THE RESOLUTION STIPULATION (AND SUBJECT TO THE TERMS THEREOF), DEEMED BINDING ON ANY OF THE PARTIES HERETO.

Amended Voluntary Present Private Opioid Claimant Trust Term Sheet

This Amended Voluntary Present Private Opioid Claimant Trust Term Sheet dated July 13, 2023 (the “VOTS” or “OCC Resolution Term Sheet”), by and among the Ad Hoc First Lien Group and the Official Committee of Opioid Claimants (collectively, the “Parties”), amends and restates that certain Voluntary Present Private Opioid Claimant Trust Term Sheet dated as of March 24, 2023, describes the proposed resolution with respect to certain items as set forth below, as well as certain related implementation and other matters being addressed between the Parties pursuant to the resolution of Opioid Claims through the establishment of a voluntary trust by the Stalking Horse Bidder as described herein (the “OCC Resolution”). This VOTS incorporates the rules of construction set forth in section 102 of the Bankruptcy Code. Certain capitalized terms used herein are defined in the glossary attached hereto or in the Bankruptcy Code. This VOTS does not include a description of all of the terms, conditions, and other provisions that are to be contained in the definitive documents implementing the OCC Resolution, which remain subject to negotiation among the Parties in accordance with the terms herein, as applicable.

GENERAL TERMS	
Overview	<p>The OCC Resolution will be implemented in connection with the Sale (if such Sale occurs), consistent with the terms of (a) this VOTS, and (b) the order approving the Sale Transaction (the “<u>Sale Order</u>”), which Sale Order will be in form and substance acceptable to the OCC as it relates to any terms related to this VOTS, or to Present Private Opioid Claimants (“<u>PPOCs</u>”) or to Public Opioid Claimants that are not otherwise represented by the Multi-State EC or the Plaintiffs Executive Committee (the “<u>PEC</u>”).</p> <p>To the extent the Stalking Horse Bidder is the Successful Bidder (as defined in the Bidding Procedures), the Stalking Horse Bidder will, on the Closing Date, provide for the establishment of the Present Private Opioid Claimant Resolution Trust (the “<u>PPOC Trust</u>”), which will be funded on the Closing Date with the PPOC Trust Consideration (defined below) provided by the Stalking Horse Bidder.</p> <p>Each PPOC that files a Proof of Claim by the Bar Date shall be offered the option to elect, on the terms and conditions set forth herein, to submit its Present Private Opioid Claim to the PPOC Trust and the applicable PPOC Sub-Trust, both to be established by the Stalking Horse Bidder on the terms and subject to conditions set forth herein.</p> <p>As a condition to the participation in the PPOC Trust by any PPOC, and as further set forth herein, each such PPOC shall be required to, first, “opt-in” to participate in the applicable PPOC Sub-Trust by, among other things, complying with any requirement to provide documentation in support of its Proof of Claim (such PPOCs that “opt-in” but that <i>do not</i></p>

	<p>become Participating PPOCs, the “<u>Opt-In PPOCs</u>”) and, second (and thereafter), execute a PPOC Release Form (the form of which is attached to this VOTS as Exhibit 1 and any modifications thereof shall be in form and substance acceptable to the OCC and, to the extent adversely affected by such modification, reasonably acceptable to the Debtors; <i>provided</i> that (i) the scope of the underlying release and the identity of the Released Parties listed in clauses (c) and (d), (i) (as it pertains to the Released Parties identified in clauses (c) and (d)), and (j) (as it pertains to the Released Parties identified in clauses (c) and (d)) of the definition of “Released Parties” in this VOTS dated as of March 24, 2023 shall be acceptable to the Required Consenting Global First Lien Creditors and (ii) any other aspect of the underlying release shall be reasonably acceptable to the Required Consenting Global First Lien Creditors), which PPOC Release Form will release all of such Participating PPOC’s Opioid Claims against the Released Parties, to be effective upon resolution of their Opioid Claims in accordance with the PPOC Trust Documents.</p> <p>The terms of the PPOC Trust shall be subject to definitive documentation in form and substance acceptable to the Required Consenting Global First Lien Creditors, the Stalking Horse Bidder, and the OCC.</p> <p>It is contemplated that, similar to the structures set forth in the <i>Purdue</i>¹ and <i>Mallinckrodt</i> chapter 11 plans of reorganization, various sub-trusts for PPOCs will be established by the Stalking Horse Bidder pursuant to this VOTS (and an order of the Bankruptcy Court) on the Closing Date or as otherwise set forth in the PPOC Trust Documents or applicable PPOC Sub-Trust Documents (as applicable) for the benefit of specific subsets of PPOCs, and the PPOC Trust shall allocate portions of the PPOC Trust Consideration (as determined in accordance with this VOTS) to such PPOC Sub-Trusts, which shall in turn make distributions to the relevant PPOC beneficiaries of such PPOC Sub-Trusts in accordance with the applicable PPOC Sub-Trust Documents.²</p> <p>The Parties will continue to reasonably cooperate regarding the execution of the transactions contemplated herein in a manner that will facilitate implementation of the Sale and implementation of the transfer of PPOC Trust Consideration to the PPOC Trust for the benefit of Participating PPOCs in accordance with this VOTS.</p>
<p>PPOC Trust</p>	<p>Each Opioid Claim held by a Participating PPOC shall be resolved in accordance with the terms, provisions, and procedures of the PPOC Trust Documents and any applicable PPOC Sub-Trust Documents. The PPOC Trust shall be funded in accordance with the provisions of this VOTS. The sole recourse of any Participating PPOC on account of any Opioid Claim shall be to the PPOC Trust (and any relevant PPOC Sub-Trust(s)) and each such Participating PPOC shall have no right whatsoever at any time to assert any Opioid Claim against any Released Party. For the avoidance of</p>

¹ This reference is to the structure agreed in connection with the currently vacated *Twelfth Amended Joint Chapter 11 Plan of Reorganization of Purdue Pharma L.P. and its Affiliated Debtors* filed in *In re Purdue Pharma L.P.*, Case No. 19-23649 (SHL) (Bankr. S.D.N.Y. Sept. 2, 2021) [ECF No. 3726], and for the avoidance of doubt is not intended to incorporate any developments in the *Purdue* cases that have not yet occurred at the time of entry into this VOTS.

² No Party shall be permitted or required to take any action contemplated by this VOTS (or the Resolution Stipulation) that adversely affects any of the holders of General Unsecured Claims (as defined in the UCC Resolution Term Sheet) or the terms contemplated by the UCC Resolution Term Sheet.

doubt, and as will be provided for in the PPOC Release Form (or some other document with respect to Opt-In PPOCs), the PPOC Release Form shall provide that the Stalking Horse Bidder shall have no liability whatsoever with respect to any Participating PPOC or Opt-In PPOC (even if such Opt-In PPOC does not execute the PPOC Release Form).

Subject to the Prepayment Option and to the extent the Stalking Horse Bidder is the Successful Bidder, the PPOC Trust will be funded with cash consideration by the Stalking Horse Bidder (the "PPOC Trust Consideration") in the aggregate amount of \$119,700,000 in U.S. dollars (such amount, the "PP Base Resolution Amount") in the following installment payments on the following dates (the "PPOC Trust Installment Payments") (subject to adjustment as set forth herein):

1. The first PPOC Trust Installment Payment shall be in the amount of \$30,233,333.34, to be paid on the Closing Date.
2. The next PPOC Trust Installment Payment shall be in the amount of \$29,733,333.33, to be paid on the first anniversary of the Closing Date;
3. The final PPOC Trust Installment Payment shall be in the amount of \$59,733,333.33, to be paid on the second anniversary of the Closing Date (the "Third PPOC Trust Installment Payment").

Any PPOC Trust Installment Payment not paid when due shall bear interest at a default rate of 12% per annum, compounding quarterly, from the due date until paid in full.

During the twelve (12) month-period commencing on the Closing Date, the Stalking Horse Bidder shall have the option to prepay in full the then-outstanding amount of the PPOC Trust Installment Payments, in an amount equal to the following (such option, the "PP Prepayment Option"):

- (a) \$89,700,000 if paid on the Closing Date;
- (b) \$95,800,000 if paid after the Closing Date but on or prior to the six month anniversary of the Closing Date; or
- (c) \$103,400,000 if paid after the six-month anniversary of the Closing Date but on or prior to the twelve month anniversary of the Closing Date (the applicable amount in each of the immediately preceding clauses (a) and (b) and this clause (c), the "PP Prepayment Amount").

For the avoidance of doubt, the applicable PP Prepayment Amount is inclusive of the amount of the first PPOC Trust Installment Payment paid on the Closing Date (and, with respect to any PP Prepayment Amount paid on or before the first anniversary of the Closing Date, in lieu of the PPOC Trust Installment Payment payable on the first anniversary of the Closing Date), and the applicable amount required to be paid in respect of a PP Prepayment Amount paid after the Closing Date shall be reduced by the PPOC Trust Installment Payment paid on the Closing Date and shall not include the PPOC Trust Installment Payment that would have otherwise been due on the first anniversary of the Closing Date.

For the avoidance of doubt, the PP Base Resolution Amount shall not be subject to increase as a result of disputes among any PPOCs and/or other parties regarding allocation or other issues with respect to Opioid Claims

	and/or the VOTS, but shall be subject to increase as set forth below in the section entitled “Adjustment to PP Base Resolution Amount.”
Prepayment Obligation	<p>To the extent the Stalking Horse Bidder is the Successful Bidder, if at any time the Stalking Horse Bidder prepays in full³ the amounts owing to the Public Opioid Trust or the Tribal Opioid Trust (other than as set forth elsewhere in this VOTS) as set forth in the Amended Voluntary Public/Tribal Opioid Trust Term Sheet (the “<u>Triggering Prepayment</u>”), then the Stalking Horse Bidder shall, on the same day as the prepayment to the Public Opioid Trust or the Tribal Opioid Trust, make a payment to the PPOC Trust (i) in the amount corresponding to the applicable PP Prepayment Amount, if the Triggering Prepayment occurs on or before the first anniversary of the Closing Date or (ii) in the amount of the net present value of the Third PPOC Trust Installment Payment (and any other outstanding remaining installment payments that come into existence due to the application of the PPOC Adjustment), discounted at a discount rate of twelve (12%) percent per annum, if the Triggering Prepayment occurs after the first anniversary of the Closing Date but before the second anniversary of the Closing Date. Notwithstanding the foregoing, if the Stalking Horse Bidder makes a Triggering Prepayment at a time when there are any overdue PPOC Trust Installment Payments, then in addition to the amounts described above, the Stalking Horse Bidder shall immediately make a payment to the PPOC Trust of such overdue amounts and any unpaid default interest at a rate of 12% of per annum, compounding quarterly from the date the underlying obligation was due to the date paid in full.</p> <p>Any payment required to be made under this section entitled “Prepayment Obligation” and not paid when due shall bear interest at a default rate of 12% per annum, compounding quarterly, from the due date until paid in full.</p> <p>For the avoidance of doubt, the provisions in this section shall apply to any payment to any Public Opioid Claimant or Tribal Opioid Claimant of cash or non-cash consideration, regardless whether such payment is made to the Public Opioid Trust, the Tribal Opioid Trust, or in some other manner, other than any payment made to the Public Schools.</p>
PPOC Trust Beneficiaries	<p>The eligible beneficiaries of the PPOC Trust (including any applicable PPOC Sub-Trusts) shall consist only of PPOCs who file Proofs of Claim prior to the Bar Date; <i>provided</i> that no PPOC that files a Proof of Claim shall be entitled to a distribution from the PPOC Trust (or the applicable PPOC Sub-Trust) unless such PPOC both (a) “opts-in” to participate in the applicable PPOC Sub-Trust by, among other things, complying with any requirement to provide documentation in support of its Proof of Claim and (b) executes and returns a PPOC Release Form; <i>provided, further</i>, that all eligible PPOCs shall be subject to the procedures set forth in the PPOC Trust Documents and any applicable PPOC Sub-Trust Documents.</p>

³ As of the date hereof, the Amended Voluntary Public/Tribal Opioid Term Sheet provides for only full prepayments to the Public Opioid Trust or the Tribal Opioid Trust. As such, this provision only applies to full prepayments of the Public Opioid Trust or the Tribal Opioid Trust. To the extent that the Stalking Horse Bidder, before or after the Closing Date, makes any partial prepayment of the Public Opioid Trust or the Tribal Opioid Trust, such partial prepayment of the Public Opioid Trust or the Tribal Opioid Trust shall be treated as a Triggering Prepayment.

	<p>For the avoidance of doubt, (i) none of the Public Opioid Claimants, Tribal Opioid Claimants, Putative Future Opioid Claimants (to the extent any are ever determined, adjudicated, or agreed to exist), Co-Defendants, or any distributor, manufacturer, or pharmacy engaged in the distribution, manufacture, or dispensing/sale of opioids or opioid products shall be entitled to receive funds from the PPOC Trust or any applicable PPOC Sub-Trusts, and (ii) the ultimate right to receive any PPOC Trust Consideration on account of an Opioid Claim shall be subject to, and determined pursuant to, the PPOC Trust Documents and the PPOC Sub-Trust Documents.</p>
<p>Allocation, Participation Procedure, and Over Funding of the PPOC Trust</p>	<p>Prior to the Bar Date, the OCC shall place information on its website (https://cases.ra.kroll.com/EndoOpioidClaimantInfo) with regard to (a) the allocation of PPOC Trust Consideration and (b) the trust distribution procedures for each PPOC Sub-Trust. It is contemplated that such allocations will be established according to PPOC categories.</p> <p>Following the Bar Date, each PPOC who filed a Proof of Claim will be offered the opportunity to participate in the further sub-allocation of that portion of the PPOC Trust Consideration that has been allocated to the PPOC category applicable to such PPOC’s Opioid Claims. It is currently contemplated that in order to participate in the applicable PPOC Sub-Trust, each PPOC (or its counsel on behalf such PPOC) will need to (a) “opt-in” to participate in the applicable PPOC Sub-Trust by, among other things, complying with any requirement to provide documentation in support of its Proof of Claim, and (b) execute a PPOC Release Form. In order to assist PPOCs, on a timetable determined by the OCC in consultation with the Ad Hoc First Lien Group (which shall be at some point after the Bar Date), “opt-in” forms (which will include blank PPOC Release Forms) will be mailed or e-mailed to each PPOC (or their counsel) that submitted a Proof of Claim and will be made available for electronic download at https://cases.ra.kroll.com/EndoOpioidClaimantInfo. The cost of mailing or e-mailing such forms (including all work necessary to do so) will not be borne by the OCC, Opioid Claimants, the PPOC Trust, any PPOC Sub-Trust, any Prepetition Secured Party (as defined in the Cash Collateral Order), or the Stalking Horse Bidder, it being understood that the OCC shall work cooperatively and reasonably with the Ad Hoc First Lien Group and the Debtors to make such process as cost-efficient as possible (including, to the extent determined by the OCC in its sole discretion, by maximizing the use of electronically delivered notice and limiting non-electronic notice to U.S. Postal Service regular first-class mail), while still balancing the need to ensure that Opioid Claimants that submitted a Proof of Claim are provided reasonable notice (which may be delivered electronically to their counsel to the extent such Opioid Claimants are represented by counsel) of both their right to “opt in” and the manner of how to do so; <i>provided</i> that the cost of such mailing shall be borne by the Debtors and is not anticipated to exceed \$1,000,000. The Debtors, the Ad Hoc First Lien Group, and the OCC shall work together in good faith to develop procedures designed to provide adequate notice to the PPOCs of their right to participate in the resolutions reflected herein;⁴ <i>provided</i> that such procedures do not delay the date for the Accelerated Sale Hearing (as defined in the Bidding Procedures Order) as</p>

⁴ This shall include the provision of a letter from the OCC to Opioid Claimants contained in the Debtors’ Bar Date materials.

	<p>set forth in the Bidding Procedures Order absent consent from the Debtors and the Ad Hoc First Lien Group. The PPOC Trust (or the applicable PPOC Sub-Trust) will not make distributions to any PPOC that does not both (a) opt-in to participate in the applicable PPOC Sub-Trust, and (b) execute a PPOC Release Form on or prior to the PPOC Participation Deadline.</p> <p>PPOCs will be provided with sufficient time (which will extend until at least six months after the Closing Date) (such date, as determined and agreed to by the OCC and the Ad Hoc First Lien Group, the “<u>PPOC Participation Deadline</u>”) to (a) opt-in to the applicable PPOC Sub-Trust and (b) voluntarily elect to execute and return the PPOC Release Form at his/her/its/their option and sole and unqualified discretion. Counsel to PPOCs shall have the ability to execute “Consolidated PPOC Release Forms” on behalf of their clients in the same manner as such counsel filed a consolidated Proof of Claim in accordance with the Bar Date Order on or prior to the Bar Date.</p> <p>Any PPOC that has both (a) opted-in to participate in the applicable PPOC Sub-Trust but (b) failed to timely execute and return a PPOC Release Form shall not be permitted to subsequently participate in the PPOC Trust (or applicable PPOC Sub-Trust); <i>provided</i> that in the sole discretion of the PPOC Trust Board (in good faith consultation with the applicable PPOC Sub-Trust Board), a PPOC Release Form received after the PPOC Participation Deadline may, for cause, be treated as timely.</p> <p>Promptly following the PPOC Participation Deadline, the PPOC Trust Board shall perform an accounting of how many PPOC Release Forms were executed and returned when compared with how many PPOCs chose to “opt-in” to participate in the PPOC Sub-Trust. At the request of the Stalking Horse Bidder, such accounting and underlying data shall be delivered (if so requested, the cost of such delivery shall be borne by the Stalking Horse Bidder, and redacted as necessary at the expense of the Stalking Horse Bidder) to the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder). With respect to each PPOC Sub-Trust, to the extent that the percentage of Opt-In PPOCs for such PPOC Sub-Trust exceeds 40% of the sum of Opt-In PPOCs and Participating PPOCs for such PPOC Sub-Trust (such excess percentage, the “<u>Underparticipation Percentage</u>”), then an amount equal to the product of the aggregate amount of PPOC Trust Consideration allocated to such PPOC Sub-Trust multiplied by the Underparticipation Percentage shall be returned to the Stalking Horse Bidder no later than ninety (90) days after such accounting is completed; <i>provided</i> that in no event shall funds be returned on account of a PPOC’s failure to timely execute a PPOC Release Form, which PPOC Release Form is subsequently treated as timely by the PPOC Trust Board.</p>
<p>Adjustment to PP Base Resolution Amount</p>	<p>The net present value (determined using a 12% discount rate) of the PP Base Resolution Amount is \$104,400,000 (the “<u>PP NPV</u>”).</p> <p>If the Stalking Horse Bidder is the Successful Bidder and to the extent that the consideration paid by the Stalking Horse Bidder (or any other party) to the Public Opioid Trust and the Tribal Opioid Trust exceeds a net present value of \$285,830,121 (the “<u>Public/Tribal Base NPV</u>,” which shall</p>

	<p>include both cash and non-cash consideration (if any)),⁵ then the PP NPV shall be proportionately increased, and the PP Base Resolution Amount shall be adjusted to reflect such increase (determined using a 12% discount rate) (such adjustment, a “<u>PPOC Adjustment</u>”). In furtherance of the foregoing, (i) to the extent such Public/Tribal Base NPV is increased on or prior to the Closing Date, the associated increase to the PP NPV contemplated hereby shall be funded to the PPOC Trust in full on the Closing Date, and (ii) to the extent such Public/Tribal Base NPV is increased after the Closing Date, the associated increase to PP NPV contemplated hereby shall be funded to the PPOC Trust within twenty (20) calendar days of the date of agreement on the amount of the increase to the Public/Tribal Base NPV.</p> <p>For purposes of this provision, the foregoing amount of Public/Tribal Base NPV (and any subsequent increases) is (or shall be) determined using (a) a 12% discount rate for the Tribal Opioid Trust and (b) a 12.75% discount rate for the Public Opioid Trust.</p> <p>For the avoidance of doubt, the provisions in this section shall apply to any payment of cash or non-cash consideration made to any Public Opioid Claimant or Tribal Opioid Claimant, regardless of whether such payment is made to the Public Opioid Trust, the Tribal Opioid Trust, or in some other manner, other than any payment made to the Public Schools.</p> <p>Any payment required to be made under this section entitled “Adjustment to PP Base Resolution Amount” and not paid when due shall bear interest at a default rate of 12% per annum, compounding quarterly, from the due date until paid in full.</p>
<p>PPOC Trust -- <i>Dividend Payments</i></p>	<p>The PPOC Trust Documents (and any relevant document executed by the Stalking Horse Bidder, to the extent the Stalking Horse Bidder is the Successful Bidder) shall provide that, upon the payment of a dividend to holders of equity interests in the Stalking Horse Bidder (or, without duplication, a parent entity thereof that issues equity interests on the Closing Date), an equal payment of the gross amount of such dividend must be made to the PPOC Trust, which shall reduce the amount of the outstanding PPOC Trust Installment Payments on a dollar-per-dollar basis, with such reduction to be applied to the remaining PPOC Trust Installment Payments in reverse chronological order.</p> <p>Any payment required to be made under this section entitled “PPOC Trust-Dividend Payments” and not paid when due shall bear interest at a default rate of 12% per annum, compounding quarterly, from the due date until paid in full.</p>
<p>PPOC Trust -- <i>Change of Control</i></p>	<p>The PPOC Trust Documents shall provide that, upon a Change of Control, the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder) must either (1) immediately provide the PPOC Trust with a payment equal to (i) with respect to any Change of Control that occurs on or before the first anniversary of the Closing Date, the applicable PP Prepayment Amount otherwise payable on the date of such Change of</p>

⁵ As of the date hereof, the Amended Voluntary Public/Tribal Opioid Term Sheet does not provide either the Public Opioid Trust or the Tribal Opioid Trust with any non-cash consideration from the Stalking Horse Bidder. To the extent such fact changes in the future, the OCC and the Ad Hoc First Lien Group agree to work together in good faith to determine the value of any such non-cash consideration.

	<p>Control; or (ii) with respect to any Change of Control that occurs after the first anniversary of the Closing Date, the Third PPOC Trust Installment Payment and any other outstanding remaining installment payments that come into existence due to the application of the PPOC Adjustment, which amount in this clause (ii), if made before the second anniversary of the Closing Date, shall be paid at a price equal to the present value of such amount, discounted at a discount rate of twelve (12%) percent per annum (the “<u>Change of Control Payment</u>”), or (2) provide for the assumption of the obligation to make the PPOC Trust Installment Payments by a Qualified Successor.</p> <p>Any payment required to be made under this section entitled “PPOC Trust-Change of Control” and not paid when due shall bear interest at a default rate of 12% per annum, compounding quarterly, from the due date until paid in full.</p>
<p>PPOC Trust – Other Covenants</p>	<p>The PPOC Trust Documents shall provide for covenants that are the same (<i>mutatis mutandis</i>) as those covenants that are included in the Public Opioid Trust (in accordance with the Amended Voluntary Public/Tribal Opioid Trust Term Sheet) (and/or are included in any documentation thereof), which shall include, without limitation, (i) a limitation on permitted investments by the Obligors, which shall be consistent with terms agreed in any new money indebtedness raised or deemed incurred at or around the Closing Date by any of the Obligors plus a customary level of incremental cushion, consistent with the covenants set forth in this VOTS and agreed as part of the PPOC Trust solely with respect to Present Private Opioid Claims, (ii) a maximum allowed net leverage ratio equal to 5.0x, (iii) a limitation on restricted payments by the Obligors which shall be consistent with terms agreed in any new money indebtedness raised or deemed incurred at or around the Closing Date by any of the Obligors plus a customary level of incremental cushion, consistent with the covenants set forth in this VOTS and agreed as part of the PPOC Trust solely with respect to Present Private Opioid Claims, and (iv) reporting requirements to be provided to the PPOC Trust, which shall require the provision of periodic reporting materials and notices consistent with the reporting and notice requirements agreed in any new money indebtedness raised or deemed incurred at or around the Closing Date by any of the Obligors.</p> <p>For the avoidance of doubt, the PPOC Trust (and any PPOC Sub-Trusts, to the extent applicable) shall receive the benefit of the same covenants (as well as prepayment obligations, as set forth elsewhere in this VOTS) as the Public Opioid Trust.</p>
<p>Rights of PPOCs That Do Not Participate in PPOC Trust</p>	<p>The rights, as against the Debtors, of any PPOC that chooses not to participate in the PPOC Trust shall be fully preserved and such PPOC and the Debtors shall retain whatever respective rights and remedies are available to each under applicable law.</p>
<p>Trust Expenses</p>	<p>Except as otherwise set forth herein, all expenses for the post-closing administration of the PPOC Trust and any PPOC Sub-Trust (collectively, the “<u>PPOC Trust Expenses</u>”) shall, in accordance with the applicable PPOC Trust Documents and PPOC Sub-Trust Documents, respectively, be paid solely from the PPOC Trust Consideration. Notwithstanding the above, if the applicable PP Prepayment Amount is not paid at Closing, then at Closing, the Stalking Horse Bidder shall fund \$875,000 into an</p>

	<p>escrow account, and the escrow agent and documentation with respect thereto shall be reasonably acceptable to the Required Consenting Global First Lien Creditors and the OCC, which funds shall solely be used by the PPOC Trust for litigation or enforcement costs necessary to enforce the terms of the VOTS, the Private Opioid Trust Documents, or the Private Opioid Sub-Trust Documents, against the Stalking Horse Bidder.</p>
<p>Tax Matters</p>	<p>The PPOC Trust and any PPOC Sub-Trusts are each intended to be treated as a qualified settlement fund for U.S. federal income tax purposes (“<u>QSF</u>”) to the extent permitted under applicable law, and, to such extent, the PPOC Trust Consideration is intended to be treated as amounts transferred to a QSF by, or on behalf of, a transferor to resolve or satisfy a liability for which the QSF is established; provided, however, that solely for U.S. federal income tax purposes, to the extent that the PPOC Trust does not meet the requirements of U.S. Treas. Reg. Section 1.468B-1(c)(1) and (3), the PPOC Trust Consideration shall be treated as owned by the transferor thereof pursuant to U.S. Treas. Reg. Section 1.468B-1(j)(1); provided, further, however, that the PPOC Trust and any PPOC Sub-Trusts shall be implemented with the objective of maximizing tax efficiency to the Prepetition First Lien Secured Parties (as defined in the Cash Collateral Order), the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder and, including with respect to the availability, location, and timing of tax deductions), the PPOC Trust, any PPOC Sub-Trusts, and the Participating PPOCs. To the extent that there is a tax savings for benefit of the PPOC Trust because the PPOC Trust is not a QSF and the transferor of the PPOC Trust Consideration is treated as owning the PPOC Trust Consideration for U.S. federal income tax purposes (pursuant to U.S. Treas. Reg. Section 1.468B-1(j)(1)), as determined by the PPOC Trust, upon a reasonable request setting forth in reasonable detail the amount of such tax savings, to the extent of available cash in the PPOC Trust the transferor shall be entitled to receive from the PPOC Trust an amount equal to such tax savings.</p> <p>To the extent that Section 162(f)(1) of the Internal Revenue Code would otherwise apply to payments to the PPOC Trust, the Parties agree to treat such payments as “restitution” within the meaning of Section 162(f)(2) of the Internal Revenue Code solely to the extent allowed by applicable law.</p> <p>The Parties agree to treat the implementation of this VOTS consistent with the foregoing to the extent permitted by applicable law, provided, however, that to the extent the PPOC Trust Consideration is paid by, or on behalf of, an Irish or other entity that is created, organized or resident in a jurisdiction outside the United States (a “<u>Non-U.S. Payor</u>”) to the PPOC Trust or, if applicable, the PPOC Sub-Trusts, the structuring, implementation and tax reporting with the objective of maximizing tax efficiency to the Prepetition First Lien Secured Parties or Stalking Horse Bidder shall be exclusively at the expense of the Stalking Horse Bidder.</p> <p>To the extent the Stalking Horse Bidder is the Successful Bidder and elects for the PPOC Trust Consideration to be paid to the PPOC Trust by a Non-U.S. Payor the Stalking Horse Bidder shall bear any non-U.S. income, withholding, stamp, transfer or any other taxes imposed by such jurisdiction on the payment of PPOC Trust Consideration to the PPOC Trust, and to the extent that the PPOC Trust is ignored for such non-U.S. tax purposes, the PPOC Sub-Trusts, and, without duplication, any non-</p>

	U.S. tax reporting costs incurred by the PPOC Trust, or if applicable, the PPOC Sub-Trusts, that would not have been incurred but for the use of a Non-U.S. Payor.
Sale Order	The Sale Order shall be in form and substance acceptable to the Required Consenting Global First Lien Creditors and acceptable to the OCC as it relates to the terms of this VOTS and any other matters affecting PPOCs or Public Opioid Claimants that are not otherwise represented by the Multi-State EC or the PEC.
Bidding Procedures Order	The Bidding Procedures, and the Bidding Procedures Order, shall be in form and substance acceptable to the Required Consenting Global First Lien Creditors and acceptable to the OCC as it relates to the terms of this VOTS and any other matters affecting PPOCs or Public Opioid Claimants that are not otherwise represented by the Multi-State EC or the PEC, and shall otherwise be in form and substance reasonably acceptable to the OCC, it being understood and agreed that the form of Bidding Procedures Order (and the Bidding Procedures themselves) filed at [ECF No. 1483] is acceptable to the OCC.
Document Repository	<p>The terms of funding of the Document Repository shall be as set forth in the Voluntary Operating Injunction. All costs and expenses in excess of this amount shall be paid from the Public Trust Consideration (as that term is defined in the Amended Voluntary Public/Tribal Opioid Trust Term Sheet).</p> <p>As set forth in the Voluntary Operating Injunction, the specific provisions of the Voluntary Operating Injunction related to Endo’s Opioid Business (as such term is defined in the Voluntary Operating Injunction) apply to the operation of Endo’s Opioid Business by any subsequent purchaser.</p> <p>Upon the filing of this OCC Resolution Term Sheet with the Bankruptcy Court, the Ad Hoc First Lien Group will facilitate further discussions among the OCC and the Multi-State EC regarding the inclusion of PPOC representatives on any board or other managing body of the Document Repository.</p>
Other Resolutions	Nothing in this VOTS limits the ability of the Debtors or the Required Consenting Global First Lien Creditors to reach agreements and/or resolutions with non-PPOCs that do not impair, affect, or otherwise modify the terms set forth herein or that would otherwise affect PPOCs; <i>provided</i> that the Ad Hoc First Lien Group shall engage in good faith consultation with the OCC, with regard to any proposed resolutions among the Ad Hoc First Lien Group and other case parties who hold, may hold, or purport to hold opioid claims (both present and/or future); <i>provided, further,</i> that any such proposed resolutions that adversely affects PPOCs shall be in form and substance acceptable to the OCC.
OCC Hourly Professional Fees	<p>Beginning as of the date hereof, the following terms shall apply to the incurrence of fees by professionals retained or otherwise employed by the OCC that are compensated on an hourly basis (such professionals, the “<u>OCC Hourly Professionals</u>” and, the fees of such professionals, the “<u>OCC Hourly Professional Fees</u>”):</p> <p>(a) Subject to the carve outs listed below in the immediately succeeding clause (b), OCC Hourly Professional Fees that are paid</p>

	<p>shall be capped (the “<u>Fee Cap</u>”) at (i) \$8.5 million from and including the date hereof through and including October 31, 2023, and (ii) \$500,000 per month beginning November 1, 2023. For the avoidance of doubt, the Fee Cap shall not apply to any amounts owing to Jefferies, LLC (“<u>Jefferies</u>”) under the order approving Jefferies’ retention as investment banker to the OCC.</p> <p>(b) The fees paid to OCC Hourly Professionals for the following services shall not be subject to the Fee Cap (such services, the “<u>Carved Out Services</u>”):</p> <ol style="list-style-type: none">(1) Negotiation, documentation, prosecution, and implementation of this VOTS, including any and all of its provisions (including, without limitation, and for the avoidance of doubt, any and all work relating to the PPOC Trust Documents, the PPOC Sub-Trust Documents, and any other matters contemplated by this VOTS);(2) Negotiation and documentation of the Resolution Stipulation among the OCC, the Debtors, the Official Committee of Unsecured Creditors, and the Ad Hoc First Lien Group and any approval (to the extent applicable) of any further stipulation or entry of any order (which could include the Sale Order) approving any provisions in this VOTS;(3) Any work responding to discovery (including any subpoenas for trial or deposition testimony, interrogatories, document discovery, etc.) propounded on the OCC, its members, or its professionals (or any discovery issues to which the OCC, its members, or its professionals must participate in);(4) Any cooperation given by the OCC Hourly Professionals relating to inbound requests from third parties (or Court orders) regarding other case resolutions; and(5) The fulfillment of the OCC’s fiduciary duties that arise from reasonably unforeseen consequences or facts as of the Standstill Commencement Date (it being understood and agreed that the OCC Hourly Professionals shall provide immediate written notice to counsel to the Ad Hoc First Lien Group of such unforeseen consequences or facts, <i>provided</i> any such consequences or facts that constitute confidential information of the OCC may be disclosed to the advisors to the Ad Hoc First Lien Group on a “professional eyes only” basis, provided, further, that the advisors to the Ad Hoc First Lien Group may disclose the fact that such notice was delivered, and the advisors to the Ad Hoc First Lien Group and the advisors to the OCC will discuss in good faith the content of additional disclosures that may be made in connection with such notice). <p>(c) The Fee Cap is only applicable in the event of both (i) a global resolution between the Official Committee of Unsecured Creditors,</p>
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	<p>the Debtors, the Ad Hoc First Lien Group, and the OCC and (ii) the implementation of the resolution herein via the establishment and funding of the PPOC Trust by the Stalking Horse Bidder in the event it is the Successful Bidder in the Debtors' sale process.</p> <p>(d) Assuming that the OCC Hourly Professionals are not required (as reasonably determined by the OCC Hourly Professionals) to perform any services during and in furtherance of the Wind-Down (as defined in the Amended Restructuring Term Sheet), (i) any rows entitled "TBD" in the Amended Wind-Down Budget (as defined in, and attached as Exhibit B to, the Amended Restructuring Term Sheet) for OCC Hourly Professional Fees shall be removed from the Wind-Down Budget and (ii) OCC Hourly Professional Fees incurred at any time after the Closing Date shall not be asserted against or paid by the Debtors' estates. In the event there is anticipated to be post-Closing Date work for the OCC, a reasonable budget will be agreed to by the Required Consenting Global First Lien Creditors and the OCC (or as determined by the Mediator (as defined in the Mediation Order) or some other third party mutually selected by the Parties if such agreement cannot be reached), and included in the Wind-Down Budget. It is acknowledged and agreed that if the Debtors pursue a liquidating Plan (whether for one or more Debtors), the OCC Hourly Professionals shall be required to provide services. The OCC Resolution is subject, in all respects, to the implementation of the modifications to the Wind-Down Amount and Amended Wind-Down Budget reflected in the Amended Restructuring Term Sheet. The Wind-Down shall be implemented in a manner consistent with this VOTS, to the extent matters addressed in this VOTS are applicable to the Debtors or their estates during the Wind-Down. The Debtors shall (x) consult with the OCC, in good faith, with regard to the Debtors' implementation of the wind down of the Debtors' estates and (y) provide the OCC with no less than 45 days' advance notice of the dismissal of any Debtor's chapter 11 case; the OCC reserves all rights with respect to the Debtors' dismissal of any Debtor's chapter 11 case.</p> <p>(e) All fees of OCC Hourly Professionals incurred prior to the Standstill Commencement Date shall be paid in full, subject to fee examiner review, Bankruptcy Court review, and any objections that may be filed by any party other than the Debtors, the Official Committee of Unsecured Creditors, the Ad Hoc First Lien Group, the Non-RSA First Lien Lender Group, and the Ad Hoc Cross-Holder Group; <i>provided</i> that Akin Gump Strauss Hauer & Feld, as special counsel to the OCC, and Province, LLC, as the financial advisor to the OCC, shall reduce and write off the amount for which it will seek payment from the Debtors' estates for incurred fees in respect of actual services rendered that are not Carved Out Services incurred after the Standstill Commencement Date by \$250,000 each (\$500,000 in the aggregate), which reduction shall be implemented in connection with such services rendered beginning no earlier than May 2023 and then in each successive calendar month thereafter in the amount of \$50,000 for each firm, until such</p>
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	<p>\$500,000 in actually incurred fees is written off and reduced (such reduction and write-off, the “<u>Fee Reduction</u>”).</p>
<p>Allocation of PPOC Trust Proceeds Among PPOCs</p>	<p>The following terms shall apply to the allocation of PPOC Trust Consideration among the Participating PPOCs:</p> <ul style="list-style-type: none"> (a) The OCC, in consultation with counsel to certain PPOCs, will, in the exercise of its fiduciary duties, determine the reasonable allocation of any PPOC Trust Consideration among the various categories of PPOCs. (b) To the extent that the OCC determines it is necessary, the OCC shall select a mediator to help mediate any disputes regarding allocation of any PPOC Trust Consideration among the PPOCs; <i>provided</i> that, for the avoidance of doubt, the OCC will make the final determination regarding allocation of PPOC Trust Consideration if mediation does not result in a resolution. (c) To the extent that a mediator is selected, the mediator’s fees shall be subject to the Fee Cap (as if such mediator was an OCC Hourly Professional), and the duration of mediation shall be no longer than one month from the date that the OCC determines to select a mediator. (d) To the extent any ad hoc group of PPOCs (representing more than 50% of the PPOCs in number in such PPOC sub-category) files and thereafter prosecutes at the Sale Hearing an objection to the Debtors’ proposed sale to the Stalking Horse Bidder, the allocated portion of PPOC Trust Consideration that would otherwise have been distributed to such PPOC sub-category shall be reduced from the amount that the Stalking Horse Bidder is required to fund in the section herein entitled “PPOC Trust.”
<p>Documentation</p>	<p>The Private Opioid Trust Documents, which may be attached as an exhibit to the Sale Order or other applicable order (and shall be approved thereunder), shall be in form and substance reasonably acceptable to the OCC and the Required Consenting Global First Lien Creditors; <i>provided</i> that approval of such PPOC Trust Documents by the Required Consenting Global First Lien Creditors shall not be unreasonably withheld or conditioned, or delayed; <i>provided further</i> that the categorization of the various PPOC Sub-Trusts and the distribution mechanics related to the PPOC Trust and any PPOC Sub-Trusts shall be acceptable to the OCC. Any and all PPOC Sub-Trust Documents shall be in form and substance reasonably acceptable to the lead counsel to the applicable category of Participating PPOCs (as identified by the OCC) and, solely to the extent any such PPOC Sub-Trust Documents impose obligations on the Stalking Horse Bidder, the Requisite Consenting Global First Lien Creditors.</p> <p>For the avoidance of doubt, the OCC shall have consent rights over (i) the Bidding Procedures Order, Sale Order and related documents to the extent that they relate to the OCC Resolution or PPOCs or Public Opioid Claimants that are not otherwise represented by the Multi-State EC or the PEC (and the Bidding Procedures Order shall be in form and substance acceptable to the Required Consenting Global First Lien Creditors), (ii) all Private Opioid Trust Documents, and (iii) other documents or provisions that relate to the OCC Resolution, this VOTS, or Participating PPOCs. The parties shall discuss in good faith and agree to (i) the necessary findings</p>

	<p>regarding the reasonableness of the OCC Resolution and approvals of various portions of the OCC Resolution to be included in the Sale Order or other applicable order and (ii) provisions for retention of jurisdiction of the Court to be included in the Sale Order or other applicable order.⁶</p>
<p>Further Assurances</p>	<p>The Debtors (solely to the extent specifically set forth herein or in the Resolution Stipulation), the Required Consenting Global First Lien Creditors, the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder), and the OCC (and following its effectiveness, the PPOC Trust) shall use commercially reasonable efforts to execute and deliver such documents and take such actions as may reasonably be requested in order to consummate more effectively the transactions contemplated by the VOTS and the Resolution Stipulation. To the extent any legal or structural impediment would prevent, hinder, or delay the consummation of the transactions contemplated by the VOTS and the Resolution Stipulation, the foregoing parties shall negotiate in good faith appropriate additional or alternative provisions to address and resolve any such impediment; <i>provided</i> that the economic outcome for such parties, the anticipated timing of the closing under the Amended PSA, and other material terms of the VOTS and the Resolution Stipulation must be substantially preserved in any such alternative provisions.</p>
<p>Condition Precedent to Effectiveness of this VOTS</p>	<p>Prior to the date hereof, the OCC will be provided with a copy of the proposed final UCC Resolution Term Sheet (as defined in the Resolution Stipulation) so as to permit the OCC to assure itself that there is no difference between the two Committees Resolution Term Sheets (as defined in the Resolution Stipulation) (or that the OCC is comfortable with such difference) as it relates to (a) whether the respective Committees Resolution Term Sheets will apply in the event a party other than the Stalking Horse Bidder is declared the Successful Bidder, (b) whether the respective Committees Resolution Term Sheets will apply in the event of a sale of the Debtors’ assets to another bidder other than the Stalking Horse Bidder, or (c) on what conditions the respective Committees Resolution Term Sheets terminate.</p>

⁶ The Parties agree that there will be findings and approvals contained in an order.

Glossary of Key Defined Terms

Term	Meaning
Ad Hoc Cross-Holder Group	That certain ad hoc group of First Lien Creditors, Second Lien Creditors, and Unsecured Notes Creditors (each as defined in the Amended and Restated RSA) (together with their respective successors and permitted assigns) represented by Paul Weiss Rifkind and Garrison, LLP in the Chapter 11 Cases.
Ad Hoc First Lien Group	Has the meaning ascribed to such term in the Cash Collateral Order.
Amended and Restated RSA	Has the meaning ascribed to such term in the Resolution Stipulation.
Amended PSA	Has the meaning ascribed to such term in the Resolution Stipulation.
Amended Restructuring Term Sheet	Has the meaning ascribed to such term in the Resolution Stipulation.
Amended Voluntary Public/Tribal Opioid Trust Term Sheet	The term sheet dated March 24, 2023 describing the resolution agreed to between the Ad Hoc First Lien Group and the Multi-State EC.
Arnold & Porter Parties	Arnold & Porter Kaye Scholer LLP, and any applicable affiliates, subsidiaries, partners, employees, or other related entities or persons (other than, for the avoidance of doubt, directors, officers or employees of the Debtors that are Released Parties).
Bankruptcy Code	Title 11 of the United States Code.
Bankruptcy Court	The United States Bankruptcy Court for the Southern District of New York.
Bar Date	The applicable deadline established by the Bar Date Order for all Persons to file a Proof of Claim.
Bar Date Order	The <i>Order (I) Establishing Deadlines for Filing Proofs of Claim; (II) Approving Procedures for Filing Proofs of Claim; (III) Approving the Proof of Claim Forms; (IV) Approving the Form and Manner of Notice Thereof; and (V) Approving the Confidentiality Protocol</i> , filed at [ECF No. 733], as may be revised and as ultimately entered by the Bankruptcy Court in the Chapter 11 Cases.
Bidding Procedures	The bidding procedures in connection with the sale or sales of substantially all of the Debtors’ assets pursuant to section 363 of the Bankruptcy Code, including certain dates and deadlines thereunder, as approved by the Bidding Procedures Order.
Bidding Procedures Order	The <i>Order(I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, and (III) Granting Related Relief</i> [ECF No. 1765].
Cash Collateral Order	The <i>Amended Final Order (I) Authorizing Debtors to Use Cash Collateral; (II) Granting Adequate Protection to Prepetition Secured Parties; (III) Modifying</i>

Term	Meaning
	<i>Automatic Stay; and (IV) Granting Related Relief</i> [ECF No. 535] authorizing the Debtors’ use of Cash Collateral, inclusive of all exhibits and schedules thereto.
Change of Control	Has the meaning ascribed to such term in the First Lien Notes Indentures, as applied to the Stalking Horse Bidder.
Change of Control Payment	Has the meaning ascribed to such term in the section entitled “ <u>PPOC Trust -- Change of Control.</u> ”
Chapter 11 Cases	The voluntary cases commenced by the Debtors on August 16, 2022 in the Bankruptcy Court under chapter 11 of the Bankruptcy Code and jointly administered under the case caption <i>In re Endo International plc, et al.</i> , Case No. 22-22549 (JLG).
Closing Date	Has the meaning ascribed to such term in the Amended PSA.
Co-Defendant(s)	Any person or entity that is named as a defendant in any cause of action in any way related to opioids or opioid products in which any of the Debtors are also named as a party defendant.
Debtors	Endo International plc and its debtor affiliates, as debtors and debtors in possession.
Document Repository	Shall mean the public document repository described in the Voluntary Operating Injunction.
Estate Causes of Action	Any and all claims, suits, judgments, damages, rights, remedies, causes of action, avoidance powers, liabilities of any nature whatsoever, arising under any provision of the Bankruptcy Code or any applicable nonbankruptcy law, including, without limitation, any and all claims under chapter 5 of the Bankruptcy Code, whether asserted or assertable directly or derivatively in law or equity or otherwise, that the Debtors’ estates may have or are entitled to assert on behalf of their respective estates (whether or not asserted), including against (a) the Debtors’ current and former officers, directors, and fiduciaries, (b) the Debtors’ current and former advisors, attorneys, accountants, consultants, or representatives, (c) the Debtors’ current and former insurers, and (d) TPG Inc. and/or its subsidiaries, affiliates, parents and each of their predecessors, successors, and assigns. For the avoidance of doubt, Estate Causes of Action includes claims, suits, judgments, damages, rights, remedies, causes of action, and avoidance powers against Released Parties and Excluded Parties.
Excluded Parties	(i) any of the Debtors’ current or former third party agents, partners, representatives, or consultants involved in the production, distribution, marketing, promotion, or sale of opioid products, but shall exclude the Debtors’ (x) current and former officers, directors, and employees (solely in their capacity as such) and (y) professionals retained by the Debtors in the chapter 11 cases (which for the avoidance of doubt shall include any ordinary course professionals) (solely in their capacity as such), (ii) the Arnold & Porter Parties; (iii) the McKinsey Parties; (iv) Practice Fusion, Inc.; (v) Publicis Health Media, an affiliate of Razorfish Health LLC; (vi) ZS Associates, Inc; (vii) the Co-Defendants; and (viii) any distributor, manufacturer or pharmacy engaged in the distribution, manufacture, or dispensing/sale of opioids or opioid products.
Exclusivity Motion	The <i>Motion of Debtors for an Order Pursuant to Bankruptcy Code Section 1121(d) Extending the Debtors’ Exclusive Periods to File a Chapter 11 Plan and Solicit Acceptances Thereof</i> , dated December 14, 2022 [ECF No. 979].

Term	Meaning
Fee Cap	Has the meaning ascribed to such term in the section entitled “ <u>OCC Hourly Professional Fees.</u> ”
Jefferies	Has the meaning ascribed to such term in the section entitled “ <u>OCC Hourly Professional Fees.</u> ”
Joint Standing Motion	The <i>Motion of the Official Committee of Unsecured Creditors and the Official Committee of Opioid Claimants for (I) Entry of an Order Granting Leave, Standing, and Authority to Commence and Prosecute Certain Claims on Behalf of the Debtors and (II) Settlement Authority in Respect of Such Claims</i> , dated January 23, 2023 [ECF No. 1243].
Mediation Order	Has the meaning ascribed to such term in the Resolution Stipulation.
McKinsey Parties	McKinsey & Company, Inc., McKinsey & Company, Inc. United States, and any applicable affiliates, subsidiaries, or other related entities or persons (other than, for the avoidance of doubt, directors, officers, or employees of the Debtors that are Released Parties).
Multi-State EC	The Multi-State Endo Executive Committee, comprised of, as of the date hereof, 38 States and the District of Columbia, as well as the Territories of Guam, Puerto Rico, and the U.S. Virgin Islands, as disclosed in the statements filed by the Multi-State Endo Executive Committee pursuant to Bankruptcy Rule 2019 in the Chapter 11 Cases at [ECF Nos. 125, 141, 568, 632, and 2247], and advised by Pillsbury Winthrop Shaw Pittman, LLP in the Chapter 11 Cases.
Non-Debtor Affiliates	The affiliates and subsidiaries of Endo International plc that did not file voluntary petitions for relief in the Chapter 11 Cases.
Non-RSA First Lien Lender Group	The ad hoc group of First Lien Creditors (as defined in the Amended and Restated RSA) represented by Jones Day and identified on the most recent verified statement filed by Jones Day on the docket in the Chapter 11 Cases pursuant to Bankruptcy Rule 2019.
Obligors	The Stalking Horse Bidder, to the extent the Stalking Horse Bidder is the Successful Bidder, and all of its restricted subsidiaries.
OCC	The Official Committee of Opioid Claimants appointed in the Chapter 11 Cases.
OCC Resolution	As defined in the preamble of this VOTS.
Opioid Claim	Claims and Causes of Action, existing as of the Petition Date, against any of the Debtors or Non-Debtor Affiliates in any way arising out of or relating to opioid products manufactured or sold by any of the Debtors, any Non-Debtor Affiliate, any of their respective predecessors, or any other Released Party prior to the Closing Date, including, for the avoidance of doubt, Claims for indemnification (contractual or otherwise), contribution, or reimbursement against any of the Debtors, any Non-Debtor Affiliate, any of their respective predecessors, or any other Released Party on account of payments or losses in any way arising out of or relating to opioid products manufactured or sold by any of the Debtors, any Non-Debtor Affiliate, or any of their respective predecessors prior to the Closing Date. Notwithstanding anything in this

Term	Meaning
	definition of “Opioid Claim,” for the avoidance of doubt, a Putative Future Opioid Claimant (to the extent any exist) does not hold an Opioid Claim.
Participating PPOC	A Present Private Opioid Claimant that (i) files a Proof of Claim, (ii) elects to participate in (i.e. “opts in” to) the PPOC Trust or such claimant’s applicable PPOC Sub-Trust, and (iii) executes and returns a PPOC Release Form, subject to the terms and conditions of the PPOC Trust Documents (including with respect to the releases described herein and therein).
Person	An individual, a partnership, a joint venture, a limited liability company, a corporation, a trust, a government entity, an unincorporated organization, a group, or any legal entity or association.
Petition Date	August 16, 2022.
PP Base Resolution Amount	Has the meaning ascribed to such term in the section entitled “ <u>PPOC Trust.</u> ”
PP NPV	Has the meaning ascribed to such term in the section entitled “ <u>Adjustment to PP Base Resolution Amount.</u> ”
PP Prepayment Option	Has the meaning ascribed to such term in the section entitled “ <u>PPOC Trust.</u> ”
PPOC Participation Deadline	Has the meaning ascribed to such term in the section entitled “Allocation, Participation Procedure, and Over Funding of the PPOC Trust.”
PPOC Release Form	The form attached hereto as Exhibit 1, which PPOCs must execute and deliver to the PPOC Trust in order to become a beneficiary of the PPOC Trust and such PPOC’s applicable PPOC Sub-Trust.
PPOC Sub-Trust(s)	One or more sub-trusts formed in respect of categories of Participating PPOCs that will receive allocations of PPOC Trust Consideration from the PPOC Trust.
PPOC Sub-Trust Administrator	The administrator that may be appointed by the OCC or the applicable PPOC Sub-Trustee(s) pursuant to the PPOC Sub-Trust Documents to administer Opioid Claims and perform other administrative functions related to the applicable PPOC Sub-Trust.
PPOC Sub-Trust Board	The applicable board (or similar body) charged with the management and oversight of a PPOC Sub-Trust in accordance with the relevant PPOC Sub-Trust Document, which board or body shall be comprised of one or more trustees appointed in accordance with the PPOC Sub-Trust Document.
PPOC Sub-Trust Documents	The documents governing, inter alia,: (i) each PPOC Sub-Trust; (ii) the flow of consideration from the PPOC Trust to the applicable PPOC Sub-Trust; (iii) the submission, resolution, and distribution procedures in respect of the Participating PPOCs that are beneficiaries under the applicable PPOC Sub-Trust; and (iv) the flow of distributions, payments or flow of funds made from the applicable PPOC Sub-Trusts after the Closing Date.
PPOC Sub-Trust Trustee(s)	The Person or Persons selected by the Official Committee of Opioid Claimants (or the PPOC Trust) in accordance with the PPOC Sub-Trust Documents and appointed to serve as trustee(s) of the PPOC Sub-Trusts to administer the PPOC Sub-Trusts and

Term	Meaning
	Opioid Claims channeled to the PPOC Sub-Trusts and any successors thereto, pursuant to the terms of the PPOC Sub-Trust Documents.
PPOC Trust	The trust that is to be established pursuant to this VOTS and pursuant to an order of, or as approved by, the Bankruptcy Court, and funded by the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder), in accordance with this VOTS and the Private Opioid Trust Documents.
PPOC Trustee(s)	The Person or Persons selected by the Official Committee of Opioid Claimants in accordance with the PPOC Trust Documents and appointed to serve as trustee(s) of the PPOC Trust to administer the PPOC Trusts and Opioid Claims channeled to the PPOC Trusts and any successors thereto, pursuant to the terms of the PPOC Trust Documents.
PPOC Trust Administrator	The administrator that may be appointed by the OCC or the PPOC Trustee(s) pursuant to the PPOC Trust Documents to perform any services required by the PPOC Trust Documents related to the PPOC Trust.
PPOC Trust Board	The board (or similar body) charged with the management and oversight of the PPOC Trust in accordance with the PPOC Trust Documents, which board or body shall be comprised of one or more trustees appointed by the OCC in accordance with the PPOC Trust Documents.
PPOC Trust Consideration	Has the meaning ascribed to such term in the section entitled “ <u>PPOC Trust.</u> ”
PPOC Trust Documents	The documents governing: (i) the PPOC Trust; (ii) the flow of PPOC Trust Consideration from the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder) or its present or future subsidiaries to the PPOC Trust or any PPOC Sub-Trust; (iii) the submission, resolution, and distribution procedures in respect of all Participating PPOCs; and (iv) the flow of distributions, payments or flow of funds made from the PPOC Trust or any PPOC Sub-Trust after the Closing Date.
PPOC Trust Expenses	Has the meaning ascribed to such term in the section entitled “ <u>Trust Expenses.</u> ”
PPOC Trust Installment Payments	Has the meaning ascribed to such term in the section entitled “ <u>PPOC Trust.</u> ”
Present Private Opioid Claimant or PPOC	A holder of an Opioid Claim that is not (i) a Public Opioid Claimant, in its capacity as such (ii) a Tribal Opioid Claimant, in its capacity as such, or (iii) any other domestic or foreign governmental unit (as such term is defined in section 101(27) of the Bankruptcy Code). For the avoidance of doubt, neither Putative Future Opioid Claimants, nor Co-Defendants nor any distributor, manufacturer or pharmacy engaged in the distribution, manufacture, or dispensing/sale of opioids or opioid products are PPOCs; <i>provided that</i> no hospital shall be excluded from being deemed a PPOC solely as a result of such hospital operating a pharmacy that distributed, dispensed or sold opioids or opioid products.
Present Private Opioid Claims	The Opioid Claims held by Present Private Opioid Claimants.

Term	Meaning
Private Opioid Claimant	A holder of an Opioid Claim that is not (i) a Public Opioid Claimant, in its capacity as such (ii) a Tribal Opioid Claimant, in its capacity as such, or (iii) any other domestic or foreign governmental unit (as such term is defined in section 101(27) of the Bankruptcy Code).
Private Opioid Trust Documents	Collectively, the PPOC Trust Documents and PPOC Sub-Trust Documents.
Proof of Claim	A proof of claim filed in the Chapter 11 Cases on or before the Bar Date with respect to prepetition Claims against the Debtors.
Public Opioid Claimant	Has the meaning ascribed to such term in the Amended Voluntary Public/Tribal Opioid Trust Term Sheet.
Public Opioid Trust	Has the meaning ascribed to such term in the Amended Voluntary Public/Tribal Opioid Trust Term Sheet.
Public Opioid Trust Documents	Has the meaning ascribed to such term in the Amended Voluntary Public/Tribal Opioid Trust Term Sheet.
Public Schools	Any public school (or any board thereof) or initiative or trust established on behalf of or for the benefit of any public school (or any board thereof), or any group comprised of any of the foregoing.
Putative Future Opioid Claimants	Any holder of a future demand for payment against a Debtor (to the extent any such holder is ever determined, adjudicated, or agreed to exist) that (a) is not an Opioid Claim; and (b) is based in whole or in part on any conduct or circumstance that occurs or arises after the Petition Date but before the Closing Date as a result of the same or similar conduct or events that gave rise to the Present Private Opioid Claims. For the avoidance of doubt, a Putative Future Opioid Claimant (to the extent any such claimant is ever determined, adjudicated or agreed to exist) shall not include a claimant that holds a contingent, disputed, or unliquidated Claim that exists on or before the Petition Date.
Qualified Successor	A successor entity to the Obligors that has net leverage less than the greater of (a) the 5.0x maximum allowed net leverage of the Stalking Horse Bidder and (b) Stalking Horse Bidder's net leverage at the time of the Change of Control.
Released Party ⁷	(a) the Debtors, (b) the Non-Debtor Affiliates, (c) the Stalking Horse Bidder and each of its present and future subsidiaries (in each case solely in its capacity as such), (d) each Consenting First Lien Creditor, the Ad Hoc First Lien Group, the Ad Hoc Cross-Holder Group (each as defined in the Amended and Restated RSA), and the Prepetition Secured Parties (as defined in the Cash Collateral Order) (in each case solely in their capacity as such), (e) the Official Committee of Opioid Claimants and each of the members thereof in their capacity as such, and each of the advisors to the Official Committee of Opioid Claimants or the individual members thereof, in their capacity as such, (f) the Official Committee of Unsecured Creditors and each of the members thereof in their capacity as such, and each of the advisors to the Official

⁷ For the avoidance of doubt, and notwithstanding anything herein or in the Resolution Stipulation to the contrary, (i) the Stalking Horse Bidder and the Prepetition Secured Parties shall not receive any release of claims, if any, related to the obligation to transfer the PPOC Trust Consideration to the PPOC Trust pursuant to this VOTS, and (ii) the Debtors shall not receive any release of claims, if any, related to any breaches of obligations under this VOTS or the Resolution Stipulation.

Term	Meaning
	<p>Committee of Unsecured Creditors or the members thereof, in their capacity as such, (g) the PPOC Trustee(s), PPOC Trust Administrator, PPOC Trust Board, any advisors to the PPOC Trust and any other parties with similar administrative or supervisory roles in connection with the PPOC Trust, each in their capacity as such, (h) the PPOC Sub-Trust Trustee(s), PPOC Sub-Trust Administrator(s), PPOC Sub-Trust Boards, any advisors to the PPOC Sub-Trusts, and any other parties with similar administrative or supervisory roles in connection with the PPOC Sub-Trusts, each in their capacity as such, and (i) with respect to each of the foregoing Persons in clauses (a) through (h), such Persons’ predecessors, successors, permitted assigns, current and former subsidiaries, and affiliates, respective heirs, executors, estates, and nominees, in each case solely in their capacity as such, and (j) with respect to each of the foregoing Persons in clauses (a) through (i), such Persons’ current and former officers and directors, principals, members, equityholders, managers, partners, agents, advisory board members, employees, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, experts and other professionals, in each case solely in their capacity as such.</p> <p>For the avoidance of doubt, “Released Parties” shall not include any Excluded Parties.</p>
Required Consenting Global First Lien Creditors	As of any date of determination after the Amendment Effective Date, the Consenting First Lien Creditors holding more than 50% of the principal amount of Prepetition First Lien Indebtedness held by all Consenting First Lien Creditors (capitalized terms have the meanings ascribed to them in the Amended and Restated RSA).
Resolution Stipulation	<i>The Stipulation Among the Debtors, Official Committee of Unsecured Creditors, Official Committee of Opioid Claimants, and Ad Hoc First Lien Group Regarding Resolution of Joint Standing Motion and Related Matters.</i>
Sale	The sale or sales of substantially all of the Debtors’ assets pursuant to section 363 of the Bankruptcy Code.
Sale Motion	Has the meaning ascribed to it in the provision entitled “Support by the OCC.”
Sale Order	Has the meaning ascribed to it in the provision entitled “Overview.”
Sale Transaction	The proposed transaction pursuant to which the Stalking Horse Bidder will acquire from the Debtors to be party to the Amended PSA the Transferred Assets (as defined in the Amended PSA) free and clear of all liens, encumbrances, claims, and other interests (other than certain permitted encumbrances) in accordance with section 363(f) of the Bankruptcy Code, and assume the Assumed Liabilities (as defined in the Amended PSA).
Stalking Horse Bidder	Tensor Limited (or one or more of its designee(s) or assignee(s)), an entity formed under the laws of Ireland to serve as the stalking horse bidder under the Amended PSA in connection with the Sale Process (as defined in the Bidding Procedures).
Standstill Commencement Date	March 6, 2023.
State	Any of the fifty states of the United States of America or the District of Columbia.
Territory	Any of the following territories of the United States of America: American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.

Term	Meaning
Tribal Opioid Claimant	Has the meaning ascribed to such term in the Amended Voluntary Public/Tribal Opioid Trust Term Sheet.
Tribal Opioid Trust	Has the meaning ascribed to such term in the Amended Voluntary Public/Tribal Opioid Trust Term Sheet.
Tribal Opioid Trust Documents	Has the meaning ascribed to such term in the Amended Voluntary Public/Tribal Opioid Trust Term Sheet.
Tribe	Any American Indian or Alaska Native Tribe, band, nation, pueblo, village or community, that the U.S. Secretary of the Interior acknowledges as an Indian Tribe, as provided in the Federally Recognized Tribe List Act of 1994, 25 U.S.C. § 5130, and as periodically listed by the U.S. Secretary of the Interior in the Federal Register pursuant to 25 U.S.C. § 5131; and any “Tribal Organization” as provided in the Indian Self-Determination and Education Assistance Act of 1975, as amended, 25 U.S.C. § 5304(l).
Voluntary Operating Injunction	Means the operating injunction that the Stalking Horse Bidder and applicable subsidiaries will be subject to, the terms of which are set forth in Appendix 1 annexed to the <i>Order Granting Debtors’ Motion for a Preliminary Injunction Pursuant to Section 105(a) of the Bankruptcy Code</i> [Adv. Pr. No. 22-07039, ECF No. 63].
VOTS	Has the meaning ascribed to it in the preamble of this Voluntary Present Private Opioid Claimant Trust Term Sheet.

Exhibit 1

Form of PPOC Release Form¹

Releases by Participating PPOCs

Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Voluntary Present Private Opioid Claimant Trust Term Sheet, dated March 24, 2023.

As of the Closing Date, for good and valuable consideration, the adequacy of which is hereby confirmed, the Released Parties (defined below), but not the Excluded Parties, shall be conclusively, absolutely, unconditionally, irrevocably, fully, finally, forever and permanently released by each Participating PPOC notwithstanding section 1542 of the California Civil Code or any law of any jurisdiction that is similar, comparable, or equivalent thereto (which shall conclusively be deemed waived) from the following (collectively, the “Released Claims”):

any and all Claims and Causes of Action (each defined below) arising from the beginning of time through the Closing Date and relating in any way to the Debtors, the Debtors’ estates, the Debtors’ business or the Chapter 11 Cases, including, without limitation, any and all Claims and Causes of Action based on or relating to, or in any manner arising from, in whole or in part, the following:

1. the use of Cash Collateral (defined below),
2. any Avoidance Actions (defined below),
3. the negotiation, formulation, preparation, dissemination, filing, or implementation of, prior to the Closing Date, the OCC Resolution, the Voluntary Present Private Opioid Claimant Trust Term Sheet (including all of its provisions), the PPOC Trust, the PPOC Sub-Trusts, the PPOC Trust Documents, the PPOC Sub-Trust Documents, the Amended and Restated RSA (including the exhibits and joinders thereto and any amendments to the Amended and Restated RSA or any exhibits or joinders thereto) and related transactions, the Sale Transaction, the Resolution Stipulation, or the PSA, or any contract, instrument, release, or other agreement or document created or entered into prior to the Closing Date in connection with the VOTS, and the creation of the PPOC Trust and the PPOC Sub-Trusts,
4. the Bidding Procedures and Sale Motion and Bidding Procedures Order (each defined below),
5. the Amended and Restated RSA (including the exhibits, joinders, and any amendments thereto), the Sale Transaction (defined below) and the pursuit and conduct thereof,
6. the Sale Order (defined below) and the pursuit thereof, and
7. the administration and implementation of the Sale (as defined in the Bidding Procedures) and the PSA, including the issuance or distribution of securities or

¹ If the general release to be given by holders of General Unsecured Claims with regard to the items contained in this Form of Release is narrower than the Form of Release set forth in this Exhibit 1, the OCC and the Debtors acknowledge and agree that the OCC shall have the right to modify this Form of Release to be consistent with respect to such narrower terms in the release to be given by holders of General Unsecured Claims. For the avoidance of doubt, the foregoing applies solely to the general release to be granted by holders of General Unsecured Claims and does not apply to the covenant not to collect or the scope of claims that may be pursued by the Voluntary GUC Creditor Trust.

indebtedness in connection with the Sale, the establishment of funding of the PPOC Trust and PPOC Sub-Trusts, or upon any other act or omission, transaction, agreement, event, or other occurrence or circumstance taking place on or before the Closing Date related or relating to any of the foregoing.

Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release or waive (i) any post-Closing Date obligations of any party or Entity (as such term is defined in the Bankruptcy Code) under the PSA, the PPOC Trust Documents, the PPOC Sub-Trust Documents, or any document, instrument, or agreement executed to implement the Sale or the OCC Resolution (including as set forth in the Voluntary Present Private Opioid Claimant Trust Term Sheet); and (ii) any General Unsecured Claim against the Debtors. For the avoidance of doubt, and notwithstanding anything to the contrary that may be construed from any of the previous paragraphs or elsewhere in this Release Form, (a) the rights of any PPOC with respect to any General Unsecured Claim (as opposed to Opioid Claim) it has or believes it has against the Debtors shall be governed by the terms of the UCC Resolution Term Sheet and the Voluntary GUC Creditor Trust Documents and (b) any releases being provided to any entity listed in (g), (h), (i) (as it relates to (g) and (h), and (i) (as it relates to (g) and (h)) of the defined term “Released Parties” shall operate as a waiver of any Claims or Causes of Action against such parties with regard to any actions they shall take after the Closing Date in implementing the Voluntary Present Private Opioid Claimant Trust Term Sheet.²

The Releasing Parties expressly waive and relinquish any and all provisions, rights and benefits conferred by any law of the United States or of any state, territory or tribe of the United States or any other jurisdiction, or by any principle of common law that is similar, comparable or equivalent to California Civil Code § 1542, which provides: “A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.”

Additional defined terms used herein:

A. “Amended PSA” means the definitive purchase and sale agreement, by and between certain Debtors and the Stalking Horse Bidder, in connection with the Sale Transaction (as may be further amended, restated, amended and restated, supplemented, or otherwise modified from time to time).

B. “Amended and Restated RSA” means that certain Amended and Restated RSA dated March 24, 2023, which amends and restates the Restructuring Support Agreement dated as of August 16, 2022 between the Consenting First Lien Creditors and the Debtors [ECF No. 20] (as may be amended, modified, or supplemented from time to time).

C. “Amended Restructuring Term Sheet” means that certain Amended Restructuring Term Sheet attached to the Amended and Restated RSA as Exhibit A (as may be amended, modified, or supplemented from time to time).

D. “Arnold & Porter Parties” means Arnold & Porter Kaye Scholer LLP, and any applicable affiliates, subsidiaries, partners, employees, or other related entities or persons (other than, for the avoidance of doubt, directors, officers, or employees of the Debtors that are Released Parties).

E. “Assumed Liabilities” has the meaning set forth in the Amended Restructuring Term Sheet.

² The terms of such waiver shall be set forth with more particularity in the final version of the PPOC Release Form.

F. “Avoidance Actions” means any and all avoidance, recovery, subordination or similar actions, remedies, Claims, or Causes of Action, that may be brought under the Bankruptcy Code or applicable non-bankruptcy law, including, without limitation, actions or remedies arising under chapter 5 of the Bankruptcy Code or under similar or related local, state, federal, or foreign statutes and common law, including fraudulent transfer laws, fraudulent conveyance laws, or other similar related laws.

G. “Bidding Procedures” means the bidding procedures set forth in the Bidding Procedures Order.

H. “Bidding Procedures and Sale Motion” means the *Debtors’ Motion for an Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, (III) Approving the Sale of Substantially all of the Debtors’ Assets and (IV) Granting Related Relief* [ECF No. 728].

I. “Bidding Procedures Order” means the *Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, and (III) Granting Related Relief* [ECF No. 1765].

J. “Cash Collateral” has the meaning set forth in section 363(a) of the Bankruptcy Code.

K. “Cash Collateral Order” means the *Amended Final Order (I) Authorizing Debtors to Use Cash Collateral; (II) Granting Adequate Protection to Prepetition Secured Parties; (III) Modifying Automatic Stay; and (IV) Granting Related Relief* [ECF No. 535], inclusive of all exhibits and schedules thereto.

L. “Cause of Action” means any Claim, action, class action, claim, cross-claim, counterclaim, third-party claim, cause of action, controversy, dispute, demand, right, Lien (as defined in the Bankruptcy Code), indemnity, contribution, rights of subrogation, reimbursement, guaranty, suit, obligation, liability, debt, damage, judgment, loss, cost, attorneys’ fees and expenses, account, defense, remedy, offset, power, privilege, license or franchise, in each case, of any kind, character or nature whatsoever, asserted or unasserted, accrued or unaccrued, known or unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, foreseen or unforeseen, direct or indirect, choate or inchoate, secured or unsecured, allowable or disallowable, allowed or disallowed, assertable directly or derivatively (including, without limitation, under alter-ego theories), in rem, quasi in rem, in personam or otherwise, arising before or after the Petition Date, arising under federal, state, territorial or tribal statutory or common law, or any other applicable international, foreign or domestic law, rule, statute, regulation, treaty, right, duty, requirement or otherwise, in contract or in tort, at law, in equity or pursuant to any other theory or principle of law, including fraud, negligence, gross negligence, recklessness, reckless disregard, deliberate ignorance, public or private nuisance, breach of fiduciary duty, avoidance, willful misconduct, veil piercing, unjust enrichment, disgorgement, restitution, contribution, indemnification, rights of subrogation, and joint liability, regardless of where in the world accrued or arising.

M. “Claim” has the meaning set forth in section 101(5) of the Bankruptcy Code.

N. “Closing Date” means the date upon which all conditions precedent to the closing of the Sale Transaction have been satisfied or are expressly waived and the Sale Transaction is consummated, including the funding of the PPOC Trust.

O. “Co-Defendant(s)” means any person or entity that is named as a defendant in any Cause of Action in any way related to Opioids or Opioid Products in which any of the Debtors are also named as a party defendant.

P. “Consenting First Lien Creditors” means each lender under, holder of, or investment advisor, beneficial holder, investment manager, manager, nominee, advisor, or subadvisor to lenders, holders or funds that beneficially own certain of the Loans, First Lien Notes, Second Lien Notes, and Unsecured Notes of the Debtors that are party to the Amended and Restated RSA.

Q. “Debtors” means Endo International plc and its direct and indirect subsidiaries, which are debtors and debtors-in-possession in the chapter 11 cases in the Bankruptcy Court for the Southern District of New York, Case No. 22-22549 (JLG).

R. “DMP” means any distributor, manufacturer or pharmacy engaged in the distribution, manufacture, or dispensing/sale of Opioids or Opioid Products.

S. “Excluded Parties” means (i) any of the Debtors’ current or former third party agents, partners, representatives, or consultants involved in the production, distribution, marketing, promotion, or sale of opioid products, but shall exclude the Debtors’ (x) current and former officers, directors and employees (solely in their capacity as such) and (y) professionals retained by the Debtors in the chapter 11 cases (which for the avoidance of doubt shall include any OCPs) (solely in their capacity as such); (ii) the Arnold & Porter Parties; (iii) the McKinsey Parties; (iv) Practice Fusion, Inc.; (v) Publicis Health Media, an affiliate of Razorfish Health LLC; (vi) ZS Associates, Inc.; (vii) the Co-Defendants; and (viii) the DMPs.

T. “General Unsecured Claim” means any Claim against one or more of the Debtors that (a) is a claim for damages under section 502(g) of the Bankruptcy Code resulting from the rejection of an executory contract or unexpired lease by the Debtors; (b) arises from any past or present personal injury, economic injury, or litigation (including any disputed litigation claims), including, in each case, unsatisfied damages or judgments entered against, or settlements amount related thereto; or (c) unpaid trade claims arising from the Debtors’ business operations; provided, in each case, that such Claim is not secured by collateral, is not a Second Lien Deficiency Claim, Unsecured Notes Claim, Opioid Claim, intercompany Claim, administrative expense claim (including under section 503(b)(9) of the Bankruptcy Code), a Claim entitled to priority under the Bankruptcy Code, a Claim of the United States of America or any of its political subdivisions or agencies, a claim otherwise eligible to be paid pursuant to the Debtors’ customer programs order [ECF No. 316] or specified trade claims order [ECF No. 317], a claim for cure costs in connection with the assumption of a contract by the Stalking Horse Bidder, a claim for indemnification related to Opioid Claims pursuant to a contract or agreement assumed by the Debtors and assigned to the Stalking Horse Bidder, or a claim by a Debtor or non-Debtor employee related to prepetition compensation programs.

U. “McKinsey Parties” means McKinsey & Company, Inc., McKinsey & Company, Inc. United States, and any applicable affiliates, subsidiaries, or other related entities or persons (other than, for the avoidance of doubt, directors, officers, or employees of the Debtors that are Released Parties).

V. “Non-Debtor Affiliates” mean the affiliates and subsidiaries of Endo International plc that did not file voluntary petitions for relief in the chapter 11 cases.

W. “OCC Resolution” means the proposed resolution between the Ad Hoc First Lien Group and the Official Committee of Opioid Claimants pertaining to the resolution of Opioid Claims through the establishment of a voluntary trust by the Stalking Horse Bidder.

X. “Opioid(s)” means all natural, semi-synthetic, or synthetic chemicals that interact with opioid receptors and act like opium. The term Opioid shall not include such chemicals used in products with an FDA-approved label that lists the treatment of opioid or other substance use disorder, abuse, addiction, dependence, or overdose as their “indications or usage.” For the avoidance of doubt, the term Opioid shall not include the opioid antagonists naloxone or naltrexone.

Y. “Opioid Claim(s)” means Claims and Causes of Action, existing as of the Petition Date, against any of the Debtors or Non-Debtor Affiliates in any way arising out of or related to Opioid Products manufactured or sold by any of the Debtors, any Non-Debtor Affiliate, any of their respective predecessors, or any other Released Party prior to the Closing Date, including, for the avoidance of doubt, Claims for indemnification (contractual or otherwise), contribution, or reimbursement against any of the Debtors, any Non-Debtor Affiliate, any of their respective predecessors, or any other Released Party on account of payments or losses in any way arising out of or relating to Opioid Products manufactured or sold by any of the Debtors, any Non-Debtor Affiliate, or any of their respective predecessors prior to the Closing Date. Notwithstanding anything in this definition of “Opioid Claim,” for the avoidance of doubt, a Putative Future Opioid Claimant (to the extent any exist) does not hold an Opioid Claim.

Z. “Opioid Product(s)” means all current and future medications containing Opioids approved by the U.S. Food & Drug Administration (“FDA”) and listed by the Drug Enforcement Administration (“DEA”) as Schedule II, III, or IV pursuant to the federal Controlled Substances Act (including but not limited to buprenorphine, codeine, fentanyl, hydrocodone, hydromorphone, meperidine, methadone, morphine, oxycodone, oxymorphone, tapentadol, and tramadol). The term “Opioid Products(s)” shall not include (i) methadone, buprenorphine, or other products with an FDA-approved label that lists the treatment of opioid or other substance use disorder, abuse, addiction, dependence or overdose as their “indications or usage,” insofar as the product is being used to treat opioid abuse, addiction, dependence or overdose, or (ii) raw materials, immediate precursors, and/or active pharmaceutical ingredients (“APIs”) used in the manufacture or study of Opioids or Opioid Products, but only when such materials, immediate precursors, and/or APIs are sold or marketed exclusively to DEA-licensed manufacturers or DEA-licensed researchers.

AA. “Participating Present Private Opioid Claimant” or “Participating PPOC” means a Present Private Opioid Claimant that (i) files a Proof of Claim, (ii) opts in to participate in (i.e. “opts in” to) the PPOC Trust or such claimants’ applicable PPOC Sub-Trust, and (iii) executes and returns a PPOC Release Form, subject to the terms and conditions of the PPOC Trust Documents (including with respect to the releases described herein and therein).

BB. “Person” means an individual, a partnership, a joint venture, a limited liability company, a corporation, a trust, a government entity, an unincorporated organization, a group, or any legal entity or association.

CC. “Petition Date” means August 16, 2022.

DD. “PPOC Release Form” means this form, which PPOCs must execute and deliver to the PPOC Trust in order to become a beneficiary of the PPOC Trust, and such PPOC’s applicable PPOC Sub-Trust.

EE. “PPOC Sub-Trust(s)” means one or more sub-trusts formed in respect of categories of Participating PPOCs that will receive allocations of PPOC Trust Consideration from the PPOC Trust.

FF. “PPOC Sub-Trust Administrator” means the administrator that may be appointed by the Official Committee of Opioid Claimants or the applicable PPOC Sub-Trustee(s) pursuant to the PPOC Sub-Trust Documents to administer Opioid Claims and perform other administrative functions related to the applicable PPOC Sub-Trust.

GG. “PPOC Sub-Trust Board” means the applicable board (or similar body) charged with the management and oversight of a PPOC Sub-Trust in accordance with the relevant PPOC Sub-Trust Documents, which board or body shall be comprised of one or more PPOC Sub-Trust Trustee(s) appointed in accordance with the PPOC Sub-Trust Documents.

HH. “PPOC Sub-Trust Documents” means the documents governing, inter alia,: (i) each PPOC Sub-Trust; (ii) the flow of consideration from the PPOC Trust to the applicable PPOC Sub-Trust; (iii) the submission, resolution, and distribution procedures in respect of the Participating PPOCs that are beneficiaries under the applicable PPOC Sub-Trust; and (iv) the flow of distributions, payments or flow of funds made from the applicable PPOC Sub-Trusts after the Closing Date.

II. “PPOC Sub Trust Trustee(s)” means the Person or Persons selected by the Official Committee of Opioid Claimants (or the PPOC Trust) in accordance with the PPOC Sub-Trust Documents and appointed to serve as trustee(s) of the PPOC Sub-Trusts to administer the PPOC Sub-Trusts and Opioid Claims channeled to the PPOC Sub-Trusts and any successors thereto, pursuant to the terms of the PPOC Sub-Trust Documents.

JJ. “PPOC Trust” means the trust that is to be established pursuant to the Voluntary Present Private Opioid Claimant Trust Term Sheet and pursuant to an order of, or as approved by, the Bankruptcy Court, and funded by the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder), in accordance with the Voluntary Present Private Opioid Claimant Trust Term Sheet and the Private Opioid Trust Documents.

KK. “PPOC Trustee(s)” means the Person or Persons selected by the Official Committee of Opioid Claimants in accordance with the PPOC Trust Documents and appointed to serve as trustee(s) of the PPOC Trust to administer the PPOC Trust and Opioid Claims channeled to the PPOC Trust and any successor thereto, pursuant to the terms of the PPOC Trust Documents.

LL. “PPOC Trust Administrator” means the administrator that may be appointed by the Official Committee of Opioid Claimants or the PPOC Trustee(s) pursuant to the PPOC Trust Documents to perform any services required by the PPOC Trust Documents related to the PPOC Trust.

MM. “PPOC Trust Board” means the board (or similar body) charged with the management and oversight of the PPOC Trust in accordance with the PPOC Trust Documents, which board or body shall be comprised of one or more PPOC Trustees appointed by the Official Committee of Opioid Claimants in accordance with the PPOC Trust Documents.

NN. “PPOC Trust Documents” means the documents governing: (i) the PPOC Trust; (ii) the flow of PPOC Trust Consideration from the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder) or its present or future subsidiaries to the PPOC Trust or any PPOC Sub-Trust; (iii) the submission, resolution, and distribution procedures in respect of all Participating PPOCs; and (iv) the flow of distributions, payments or flow of funds made from the PPOC Trust or any PPOC Sub-Trust after the Closing Date.

OO. “Present Private Opioid Claimant” or “PPOC” means a holder of an Opioid Claim that is not (i) a Public Opioid Claimant, in its capacity as such, (ii) a Tribal Opioid Claimant, in its capacity

as such, or (iii) any other domestic or foreign governmental unit (as such term is defined in section 101(27) of the Bankruptcy Code). For the avoidance of doubt, neither Putative Future Opioid Claimants nor DMPs are PPOCs *provided that* no hospital shall be excluded from being deemed a PPOC solely as a result of such hospital operating a pharmacy that distributed, dispensed or sold opioids or opioid products.

PP. “Putative Future Opioid Claimant” means any holder of a future demand for payment against a Debtor (to the extent any such holder is ever determined, adjudicated, or agreed to exist) that (a) is not an Opioid Claim; and (b) is based in whole or in part on any conduct or circumstance that occurs or arises after the Petition Date but before the Closing Date as a result of the same or similar conduct or events that gave rise to the Present Private Opioid Claims. For the avoidance of doubt, a Putative Future Opioid Claimant (to the extent any such claimant is ever determined, adjudicated or agreed to exist) shall not include a claimant that holds a contingent, disputed, or unliquidated Claim that exists on or before the Petition Date.

QQ. “Released Party” means (a) the Debtors, (b) the Non-Debtor Affiliates, (c) the Stalking Horse Bidder and each of its present and future subsidiaries (in each case solely in its capacity as such), (d) each Consenting First Lien Creditor, the Ad Hoc First Lien Group, the Ad Hoc Cross-Holder Group (each as defined in the Amended and Restated RSA), and the Prepetition Secured Parties (as defined in the Cash Collateral Order) (in each case solely in their capacity as such), (e) the Official Committee of Opioid Claimants, and each of the members thereof in their capacity as such, and each of the advisors to the Official Committee of Opioid Claimants or the members thereof, in their capacity as such, (f) the Official Committee of Unsecured Creditors and each of the members thereof in their capacity as such, and each of the advisors to the Official Committee of Unsecured Creditors or the members thereof, in their capacity as such, (g) the PPOC Trustee(s), PPOC Trust Administrator, PPOC Trust Board, any advisors to the PPOC Trust and any other parties with similar administrative or supervisory roles in connection with the PPOC Trust, each in their capacity as such, (h) the PPOC Sub-Trust Trustee(s), PPOC Sub-Trust Administrator(s), PPOC Sub-Trust Board, any advisors to the PPOC Sub-Trusts, and any other parties with similar administrative or supervisory roles in connection with the PPOC Sub-Trusts, each in their capacity as such and (i) with respect to each of the foregoing Persons in clauses (a) through (h), such Persons’ predecessors, successors, permitted assigns, current and former subsidiaries, and affiliates, respective heirs, executors, estates, and nominees, in each case solely in their capacity as such, and (j) with respect to each of the foregoing Persons in clauses (a) through (i), such Persons’ current and former officers and directors, principals, members, equityholders, managers, partners, agents, advisory board members, employees, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, experts and other professionals, in each case solely in their capacity as such. **For the avoidance of doubt, “Released Parties” shall not include any Excluded Parties.**

RR. “Sale Order” means an order of the Bankruptcy Court approving the Sale Transaction.

SS. “Sale Transaction” means the proposed transaction pursuant to which the Stalking Horse Bidder will acquire from the Debtors to be party to the Amended PSA the Transferred Assets (as defined in the Amended PSA) free and clear of all liens, encumbrances, claims, and other interests (other than certain permitted encumbrances) in accordance with section 363(f) of the Bankruptcy Code, and assume the Assumed Liabilities (as defined in the Amended PSA).

TT. “Second Lien Deficiency Claim” means the portion of the Second Lien Notes Indebtedness (as defined in the Cash Collateral Order) that is not secured and constitutes deficiency Claims pursuant to section 506(a) of the Bankruptcy Code.

UU. “Stalking Horse Bidder” means Tensor Limited (or more or more of its designee(s) or assignee(s)), an entity formed under the laws of Ireland to serve as the stalking horse bidder under the Amended PSA in connection with the Sale Process (as defined in the Bidding Procedures).

VV. “Unsecured Notes” means any notes issued pursuant to (a) that certain Indenture, dated as of June 30, 2014, between Endo Finance LLC and Endo Finco Inc., as issuers, the guarantors party thereto, and U.S. Bank, National Association as trustee; (b) that certain Indenture, dated as of January 27, 2015, between Endo Limited, Endo Finance LLC, and Endo Finco Inc., as issuers, the guarantors party thereto, and UMB Bank, National Association as trustee; (c) that certain Indenture, dated as of July 9, 2015, between Endo Limited, Endo Finance LLC, and Endo Finco Inc., as issuers, the guarantors party thereto, and UMB Bank, National Association as trustee; or (d) that certain Indenture, dated as of June 16, 2020, between Endo Designated Activity Company, Endo Finance LLC, and Endo Finco Inc., as issuers, the guarantors party thereto, and U.S. Bank, National Association as trustee.

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Effect of Voluntary Release by Participating PPOCs

Terms. From and after the Closing Date and following execution by a Participating PPOC of a PPOC Release Form, the sole recourse of any Participating PPOC on account of its Opioid Claims shall be to the PPOC Trust and the applicable PPOC Sub-Trust pursuant to the applicable Private Opioid-Trust Documents, and such Participating PPOC shall have no right whatsoever at any time to assert its Opioid Claim against any Released Party or any property or interest in property of any Released Party. On and after the Closing Date, all Participating PPOCs shall be permanently and forever stayed, restrained, barred, and enjoined from taking any of the following actions for the purpose of, directly or indirectly or derivatively collecting, recovering, or receiving payment of, on, or with respect to any Opioid Claim other than from the PPOC Trust and applicable PPOC Sub-Trust pursuant to the applicable Private Opioid Trust Documents:

- commencing, conducting, or continuing in any manner, directly, indirectly or derivatively, any suit, action, or other proceeding of any kind (including a judicial, arbitration, administrative, or other proceeding) in any forum in any jurisdiction around the world against or affecting any Released Party or any property or interests in property of any Released Party;
- enforcing, levying, attaching (including any prejudgment attachment), collecting, or otherwise recovering by any means or in any manner, whether directly or indirectly, any judgment, award, decree, or other order against any Released Party or any property or interests in property of any Released Party;
- creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any Encumbrance against any Released Party or any property or interests in property of any Released Party;
- setting off, seeking reimbursement of, contribution from, or subrogation against, or otherwise recouping in any manner, directly or indirectly, any amount against any liability owed to any Released Party or any property or interests in property of any Released Party; or
- proceeding in any manner in any place with regard to any matter that is within the scope of the matters subject to resolution by the PPOC Trust or the applicable PPOC Sub-Trust, except in conformity and compliance with the applicable Private Opioid Trust Documents.

Reservations. The foregoing terms shall not stay, restrain, bar, or enjoin the rights of Participating PPOCs in connection with the administration and resolution of their Opioid Claims under the PPOC Trust and the applicable PPOC Sub-Trust in accordance with the applicable Private Opioid Trust Documents.

Forum. The Stalking Horse Bidder or any Released Party shall be permitted to (i) enter these injunctive terms as a consent order in any State or Territory and (ii) seek enforcement of

these injunctive terms in any courts of competent jurisdiction in any State in which any Participating PPOC against which enforcement is sought resides or is domiciled.

EXHIBIT C

Amended OCC Resolution Term Sheet Redline

THIS TERM SHEET IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ANY KIND. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE. NOTHING CONTAINED IN THIS TERM SHEET SHALL BE AN ADMISSION OF FACT OR LIABILITY OR, UNTIL ENTRANCE OF THE RESOLUTION STIPULATION (AND SUBJECT TO THE TERMS THEREOF), DEEMED BINDING ON ANY OF THE PARTIES HERETO.

Amended Voluntary Present Private Opioid Claimant Trust Term Sheet

This Amended Voluntary Present Private Opioid Claimant Trust Term Sheet dated July 13, 2023 (the “VOTS” or “OCC Resolution Term Sheet”) ~~dated March 24, 2023~~, by and among the Ad Hoc First Lien Group and the Official Committee of Opioid Claimants (collectively, the “Parties”), amends and restates that certain Voluntary Present Private Opioid Claimant Trust Term Sheet dated as of March 24, 2023, describes the proposed resolution with respect to certain items as set forth below, as well as certain related implementation and other matters being addressed between the Parties pursuant to the resolution of Opioid Claims through the establishment of a voluntary trust by the Stalking Horse Bidder as described herein (the “OCC Resolution”). This VOTS incorporates the rules of construction set forth in section 102 of the Bankruptcy Code. Certain capitalized terms used herein are defined in the glossary attached hereto or in the Bankruptcy Code. This VOTS does not include a description of all of the terms, conditions, and other provisions that are to be contained in the definitive documents implementing the OCC Resolution, which remain subject to negotiation among the Parties in accordance with the terms herein, as applicable. ~~In addition, and as and to the extent necessary, the Parties intend on filing on the docket of the Bankruptcy Court in the Chapter 11 Cases an updated agreed version of, or supplement to, this VOTS within the next thirty days to potentially modify or provide additional detail regarding, inter alia, the mechanics and process by which PPOCs can qualify as Participating PPOCs.~~

GENERAL TERMS	
Overview	<p>The OCC Resolution will be implemented in connection with the Sale (if such Sale occurs), consistent with the terms of (a) this VOTS, and (b) the order approving the Sale Transaction (the “Sale Order”), which Sale Order will be in form and substance acceptable to the OCC as it relates to any terms related to this VOTS, or to Present Private Opioid Claimants (“PPOCs”) or to Public Opioid Claimants that are not otherwise represented by the Multi-State EC or the Plaintiffs Executive Committee (the “PEC”).</p> <p>To the extent the Stalking Horse Bidder is the Successful Bidder (as defined in the Bidding Procedures), the Stalking Horse Bidder will, on the Closing Date, provide for the establishment of the Present Private Opioid Claimant Resolution Trust (the “PPOC Trust”), which will be funded on the Closing Date with the PPOC Trust Consideration (defined</p>

below) provided by the Stalking Horse Bidder.

Each PPOC that files a Proof of Claim by the Bar Date shall be offered the option to elect, on the terms and conditions set forth herein, to submit its Present Private Opioid Claim to the PPOC Trust and the applicable PPOC Sub-Trust, both to be established by the Stalking Horse Bidder on the terms and subject to conditions set forth herein.

As a condition to the participation in the PPOC Trust by any PPOC, and as further set forth herein, each such PPOC shall be required to, first, “opt-in” to participate in the applicable PPOC Sub-Trust by, among other things, complying with any requirement to provide documentation in support of its Proof of Claim (such PPOCs that “opt-in” but that *do not* become Participating PPOCs, the “Opt-In PPOCs”) and, second (and thereafter), execute a PPOC Release Form (the form of which is attached to this VOTS as **Exhibit 1** and any modifications thereof shall be in form and substance acceptable to the OCC and, to the extent adversely affected by such modification, reasonably acceptable to the Debtors; *provided* that (i) the scope of the underlying release and the identity of the Released Parties listed in clauses (c) and (d), (i) (as it pertains to the Released Parties identified in clauses (c) and (d)), and (j) (as it pertains to the Released Parties identified in clauses (c) and (d)) of the definition of “Released Parties” in this VOTS dated as of March 24, 2023 shall be acceptable to the Required Consenting Global First Lien Creditors and (ii) any other aspect of the underlying release shall be reasonably acceptable to the Required Consenting Global First Lien Creditors), which PPOC Release Form will release all of such Participating PPOC’s Opioid Claims against the Released Parties, to be effective upon resolution of their Opioid Claims in accordance with the PPOC Trust Documents.

The terms of the PPOC Trust shall be subject to definitive documentation in form and substance acceptable to the Required Consenting Global First Lien Creditors, the Stalking Horse Bidder, and the OCC.

It is contemplated that, similar to the structures set forth in the *Purdue*¹

¹ This reference is to the structure agreed in connection with the currently vacated *Twelfth Amended Joint Chapter 11 Plan of Reorganization of Purdue Pharma L.P. and its Affiliated Debtors* filed in *In re Purdue Pharma L.P.*, Case No. 19-23649 (SHL) (Bankr. S.D.N.Y. Sept. 2, 2021) [ECF No. 3726], and for the avoidance of doubt is not intended to incorporate any developments in the *Purdue* cases that have not yet occurred at the time of entry into this VOTS.

	<p>and <i>Mallinckrodt</i> chapter 11 plans of reorganization, various sub-trusts for PPOCs will be established by the Stalking Horse Bidder pursuant to this VOTS (and an order of the Bankruptcy Court) on the Closing Date or as otherwise set forth in the PPOC Trust Documents or applicable PPOC Sub-Trust Documents (as applicable) for the benefit of specific subsets of PPOCs, and the PPOC Trust shall allocate portions of the PPOC Trust Consideration (as determined in accordance with this VOTS) to such PPOC Sub-Trusts, which shall in turn make distributions to the relevant PPOC beneficiaries of such PPOC Sub-Trusts in accordance with the applicable PPOC Sub-Trust Documents.²</p> <p>The Parties will continue to reasonably cooperate regarding the execution of the transactions contemplated herein in a manner that will facilitate implementation of the Sale and implementation of the transfer of PPOC Trust Consideration to the PPOC Trust for the benefit of Participating PPOCs in accordance with this VOTS.</p>
<p>PPOC Trust</p>	<p>Each Opioid Claim held by a Participating PPOC shall be resolved in accordance with the terms, provisions, and procedures of the PPOC Trust Documents and any applicable PPOC Sub-Trust Documents. The PPOC Trust shall be funded in accordance with the provisions of this VOTS. The sole recourse of any Participating PPOC on account of any Opioid Claim shall be to the PPOC Trust (and any relevant PPOC Sub-Trust(s)) and each such Participating PPOC shall have no right whatsoever at any time to assert any Opioid Claim against any Released Party. For the avoidance of doubt, and as will be provided for in the PPOC Release Form (or some other document with respect to Opt-In PPOCs), the PPOC Release Form shall provide that the Stalking Horse Bidder shall have no liability whatsoever with respect to any Participating PPOC or Opt-In PPOC (even if such Opt-In PPOC does not execute the PPOC Release Form).</p> <p>Subject to the Prepayment Option and to the extent the Stalking Horse Bidder is the Successful Bidder, the PPOC Trust will be funded with cash consideration by the Stalking Horse Bidder (the “<u>PPOC Trust Consideration</u>”) in the aggregate amount of \$119,200,000<u>119,700,000</u> in U.S. dollars (such amount, the “PP Base Resolution Amount”) in the</p>

² No Party shall be permitted or required to take any action contemplated by this VOTS (or the Resolution Stipulation) that adversely affects any of the holders of General Unsecured Claims (as defined in the UCC Resolution Term Sheet) or the terms contemplated by the UCC Resolution Term Sheet.

following installment payments on the following dates (the “PPOC Trust Installment Payments”) (subject to adjustment as set forth herein):

1. The first PPOC Trust Installment Payment shall be in the amount of \$~~29,733,333.34~~30,233,333.34, to be paid on the Closing Date.
2. The next PPOC Trust Installment Payment shall be in the amount of \$29,733,333.33, to be paid on the first anniversary of the Closing Date;
3. The final PPOC Trust Installment Payment shall be in the amount of \$59,733,333.33, to be paid on the second anniversary of the Closing Date (the “Third PPOC Trust Installment Payment”).

Any PPOC Trust Installment Payment not paid when due shall bear interest at a default rate of 12% per annum, compounding quarterly, from the due date until paid in full.

During the twelve (12) month-period commencing on the Closing Date, the Stalking Horse Bidder shall have the option to prepay in full the then-outstanding amount of the PPOC Trust Installment Payments, in an amount equal to the following (such option, the “PP Prepayment Option”):

- (a) \$~~89,200,000~~89,700,000 if paid on the Closing Date;
- (b) \$~~95,300,000~~95,800,000 if paid after the Closing Date but on or prior to the six month anniversary of the Closing Date; or
- (c) \$~~102,900,000~~103,400,000 if paid after the six-month anniversary of the Closing Date but on or prior to the twelve month anniversary of the Closing Date (the applicable amount in each of the immediately preceding clauses (a) and (b) and this clause (c), the “PP Prepayment Amount”).

For the avoidance of doubt, the applicable PP Prepayment Amount is inclusive of the amount of the first PPOC Trust Installment Payment paid on the Closing Date (and, with respect to any PP Prepayment Amount paid on or before the first anniversary of the Closing Date, in lieu of the PPOC Trust Installment Payment payable on the first anniversary of the Closing Date), and the applicable amount required to be paid in respect of a PP Prepayment Amount paid after the Closing Date shall be reduced by the PPOC Trust Installment Payment paid on the Closing Date and shall not include the PPOC Trust Installment Payment that would have otherwise been due on the first anniversary of

	<p>the Closing Date.</p> <p>For the avoidance of doubt, the PP Base Resolution Amount shall not be subject to increase as a result of disputes among any PPOCs and/or other parties regarding allocation or other issues with respect to Opioid Claims and/or the VOTS, but shall be subject to increase as set forth below in the section entitled “Adjustment to PP Base Resolution Amount²².”</p>
<p>Prepayment Obligation</p>	<p>To the extent the Stalking Horse Bidder is the Successful Bidder, if at any time the Stalking Horse Bidder prepays in full³ the amounts owing to the Public Opioid Trust or the Tribal Opioid Trust (other than as set forth elsewhere in this VOTS) as set forth in the Amended Voluntary Public/Tribal Opioid Trust Term Sheet (the “<u>Triggering Prepayment</u>”), then the Stalking Horse Bidder shall, on the same day as the prepayment to the Public Opioid Trust or the Tribal Opioid Trust, make a payment to the PPOC Trust (i) in the amount corresponding to the applicable PP Prepayment Amount, if the Triggering Prepayment occurs on or before the first anniversary of the Closing Date or (ii) in the amount of the net present value of the Third PPOC Trust Installment Payment (and any other outstanding remaining installment payments that come into existence due to the application of the PPOC Adjustment), discounted at a discount rate of twelve (12%) percent per annum, if the Triggering Prepayment occurs after the first anniversary of the Closing Date but before the second anniversary of the Closing Date. Notwithstanding the foregoing, if the Stalking Horse Bidder makes a Triggering Prepayment at a time when there are any overdue PPOC Trust Installment Payments, then in addition to the amounts described above, the Stalking Horse Bidder shall immediately make a payment to the PPOC Trust of such overdue amounts and any unpaid default interest at a rate of 12% of per annum, compounding quarterly from the date the underlying obligation was due to the date paid in full.</p> <p>Any payment required to be made under this section entitled “Prepayment Obligation” and not paid when due shall bear interest at a default rate of 12% per annum, compounding quarterly, from the due</p>

³ As of the date hereof, the Amended Voluntary Public/Tribal Opioid Term Sheet provides for only full prepayments to the Public Opioid Trust or the Tribal Opioid Trust. As such, this provision only applies to full prepayments of the Public Opioid Trust or the Tribal Opioid Trust. To the extent that the Stalking Horse Bidder, before or after the Closing Date, makes any partial prepayment of the Public Opioid Trust or the Tribal Opioid Trust, such partial prepayment of the Public Opioid Trust or the Tribal Opioid Trust shall be treated as a Triggering Prepayment.

	<p>date until paid in full.</p> <p>For the avoidance of doubt, the provisions in this section shall apply to any payment to any Public Opioid Claimant or Tribal Opioid Claimant of cash or non-cash consideration, regardless whether such payment is made to the Public Opioid Trust, the Tribal Opioid Trust, or in some other manner, other than any payment made to the Public Schools.</p>
<p>PPOC Trust Beneficiaries</p>	<p>The eligible beneficiaries of the PPOC Trust (including any applicable PPOC Sub-Trusts) shall consist only of PPOCs who file Proofs of Claim prior to the Bar Date; <i>provided</i> that no PPOC that files a Proof of Claim shall be entitled to a distribution from the PPOC Trust (or the applicable PPOC Sub-Trust) unless such PPOC both (a) “opts-in” to participate in the applicable PPOC Sub-Trust by, among other things, complying with any requirement to provide documentation in support of its Proof of Claim and (b) executes and returns a PPOC Release Form; <i>provided, further,</i> that all eligible PPOCs shall be subject to the procedures set forth in the PPOC Trust Documents and any applicable PPOC Sub-Trust Documents.</p> <p>For the avoidance of doubt, (1) none of the Public Opioid Claimants, Tribal Opioid Claimants, Putative Future Opioid Claimants (to the extent any are ever determined, adjudicated, or agreed to exist), Co-Defendants, or any distributor, manufacturer, or pharmacy engaged in the distribution, manufacture, or dispensing/sale of opioids or opioid products shall be entitled to receive funds from the PPOC Trust or any applicable PPOC Sub-Trusts, and (2) the ultimate right to receive any PPOC Trust Consideration on account of an Opioid Claim shall be subject to, and determined pursuant to, the PPOC Trust Documents and the PPOC Sub-Trust Documents.</p>
<p>Allocation, Participation Procedure, and Over Funding of the PPOC Trust</p>	<p>Prior to the Bar Date, the OCC shall place information on its website (https://cases.ra.kroll.com/EndoOpioidClaimantInfo) with regard to (a) the allocation of PPOC Trust Consideration and (b) the trust distribution procedures for each PPOC Sub-Trust. It is contemplated that such allocations will be established according to PPOC categories.</p> <p>Following the Bar Date, each PPOC who filed a Proof of Claim will be offered the opportunity to participate in the further sub-allocation of that portion of the PPOC Trust Consideration that has been allocated to the PPOC category applicable to such PPOC’s Opioid Claims. It is currently contemplated that in order to participate in the applicable PPOC</p>

Sub-Trust, each PPOC (or its counsel on behalf such PPOC) will need to (a) “opt-in” to participate in the applicable PPOC Sub-Trust by, among other things, complying with any requirement to provide documentation in support of its Proof of Claim, and (b) execute a PPOC Release Form. In order to assist PPOCs, on a timetable determined by the OCC in consultation with the Ad Hoc First Lien Group (which shall be at some point after the Bar Date), “opt-in” forms (which will include blank PPOC Release Forms) will be mailed or e-mailed to each PPOC (or their counsel) that submitted a Proof of Claim and will be made available for electronic download at <https://cases.ra.kroll.com/EndoOpioidClaimantInfo>. The cost of mailing or e-mailing such forms (including all work necessary to do so) will not be borne by the OCC, Opioid Claimants, the PPOC Trust, any PPOC Sub-Trust, any Prepetition Secured Party (as defined in the Cash Collateral Order), or the Stalking Horse Bidder, it being understood that the OCC shall work cooperatively and reasonably with the Ad Hoc First Lien Group and the Debtors to make such process as cost-efficient as possible (including, to the extent determined by the OCC in its sole discretion, by maximizing the use of electronically delivered notice and limiting non-electronic notice to U.S. Postal Service regular first-class mail), while still balancing the need to ensure that Opioid Claimants that submitted a Proof of Claim are provided reasonable notice (which may be delivered electronically to their counsel to the extent such Opioid Claimants are represented by counsel) of both their right to “opt in” and the manner of how to do so; *provided* that the cost of such mailing shall be borne by the Debtors and is not anticipated to exceed \$1,000,000. The Debtors, the Ad Hoc First Lien Group, and the OCC shall work together in good faith to develop procedures designed to provide adequate notice to the PPOCs of their right to participate in the resolutions reflected herein;⁴ *provided* that such procedures do not delay the date for the Accelerated Sale Hearing (as defined in the Bidding Procedures Order) as set forth in the Bidding Procedures Order absent consent from the Debtors and the Ad Hoc First Lien Group. The PPOC Trust (or the applicable PPOC Sub-Trust) will not make distributions to any PPOC that does not both (a) opt-in to participate in the applicable PPOC Sub-Trust, and (b) execute a PPOC Release Form on or prior to

⁴ This shall include the provision of a letter from the OCC to Opioid Claimants contained in the Debtors’ Bar Date materials.

the PPOC Participation Deadline.

PPOCs will be provided with sufficient time (which will extend until at least six months after the Closing Date) (such date, as determined and agreed to by the OCC and the Ad Hoc First Lien Group, the “PPOC Participation Deadline”) to (a) opt-in to the applicable PPOC Sub-Trust and (b) voluntarily elect to execute and return the PPOC Release Form at his/her/its/their option and sole and unqualified discretion. Counsel to PPOCs shall have the ability to execute “Consolidated PPOC Release Forms” on behalf of their clients in the same manner as such counsel filed a consolidated Proof of Claim in accordance with the Bar Date Order on or prior to the Bar Date.

Any PPOC that has both (a) **opted-in** to participate in the applicable PPOC Sub-Trust but (b) **failed** to timely execute and return a PPOC Release Form shall not be permitted to subsequently participate in the PPOC Trust (or applicable PPOC Sub-Trust); *provided* that in the sole discretion of the PPOC Trust Board (in good faith consultation with the applicable PPOC Sub-Trust Board), a PPOC Release Form received after the PPOC Participation Deadline may, for cause, be treated as timely.

Promptly following the PPOC Participation Deadline, the PPOC Trust Board shall perform an accounting of how many PPOC Release Forms were executed and returned when compared with how many PPOCs chose to “opt-in” to participate in the PPOC Sub-Trust. At the request of the Stalking Horse Bidder, such accounting and underlying data shall be delivered (if so requested, the cost of such delivery shall be borne by the Stalking Horse Bidder, and redacted as necessary at the expense of the Stalking Horse Bidder) to the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder). With respect to each PPOC Sub-Trust, to the extent that the percentage of Opt-In PPOCs for such PPOC Sub-Trust exceeds 40% of the sum of Opt-In PPOCs and Participating PPOCs for such PPOC Sub-Trust (such excess percentage, the “Underparticipation Percentage”), then an amount equal to the product of the aggregate amount of PPOC Trust Consideration allocated to such PPOC Sub-Trust multiplied by the Underparticipation Percentage shall be returned to the Stalking Horse Bidder no later than ninety (90) days after such accounting is completed; *provided* that in no event shall funds be returned on account of a PPOC’s failure to timely execute a PPOC Release Form, which PPOC Release Form is subsequently treated as timely by the PPOC Trust Board.

<p>Adjustment to PP Base Resolution Amount</p>	<p>The net present value (determined using a 12% discount rate) of the PP Base Resolution Amount is \$103,900,000<u>104,400,000</u> (the “PP NPV”).</p> <p>If the Stalking Horse Bidder is the Successful Bidder and to the extent that the consideration paid by the Stalking Horse Bidder (or any other party) to the Public Opioid Trust and the Tribal Opioid Trust exceeds a net present value of \$285,830,121 (the “Public/Tribal Base NPV²,” which shall include both cash and non-cash consideration (if any)),⁵ then the PP NPV shall be proportionately increased, and the PP Base Resolution Amount shall be adjusted to reflect such increase (determined using a 12% discount rate) (such adjustment, a “PPOC Adjustment”). In furtherance of the foregoing, (i) to the extent such Public/Tribal Base NPV is increased on or prior to the Closing Date, the associated increase to the PP NPV contemplated hereby shall be funded to the PPOC Trust in full on the Closing Date, and (ii) to the extent such Public/Tribal Base NPV is increased after the Closing Date, the associated increase to PP NPV contemplated hereby shall be funded to the PPOC Trust within twenty (20) calendar days of the date of agreement on the amount of the increase to the Public/Tribal Base NPV.</p> <p>For purposes of this provision, the foregoing amount of Public/Tribal Base NPV (and any subsequent increases) is (or shall be) determined using (a) a 12% discount rate for the Tribal Opioid Trust and (b) a 12.75% discount rate for the Public Opioid Trust.</p> <p>For the avoidance of doubt, the provisions in this section shall apply to any payment of cash or non-cash consideration made to any Public Opioid Claimant or Tribal Opioid Claimant, regardless of whether such payment is made to the Public Opioid Trust, the Tribal Opioid Trust, or in some other manner, other than any payment made to the Public Schools.</p> <p>Any payment required to be made under this section entitled “Adjustment to PP Base Resolution Amount” and not paid when due shall bear interest at a default rate of 12% per annum, compounding quarterly, from the due date until paid in full.</p>
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⁵ As of the date hereof, the Amended Voluntary Public/Tribal Opioid Term Sheet does not provide either the Public Opioid Trust or the Tribal Opioid Trust with any non-cash consideration from the Stalking Horse Bidder. To the extent such fact changes in the future, the OCC and the Ad Hoc First Lien Group agree to work together in good faith to determine the value of any such non-cash consideration.

<p>PPOC Trust -- Dividend Payments</p>	<p>The PPOC Trust Documents (and any relevant document executed by the Stalking Horse Bidder, to the extent the Stalking Horse Bidder is the Successful Bidder) shall provide that, upon the payment of a dividend to holders of equity interests in the Stalking Horse Bidder (or, without duplication, a parent entity thereof that issues equity interests on the Closing Date), an equal payment of the gross amount of such dividend must be made to the PPOC Trust, which shall reduce the amount of the outstanding PPOC Trust Installment Payments on a dollar-per-dollar basis, with such reduction to be applied to the remaining PPOC Trust Installment Payments in reverse chronological order.</p> <p>Any payment required to be made under this section entitled “PPOC Trust-Dividend Payments” and not paid when due shall bear interest at a default rate of 12% per annum, compounding quarterly, from the due date until paid in full.</p>
<p>PPOC Trust -- Change of Control</p>	<p>The PPOC Trust Documents shall provide that, upon a Change of Control, the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder) must either (1) immediately provide the PPOC Trust with a payment equal to (i) with respect to any Change of Control that occurs on or before the first anniversary of the Closing Date, the applicable PP Prepayment Amount otherwise payable on the date of such Change of Control; or (ii) with respect to any Change of Control that occurs after the first anniversary of the Closing Date, the Third PPOC Trust Installment Payment and any other outstanding remaining installment payments that come into existence due to the application of the PPOC Adjustment, which amount in this clause (ii), if made before the second anniversary of the Closing Date, shall be paid at a price equal to the present value of such amount, discounted at a discount rate of twelve (12%) percent per annum (the “<u>Change of Control Payment</u>”), or (2) provide for the assumption of the obligation to make the PPOC Trust Installment Payments by a Qualified Successor.</p> <p>Any payment required to be made under this section entitled “PPOC Trust-Change of Control” and not paid when due shall bear interest at a default rate of 12% per annum, compounding quarterly, from the due date until paid in full.</p>
<p>PPOC Trust – Other Covenants</p>	<p>The PPOC Trust Documents shall provide for covenants that are the same (<i>mutatis mutandis</i>) as those covenants that are included in the Public Opioid Trust (in accordance with the Amended Voluntary</p>

	<p>Public/Tribal Opioid Trust Term Sheet) (and/or are included in any documentation thereof), which shall include, without limitation, (i) a limitation on permitted investments by the Obligors, which shall be consistent with terms agreed in any new money indebtedness raised or deemed incurred at or around the Closing Date by any of the Obligors plus a customary level of incremental cushion, consistent with the covenants set forth in this VOTS and agreed as part of the PPOC Trust solely with respect to Present Private Opioid Claims, (ii) a maximum allowed net leverage ratio equal to 5.0x, (iii) a limitation on restricted payments by the Obligors which shall be consistent with terms agreed in any new money indebtedness raised or deemed incurred at or around the Closing Date by any of the Obligors plus a customary level of incremental cushion, consistent with the covenants set forth in this VOTS and agreed as part of the PPOC Trust solely with respect to Present Private Opioid Claims, and (iv) reporting requirements to be provided to the PPOC Trust, which shall require the provision of periodic reporting materials and notices consistent with the reporting and notice requirements agreed in any new money indebtedness raised or deemed incurred at or around the Closing Date by any of the Obligors.</p> <p>For the avoidance of doubt, the PPOC Trust (and any PPOC Sub-Trusts, to the extent applicable) shall receive the benefit of the same covenants (as well as prepayment obligations, as set forth elsewhere in this VOTS) as the Public Opioid Trust.</p>
<p>Rights of PPOCs That Do Not Participate in PPOC Trust</p>	<p>The rights, as against the Debtors, of any PPOC that chooses not to participate in the PPOC Trust shall be fully preserved and such PPOC and the Debtors shall retain whatever respective rights and remedies are available to each under applicable law.</p>
<p>Trust Expenses</p>	<p>Except as otherwise set forth herein, all expenses for the post-closing administration of the PPOC Trust and any PPOC Sub-Trust (collectively, the “PPOC Trust Expenses”) shall, in accordance with the applicable PPOC Trust Documents and PPOC Sub-Trust Documents, respectively, be paid solely from the PPOC Trust Consideration. Notwithstanding the above, if the applicable PP Prepayment Amount is not paid at Closing, then at Closing, the Stalking Horse Bidder shall fund \$875,000 into an escrow account, and the escrow agent and documentation with respect thereto shall be reasonably acceptable to the Required Consenting Global First Lien Creditors and the OCC, which funds shall solely be used by the PPOC Trust for litigation or enforcement costs necessary to</p>

	<p>enforce the terms of the VOTS, the Private Opioid Trust Documents, or the Private Opioid Sub-Trust Documents, against the Stalking Horse Bidder.</p>
<p>Tax Matters</p>	<p>The PPOC Trust and any PPOC Sub-Trusts are each intended to be treated as a qualified settlement fund for U.S. federal income tax purposes (“QSF”) to the extent permitted under applicable law, and, to such extent, the PPOC Trust Consideration is intended to be treated as amounts transferred to a QSF by, or on behalf of, a transferor to resolve or satisfy a liability for which the QSF is established; provided, however, that solely for U.S. federal income tax purposes, to the extent that the PPOC Trust does not meet the requirements of U.S. Treas. Reg. Section 1.468B-1(c)(1) and (3), the PPOC Trust Consideration shall be treated as owned by the transferor thereof pursuant to U.S. Treas. Reg. Section 1.468B-1(j)(1); provided, further, however, that the PPOC Trust and any PPOC Sub-Trusts shall be implemented with the objective of maximizing tax efficiency to the Prepetition First Lien Secured Parties (as defined in the Cash Collateral Order), the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder and, including with respect to the availability, location, and timing of tax deductions), the PPOC Trust, any PPOC Sub-Trusts, and the Participating PPOCs. To the extent that there is a tax savings for benefit of the PPOC Trust because the PPOC Trust is not a QSF and the transferor of the PPOC Trust Consideration is treated as owning the PPOC Trust Consideration for U.S. federal income tax purposes (pursuant to U.S. Treas. Reg. Section 1.468B-1(j)(1)), as determined by the PPOC Trust, upon a reasonable request setting forth in reasonable detail the amount of such tax savings, to the extent of available cash in the PPOC Trust the transferor shall be entitled to receive from the PPOC Trust an amount equal to such tax savings.</p> <p>To the extent that Section 162(f)(1) of the Internal Revenue Code would otherwise apply to payments to the PPOC Trust, the Parties agree to treat such payments as “restitution” within the meaning of Section 162(f)(2) of the Internal Revenue Code solely to the extent allowed by applicable law.</p> <p>The Parties agree to treat the implementation of this VOTS consistent with the foregoing to the extent permitted by applicable law, provided, however, that to the extent the PPOC Trust Consideration is paid by, or on behalf of, an Irish or other entity that is created, organized or resident</p>

	<p>in a jurisdiction outside the United States (a “<u>Non-U.S. Payor</u>”) to the PPOC Trust or, if applicable, the PPOC Sub-Trusts, the structuring, implementation and tax reporting with the objective of maximizing tax efficiency to the Prepetition First Lien Secured Parties or Stalking Horse Bidder shall be exclusively at the expense of the Stalking Horse Bidder.</p> <p>To the extent the Stalking Horse Bidder is the Successful Bidder and elects for the PPOC Trust Consideration to be paid to the PPOC Trust by a Non-U.S. Payor the Stalking Horse Bidder shall bear any non-U.S. income, withholding, stamp, transfer or any other taxes imposed by such jurisdiction on the payment of PPOC Trust Consideration to the PPOC Trust, and to the extent that the PPOC Trust is ignored for such non-U.S. tax purposes, the PPOC Sub-Trusts, and, without duplication, any non-U.S. tax reporting costs incurred by the PPOC Trust, or if applicable, the PPOC Sub-Trusts, that would not have been incurred but for the use of a Non-U.S. Payor.</p>
<p>Sale Order</p>	<p>The Sale Order shall be in form and substance acceptable to the Required Consenting Global First Lien Creditors and acceptable to the OCC as it relates to the terms of this VOTS and any other matters affecting PPOCs or Public Opioid Claimants that are not otherwise represented by the Multi-State EC or the PEC.</p>
<p>Bidding Procedures Order</p>	<p>The Bidding Procedures, and the Bidding Procedures Order, shall be in form and substance acceptable to the Required Consenting Global First Lien Creditors and acceptable to the OCC as it relates to the terms of this VOTS and any other matters affecting PPOCs or Public Opioid Claimants that are not otherwise represented by the Multi-State EC or the PEC, and shall otherwise be in form and substance reasonably acceptable to the OCC, it being understood and agreed that the form of Bidding Procedures Order (and the Bidding Procedures themselves) filed at Docket[ECF No. 1483] is acceptable to the OCC.</p>
<p>Document Repository</p>	<p>The terms of funding of the Document Repository shall be as set forth in the Voluntary Operating Injunction. All costs and expenses in excess of this amount shall be paid from the Public Trust Consideration (as that term is defined in the Amended Voluntary Public/Tribal Opioid Trust Term Sheet).</p> <p>As set forth in the Voluntary Operating Injunction, the specific provisions of the Voluntary Operating Injunction related to Endo’s Opioid Business (as such term is defined in the Voluntary Operating</p>

	<p>Injunction) apply to the operation of Endo’s Opioid Business by any subsequent purchaser.</p> <p>Upon the filing of this OCC Resolution Term Sheet with the Bankruptcy Court, the Ad Hoc First Lien Group will facilitate further discussions among the OCC and the Multi-State EC regarding the inclusion of PPOC representatives on any board or other managing body of the Document Repository.</p>
Other Resolutions	<p>Nothing in this VOTS limits the ability of the Debtors or the Required Consenting Global First Lien Creditors to reach agreements and/or resolutions with non-PPOCs that do not impair, affect, or otherwise modify the terms set forth herein or that would otherwise affect PPOCs; <i>provided</i> that the Ad Hoc First Lien Group shall engage in good faith consultation with the OCC, with regard to any proposed resolutions among the Ad Hoc First Lien Group and other case parties who hold, may hold, or purport to hold opioid claims (both present and/or future); <i>provided, further</i>, that any such proposed resolutions that adversely affects PPOCs shall be in form and substance acceptable to the OCC.</p>
OCC Hourly Professional Fees	<p>Beginning as of the date hereof, the following terms shall apply to the incurrence of fees by professionals retained or otherwise employed by the OCC that are compensated on an hourly basis (such professionals, the “<u>OCC Hourly Professionals</u>” and, the fees of such professionals, the “<u>OCC Hourly Professional Fees</u>”):</p> <p>(a) Subject to the carve outs listed below in the immediately succeeding clause (b), OCC Hourly Professional Fees that are paid shall be capped (the “<u>Fee Cap</u>”) at (i) \$8.5 million from and including the date hereof through and including October 31, 2023, and (ii) \$500,000 per month beginning November 1, 2023. For the avoidance of doubt, the Fee Cap shall not apply to any amounts owing to Jefferies, LLC (“<u>Jefferies</u>”) under the order approving Jefferies’ retention as investment banker to the OCC.</p> <p>(b) The fees paid to OCC Hourly Professionals for the following services shall not be subject to the Fee Cap <u>(such services, the “Carved Out Services”)</u>:</p> <p>(1) Negotiation, documentation, prosecution, and implementation of this VOTS, including any and all of its provisions (including, without limitation, and for the</p>

	<p>avoidance of doubt, any and all work relating to the PPOC Trust Documents, the PPOC Sub-Trust Documents, and any other matters contemplated by this VOTS);</p> <p>(2) Negotiation and documentation of the Resolution Stipulation among the OCC, the Debtors, the Official Committee of Unsecured Creditors, and the Ad Hoc First Lien Group and any approval (to the extent applicable) of any further stipulation or entry of any order (which could include the Sale Order) approving any provisions in this VOTS;</p> <p>(3) Any work responding to discovery (including any subpoenas for trial or deposition testimony, interrogatories, document discovery, etc.) propounded on the OCC, its members, or its professionals (or any discovery issues to which the OCC, its members, or its professionals must participate in);</p> <p>(4) Any cooperation given by the OCC Hourly Professionals relating to inbound requests from third parties (or Court orders) regarding other case resolutions; and</p> <p>(5) The fulfillment of the OCC’s fiduciary duties that arise from reasonably unforeseen consequences or facts as of the Standstill Commencement Date (it being understood and agreed that the OCC Hourly Professionals shall provide immediate written notice to counsel to the Ad Hoc First Lien Group of such unforeseen consequences or facts, <i>provided</i> any such consequences or facts that constitute confidential information of the OCC may be disclosed to the advisors to the Ad Hoc First Lien Group on a “professional eyes only” basis, provided, further, that the advisors to the Ad Hoc First Lien Group may disclose the fact that such notice was delivered, and the advisors to the Ad Hoc First Lien Group and the advisors to the OCC will discuss in good faith the content of additional disclosures that may be made in connection with such notice).</p>
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- (c) The Fee Cap is only applicable in the event of both (i) a global resolution between the Official Committee of Unsecured Creditors, the Debtors, the Ad Hoc First Lien Group, and the OCC and (ii) the implementation of the resolution herein via the establishment and funding of the PPOC Trust by the Stalking Horse Bidder in the event it is the Successful Bidder in the Debtors' sale process.
- (d) Assuming that the OCC Hourly Professionals are not required (as reasonably determined by the OCC Hourly Professionals) to perform any services during and in furtherance of the Wind-Down (as defined in the Amended Restructuring Term Sheet), (i) any rows entitled "TBD" in the Amended Wind-Down Budget (as defined in, and attached as Exhibit B to, the Amended Restructuring Term Sheet) for OCC Hourly Professional Fees shall be removed from the Wind-Down Budget and (ii) OCC Hourly Professional Fees incurred at any time after the Closing Date shall not be asserted against or paid by the Debtors' estates. In the event there is anticipated to be post-Closing Date work for the OCC, a reasonable budget will be agreed to by the Required Consenting Global First Lien Creditors and the OCC (or as determined by the Mediator (as defined in the Mediation Order) or some other third party mutually selected by the Parties if such agreement cannot be reached), and included in the Wind-Down Budget. It is acknowledged and agreed that if the Debtors pursue a liquidating Plan (whether for one or more Debtors), the OCC Hourly Professionals shall be required to provide services. The OCC Resolution is subject, in all respects, to the implementation of the modifications to the Wind-Down Amount and Amended Wind-Down Budget reflected in the Amended Restructuring Term Sheet. The Wind-Down shall be implemented in a manner consistent with this VOTS, to the extent matters addressed in this VOTS are applicable to the Debtors or their estates during the Wind-Down. The Debtors shall (x) consult with the OCC, in good faith, with regard to the Debtors' implementation of the wind down of the Debtors' estates and (y) provide the OCC with no less than 45 days' advance notice of the dismissal of any Debtor's chapter 11 case; the OCC reserves all rights with respect to the Debtors' dismissal of any Debtor's chapter 11 case.

	<p>(e) All fees of OCC Hourly Professionals incurred prior to the Standstill Commencement Date shall be paid in full, subject to fee examiner review, Bankruptcy Court review, and any objections that may be filed by any party other than the Debtors, the Official Committee of Unsecured Creditors, the Ad Hoc First Lien Group, the Non-RSA First Lien Lender Group, and the Ad Hoc Cross-Holder Group; <u>provided that Akin Gump Strauss Hauer & Feld, as special counsel to the OCC, and Province, LLC, as the financial advisor to the OCC, shall reduce and write off the amount for which it will seek payment from the Debtors' estates for incurred fees in respect of actual services rendered that are not Carved Out Services incurred after the Standstill Commencement Date by \$250,000 each (\$500,000 in the aggregate), which reduction shall be implemented in connection with such services rendered beginning no earlier than May 2023 and then in each successive calendar month thereafter in the amount of \$50,000 for each firm, until such \$500,000 in actually incurred fees is written off and reduced (such reduction and write-off, the "Fee Reduction").</u></p>
<p>Allocation of PPOC Trust Proceeds Among PPOCs</p>	<p>The following terms shall apply to the allocation of PPOC Trust Consideration among the Participating PPOCs:</p> <p>(a) The OCC, in consultation with counsel to certain PPOCs, will, in the exercise of its fiduciary duties, determine the reasonable allocation of any PPOC Trust Consideration among the various categories of PPOCs.</p> <p>(b) To the extent that the OCC determines it is necessary, the OCC shall select a mediator to help mediate any disputes regarding allocation of any PPOC Trust Consideration among the PPOCs; <i>provided that</i>, for the avoidance of doubt, the OCC will make the final determination regarding allocation of PPOC Trust Consideration if mediation does not result in a resolution.</p> <p>(c) To the extent that a mediator is selected, the mediator's fees shall be subject to the Fee Cap (as if such mediator was an OCC Hourly Professional), and the duration of mediation shall be no longer than one month from the date that the OCC determines to select a mediator.</p> <p>(d) To the extent any ad hoc group of PPOCs (representing more than</p>

	<p>50% of the PPOCs in number in such PPOC sub-category) files and thereafter prosecutes at the Sale Hearing an objection to the Debtors' proposed sale to the Stalking Horse Bidder, the allocated portion of PPOC Trust Consideration that would otherwise have been distributed to such PPOC sub-category shall be reduced from the amount that the Stalking Horse Bidder is required to fund in the section herein entitled "PPOC Trust²²."</p>
<p>Documentation</p>	<p>The Private Opioid Trust Documents, which may be attached as an exhibit to the Sale Order or other applicable order (and shall be approved thereunder), shall be in form and substance reasonably acceptable to the OCC and the Required Consenting Global First Lien Creditors; <i>provided</i> that approval of such PPOC Trust Documents by the Required Consenting Global First Lien Creditors shall not be unreasonably withheld or conditioned, or delayed; <i>provided further</i> that the categorization of the various PPOC Sub-Trusts and the distribution mechanics related to the PPOC Trust and any PPOC Sub-Trusts shall be acceptable to the OCC. Any and all PPOC Sub-Trust Documents shall be in form and substance reasonably acceptable to the lead counsel to the applicable category of Participating PPOCs (as identified by the OCC) and, solely to the extent any such PPOC Sub-Trust Documents impose obligations on the Stalking Horse Bidder, the Requisite Consenting Global First Lien Creditors.</p> <p>For the avoidance of doubt, the OCC shall have consent rights over (i) the Bidding Procedures Order, Sale Order and related documents to the extent that they relate to the OCC Resolution or PPOCs or Public Opioid Claimants that are not otherwise represented by the Multi-State EC or the PEC (and the Bidding Procedures Order shall be in form and substance acceptable to the Required Consenting Global First Lien Creditors), (ii) all Private Opioid Trust Documents, and (iii) other documents or provisions that relate to the OCC Resolution, this VOTS, or Participating PPOCs. The parties shall discuss in good faith and agree to (i) the necessary findings regarding the reasonableness of the OCC Resolution and approvals of various portions of the OCC Resolution to be included in the Sale Order or other applicable order and (ii) provisions for retention of jurisdiction of the Court to be included in</p>

	the Sale Order or other applicable order. ⁶
Further Assurances	The Debtors (solely to the extent specifically set forth herein or in the Resolution Stipulation), the Required Consenting Global First Lien Creditors, the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder), and the OCC (and following its effectiveness, the PPOC Trust) shall use commercially reasonable efforts to execute and deliver such documents and take such actions as may reasonably be requested in order to consummate more effectively the transactions contemplated by the VOTS and the Resolution Stipulation. To the extent any legal or structural impediment would prevent, hinder, or delay the consummation of the transactions contemplated by the VOTS and the Resolution Stipulation, the foregoing parties shall negotiate in good faith appropriate additional or alternative provisions to address and resolve any such impediment; <i>provided</i> that the economic outcome for such parties, the anticipated timing of the closing under the Amended PSA, and other material terms of the VOTS and the Resolution Stipulation must be substantially preserved in any such alternative provisions.
Condition Precedent to Effectiveness of this VOTS	Prior to the date hereof, the OCC will be provided with a copy of the proposed final UCC Resolution Term Sheet (as defined in the Resolution Stipulation) so as to permit the OCC to assure itself that there is no difference between the two Committees Resolution Term Sheets (as defined in the Resolution Stipulation) (or that the OCC is comfortable with such difference) as it relates to (a) whether the respective Committees Resolution Term Sheets will apply in the event a party other than the Stalking Horse Bidder is declared the Successful Bidder, (b) whether the respective Committees Resolution Term Sheets will apply in the event of a sale of the Debtors' assets to another bidder other than the Stalking Horse Bidder, or (c) on what conditions the respective Committees Resolution Term Sheets terminate.

⁶ The Parties agree that there will be findings and approvals contained in an order.

Glossary of Key Defined Terms

Term	Meaning
Ad Hoc Cross-Holder Group	That certain ad hoc group of First Lien Creditors, Second Lien Creditors, and Unsecured Notes Creditors (each as defined in the Amended and Restated RSA) (together with their respective successors and permitted assigns) represented by Paul Weiss Rifkind and Garrison, LLP in the Chapter 11 Cases.
Ad Hoc First Lien Group	Has the meaning ascribed to such term in the Cash Collateral Order.
Amended and Restated RSA	Has the meaning ascribed to such term in the Resolution Stipulation.
Amended PSA	Has the meaning ascribed to such term in the Resolution Stipulation.
Amended Restructuring Term Sheet	Has the meaning ascribed to such term in the Resolution Stipulation.
Amended Voluntary Public/Tribal Opioid Trust Term Sheet	The term sheet dated March 24, 2023 describing the resolution agreed to between the Ad Hoc First Lien Group and the Multi-State EC.
Arnold & Porter Parties	Arnold & Porter Kaye Scholer LLP, and any applicable affiliates, subsidiaries, partners, employees, or other related entities or persons (other than, for the avoidance of doubt, directors, officers or employees of the Debtors that are Released Parties).
Bankruptcy Code	Title 11 of the United States Code.
Bankruptcy Court	The United States Bankruptcy Court for the Southern District of New York.
Bar Date	The applicable deadline established by the Bar Date Order for all Persons to file a Proof of Claim.
Bar Date Order	The <i>Order (I) Establishing Deadlines for Filing Proofs of Claim; (II) Approving</i>

Term	Meaning
	<i>Procedures for Filing Proofs of Claim; (III) Approving the Proof of Claim Forms; (IV) Approving the Form and Manner of Notice Thereof; and (V) Approving the Confidentiality Protocol, filed at [ECF No. 733], as may be revised and as ultimately entered by the Bankruptcy Court in the Chapter 11 Cases.</i>
Bidding Procedures	The bidding procedures in connection with the sale or sales of substantially all of the Debtors’ assets pursuant to section 363 of the Bankruptcy Code, including certain dates and deadlines thereunder, as approved by the Bidding Procedures Order.
Bidding Procedures Order	The order attached to the notice filed at ECF No. 1483, as may be further revised and as ultimately entered by the Bankruptcy Court in the Chapter 11 Cases <u>Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, and (III) Granting Related Relief [ECF No. 1765].</u>
Cash Collateral Order	The <i>Amended Final Order (I) Authorizing Debtors to Use Cash Collateral; (II) Granting Adequate Protection to Prepetition Secured Parties; (III) Modifying Automatic Stay; and (IV) Granting Related Relief [Docket ECF No. 535]</i> authorizing the Debtors’ use of Cash Collateral, inclusive of all exhibits and schedules thereto.
Change of Control	Has the meaning ascribed to such term in the First Lien Notes Indentures, as applied to the Stalking Horse Bidder.
Change of Control Payment	Has the meaning ascribed to such term in the section entitled “ <u>PPOC Trust -- Change of Control.</u> ”
Chapter 11 Cases	The voluntary cases commenced by the Debtors on August 16, 2022 in the Bankruptcy Court under chapter 11 of the Bankruptcy Code and jointly administered under the case caption <i>In re Endo International plc, et al.</i> , Case No. 22-22549 (JLG).
Closing Date	Has the meaning ascribed to such term in the Amended PSA.
Co-Defendant(s)	Any person or entity that is named as a defendant in any cause of action in any way related to opioids or opioid products in which any of the Debtors are also named as a party defendant.
Debtors	Endo International plc and its debtor affiliates, as debtors and debtors in possession.
Document	Shall mean the public document repository described in the Voluntary Operating

Term	Meaning
Repository	Injunction.
Estate Causes of Action	Any and all claims, suits, judgments, damages, rights, remedies, causes of action, avoidance powers, liabilities of any nature whatsoever, arising under any provision of the Bankruptcy Code or any applicable nonbankruptcy law, including, without limitation, any and all claims under chapter 5 of the Bankruptcy Code, whether asserted or assertable directly or derivatively in law or equity or otherwise, that the Debtors’ estates may have or are entitled to assert on behalf of their respective estates (whether or not asserted), including against (a) the Debtors’ current and former officers, directors, and fiduciaries, (b) the Debtors’ current and former advisors, attorneys, accountants, consultants, or representatives, (c) the Debtors’ current and former insurers, and (d) TPG Inc. and/or its subsidiaries, affiliates, parents and each of their predecessors, successors, and assigns. For the avoidance of doubt, Estate Causes of Action includes claims, suits, judgments, damages, rights, remedies, causes of action, and avoidance powers against Released Parties and Excluded Parties.
Excluded Parties	(i) any of the Debtors’ current or former third party agents, partners, representatives, or consultants involved in the production, distribution, marketing, promotion, or sale of opioid products, but shall exclude the Debtors’ (x) current and former officers, directors, and employees (solely in their capacity as such) and (y) professionals retained by the Debtors in the chapter 11 cases (which for the avoidance of doubt shall include any ordinary course professionals) (solely in their capacity as such), (ii) the Arnold & Porter Parties; (iii) the McKinsey Parties; (iv) Practice Fusion, Inc.; (v) Publicis Health Media, an affiliate of Razorfish Health LLC; (vi) ZS Associates, Inc; (vii) the Co-Defendants; and (viii) any distributor, manufacturer or pharmacy engaged in the distribution, manufacture, or dispensing/sale of opioids or opioid products.
Exclusivity Motion	<i>The Motion of Debtors for an Order Pursuant to Bankruptcy Code Section 1121(d) Extending the Debtors’ Exclusive Periods to File a Chapter 11 Plan and Solicit Acceptances Thereof</i> , dated December 14, 2022 [ECF No. 979].
Fee Cap	Has the meaning ascribed to such term in the section entitled “ <u>OCC Hourly Professional Fees</u> .”
Jefferies	Has the meaning ascribed to such term in the section entitled “ <u>OCC Hourly Professional Fees</u> .”
Joint Standing	<i>The Motion of the Official Committee of Unsecured Creditors and the Official Committee of Opioid Claimants for (I) Entry of an Order Granting Leave, Standing,</i>

Term	Meaning
Motion	<i>and Authority to Commence and Prosecute Certain Claims on Behalf of the Debtors and (II) Settlement Authority in Respect of Such Claims</i> , dated January 23, 2023 [ECF No. 1243].
Mediation Order	Has the meaning ascribed to such term in the Resolution Stipulation.
McKinsey Parties	McKinsey & Company, Inc., McKinsey & Company, Inc. United States, and any applicable affiliates, subsidiaries, or other related entities or persons (other than, for the avoidance of doubt, directors, officers, or employees of the Debtors that are Released Parties).
Multi-State EC	The Multi-State Endo Executive Committee, comprised of, as of the date hereof, 38 States and the District of Columbia, as well as the Territories of Guam, Puerto Rico, and the U.S. Virgin Islands, as disclosed in the statements filed by the Multi-State Endo Executive Committee pursuant to Bankruptcy Rule 2019 in the Chapter 11 Cases at Docket ECF Nos. 125, 141, 568, and 632, and 2247], and advised by Pillsbury Winthrop Shaw Pittman, LLP in the Chapter 11 Cases.
Non-Debtor Affiliates	The affiliates and subsidiaries of Endo International plc that did not file voluntary petitions for relief in the Chapter 11 Cases.
Non-RSA First Lien Lender Group	The ad hoc group of First Lien Creditors (as defined in the Amended and Restated RSA) represented by Jones Day and identified on the most recent verified statement filed by Jones Day on the docket in the Chapter 11 Cases pursuant to Bankruptcy Rule 2019.
Obligors	The Stalking Horse Bidder, to the extent the Stalking Horse Bidder is the Successful Bidder, and all of its restricted subsidiaries.
OCC	The Official Committee of Opioid Claimants appointed in the Chapter 11 Cases.
OCC Resolution	As defined in the preamble of this VOTS.
Opioid Claim	Claims and Causes of Action, existing as of the Petition Date, against any of the Debtors or Non-Debtor Affiliates in any way arising out of or relating to opioid products manufactured or sold by any of the Debtors, any Non-Debtor Affiliate, any of their respective predecessors, or any other Released Party prior to the Closing Date, including, for the avoidance of doubt, Claims for indemnification (contractual

Term	Meaning
	or otherwise), contribution, or reimbursement against any of the Debtors, any Non-Debtor Affiliate, any of their respective predecessors, or any other Released Party on account of payments or losses in any way arising out of or relating to opioid products manufactured or sold by any of the Debtors, any Non-Debtor Affiliate, or any of their respective predecessors prior to the Closing Date. Notwithstanding anything in this definition of “Opioid Claim,” for the avoidance of doubt, a Putative Future Opioid Claimant (to the extent any exist) does not hold an Opioid Claim.
Participating PPOC	A Present Private Opioid Claimant that (i) files a Proof of Claim, (ii) elects to participate in (i.e. “opts in” to) the PPOC Trust or such claimant’s applicable PPOC Sub-Trust, and (iii) executes and returns a PPOC Release Form, subject to the terms and conditions of the PPOC Trust Documents (including with respect to the releases described herein and therein).
Person	An individual, a partnership, a joint venture, a limited liability company, a corporation, a trust, a government entity, an unincorporated organization, a group, or any legal entity or association.
Petition Date	August 16, 2022.
PP Base Resolution Amount	Has the meaning ascribed to such term in the section entitled “ <u>PPOC Trust²².”</u> ”
PP NPV	Has the meaning ascribed to such term in the section entitled “ <u>Adjustment to PP Base Resolution Amount²².”</u> ”
PP Prepayment Option	Has the meaning ascribed to such term in the section entitled “ <u>PPOC Trust²².”</u> ”
PPOC Participation Deadline	Has the meaning ascribed to such term in the section entitled “Allocation, Participation Procedure, and Over Funding of the PPOC Trust ²² .”
PPOC Release Form	The form attached hereto as Exhibit 1, which PPOCs must execute and deliver to the PPOC Trust in order to become a beneficiary of the PPOC Trust and such PPOC’s applicable PPOC Sub-Trust.
PPOC Sub-Trust(s)	One or more sub-trusts formed in respect of categories of Participating PPOCs that will receive allocations of PPOC Trust Consideration from the PPOC Trust.

Term	Meaning
PPOC Sub-Trust Administrator	The administrator that may be appointed by the OCC or the applicable PPOC Sub-Trustee(s) pursuant to the PPOC Sub-Trust Documents to administer Opioid Claims and perform other administrative functions related to the applicable PPOC Sub-Trust.
PPOC Sub-Trust Board	The applicable board (or similar body) charged with the management and oversight of a PPOC Sub-Trust in accordance with the relevant PPOC Sub-Trust Document, which board or body shall be comprised of one or more trustees appointed in accordance with the PPOC Sub-Trust Document.
PPOC Sub-Trust Documents	The documents governing, inter alia,: (i) each PPOC Sub-Trust; (ii) the flow of consideration from the PPOC Trust to the applicable PPOC Sub-Trust; (iii) the submission, resolution, and distribution procedures in respect of the Participating PPOCs that are beneficiaries under the applicable PPOC Sub-Trust; and (iv) the flow of distributions, payments or flow of funds made from the applicable PPOC Sub-Trusts after the Closing Date.
PPOC Sub-Trust Trustee(s)	The Person or Persons selected by the Official Committee of Opioid Claimants (or the PPOC Trust) in accordance with the PPOC Sub-Trust Documents and appointed to serve as trustee(s) of the PPOC Sub-Trusts to administer the PPOC Sub-Trusts and Opioid Claims channeled to the PPOC Sub-Trusts and any successors thereto, pursuant to the terms of the PPOC Sub-Trust Documents.
PPOC Trust	The trust that is to be established pursuant to this VOTS and pursuant to an order of, or as approved by, the Bankruptcy Court, and funded by the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder), in accordance with this VOTS and the Private Opioid Trust Documents.
PPOC Trustee(s)	The Person or Persons selected by the Official Committee of Opioid Claimants in accordance with the PPOC Trust Documents and appointed to serve as trustee(s) of the PPOC Trust to administer the PPOC Trusts and Opioid Claims channeled to the PPOC Trusts and any successors thereto, pursuant to the terms of the PPOC Trust Documents.
PPOC Trust Administrator	The administrator that may be appointed by the OCC or the PPOC Trustee(s) pursuant to the PPOC Trust Documents to perform any services required by the PPOC Trust Documents related to the PPOC Trust.
PPOC Trust Board	The board (or similar body) charged with the management and oversight of the PPOC Trust in accordance with the PPOC Trust Documents, which board or body shall be comprised of one or more trustees appointed by the OCC in accordance

Term	Meaning
	with the PPOC Trust Documents.
PPOC Trust Consideration	Has the meaning ascribed to such term in the section entitled “ <u>PPOC Trust</u> .”
PPOC Trust Documents	The documents governing: (i) the PPOC Trust; (ii) the flow of PPOC Trust Consideration from the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder) or its present or future subsidiaries to the PPOC Trust or any PPOC Sub-Trust; (iii) the submission, resolution, and distribution procedures in respect of all Participating PPOCs; and (iv) the flow of distributions, payments or flow of funds made from the PPOC Trust or any PPOC Sub-Trust after the Closing Date.
PPOC Trust Expenses	Has the meaning ascribed to such term in the section entitled “ <u>Trust Expenses</u> .”
PPOC Trust Installment Payments	Has the meaning ascribed to such term in the section entitled “ <u>PPOC Trust</u> .”
Present Private Opioid Claimant or PPOC	A holder of an Opioid Claim that is not <u>(i) a Public Opioid Claimant</u> or, in its capacity as such <u>(ii) a Tribal Opioid Claimant, in their capacity as such, or (iii) any other domestic or foreign governmental unit (as such term is defined in section 101(27) of the Bankruptcy Code)</u> . For the avoidance of doubt, neither Putative Future Opioid Claimants, nor Co-Defendants nor any distributor, manufacturer or pharmacy engaged in the distribution, manufacture, or dispensing/sale of opioids or opioid products are PPOCs; <i>provided that</i> no hospital shall be excluded from being deemed a PPOC solely as a result of such hospital operating a pharmacy that distributed, dispensed or sold opioids or opioid products.
Present Private Opioid Claims	The Opioid Claims held by Present Private Opioid Claimants.
Private Opioid Claimant	A holder of an Opioid Claim that is not <u>(i) a Public Opioid Claimant</u> or, in its capacity as such <u>(ii) a Tribal Opioid Claimant, in its capacity as such, or (iii) any other domestic or foreign governmental unit (as such term is defined in section 101(27) of the Bankruptcy Code)</u> .
Private Opioid Trust Documents	Collectively, the PPOC Trust Documents and PPOC Sub-Trust Documents.

Term	Meaning
Proof of Claim	A proof of claim filed in the Chapter 11 Cases on or before the Bar Date with respect to prepetition Claims against the Debtors.
Public Opioid Claimant	Has the meaning ascribed to such term in the Amended Voluntary Public/Tribal Opioid Trust Term Sheet.
Public Opioid Trust	Has the meaning ascribed to such term in the Amended Voluntary Public/Tribal Opioid Trust Term Sheet.
Public Opioid Trust Documents	Has the meaning ascribed to such term in the Amended Voluntary Public/Tribal Opioid Trust Term Sheet.
Public Schools	Any public school (or any board thereof) or initiative or trust established on behalf of or for the benefit of any public school (or any board thereof), or any group comprised of any of the foregoing.
Putative Future Opioid Claimants	Any holder of a future demand for payment against a Debtor (to the extent any such holder is ever determined, adjudicated, or agreed to exist) that (a) is not an Opioid Claim; and (b) is based in whole or in part on any conduct or circumstance that occurs or arises after the Petition Date but before the Closing Date as a result of the same or similar conduct or events that gave rise to the Present Private Opioid Claims. For the avoidance of doubt, a Putative Future Opioid Claimant (to the extent any such claimant is ever determined, adjudicated or agreed to exist) shall not include a claimant that holds a contingent, disputed, or unliquidated Claim that exists on or before the Petition Date.
Qualified Successor	A successor entity to the Obligors that has net leverage less than the greater of (a) the 5.0x maximum allowed net leverage of the Stalking Horse Bidder and (b) Stalking Horse Bidder's net leverage at the time of the Change of Control.
Released Party ⁷	(a) the Debtors, (b) the Non-Debtor Affiliates, (c) the Stalking Horse Bidder and each of its present and future subsidiaries (in each case solely in its capacity as such), (d) each Consenting First Lien Creditor, the Ad Hoc First Lien Group, the Ad Hoc Cross-Holder Group (each as defined in the Amended and Restated RSA), and the Prepetition Secured Parties (as defined in the Cash Collateral Order) (in each case solely in their capacity as such), (e) the Official Committee of Opioid

⁷ For the avoidance of doubt, and notwithstanding anything herein or in the Resolution Stipulation to the contrary, (i) the Stalking Horse Bidder and the Prepetition Secured Parties shall not receive any release of claims, if any, related to the obligation to transfer the PPOC Trust Consideration to the PPOC Trust pursuant to this VOTS, and (ii) the Debtors shall not receive any release of claims, if any, related to any breaches of obligations under this VOTS or the Resolution Stipulation.

Term	Meaning
	<p>Claimants and each of the members thereof in their capacity as such, and each of the advisors to the Official Committee of Opioid Claimants or the individual members thereof, in their capacity as such, (f) the Official Committee of Unsecured Creditors and each of the members thereof in their capacity as such, and each of the advisors to the Official Committee of Unsecured Creditors or the members thereof, in their capacity as such, (g) the PPOC Trustee(s), PPOC Trust Administrator, PPOC Trust Board, any advisors to the PPOC Trust and any other parties with similar administrative or supervisory roles in connection with the PPOC Trust, each in their capacity as such, (h) the PPOC Sub-Trust Trustee(s), PPOC Sub-Trust Administrator(s), PPOC Sub-Trust Boards, any advisors to the PPOC Sub-Trusts, and any other parties with similar administrative or supervisory roles in connection with the PPOC Sub-Trusts, each in their capacity as such, and (i) with respect to each of the foregoing Persons in clauses (a) through (h), such Persons’ predecessors, successors, permitted assigns, current and former subsidiaries, and affiliates, respective heirs, executors, estates, and nominees, in each case solely in their capacity as such, and (j) with respect to each of the foregoing Persons in clauses (a) through (i), such Persons’ current and former officers and directors, principals, members, equityholders, managers, partners, agents, advisory board members, employees, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, experts and other professionals, in each case solely in their capacity as such.</p> <p>For the avoidance of doubt, “Released Parties” shall not include any Excluded Parties.</p>
<p>Required Consenting Global First Lien Creditors</p>	<p>As of any date of determination after the Amendment Effective Date, the Consenting First Lien Creditors holding more than 50% of the principal amount of Prepetition First Lien Indebtedness held by all Consenting First Lien Creditors (capitalized terms have the meanings ascribed to them in the Amended and Restated RSA).</p>
<p>Resolution Stipulation</p>	<p><i>The Stipulation Among the Debtors, Official Committee of Unsecured Creditors, Official Committee of Opioid Claimants, and Ad Hoc First Lien Group Regarding Resolution of Joint Standing Motion and Related Matters.</i></p>
<p>Sale</p>	<p>The sale or sales of substantially all of the Debtors’ assets pursuant to section 363 of the Bankruptcy Code.</p>
<p>Sale Motion</p>	<p>Has the meaning ascribed to it in the provision entitled “Support by the OCC.”</p>

Term	Meaning
Sale Order	Has the meaning ascribed to it in the provision entitled “Overview.”
Sale Transaction	The proposed transaction pursuant to which the Stalking Horse Bidder will acquire from the Debtors to be party to the Amended PSA the Transferred Assets (as defined in the Amended PSA) free and clear of all liens, encumbrances, claims, and other interests (other than certain permitted encumbrances) in accordance with section 363(f) of the Bankruptcy Code, and assume the Assumed Liabilities (as defined in the Amended PSA).
Stalking Horse Bidder	Tensor Limited (or one or more of its designee(s) or assignee(s)), an entity formed under the laws of Ireland to serve as the stalking horse bidder under the Amended PSA in connection with the Sale Process (as defined in the Bidding Procedures).
Standstill Commencement Date	March 6, 2023.
State	Any of the fifty states of the United States of America or the District of Columbia.
Territory	Any of the following territories of the United States of America: American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.
Tribal Opioid Claimant	Has the meaning ascribed to such term in the Amended Voluntary Public/Tribal Opioid Trust Term Sheet.
Tribal Opioid Trust	Has the meaning ascribed to such term in the Amended Voluntary Public/Tribal Opioid Trust Term Sheet.
Tribal Opioid Trust Documents	Has the meaning ascribed to such term in the Amended Voluntary Public/Tribal Opioid Trust Term Sheet.
Tribe	Any American Indian or Alaska Native Tribe, band, nation, pueblo, village or community, that the U.S. Secretary of the Interior acknowledges as an Indian Tribe, as provided in the Federally Recognized Tribe List Act of 1994, 25 U.S.C. § 5130, and as periodically listed by the U.S. Secretary of the Interior in the Federal Register pursuant to 25 U.S.C. § 5131; and any “Tribal Organization” as provided in the Indian Self-Determination and Education Assistance Act of 1975, as amended, 25 U.S.C. § 5304(l).
Voluntary	Means the operating injunction that the Stalking Horse Bidder and applicable

Term	Meaning
Operating Injunction	subsidiaries will be subject to, the terms of which are set forth in Appendix 1 annexed to the <i>Order Granting Debtors' Motion for a Preliminary Injunction Pursuant to Section 105(a) of the Bankruptcy Code</i> [Adv. Pr. No. 22-07039, Decket ECF No. 63].
VOTS	Has the meaning ascribed to it in the preamble of this Voluntary Present Private Opioid Claimant Trust Term Sheet.

Exhibit 1

Form of PPOC Release Form⁸¹

Releases by Participating PPOCs

Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Voluntary Present Private Opioid Claimant Trust Term Sheet, dated March 24, 2023.

As of the Closing Date, for good and valuable consideration, the adequacy of which is hereby confirmed, the Released Parties (defined below), but not the Excluded Parties, shall be conclusively, absolutely, unconditionally, irrevocably, fully, finally, forever and permanently released by each Participating PPOC notwithstanding section 1542 of the California Civil Code or any law of any jurisdiction that is similar, comparable, or equivalent thereto (which shall conclusively be deemed waived) from the following (collectively, the “Released Claims”):

any and all Claims and Causes of Action (each defined below) arising from the beginning of time through the Closing Date and relating in any way to the Debtors, the Debtors’ estates, the Debtors’ business or the Chapter 11 Cases, including, without limitation, any and all Claims and Causes of Action based on or relating to, or in any manner arising from, in whole or in part, the following:

1. the use of Cash Collateral (defined below),
2. any Avoidance Actions (defined below),
3. the negotiation, formulation, preparation, dissemination, filing, or implementation of, prior to the Closing Date, the OCC Resolution, the Voluntary Present Private Opioid Claimant Trust Term Sheet (including all of its provisions), the PPOC Trust, the PPOC Sub-Trusts, the PPOC Trust Documents, the PPOC Sub-Trust Documents, the Amended and Restated RSA (including the exhibits and joinders thereto and any amendments to the Amended and Restated RSA or any exhibits or joinders thereto) and related transactions, the Sale Transaction, the Resolution Stipulation, or the PSA, or any contract, instrument, release, or other agreement or document created or entered into prior to the Closing Date in connection with the VOTS, and the creation of the PPOC Trust and the PPOC Sub-Trusts,
4. the Bidding Procedures and Sale Motion and Bidding Procedures Order (each defined below),

⁸¹ 1 If the general release to be given by holders of General Unsecured Claims with regard to the items contained in this Form of Release is narrower than the Form of Release set forth in this Exhibit 1, the OCC and the Debtors acknowledge and agree that the OCC shall have the right to modify this Form of Release to be consistent with respect to such narrower terms in the release to be given by holders of General Unsecured Claims. For the avoidance of doubt, the foregoing applies solely to the general release to be granted by holders of General Unsecured Claims and does not apply to the covenant not to collect or the scope of claims that may be pursued by the Voluntary GUC Creditor Trust.

5. the Amended and Restated RSA (including the exhibits, joinders, and any amendments thereto), the Sale Transaction (defined below) and the pursuit and conduct thereof,
6. the Sale Order (defined below) and the pursuit thereof, and
7. the administration and implementation of the Sale (as defined in the Bidding Procedures) and the PSA, including the issuance or distribution of securities or indebtedness in connection with the Sale, the establishment of funding of the PPOC Trust and PPOC Sub-Trusts, or upon any other act or omission, transaction, agreement, event, or other occurrence or circumstance taking place on or before the Closing Date related or relating to any of the foregoing.

Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release or waive (i) any post-Closing Date obligations of any party or Entity (as such term is defined in the Bankruptcy Code) under the PSA, the PPOC Trust Documents, the PPOC Sub-Trust Documents, or any document, instrument, or agreement executed to implement the Sale or the OCC Resolution (including as set forth in the Voluntary Present Private Opioid Claimant Trust Term Sheet); and (ii) any General Unsecured Claim against the Debtors. For the avoidance of doubt, and notwithstanding anything to the contrary that may be construed from any of the previous paragraphs or elsewhere in this Release Form, (a) the rights of any PPOC with respect to any General Unsecured Claim (as opposed to Opioid Claim) it has or believes it has against the Debtors shall be governed by the terms of the UCC Resolution Term Sheet and the Voluntary GUC Creditor Trust Documents and (b) any releases being provided to any entity listed in (g), (h), (i) (as it relates to (g) and (h)), and (i) (as it relates to (g) and (h)) of the defined term “Released Parties” shall operate as a waiver of any Claims or Causes of Action against such parties with regard to any actions they shall take after the Closing Date in implementing the Voluntary Present Private Opioid Claimant Trust Term Sheet.⁹²

The Releasing Parties expressly waive and relinquish any and all provisions, rights and benefits conferred by any law of the United States or of any state, territory or tribe of the United States or any other jurisdiction, or by any principle of common law that is similar, comparable or equivalent to California Civil Code § 1542, which provides: “A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.”

Additional defined terms used herein:

A. “Amended PSA” means the definitive purchase and sale agreement, by and between certain Debtors and the Stalking Horse Bidder, in connection with the Sale Transaction (as may be further amended, restated, amended and restated, supplemented, or otherwise modified from time to time).

⁹² 2 The terms of such waiver shall be set forth with more particularity in the final version of the PPOC Release Form.

- B. “Amended and Restated RSA” means that certain Amended and Restated RSA dated March 24, 2023, which amends and restates the Restructuring Support Agreement dated as of August 16, 2022 between the Consenting First Lien Creditors and the Debtors [~~Docket~~[ECF](#) No. 20] (as may be amended, modified, or supplemented from time to time).
- C. “Amended Restructuring Term Sheet” means that certain Amended Restructuring Term Sheet attached to the Amended and Restated RSA as Exhibit A (as may be amended, modified, or supplemented from time to time).
- D. “Arnold & Porter Parties” means Arnold & Porter Kaye Scholer LLP, and any applicable affiliates, subsidiaries, partners, employees, or other related entities or persons (other than, for the avoidance of doubt, directors, officers, or employees of the Debtors that are Released Parties).
- E. “Assumed Liabilities” has the meaning set forth in the Amended Restructuring Term Sheet.
- F. “Avoidance Actions” means any and all avoidance, recovery, subordination or similar actions, remedies, Claims, or Causes of Action, that may be brought under the Bankruptcy Code or applicable non-bankruptcy law, including, without limitation, actions or remedies arising under chapter 5 of the Bankruptcy Code or under similar or related local, state, federal, or foreign statutes and common law, including fraudulent transfer laws, fraudulent conveyance laws, or other similar related laws.
- G. “Bidding Procedures” means the bidding procedures set forth in the Bidding Procedures Order.
- H. “Bidding Procedures and Sale Motion” means the *Debtors’ Motion for an Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, (III) Approving the Sale of Substantially all of the Debtors’ Assets and (IV) Granting Related Relief* [~~Docket~~[ECF](#) No. 728].
- I. “Bidding Procedures Order” means the ~~order attached to the notice filed at ECF No. 1483, as may be further revised and as ultimately entered by the Bankruptcy Court in the Chapter 11 Cases.~~[Order\(I\) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, \(II\) Approving Certain Transaction Steps, and \(III\) Granting Related Relief](#) [[ECF](#) No. 1765].
- J. “Cash Collateral” has the meaning set forth in section 363(a) of the Bankruptcy Code.
- K. “Cash Collateral Order” means the *Amended Final Order (I) Authorizing Debtors to Use Cash Collateral; (II) Granting Adequate Protection to Prepetition Secured Parties; (III) Modifying Automatic Stay; and (IV) Granting Related Relief* [~~Docket~~[ECF](#) No. 535], inclusive of all exhibits and schedules thereto.
- L. “Cause of Action” means any Claim, action, class action, claim, cross-claim, counterclaim, third-party claim, cause of action, controversy, dispute, demand, right, Lien (as defined in the Bankruptcy Code), indemnity, contribution, rights of subrogation, reimbursement, guaranty, suit, obligation, liability, debt, damage, judgment, loss, cost, attorneys’ fees and expenses, account, defense, remedy, offset, power, privilege, license or franchise, in each case, of any kind, character or nature whatsoever, asserted or unasserted,

accrued or unaccrued, known or unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, foreseen or unforeseen, direct or indirect, choate or inchoate, secured or unsecured, allowable or disallowable, allowed or disallowed, ~~assertible~~assertable directly or derivatively (including, without limitation, under alter-ego theories), in rem, quasi in rem, in personam or otherwise, arising before or after the Petition Date, arising under federal, state, territorial or tribal statutory or common law, or any other applicable international, foreign or domestic law, rule, statute, regulation, treaty, right, duty, requirement or otherwise, in contract or in tort, at law, in equity or pursuant to any other theory or principle of law, including fraud, negligence, gross negligence, recklessness, reckless disregard, deliberate ignorance, public or private nuisance, breach of fiduciary duty, avoidance, willful misconduct, veil piercing, unjust enrichment, disgorgement, restitution, contribution, indemnification, rights of subrogation, and joint liability, regardless of where in the world accrued or arising.

M. “Claim” has the meaning set forth in section 101(5) of the Bankruptcy Code.

N. “Closing Date” means the date upon which all conditions precedent to the closing of the Sale Transaction have been satisfied or are expressly waived and the Sale Transaction is consummated, including the funding of the PPOC Trust.

O. “Co-Defendant(s)” means any person or entity that is named as a defendant in any Cause of Action in any way related to Opioids or Opioid Products in which any of the Debtors are also named as a party defendant.

P. “Consenting First Lien Creditors” means each lender under, holder of, or investment advisor, beneficial holder, investment manager, manager, nominee, advisor, or subadvisor to lenders, holders or funds that beneficially own certain of the Loans, First Lien Notes, Second Lien Notes, and Unsecured Notes of the Debtors that are party to the Amended and Restated RSA.

Q. “Debtors” means Endo International plc and its direct and indirect subsidiaries, which are debtors and debtors-in-possession in the chapter 11 cases in the Bankruptcy Court for the Southern District of New York, Case No. 22-22549 (JLG).

R. “DMP” means any distributor, manufacturer or pharmacy engaged in the distribution, manufacture, or dispensing/sale of Opioids or Opioid Products.

S. “Excluded Parties” means (i) any of the Debtors’ current or former third party agents, partners, representatives, or consultants involved in the production, distribution, marketing, promotion, or sale of opioid products, but shall exclude the Debtors’ (x) current and former officers, directors and employees (solely in their capacity as such) and (y) professionals retained by the Debtors in the chapter 11 cases (which for the avoidance of doubt shall include any OCPs) (solely in their capacity as such); (ii) the Arnold & Porter Parties; (iii) the McKinsey Parties; (iv) Practice Fusion, Inc.; (v) Publicis Health Media, an affiliate of Razorfish Health LLC; (vi) ZS Associates, Inc.; (vii) the Co-Defendants; and (viii) the DMPs.

T. “General Unsecured Claim” means any Claim against one or more of the Debtors that (a) is a claim for damages under section 502(g) of the Bankruptcy Code resulting from the rejection of an executory contract or unexpired lease by the Debtors; (b) arises from any past or present personal injury, economic injury, or litigation (including any disputed litigation claims), including, in each case,

unsatisfied damages or judgments entered against, or settlements amount related thereto; or (c) unpaid trade claims arising from the Debtors' business operations; provided, in each case, that such Claim is not secured by collateral, is not a Second Lien Deficiency Claim, Unsecured Notes Claim, Opioid Claim, intercompany Claim, administrative expense claim (including under section 503(b)(9) of the Bankruptcy Code), a Claim entitled to priority under the Bankruptcy Code, a Claim of the United States of America or any of its political subdivisions or agencies, a claim otherwise eligible to be paid pursuant to the Debtors' customer programs order [Docket ECF No. 316] or specified trade claims order [Docket ECF No. 317], a claim for cure costs in connection with the assumption of a contract by the Stalking Horse Bidder, a claim for indemnification related to Opioid Claims pursuant to a contract or agreement assumed by the Debtors and assigned to the Stalking Horse Bidder, or a claim by a Debtor or non-Debtor employee related to prepetition compensation programs.

U. "McKinsey Parties" means McKinsey & Company, Inc., McKinsey & Company, Inc. United States, and any applicable affiliates, subsidiaries, or other related entities or persons (other than, for the avoidance of doubt, directors, officers, or employees of the Debtors that are Released Parties).

V. "Non-Debtor Affiliates" mean the affiliates and subsidiaries of Endo International plc that did not file voluntary petitions for relief in the chapter 11 cases.

W. "OCC Resolution" means the proposed resolution between the Ad Hoc First Lien Group and the Official Committee of Opioid Claimants pertaining to the resolution of Opioid Claims through the establishment of a voluntary trust by the Stalking Horse Bidder.

X. "Opioid(s)" means all natural, semi-synthetic, or synthetic chemicals that interact with opioid receptors and act like opium. The term Opioid shall not include such chemicals used in products with an FDA-approved label that lists the treatment of opioid or other substance use disorder, abuse, addiction, dependence, or overdose as their "indications or usage." For the avoidance of doubt, the term Opioid shall not include the opioid antagonists naloxone or naltrexone.

Y. "Opioid Claim(s)" means Claims and Causes of Action, existing as of the Petition Date, against any of the Debtors or Non-Debtor Affiliates in any way arising out of or related to Opioid Products manufactured or sold by any of the Debtors, any Non-Debtor Affiliate, any of their respective predecessors, or any other Released Party prior to the Closing Date, including, for the avoidance of doubt, Claims for indemnification (contractual or otherwise), contribution, or reimbursement against any of the Debtors, any Non-Debtor Affiliate, any of their respective predecessors, or any other Released Party on account of payments or losses in any way arising out of or relating to Opioid Products manufactured or sold by any of the Debtors, any Non-Debtor Affiliate, or any of their respective predecessors prior to the Closing Date. Notwithstanding anything in this definition of "Opioid Claim," for the avoidance of doubt, a Putative Future Opioid Claimant (to the extent any exist) does not hold an Opioid Claim.

Z. "Opioid Product(s)" means all current and future medications containing Opioids approved by the U.S. Food & Drug Administration ("FDA") and listed by the Drug Enforcement Administration ("DEA") as Schedule II, III, or IV pursuant to the federal Controlled Substances Act (including but not limited to buprenorphine, codeine, fentanyl, hydrocodone, hydromorphone, meperidine, methadone, morphine, oxycodone, oxymorphone, tapentadol, and tramadol). The term "Opioid Products(s)" shall not include

(i) methadone, buprenorphine, or other products with an FDA-approved label that lists the treatment of opioid or other substance use disorder, abuse, addiction, dependence or overdose as their “indications or usage²²,” insofar as the product is being used to treat opioid abuse, addiction, dependence or overdose, or (ii) raw materials, immediate precursors, and/or active pharmaceutical ingredients (“APIs”) used in the manufacture or study of Opioids or Opioid Products, but only when such materials, immediate precursors, and/or APIs are sold or marketed exclusively to DEA-licensed manufacturers or DEA-licensed researchers.

AA. “Participating Present Private Opioid Claimant” or “Participating PPOC” means a Present Private Opioid Claimant that (i) files a Proof of Claim, (ii) opts in to participate in (i.e. “opts in” to) the PPOC Trust or such claimants’ applicable PPOC Sub-Trust, and (iii) executes and returns a PPOC Release Form, subject to the terms and conditions of the PPOC Trust Documents (including with respect to the releases described herein and therein).

BB. “Person” means an individual, a partnership, a joint venture, a limited liability company, a corporation, a trust, a government entity, an unincorporated organization, a group, or any legal entity or association.

CC. “Petition Date” means August 16, 2022.

DD. “PPOC Release Form” means this form, which PPOCs must execute and deliver to the PPOC Trust in order to become a beneficiary of the PPOC Trust, and such PPOC’s applicable PPOC Sub-Trust.

EE. “PPOC Sub-Trust(s)” means one or more sub-trusts formed in respect of categories of Participating PPOCs that will receive allocations of PPOC Trust Consideration from the PPOC Trust.

FF. “PPOC Sub-Trust Administrator” means the administrator that may be appointed by the Official Committee of Opioid Claimants or the applicable PPOC Sub-Trustee(s) pursuant to the PPOC Sub-Trust Documents to administer Opioid Claims and perform other administrative functions related to the applicable PPOC Sub-Trust.

GG. “PPOC Sub-Trust Board” means the applicable board (or similar body) charged with the management and oversight of a PPOC Sub-Trust in accordance with the relevant PPOC Sub-Trust Documents, which board or body shall be comprised of one or more PPOC Sub-Trust Trustee(s) appointed in accordance with the PPOC Sub-Trust Documents.

HH. “PPOC Sub-Trust Documents” means the documents governing, inter alia,; (i) each PPOC Sub-Trust; (ii) the flow of consideration from the PPOC Trust to the applicable PPOC Sub-Trust; (iii) the submission, resolution, and distribution procedures in respect of the Participating PPOCs that are beneficiaries under the applicable PPOC Sub-Trust; and (iv) the flow of distributions, payments or flow of funds made from the applicable PPOC Sub-Trusts after the Closing Date.

II. “PPOC Sub Trust Trustee(s)” means the Person or Persons selected by the Official Committee of Opioid Claimants (or the PPOC Trust) in accordance with the PPOC Sub-Trust Documents and appointed to serve as trustee(s) of the PPOC Sub-Trusts to

administer the PPOC Sub-Trusts and Opioid Claims channeled to the PPOC Sub-Trusts and any successors thereto, pursuant to the terms of the PPOC Sub-Trust Documents.

JJ. “PPOC Trust” means the trust that is to be established pursuant to the Voluntary Present Private Opioid Claimant Trust Term Sheet and pursuant to an order of, or as approved by, the Bankruptcy Court, and funded by the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder), in accordance with the Voluntary Present Private Opioid Claimant Trust Term Sheet and the Private Opioid Trust Documents.

KK. “PPOC Trustee(s)” means the Person or Persons selected by the Official Committee of Opioid Claimants in accordance with the PPOC Trust Documents and appointed to serve as trustee(s) of the PPOC Trust to administer the PPOC Trust and Opioid Claims channeled to the PPOC Trust and any successor thereto, pursuant to the terms of the PPOC Trust Documents.

LL. “PPOC Trust Administrator” means the administrator that may be appointed by the Official Committee of Opioid Claimants or the PPOC Trustee(s) pursuant to the PPOC Trust Documents to perform any services required by the PPOC Trust Documents related to the PPOC Trust.

MM. “PPOC Trust Board” means the board (or similar body) charged with the management and oversight of the PPOC Trust in accordance with the PPOC Trust Documents, which board or body shall be comprised of one or more PPOC Trustees appointed by the Official Committee of Opioid Claimants in accordance with the PPOC Trust Documents.

NN. “PPOC Trust Documents” means the documents governing: (i) the PPOC Trust; (ii) the flow of PPOC Trust Consideration from the Stalking Horse Bidder (to the extent the Stalking Horse Bidder is the Successful Bidder) or its present or future subsidiaries to the PPOC Trust or any PPOC Sub-Trust; (iii) the submission, resolution, and distribution procedures in respect of all Participating PPOCs; and (iv) the flow of distributions, payments or flow of funds made from the PPOC Trust or any PPOC Sub-Trust after the Closing Date.

OO. “Present Private Opioid Claimant” or “PPOC” means a holder of an Opioid Claim that is not (i) a Public Opioid Claimant or, in its capacity as such, (ii) a Tribal Opioid Claimant, in their capacity as such, or (iii) any other domestic or foreign governmental unit (as such term is defined in section 101(27) of the Bankruptcy Code). For the avoidance of doubt, neither Putative Future Opioid Claimants nor DMPs are PPOCs *provided that* no hospital shall be excluded from being deemed a PPOC solely as a result of such hospital operating a pharmacy that distributed, dispensed or sold opioids or opioid products.

PP. “Putative Future Opioid Claimant” means any holder of a future demand for payment against a Debtor (to the extent any such holder is ever determined, adjudicated, or agreed to exist) that (a) is not an Opioid Claim; and (b) is based in whole or in part on any conduct or circumstance that occurs or arises after the Petition Date but before the Closing Date as a result of the same or similar conduct or events that gave rise to the Present Private Opioid Claims. For the avoidance of doubt, a Putative Future Opioid Claimant (to the extent

any such claimant is ever determined, adjudicated or agreed to exist) shall not include a claimant that holds a contingent, disputed, or unliquidated Claim that exists on or before the Petition Date.

QQ. “Released Party” means (a) the Debtors, (b) the Non-Debtor Affiliates, (c) the Stalking Horse Bidder and each of its present and future subsidiaries (in each case solely in its capacity as such), (d) each Consenting First Lien Creditor, the Ad Hoc First Lien Group, the Ad Hoc Cross-Holder Group (each as defined in the Amended and Restated RSA), and the Prepetition Secured Parties (as defined in the Cash Collateral Order) (in each case solely in their capacity as such), (e) the Official Committee of Opioid Claimants, and each of the members thereof in their capacity as such, and each of the advisors to the Official Committee of Opioid Claimants or the members thereof, in their capacity as such, (f) the Official Committee of Unsecured Creditors and each of the members thereof in their capacity as such, and each of the advisors to the Official Committee of Unsecured Creditors or the members thereof, in their capacity as such, (g) the PPOC Trustee(s), PPOC Trust Administrator, PPOC Trust Board, any advisors to the PPOC Trust and any other parties with similar administrative or supervisory roles in connection with the PPOC Trust, each in their capacity as such, (h) the PPOC Sub-Trust Trustee(s), PPOC Sub-Trust Administrator(s), PPOC Sub-Trust Board, any advisors to the PPOC Sub-Trusts, and any other parties with similar administrative or supervisory roles in connection with the PPOC Sub-Trusts, each in their capacity as such and (i) with respect to each of the foregoing Persons in clauses (a) through (h), such Persons’ predecessors, successors, permitted assigns, current and former subsidiaries, and affiliates, respective heirs, executors, estates, and nominees, in each case solely in their capacity as such, and (j) with respect to each of the foregoing Persons in clauses (a) through (i), such Persons’ current and former officers and directors, principals, members, equityholders, managers, partners, agents, advisory board members, employees, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, experts and other professionals, in each case solely in their capacity as such. **For the avoidance of doubt, “Released Parties” shall not include any Excluded Parties.**

RR. “Sale Order” means an order of the Bankruptcy Court approving the Sale Transaction.

SS. “Sale Transaction” means the proposed transaction pursuant to which the Stalking Horse Bidder will acquire from the Debtors to be party to the Amended PSA the Transferred Assets (as defined in the Amended PSA) free and clear of all liens, encumbrances, claims, and other interests (other than certain permitted encumbrances) in accordance with section 363(f) of the Bankruptcy Code, and assume the Assumed Liabilities (as defined in the Amended PSA).

TT. “Second Lien Deficiency Claim” means the portion of the Second Lien Notes Indebtedness (as defined in the Cash Collateral Order) that is not secured and constitutes deficiency Claims pursuant to section 506(a) of the Bankruptcy Code.

UU. “Stalking Horse Bidder” means Tensor Limited (or more or more of its designee(s) or assignee(s)), an entity formed under the laws of Ireland to serve as the stalking horse bidder under the Amended PSA in connection with the Sale Process (as defined in the Bidding Procedures).

VV. “Unsecured Notes” means any notes issued pursuant to (a) that certain Indenture, dated as of June 30, 2014, between Endo Finance LLC and Endo Finco Inc., as issuers, the guarantors party thereto, and U.S. Bank, National Association as trustee; (b) that certain Indenture, dated as of January 27, 2015, between Endo Limited, Endo Finance LLC, and Endo Finco Inc., as issuers, the guarantors party

thereto, and UMB Bank, National Association as trustee; (c) that certain Indenture, dated as of July 9, 2015, between Endo Limited, Endo Finance LLC, and Endo Finco Inc., as issuers, the guarantors party thereto, and UMB Bank, National Association as trustee; or (d) that certain Indenture, dated as of June 16, 2020, between Endo Designated Activity Company, Endo Finance LLC, and Endo Finco Inc., as issuers, the guarantors party thereto, and U.S. Bank, National Association as trustee.

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[Signature Pages to follow]

Effect of Voluntary Release by Participating PPOCs

Terms. From and after the Closing Date and following execution by a Participating PPOC of a PPOC Release Form, the sole recourse of any Participating PPOC on account of its Opioid Claims shall be to the PPOC Trust and the applicable PPOC Sub-Trust pursuant to the applicable Private Opioid-Trust Documents, and such Participating PPOC shall have no right whatsoever at any time to assert its Opioid Claim against any Released Party or any property or interest in property of any Released Party. On and after the Closing Date, all Participating PPOCs shall be permanently and forever stayed, restrained, barred, and enjoined from taking any of the following actions for the purpose of, directly or indirectly or derivatively collecting, recovering, or receiving payment of, on, or with respect to any Opioid Claim other than from the PPOC Trust and applicable PPOC Sub-Trust pursuant to the applicable Private Opioid Trust Documents:

- commencing, conducting, or continuing in any manner, directly, indirectly or derivatively, any suit, action, or other proceeding of any kind (including a judicial, arbitration, administrative, or other proceeding) in any forum in any jurisdiction around the world against or affecting any Released Party or any property or interests in property of any Released Party;
- enforcing, levying, attaching (including any prejudgment attachment), collecting, or otherwise recovering by any means or in any manner, whether directly or indirectly, any judgment, award, decree, or other order against any Released Party or any property or interests in property of any Released Party;
- creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any Encumbrance against any Released Party or any property or interests in property of any Released Party;
- setting off, seeking reimbursement of, contribution from, or subrogation against, or otherwise recouping in any manner, directly or indirectly, any amount against any liability owed to any Released Party or any property or interests in property of any Released Party; or
- proceeding in any manner in any place with regard to any matter that is within the scope of the matters subject to resolution by the PPOC Trust or the applicable PPOC Sub-Trust, except in conformity and compliance with the applicable Private Opioid Trust Documents.

Reservations. The foregoing terms shall not stay, restrain, bar, or enjoin the rights of Participating PPOCs in connection with the administration and resolution of their Opioid Claims under the PPOC Trust and the applicable PPOC Sub-Trust in accordance with the applicable Private Opioid Trust Documents.

Forum. The Stalking Horse Bidder or any Released Party shall be permitted to (i) enter these injunctive terms as a consent order in any State or Territory and (ii) seek enforcement of these injunctive terms in any courts of competent jurisdiction in any State in which any Participating PPOC against which enforcement is sought resides or is domiciled.

Appendix “D”

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re

ENDO INTERNATIONAL plc, *et al.*,

Debtors.¹

Chapter 11

Case No. 22-22549 (JLG)

(Jointly Administered)

**Related Docket Nos. 1257, 1342,
1475, 1825, 1827, 1912, 2245**

MEDIATOR'S SIXTH NOTICE AND STATUS REPORT

PLEASE TAKE NOTICE that, on January 27, 2023, the Court entered the Stipulation and Order (A) Granting Mediation and (B) Referring Matters to Mediation (the "Mediation Order")² appointing the Honorable Shelley C. Chapman (Ret.) as mediator (the "Mediator") to facilitate confidential negotiations among the Mediation Parties regarding the Mediation Topics (the "Mediation").

PLEASE TAKE FURTHER NOTICE that, on February 15, 2023, the Mediator filed the Mediator's Notice of Extension of Mediation which extended the termination date of the Mediation (the "Mediation Termination Date")³ to March 1, 2023.

PLEASE TAKE FURTHER NOTICE that, on March 16, 2023, the Court entered the Stipulation and Order Extending Mediation (the "Extension Order")⁴ which extended the

¹ The last four digits of Debtor Endo International plc's tax identification number are 3755. Due to the large number of debtors in these chapter 11 cases (the "Chapter 11 Cases"), a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at <https://restructuring.ra.kroll.com/Endo>. The location of the Debtors' service address for purposes of these Chapter 11 Cases is: 1400 Atwater Drive, Malvern, PA 19355.

² Docket No. 1257. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Mediation Order.

³ Docket No. 1342.

⁴ Docket No. 1475.

Mediation Termination Date to March 31, 2023, effective *nunc pro tunc* to the original Mediation Termination Date, “unless the Mediation concludes on an earlier date as determined by the Mediator or unless further extended by the Mediator to a date no later than April 28, 2023 (the ‘End Date’), provided that the End Date may be further extended with the unanimous written consent of the Mediator and Mediation Parties.”⁵

PLEASE TAKE FURTHER NOTICE that, on March 31, 2023, the Mediator extended the End Date to April 28, 2023.

PLEASE TAKE FURTHER NOTICE that, on April 21, 2023, the Mediator filed the Mediator’s Notice and Status Report,⁶ in which the Mediator (i) recommended that the Mediation be extended through May 31, 2023 and that the Mediator be granted the option, in her sole discretion, to further extend the Mediation through June 16, 2023 and (ii) advised the Court that the Mediator had sought and obtained the written consent of each of the Mediation Parties for such extensions.

PLEASE TAKE FURTHER NOTICE that, on April 25, 2023, the Court entered the Order Extending Mediation,⁷ extending the End Date to May 31, 2023 at 4:00 PM EST, “unless the Mediation concludes on an earlier date as determined by the Mediator, or unless further extended by the Mediator in the Mediator’s sole discretion to a date no later than June 16, 2023” and on May 30, 2023, the Mediator filed the Mediator’s Second Notice and Status Report,⁸ extending the End Date to June 16 at 4:00 PM EST.

PLEASE TAKE FURTHER NOTICE that, on June 21, 2023, the Court entered the Stipulation and Order Extending the Mediation (the “Second Extension Order”),⁹ which extended

⁵ Extension Order ¶ 2.

⁶ Docket No. 1825.

⁷ Docket No. 1827.

⁸ Docket No. 2123.

⁹ Docket No. 2245.

the End Date of the Mediation to July 7, 2023 at 4:00 PM EST, “unless the Mediation concludes on an earlier date as determined by the Mediator, or unless further extended by the Mediator in the Mediator’s sole discretion to a date no later than July 28, 2023; provided, however, that if the hearing to approve the sale of substantially all of the Debtors’ assets is scheduled for a date that is later than July 28, 2023, the Mediator shall have the right to further extend the Mediation in the Mediator’s sole discretion on one or more occasions through a date that is no later than the sale hearing.”¹⁰

PLEASE TAKE FURTHER NOTICE that, on July 12, 2023, the Mediator filed her *Third Notice and Status Report*¹¹ extending the End Date to August 4, 2023.

PLEASE TAKE FURTHER NOTICE that, on August 2, 2023, the Mediator filed her *Fourth Notice and Status Report*¹² extending the End Date “through the last day, whether August 14, 2023 or August 16, 2023, of the hearing to approve the sale of substantially all of the Debtors’ assets.”

PLEASE TAKE FURTHER NOTICE that, on August 24, 2023, the Mediator filed her *Fifth Notice and Status Report*¹³ extending the End Date “through the last day, whether September 13, 2023 or September 14, 2023, of the hearing to approve the sale of substantially all of the Debtors’ assets.”

STATUS REPORT AND NOTICE OF EXTENSION OF MEDIATION

The Mediator continues to engage in active and ongoing negotiations with the Mediation Parties and believes it is in the best interest of all stakeholders for the End Date to be further

¹⁰ Second Extension Order ¶ 2. While the Second Extension Order did not apply to the Department of Justice at the time of entry, by the Mediator’s Third Notice and Status Report, the Mediator notified the Court that the Department of Justice consented to the extension of the Mediation to the date of the sale hearing.

¹¹ Docket No. 2399.

¹² Docket No. 2570.

¹³ Docket No. 2654.

extended. The hearing to approve the sale of substantially all of the Debtors' assets (the "Sale Hearing") has been adjourned to a date to be determined by the Court, and the Debtors have placed parties on notice that they will file a notice of the date of the adjourned Sale Hearing once such hearing has been scheduled.¹⁴

The Mediator hereby extends the End Date of the Mediation through the last day of the adjourned Sale Hearing, whenever such hearing is scheduled by the Court to be held.

Dated: September 13, 2023

/s/ Hon. Shelley C. Chapman (Ret.)
HON. SHELLEY C. CHAPMAN (RET.)
Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019
Telephone: (212) 728-8000
Facsimile: (212) 728-8111

¹⁴ See Notice of Adjournment of In-Person and Zoom Sale Hearing [Dkt. No. 2853].

Appendix “E”

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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	:
In re:	: Chapter 11
	:
ENDO INTERNATIONAL plc, et al., ¹	: Case No. 22-22549 (JLG)
	:
Debtors.	: (Jointly Administered)
	:
-----	X Related Dkt. No. 2138

**STIPULATION BY AND AMONG JODIE PHILIPSEN AND
JANICE SEYMOUR, THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS,
THE OFFICIAL COMMITTEE OF OPIOID CLAIMANTS, AND THE DEBTORS
RESOLVING THE CLASS CLAIM MOTION [DKT. NO. 2138]**

The above-captioned Debtors, the Official Committee of Unsecured Creditors (the “**UCC**”), the Official Committee of Opioid Claimants (the “**OCC**”), and Jodie Philipsen and Janice Seymour (the “**Movants**,” and together with the Debtors, the UCC, and the OCC, the “**Parties**”) hereby stipulate to entry of this stipulation (the “**Stipulation**”).

A. RECITALS

A. On November 23, 2022, the Debtors filed the *Motion of Debtors for Entry of an Order (I) Establishing Deadlines for Filing Proofs of Claim; (II) Approving Procedures for Filing Proofs of Claim; (III) Approving the Proof of Claim Forms, (IV) Approving the Form and Manner of Notice Thereof; and (V) Approving the Confidentiality Protocol* [Dkt. No. 733] (the “**Bar Date Motion**”). On April 3, 2023, the Court approved the Bar Date Motion, and entered the *Order (I) Establishing Deadlines for Filing Proofs of Claim; (II) Approving Procedures for*

¹ The last four digits of Debtor Endo International plc’s tax identification number are 3755. Due to the large number of debtors in these chapter 11 cases, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ claims and noticing agent at <https://restructuring.ra.kroll.com/Endo>. The location of the Debtors’ service address for purposes of these chapter 11 cases is: 1400 Atwater Drive, Malvern, PA 19355.

Filing Proofs of Claim; (III) Approving the Proof of Claim Forms; (IV) Approving the Form and Manner of Notice Thereof; and (V) Approving the Confidentiality Protocol [Dkt. No. 1767] (the “**Bar Date Order**”). The Bar Date Order sets July 7, 2023 as the bar date for all persons or entities holding a claim against the Debtors to file a proof of claim (the “**Bar Date**”)

B. On June 1, 2023, the Movants filed the *Motion of Jodie Philipsen and Janice Seymour for an Order (I) Certifying the Class of Australian Mesh Claimants, and Authorizing the Filing of a Class Proof of Claim, or Alternatively, (II) Extending the Bar Date to File Proofs of Claim* [Dkt. No. 2138] (the “**Class Claim Motion**”).

C. On June 14, 2023, the Debtors filed the *Notice of Presentment of Amended Order (I) Establishing Deadlines for Filing Proofs of Claim; (II) Approving Procedures for Filing Proofs of Claim; (III) Approving the Proof of Claim Forms; (IV) Approving the Form and Manner of Notice Thereof; and (V) Approving the Confidentiality Protocol* [Dkt. No 2176] (the “**Proposed Amended Bar Date Order**”). The Proposed Amended Bar Date Order allows counsel to multiple mesh claimants to, subject to the terms therein, file a single “consolidated” proof of claim on behalf of all their clients. Proposed Amended Bar Date Order ¶ 18(k)(ii).

D. On June 15, 2023, the UCC filed an objection to the Class Claim Motion [Dkt. No. 2227] (the “**UCC Class Claim Objection**”), the OCC filed an objection to the Class Claim Motion [Dkt. No. 2226], the Debtors filed an objection and joinder to the UCC Class Claim Objection [Dkt. No. 2228], and Catherine Brewster filed a joinder to the UCC Class Claim Objection [Dkt. No. 2230] (the foregoing, collectively, the “**Class Claim Objections**”).

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the Parties hereto, through their undersigned counsel that:

1. In resolution of the Class Claim Motion and the Class Claim Objections, the Parties agree to the following:

- a. The Movants will withdraw the Class Claim Motion with prejudice.
- b. Pursuant to the Proposed Amended Bar Date Order, the Movants will file a consolidated claim by the July 7, 2023 Bar Date (the “**Consolidated Claim**”). The Consolidated Claim will attach a spreadsheet containing: (i) the names of each of the claimants that will be subject to the Consolidated Claim, (ii) the asserted claim amounts (in dollars) associated with each individual claim, and (iii) any other information in the possession of the Movants relating to each of such individual claims.
- c. The Movants will have until August 21, 2023 (45 days after the Bar Date) to amend the Consolidated Claim to (a) provide all other information required by the proof of claim form for each of the individual claimants in the Consolidated Claim, and (b) remove any claimants for which authorization was not obtained to file such Consolidated Claim by August 21, 2023. The Consolidated Claim shall not be amended to add any additional claimants after the July 7, 2023 Bar Date.

2. Other than as set forth above, all of the Parties’ rights, defenses and objections in respect of any claims filed by the Movants are fully preserved.

3. This Court retains jurisdiction over all matters arising from or related to implementing this Stipulation.

Dated: June 21, 2023
New York, New York

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*Special Counsel to the Official Committee
of Opioid Claimants of Endo International
plc, et al.*

Appendix “F”

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

ENDO INTERNATIONAL plc, et al.,

Debtors.¹

Chapter 11

Case No. 22-22549 (JLG)

(Jointly Administered)

**Related Docket Nos. 733, 1767 &
2253, 2348**

**FURTHER AMENDED ORDER (I) ESTABLISHING
DEADLINES FOR FILING PROOFS OF CLAIM; (II) APPROVING
PROCEDURES FOR FILING PROOFS OF CLAIM; (III) APPROVING THE
PROOF OF CLAIM FORMS; (IV) APPROVING THE FORM AND MANNER OF
NOTICE THEREOF; AND (V) APPROVING THE CONFIDENTIALITY PROTOCOL**

Upon the motion (the "Motion")² of the debtors in possession (collectively, the "Debtors") in the above-captioned cases for entry of an order (this "Order"), among other things, (a) establishing deadlines for filing Proofs of Claim; (b) establishing a deadline for the mailing of the Bar Date Notice; (c) approving the procedures for filing Proofs of Claim; (d) approving the form of notice thereof, and the Debtors' plan for providing notice thereof to known creditors and parties in interest; (e) approving the Supplemental Notice Plan for providing publication notice of the Bar Dates to unknown creditors and parties in interest, as described in the Kroll Declaration [Docket No. 732]; (f) approving the Confidentiality Protocol; and (g) approving the Proof of Claim Forms, all as more fully set forth in the Motion; and the Court having reviewed the Motion, the Kroll

¹ The last four digits of Debtor Endo International plc's tax identification number are 3755. Due to the large number of debtors in these chapter 11 cases, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at <https://restructuring.ra.kroll.com/Endo>. The location of the Debtors' service address for purposes of these chapter 11 cases is: 1400 Atwater Drive, Malvern, PA 19355.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

Declaration, and having heard the statements of counsel regarding the relief requested in the Motion at a hearing before the Court; and the Court having found that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157(a)-(b) and 1334(b) and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); (b) this is a core proceeding pursuant to 28 U.S.C. §§ 157 (b) and 1334(b); (c) venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and (d) due and proper notice of the Motion, the Kroll Declaration, and the hearing on the Motion was sufficient under the circumstances, and no other or further notice is necessary; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein, and that such relief is in the best interests of the Debtors, their estates, creditors, and all parties in interest; now, therefore,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED solely to the extent set forth herein.

The Bar Dates

2. Except as otherwise provided in this Order, all persons or entities (including, without limitation, individuals, partnerships, joint ventures, and trusts) holding a claim (as defined in section 101(5) of the Bankruptcy Code) (a “Claim”) against any of the Debtors that arose or is deemed to have arisen prior to the Petition Date, including, but not limited to, secured claims, unsecured priority claims, and unsecured non-priority claims, *must* file a Proof of Claim in writing or electronically in accordance with the procedures described herein so that such Proof of Claim is actually received by the Debtors’ claims and noticing agent, Kroll Restructuring Administration LLC (the “Claims and Noticing Agent”) *on or before 5:00 p.m. (Prevailing Eastern Time) on July 7, 2023* (the “General Bar Date”). The General Bar Date shall be identified in the Bar Date Notice, including the publication version of the Bar Date Notice.

3. Except as otherwise provided in this Order, all governmental units (as defined in section 101(27) of the Bankruptcy Code) ("Governmental Units") that wish to assert a Claim against the Debtors that arose or is deemed to have arisen prior to the Petition Date must file a Proof of Claim in accordance with the procedures described herein so that such Proof of Claim is actually received by the Claims and Noticing Agent *on or before 5:00 p.m. (Prevailing Eastern Time) on May 31, 2023* (the "Governmental Bar Date"). The Governmental Bar Date shall be identified in the Bar Date Notice, including the publication version of the Bar Date Notice.

4. Notwithstanding the foregoing, (i) all municipalities and other local governmental subdivisions (collectively, the "Local Governments"), (ii) all Federally Recognized Native American Tribes (collectively, the "Tribes"), (iii) all fifty states of the United States of America and the District of Columbia (collectively, the "States") and (iv) any of the following territories of the United States of America: American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands (collectively, the "Territories") that wish to assert a Claim against the Debtors based on or involving the manufacturing, marketing, and/or sale of opioids that arose or is deemed to have arisen prior to the Petition Date must file a Proof of Claim in accordance with the procedures described herein so that such Proof of Claim is actually received by the Claims and Noticing Agent by the earlier of (1) 10:00 a.m. (Prevailing Eastern Time) on the date set for the (first) disclosure statement hearing for any chapter 11 plan in these Chapter 11 Cases and (2) 5:00 p.m. (Prevailing Eastern Time) on the date that is 35 days after the date on which the Debtors file on the docket and serve a supplemental notice setting a deadline for such Local Governments, Tribes, States and/or Territories to file Proofs of Claim (such deadline, as applicable, the "State/Local Governmental Opioid Bar Date") and such notice, a "Supplemental Notice of State/Local Governmental Opioid Bar Date"). The Supplemental Notice(s) of State/Local

Governmental Opioid Bar Date shall either be filed with the Debtors' proposed disclosure statement or on its own, but in no event shall any State/Local Governmental Opioid Bar Date be set for a date that is earlier than June 14, 2023. Notwithstanding anything contained herein, any States and/or Territories that do not elect to participate in the public opioid settlement contemplated by the Stalking Horse Bid (as defined in the Bidding Procedures Motion) by the expiration of the public opioid trust opt-in period and wish to assert a Claim against the Debtors based on or involving the manufacturing, marketing, and/or sale of opioids that arose or is deemed to have arisen prior to the Petition Date must file a Proof of Claim in accordance with the procedures described herein so that such Proof of Claim is actually received by the Claims and Noticing Agent by 5:00 p.m. (Prevailing Eastern Time) on the date that is 30 days after the General Bar Date; *provided* that in no event shall such date be later than September 15, 2023.

5. Except as otherwise provided in this Order, any person or entity asserting Claims arising from or relating to the Debtors' rejection of an executory contract or unexpired lease pursuant to an order of this Court that is entered prior to confirmation of a chapter 11 plan is required to file a Proof of Claim, as provided herein, so that it is received by the Claims and Noticing Agent on or before the later of: (a) the General Bar Date or the Governmental Bar Date, as applicable; and (b) 5:00 p.m. (Prevailing Eastern Time) on the date that is 30 days after the effective date of rejection of such executory contract or unexpired lease (the "Rejection Bar Date").

6. The Debtors retain the right to (a) dispute, or assert offsets or defenses against, any filed Claim or any Claim listed or reflected in the Schedules as to nature, amount, priority, liability, classification, or otherwise; (b) subsequently designate any Claim as disputed, contingent, or unliquidated; and (c) otherwise amend, modify, or supplement the Schedules. If the Debtors amend, modify, or supplement the Schedules to reduce the undisputed, noncontingent, and

liquidated amount or to change the nature or classification of any Claim against the Debtors, a negatively impacted claimant may file a timely Proof of Claim or amend any previously filed Proof of Claim in respect of the amended scheduled Claim on or before the later of (y) the General Bar Date or the Governmental Bar Date, as applicable, or (z) 30 days after the date that notice of the applicable amendment to the Schedules is served on the affected claimant (the “Amended Schedule Bar Date” and, together with the General Bar Date, Governmental Bar Date, the State/Local Governmental Opioid Bar Date, and Rejection Bar Date, the “Bar Dates”).

7. By contrast, if (a) the amendment to the Schedules improves the amount or treatment of a previously scheduled or filed Claim and (b) the affected claimant previously was served with a notice of the Bar Dates, the affected claimant will be subject to the General Bar Date the Governmental Bar Date, or the State/Local Governmental Opioid Bar Date, as applicable. If the Debtors amend, modify, or supplement the Schedules with respect to any Claim that the Debtors state has been satisfied, such paid creditor shall not be required to file a Proof of Claim with respect to the satisfied Claim unless the creditor disputes that such Claim has been satisfied. Notwithstanding the foregoing, nothing contained herein precludes the Debtors from objecting to any Claim, whether scheduled or filed, on any grounds.

The Bar Date Notice

8. The form of the Bar Date Notice, the Proof of Claim Forms and the form of WSJ Notice (as defined below), substantially in the forms attached to this Order as **Exhibit 1**; **Exhibit 2-A**, **Exhibit 2-B** and **Exhibit 2-C**; and **Exhibit 3**, respectively, the Supplemental Notice Plan, and the manner of providing notice of the Bar Dates, are approved in all respects pursuant to Bankruptcy Rules 2002(a)(7) and 2002(l).

9. The form and manner of notice of the Bar Dates approved herein (a) are reasonable and adequate and (b) fulfill the notice and other due process requirements of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Guidelines, and applicable law. As such, the Debtors are authorized to serve the Bar Date Notice Package (as defined below), provide publication notice through the Supplemental Notice Plan as described in the Kroll Declaration and publish the Bar Date Notice in the manner described herein.

10. By (x) April 26, 2023, or as soon as reasonably practicable thereafter, with respect to all parties other than the Purdue Parties (as defined below) and (y) May 31, 2023, or as soon as reasonably practicable thereafter, with respect to the Purdue Parties (each, as applicable, the “Mailing Deadline”), the Debtors will cause to be mailed a Bar Date Notice, the applicable Proof of Claim Form, and Proof of Claim instructions (collectively, the “Bar Date Notice Package”) by first class United States mail, postage prepaid, to the following: (a) known claimants with actual Claims against the Debtors, (b) parties known to the Debtors as having potential Claims against the Debtors, and (c) other known parties in interest entitled to notice of the Bar Dates:

1. Known Actual Claimants

- (a) all claimants that have filed a Proof of Claim prior to the date of entry of this Order;
- (b) all creditors and other known holders of Claims prior to the date of entry of this Order, including all claimants listed in the Schedules as holding Claims, at the addresses stated therein;
- (c) all counterparties to the unexpired leases or executory contracts listed on the Schedules at the addresses stated therein;
- (d) all persons and entities known by the Debtors to have asserted any lien, claim, interest, or encumbrance on, in or against the Debtors’ assets (for whom identifying information and addresses are available to the Debtors);
- (e) all Debt Agents (as defined below);
- (f) counsel to the UCC;

- (g) counsel to the OCC;
- (h) counsel to the FCR;
- (i) counsel to the Ad Hoc First Lien Group;
- (j) counsel to the Ad Hoc Cross-Holder Group;
- (k) counsel to the Ad Hoc Group of Personal Injury Victims;
- (l) counsel to the Ad Hoc Committee of NAS Children;
- (m) counsel to the Multi-State Endo Executive Committee;
- (n) all parties to litigation with the Debtors that are known as of the date of entry of this Order, and/or their counsel, including:
 - (i) all known parties to litigation or administrative proceedings with the Debtors as of the date of entry of this Order (including, without limitation, all co-defendants in the Debtors' prepetition (1) opioid; (2) generic pricing; (3) transvaginal mesh; (4) other (i.e., non-generic pricing) antitrust; and (5) ranitidine litigations) for whom identifying information and addresses are available to the Debtors, and their counsel; and
 - (ii) all known parties to litigation that concluded after July 1, 2021 (for whom identifying information and addresses are available to the Debtors) and their counsel;
- (o) all (i) current employees of the Debtors and (ii) all former employees of the Debtors terminated on or after January 1, 2016;

2. Known Potential Claimants

- (a) subject to entry of an order authorizing the Debtors to obtain such information, all persons or parties who have filed a Proof of Claim on account of a personal injury related to opioids in *In re Purdue Pharma L.P.*, Case No. 19-23649 (Bankr. S.D.N.Y. 2019) (the "Purdue Parties");
- (b) all parties known to the Debtors as having potential Claims against the Debtors' estates (each for whom identifying information and addresses are available to the Debtors) including:
 - (i) all U.S. corporate pharmacy headquarters and pharmacy benefit managers in all 50 U.S. states and all U.S. territories;
 - (ii) users and prescribers of Endo products who are included in an adverse event report or who have filed a product complaint and provided contact information;

- (iii) parties who have threatened, but not filed, litigation against the Debtors (including, but not limited to, product disputes, employment disputes, and contract disputes), and such parties' counsel;
- (iv) entities and individuals other than current, former, and retired employees, officers, and directors, that have requested indemnification, and such entities' or individuals' counsel;
- (v) individuals who: (1) filed potential Claims via the census registry ordered in *In re: Zantac (Ranitidine) Products Liability Litigation Master Personal Injury Complaint*, No. 9:20-md-02924-RLR (S.D.F.L 2020); (2) reported using prescription ranitidine products during the time the Debtors' product was on the market; and (3) claim to have developed one of the designated cancers, and such parties' counsel;
- (vi) parties who have entered into either individualized or aggregate settlement agreements with the Debtors regarding transvaginal mesh products, but whose distribution rights pursuant to such agreements were unclaimed or otherwise not finalized as of the Petition Date;
- (vii) governmental or regulatory bodies that, as of August 16, 2021, have commenced or maintained ongoing investigations regarding the Debtors' businesses of which the Debtors have been made aware;

3. Known Parties in Interest Entitled to Notice

- (a) the U.S. Trustee;
- (b) the United States Attorney General, the Office of the United States Attorney for the Southern District of New York, and the Offices of Attorneys General and Offices of the Secretaries of State for all 50 U.S. states and all U.S. territories;
- (c) the Internal Revenue Service;
- (d) all other state and local taxing authorities for the jurisdictions in which the Debtors maintain or conduct business or own property;
- (e) all environmental authorities having jurisdiction over any of the Debtors businesses or assets, including the Environmental Protection Agency, if applicable;
- (f) all regulatory authorities that regulate the Debtors' businesses;
- (g) the Antitrust Division of the United States Department of Justice;
- (h) the Federal Trade Commission;
- (i) the Securities Exchange Commission;

- (j) any other governmental authority in any country in which the Debtors are organized, which is known to have a claim against the Debtors in these Chapter 11 Cases;
- (k) all persons and entities known by the Debtors to have expressed an interest to the Debtors in a transaction involving any material portion of the Debtors' assets during the past 12 months;
- (l) entities on the Master Services List;
- (m) all parties who have requested notice pursuant to Bankruptcy Rule 2002; and
- (n) all other persons and entities as directed by this Court.

11. For the avoidance of doubt, subject to any applicable data privacy restrictions or obligations under the laws of the United Kingdom, the European Union and Australia, the Debtors are authorized to share information regarding known actual claimants and known potential claimants with the Debtors' advisors and agents in connection with any efforts to provide notice to parties pursuant to the preceding paragraph.

12. In the event that: (a) one or more Bar Date Notice Packages are returned by the post office, necessitating a mailing to a new address; (b) certain parties acting on behalf of parties in interest decline to forward the Bar Date Notice Packages to such parties in interest and instead return their names and addresses to the Claims and Noticing Agent for direct mailing; or (c) additional potential holders of Claims become known to the Debtors, the Debtors may make supplemental mailings of the Bar Date Notice Package up to and including the date that is 30 days in advance of the applicable Bar Date, with any such supplemental mailings being deemed timely.

13. As part of the Bar Date Notice Package, the Debtors, through the Claims and Noticing Agent, shall mail the applicable Proof of Claim Form(s) to the parties receiving the Bar Date Notice. For holders of potential Claims listed in the Schedules, the applicable Proof of Claim Form(s) mailed to such entities shall state, along with the claimant's name, whether the Debtors have scheduled the creditor's Claim in the Schedules and, if so, whether the claimant's Claim is

listed as: (a) disputed, contingent, or unliquidated; and (b) secured, unsecured, or priority. If a Claim is listed in the Schedules, the dollar amount of the Claim (as listed in the Schedules) also will be identified on the applicable Proof of Claim Form(s).

Parties Required to File Proofs of Claim

14. Except as otherwise provided herein, the following parties in interest must file a Proof of Claim in these Chapter 11 Cases on or before the applicable Bar Date:

- (a) any person or entity (i) whose Claim against a Debtor is not listed in the Debtors' Schedules or is listed as disputed, contingent, or unliquidated and (ii) that desires to participate in these Chapter 11 Cases or share in any distribution in these Chapter 11 Cases;
- (b) any person or entity that (i) believes that its Claim is improperly classified in the Schedules or is listed in an incorrect amount and (ii) desires to have its Claim allowed in a classification or amount different from the classification or amount identified in the Schedules;
- (c) any person or entity that believes that its Claim as listed in the Schedules is not an obligation of the specific Debtor against which such Claim is listed and that desires to have its Claim allowed against a Debtor other than the Debtor identified in the Schedules; and
- (d) any person or entity holding a Claim that is allowable under section 503(b)(9) of the Bankruptcy Code as an administrative expense in these Chapter 11 Cases.

Parties Not Required to File Proofs of Claim

15. The following parties in interest shall not be required to file a Proof of Claim in these Chapter 11 Cases on or before the applicable Bar Date, solely with respect to the following categories of Claims or interests:

- (a) claims represented by the Future Claimants' Representative;
- (b) equity securities (as defined in section 101(16) of the Bankruptcy Code and including, without limitation, common stock, preferred stock, warrants or stock options) or other ownership interests in the Debtors (the holder of such interest, an "Interest Holder"); *provided, however*, that an Interest Holder that wishes to assert Claims against the Debtors that arise out of or relate to the ownership or purchase of an equity security or other ownership interest, including, but not limited to, a Claim for damages or rescission based on the purchase or sale of such equity

security or other ownership interest, must file a Proof of Claim on or before the applicable Bar Date;

- (c) Claims against the Debtors for which a signed Proof of Claim has already been properly filed with the Clerk of this Court or the Claims and Noticing Agent in a form substantially similar to Official Bankruptcy Form No. 410;
- (d) Claims against the Debtors (i) that are not listed as disputed, contingent, or unliquidated in the Schedules and (ii) where the holder of such Claim agrees with the nature, classification, and amount of its Claim as identified in the Schedules;
- (e) Claims against the Debtors that have previously been allowed by, or paid pursuant to, an order of this Court;³
- (f) claims allowable under sections 503(b) and 507(a)(2) of the Bankruptcy Code as an administrative expense of these Chapter 11 Cases (other than any Claim allowable under section 503(b)(9) of the Bankruptcy Code);
- (g) administrative expense claims for postpetition fees and expenses incurred by any professional allowable under sections 328, 330, 331, and 503(b) of the Bankruptcy Code or 28 U.S.C. § 156(c);
- (h) Claims for which specific deadlines have been fixed by an order of this Court entered on or before the applicable Bar Date;
- (i) Claims asserted by any party that is exempt from filing a Proof of Claim pursuant to an order entered by this Court (including the *Amended Final Order (I) Authorizing Debtors to Use Cash Collateral; (II) Granting Adequate Protection to Prepetition Secured Parties; (III) Modifying Automatic Stay; and (IV) Granting Related Relief* [Docket No 535]);
- (j) Claims by any current officers and directors of the Debtors for indemnification, contribution, or reimbursement arising as a result of such officers' or directors' prepetition or postpetition services to the Debtors;
- (k) claims that are payable to the Court or to the United States Trustee Program pursuant to 28 U.S.C. § 1930;
- (l) Claims of any Debtor against another Debtor or any Claims of a direct or indirect non-Debtor subsidiary or affiliate of Endo International plc against a Debtor;
- (m) Claims asserted by a current or former employee of the Debtors, if an order of this Court authorized the Debtors to honor such Claim in the ordinary course of business as a wage, commission, or benefit, including pursuant to the final wages order

³ To the extent that any amounts paid by the Debtors to a creditor are subject to disgorgement pursuant to a postpetition trade agreement or otherwise, that creditor shall have until the later of (i) the General Bar Date and (ii) 30 days from the date of any disgorgement to file a Proof of Claim for the disgorged amount.

[Docket No. 695]; *provided* that a current or former employee must submit a Proof of Claim by the General Bar Date for all other Claims arising on or before the Petition Date, including Claims for benefits not provided for pursuant to an order of the Court, wrongful termination, discrimination, harassment, hostile work environment, or retaliation; and

- (n) any Claims limited exclusively to the repayment of principal, interest, fees, expenses, and any other amounts owing under any agreements governing any revolving credit facility, term loans, notes, bonds, debentures, or other debt securities or instruments issued or entered into by any of the Debtors (a “Debt Claim”) pursuant to an indenture, note, credit agreement or similar form of documentation, as applicable (together, the “Debt Instruments”); *provided* that (x) the relevant indenture trustee, administrative agent, registrar, paying agent, loan or collateral agent, or any other entity serving in a similar capacity however designated (each, a “Debt Agent”) under the applicable Debt Instrument shall file a single master Proof of Claim, on or before the applicable Bar Date, against each Debtor obligated under the applicable Debt Instrument on account of all Debt Claims and (y) any holder of a Debt Claim under any Debt Instrument may file a single master Proof of Claim against each Debtor obligated under the applicable Debt Instrument(s), in each case, which shall be filed against the lead case, *In re Endo International plc, et al.*, No. 22-22549 (JLG), without the need for further designation by such Debt Agent or such holder of a Debt Claim under any Debt Instrument, and shall be deemed filed as against each such Debtor identified therein; *provided, however*, that any holder of a Debt Claim wishing to assert a Claim arising out of or relating to a Debt Instrument, other than a Debt Claim, must file a Proof of Claim (which be may be filed as a master Proof of Claim against each Debtor obligated under the applicable Debt Instrument as described in the preceding proviso) with respect to such Claim on or before the applicable Bar Date, unless another exception identified herein applies; *provided, further*, that in lieu of attaching voluminous documentation, including documentation for compliance with Bankruptcy Rule 3001(d), the Debt Agent under the Debt Instrument and/or a holder of a Debt Claim may include a summary of the operative documents with respect to the Debt Claims.

16. The Debtors reserve the right to seek relief at a later date establishing a deadline for (a) Future Claimants to file Proofs of Claim and (b) Interest Holders to file proofs of interest. The Future Claimants’ Representative reserves all rights with respect to the establishment of any deadlines for Future Claimants to file Proofs of Claim.

Effect of Failure to File Proofs of Claim

17. Unless this Court orders otherwise, pursuant to sections 105(a) and 502(b)(9) of the Bankruptcy Code and Bankruptcy Rule 3003(c)(2), any party that is required to file a Proof of

Claim in these Chapter 11 Cases pursuant to the Bankruptcy Code, the Bankruptcy Rules, the Local Rules or this Order with respect to a particular Claim against the Debtors, but that fails to do so by the applicable Bar Date, shall be forever barred, estopped, and enjoined from: (a) asserting any such Claim against the Debtors or their estates or properties (and the Debtors and their properties and estates shall be forever discharged from any and all indebtedness or liability with respect to such Claim) that (i) is in an amount that exceeds the amount, if any, that is identified in the Schedules on behalf of such person or entity as undisputed, noncontingent, and liquidated or (ii) is of a different nature or classification than any such Claim identified in the Schedules on behalf of such person or entity (any such Claim under this subsection (a), an “Unscheduled Claim”); or (b) voting on, or receiving distributions under, any chapter 11 plan in these Chapter 11 Cases in respect of an Unscheduled Claim.

Procedures for Filing Proofs of Claim

18. The following procedures shall apply for the filing of Proofs of Claim:
 - (a) Except as otherwise provided herein, all holders of Claims against the Debtors must file a Proof of Claim. Each Proof of Claim must: (i) be written in the English language; (ii) be denominated in lawful currency of the United States as of the Petition Date (using the exchange rate, if applicable, as of the Petition Date); (iii) conform substantially to the applicable Proof of Claim Forms attached to this Order as **Exhibit 2-A**, **Exhibit 2-B** and **Exhibit 2-C**, or Official Bankruptcy Form No. 410; (iv) set forth with specificity the legal and factual basis for the alleged Claim; and (v) be signed by the claimant, the claimant’s attorney, or, if the claimant is not an individual, by an authorized agent or representative of the claimant; *provided* that, in the case of Proofs of Claim submitted on behalf of minors, including minors diagnosed with Neonatal Abstinence Syndrome, such Proofs of Claim may be signed by parents, foster parents, and legal guardians.
 - (b) A claimant may attach to the claimant’s completed Proof of Claim any documents on which the Claim is based (if voluminous, a summary may be attached) if the claimant would like, but the claimant is not required to do so, and failure to attach any such documents will not affect the claimant’s ability to submit a Proof of Claim or result in the denial of the Claim. A claimant may be required, in the future, to provide supporting documents for the Claim. A claimant may also amend or supplement the claimant’s Proof of Claim after it is filed, including, for the avoidance of doubt, after the applicable Bar Date, but not, without permission from

the Court, to assert a new or additional Claim. Claimants must not send original documents with their Proofs of Claim, as they will not be returned to claimants and may be destroyed after they are processed and reviewed.

- (c) Claimants asserting Claims on Non-Opioid Proof of Claim Forms that do not relate to the Debtors' transvaginal mesh or ranitidine products are required to (i) specify by name and case number the Debtor against which such Proof of Claim is filed and (ii) file separate Proofs of Claim against each Debtor with respect to which any such holder may have a Claim.
- (d) All Proofs of Claim asserted on Non-Opioid Proof of Claim Forms that relate to the Debtors' transvaginal mesh or ranitidine products will be submitted against the lead case, *In re Endo International plc, et al.*, No. 22-22549 (JLG), without the need for further designation by a holder, and shall be deemed filed as against each of the Debtors that are defendants in prepetition litigation that relate to transvaginal mesh or ranitidine products, respectively. For the avoidance of doubt, holders asserting Claims on Non-Opioid Proof of Claim Forms that relate to the Debtors' transvaginal mesh or ranitidine products are not required to (i) specify by name and case number the Debtor against which such Proof(s) of Claim is filed and (ii) file separate Proofs of Claim against each Debtor with respect to which any such holder may have a Claim.
- (e) All Proofs of Claim asserted on Personal Injury Opioid Proof of Claim Forms and General Opioid Proof of Claim Forms will be submitted against the lead case, *In re Endo International plc, et al.*, No. 22-22549 (JLG), without the need for further designation by a holder, and shall be deemed filed as against each of the Debtors that are defendants in prepetition opioid-related litigation. For the avoidance of doubt, holders asserting Claims on Personal Injury Opioid Proof of Claim Forms and General Opioid Proof of Claim Forms are not required to (i) specify by name and case number the Debtor against which such Proof(s) of Claim is filed and (ii) file separate Proofs of Claim against each Debtor with respect to which any such holder may have a Claim.
- (f) Proofs of Claim must be filed either (i) electronically through the Claims and Noticing Agent's website (the "Case Website") using the interface available on such website located at <https://restructuring.ra.kroll.com/endo> under the link entitled "Submit a Claim" (the "Electronic Filing System") or (ii) by delivering the original Proof of Claim Form by hand or mailing the original Proof of Claim Form so that it is actually received by the Claims and Noticing Agent or the Clerk of this Court on or before the applicable Bar Date. Original Proof of Claim Forms should be sent to:

If by first class mail:

Endo International plc Claims Processing Center
c/o Kroll Restructuring Administration LLC
Grand Central Station, PO Box 4850
New York, NY 10163-4850

OR

United States Bankruptcy Court
Southern District of New York
One Bowling Green, Room 614
New York, NY 10004-1408

If by hand delivery, or overnight courier:

Endo International plc Claims Processing Center
c/o Kroll Restructuring Administration LLC
850 3rd Avenue, Suite 412
Brooklyn, NY 11232

- (g) A Proof of Claim shall be deemed timely filed only if it is actually received by the Claims and Noticing Agent or the Clerk of this Court (i) at the applicable address listed above in subparagraph (e) or (ii) electronically through the Electronic Filing System on or before the applicable Bar Date.
- (h) Proofs of Claim sent by facsimile, telecopy, or electronic mail transmission (other than Proofs of Claim filed electronically through the Electronic Filing System) will not be accepted.
- (i) Any Proof of Claim asserting a Claim entitled to priority under section 503(b)(9) of the Bankruptcy Code also must: (i) include the value of the goods delivered to and received by the Debtors in the 20 days prior to the Petition Date; and (ii) attach any documentation identifying the particular invoices for which such Claim is being asserted.
- (j) If a creditor wishes to receive acknowledgement of the Claims and Noticing Agent's receipt of a Proof of Claim, the creditor also must submit to the Claims and Noticing Agent by the applicable Bar Date and concurrently with its original Proof of Claim (i) a copy of the original Proof of Claim and (ii) a self-addressed, stamped return envelope. Claimants who submit Proofs of Claim through the Claims and Noticing Agent's website interface will receive an electronic mail confirmation of such submission.
- (k) The following categories of individuals or entities may file one or more consolidated Proofs of Claim on behalf of multiple claimants as set forth below (each a "Consolidated Claim"):
 - (i) Any member of an ad hoc committee or ad hoc group that has filed verified statements pursuant to Bankruptcy Rule 2019 in these cases as of the date of this Order on behalf of each and every member of the applicable ad hoc committee or ad hoc group, or any subgroup thereof, that elects to be included in the applicable Consolidated Claim, which Consolidated Claim may be filed by lead counsel for such ad hoc committee or ad hoc group and submitted against the lead case, *In re Endo International plc, et al.*, No. 22-22549 (JLG), without the need for further designation by such ad hoc committee or group or such counsel, *provided* that such Consolidated Claim has attached either (1) individual Proof of Claim Forms for each member,

- (2) a spreadsheet or other form of documentation that lists each member and provides individualized information that substantially conforms to information requested in the applicable Proof of Claim Form, or (3) in accordance with Paragraph 15(n) above, a single master Proof of Claim against each Debtor obligated under the applicable Debt Instrument(s) that either incorporates by reference or attaches the ad hoc group's most recent verified statement filed in the Chapter 11 Cases;
- (ii) Notwithstanding the foregoing, any individual, or any entity, for the avoidance of doubt including any attorney or law firm, representing multiple opioid claimants or non-opioid personal injury claimants, which provides authorization from those opioid claimants or non-opioid personal injury claimants to be included on a Consolidated Claim (each such authorizing individual or entity holding an opioid claim or non-opioid personal injury claim, a "Consenting Claimant")—which authorization shall be (a) in the form of an affidavit from the individual (including any attorney or law firm) representing multiple opioid claimants or non-opioid personal injury claimants stating that such individual represents the Consenting Claimants and has authorization to file the Consolidated Claim, or (b) some other form reasonably acceptable to the Debtors and the OCC (with respect to opioid claimants) or the Debtors and the UCC (with respect to non-opioid personal injury claimants)—may file, amend and/or supplement a Consolidated Claim on behalf of such Consenting Claimants and submit such Consolidated Claim against the lead case, *In re Endo International plc, et al.*, No. 22-22549 (JLG), *provided* that such Consolidated Claim has attached either (1) an individual Proof of Claim Form for each Consenting Claimant, or (2) a spreadsheet or other form of documentation that lists each Consenting Claimant and provides individualized information that substantially conforms to information requested in the applicable Proof of Claim Form; and
- (iii) Any health plan, health insurer, health plan administrator, or other third party payor of relevant claims (each a "TPP"), on account of any or all plan sponsors, employer groups, or fully insured or self-funded programs administered by such TPP; provided that such Consolidated Claim must be publicly filed and accompanied by a spreadsheet or other form of documentation reasonably acceptable to the Debtors that includes a unique identifier for each self-funded program administered by such TPP. Contemporaneously with such public submission, the TPP shall send an email to EndoInquiries@ra.kroll.com requesting credentials in order to upload information relating to such Consolidated Claim to a secure website. As soon as reasonably practicable after receipt of such credentials, the TPP shall upload to the website identified by the Claims and Noticing Agent a spreadsheet listing the name of each such self-funded program administered by such TPP included in the Consolidated Claim along with the unique identifier that was submitted on the publicly submitted claim, which spreadsheet shall be treated as highly confidential in accordance with the

Confidentiality Protocol (as defined below). Such TPP may, but need not, include any of its other Claims, including but not limited to fully insured, at risk, and direct Claims, in the same Proof of Claim Form. To the extent that a TPP employs a good faith method to determine its Claim(s) amount for the purposes of filing a Proof of Claim but the Debtors at a later date require the TPP to employ a different calculation methodology for purposes of an intra-TPP allocation, the TPP retains the right to modify its calculation, without prejudice to its claim, in accordance with the Debtors' required methodology and the Debtors reserve all rights with respect thereto. Further, and in addition to the above, each TPP may include in its Consolidated Claim provision for additional, to-be-named later sponsors, employer groups, or fully insured or self-funded programs administered by such TPP, for administrative convenience, and then supplement such Consolidated Claims with the actual names at a later date (it being understood and agreed that all parties reserve the right to object to such later-added names and that such TPP shall have the burden, if necessary, and to the extent the claims are not otherwise addressed by way of assertion against a trust and not against the debtors' estates, of establishing that adding such later-added names after the Bar Date meets the requirements of the Bankruptcy Code). Further, a TPP Consolidated Claim for non-opioid litigation on a Non-Opioid Proof of Claim Form will be deemed asserted against all Debtors that were a defendant in the non-opioid litigation prepetition so that TPPs need not file a separate Proof of Claim for each debtor;

and each Consolidated Claim shall be deemed filed as against each of the Debtors, as applicable, (x) identified in such Consolidated Claim (in the case of Claims asserted on the Non-Opioid Proof of Claim Form that do not relate to the Debtors' transvaginal mesh or ranitidine products), (y) that are defendants in prepetition litigation that relate to transvaginal mesh or ranitidine products (in the case of Claims asserted on the Non-Opioid Proof of Claim Form that relate to the Debtors' transvaginal mesh or ranitidine products) or (z) that are defendants in prepetition opioid-related litigation (in the case of Claims that are asserted on the Personal Injury Opioid Proof of Claim Form or the General Opioid Proof of Claim Form).

19. Notwithstanding anything to the contrary in this Order, the Motion, any provision of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Guidelines, any other order of this Court, any Proof of Claim Form or notice of the Bar Dates, the Consolidated Claim(s) shall have the same effect as if each member of the applicable ad hoc group or committee (or sponsor in the case of a TPP) had individually filed its own Proof of Claim against each of the Debtors as applicable, (x) identified in such Consolidated Claim (in the case of Claims asserted on the Non-

Opioid Proof of Claim Form that do not relate to the Debtors' transvaginal mesh or ranitidine products), (y) that are defendants in prepetition litigation that relate to transvaginal mesh or ranitidine products (in the case of Claims asserted on the Non-Opioid Proof of Claim Form that relate to the Debtors' transvaginal mesh or ranitidine products) or (z) that are defendants in prepetition opioid-related litigation (in the case of Claims that are asserted on the Personal Injury Opioid Proof of Claim Form or the General Opioid Proof of Claim Form).

20. Subject to the following sentences in this paragraph, and solely for administrative convenience, holders of claims arising from the Debtors' opioid products shall be permitted to file "Class" proofs of claim on behalf of (a) insurance ratepayers, (b) private hospitals, (c) public schools, and (d) claimants seeking to establish a Neonatal Abstinence Syndrome medical monitoring program. For the avoidance of doubt, if these Chapter 11 Cases result in (x) the consummation of a sale of substantially all of the Debtors' assets to the Stalking Horse Bidder pursuant to the Stalking Horse Agreement (each as defined in the Bidding Procedures Motion), (y) the consummation of a sale to a party (or parties) that submits a higher or otherwise better bid and such bid provides for the establishment of one or more trusts for the benefit of opioid claimants which trust(s) provides substantially similar recoveries to opioid claimants on substantially similar terms to the then-proposed voluntary trusts contemplated to be established by the Stalking Horse Bidder (a "Comparable Opioid Trust(s)") or (z) a plan of reorganization that provides for the establishment of a Comparable Opioid Trust(s), then such "Class" proofs of claim shall be presumed valid for purposes of administrative convenience only. If, however, these Chapter 11 Cases result in an alternative transaction, including but not limited to (1) the consummation of a sale to a party (or parties) that submits a higher or otherwise better bid and such bid does not provide for the establishment of a Comparable Opioid Trust(s) or (2) a plan of reorganization that

does not provide for the establishment of a Comparable Opioid Trust(s), then such “Class” proofs of claim shall not be presumed valid or allowed, and all parties shall have the right to object to the filing and/or validity of such class proofs of claim, and the burden of proof with regard to the validity of such class proofs of claim shall be on the claimant group seeking to file such claim.

21. Subject to the following sentences in this paragraph, and solely for administrative convenience, holders of claims of price-fixing and antitrust claims in prepetition lawsuits against the Debtors shall be permitted to file “Class” proofs of claim on behalf of plaintiffs in any price-fixing or antitrust litigation in which the Debtors are named. Such “Class” proofs of claim will attach an affidavit stating that the individual has authorization to file the “Class” claim. For the avoidance of doubt, if these Chapter 11 Cases result in (x) the consummation of a sale of substantially all of the Debtors’ assets to the Stalking Horse Bidder pursuant to the Stalking Horse Agreement (each as defined in the Bidding Procedures Motion), (y) the consummation of a sale to a party (or parties) that submits a higher or otherwise better bid and such bid provides for the establishment of one or more trusts for the benefit of such price-fixing or antitrust claimants which trust(s) provides substantially similar recoveries to such price-fixing or antitrust claimants on substantially similar terms to the then-proposed voluntary trusts contemplated to be established by the Stalking Horse Bidder (a “Comparable GUC Trust(s)”) or (z) a plan of reorganization that provides for the establishment of a Comparable GUC Trust(s), then such “Class” proofs of claim shall be presumed valid for purposes of administrative convenience only. If, however, these Chapter 11 Cases result in an alternative transaction, including but not limited to (1) the consummation of a sale to a party (or parties) that submits a higher or otherwise better bid and such bid does not provide for the establishment of a Comparable GUC Trust(s) or (2) a plan of reorganization that does not provide for the establishment of a Comparable GUC Trust(s), then

such “Class” proofs of claim shall not be presumed valid or allowed, and all parties shall have the right to object to the filing and/or validity of such class proofs of claim, and the burden of proof with regard to the validity of such class proofs of claim shall be on the claimant group seeking to file such claim.

The Confidentiality Protocol

22. All Proofs of Claim submitted by personal injury claimants on Personal Injury Opioid Proof of Claim Forms, on Non-Opioid Proof of Claim Forms that are indicated as personal injury claims by marking the appropriate selection included in the Non-Opioid Proof of Claim Form, or on a non-case specific proof of claim form submitted prior to the entry of this Bar Date Order, and any supporting documentation submitted with such forms, shall be held and treated as ***highly confidential*** by, and shall only be made available to: (i) the Debtors, (ii) the Debtors’ advisors, including their counsel and financial advisor, (iii) the Claims and Noticing Agent and other parties assisting the Debtors with claims administration, (iv) the Debtors’ insurers and insurance brokers,⁴ (v) upon request, and on a professional eyes only basis, to (1) the Ad Hoc First

⁴ The Debtors’ insurers and insurance brokers may disclose the claim information to:

- (i) their employees;
- (ii) their attorneys, accountants, auditors, reinsurers and retrocessionaires, subject to each of the foregoing in this subpart (each, hereafter, a “Qualified Insurance Party”) executing an Acknowledgement with a copy of each such Acknowledgement being provided to the UCC and OCC; and
- (iii) their regulators, along with persons to whom the insurer and insurance broker are required to disclose the claim information by law, statute, or regulation.

Each of the persons in clauses (i) and (iii) and Qualified Insurance Parties are hereafter collectively referred to as an “Approved Shared Person”. Any personal injury claim information received by any Approved Shared Person shall be held and treated as highly confidential by such Approved Shared Person, in accordance with the confidentiality restrictions set forth in the Protective Order, including paragraphs 20, 22 and 23 thereof, and the Debtors’ insurers and insurance brokers shall make such confidentiality requirements known to each Approved Shared Person to whom the claim information is disclosed. In addition, the Debtors’ insurers and insurance brokers shall take all reasonable steps to ensure the personal injury claim information is kept confidential and protected from disclosure to persons who are not Approved Shared Persons. For the avoidance of doubt, none of the Debtors, the UCC or the OCC shall use any information from the Acknowledgements executed by a Qualified Insurance Party (including the identities of the signatories to such Acknowledgments) for any purpose other than in connection with the Chapter 11 Cases.

Lien Group, (2) the UCC, (3) the OCC, and (4) the Future Claimants' Representative and his advisors and (vi) such other persons as the Court determines are required to have the information in order to evaluate any personal injury Claims (the parties listed in subclauses (i)-(vi) collectively, the "Authorized Parties") subject to each Authorized Party agreeing to be bound by (A) the Protective Order (as defined below), either by executing the Protective Order itself or by executing the "Acknowledgement and Agreement to be Bound by Protective Order" (the "Acknowledgement"), with a copy of each such Acknowledgement being provided to the UCC and OCC (or if the transmission of such highly confidential information to such Authorized Party is otherwise permitted under the Protective Order) and (B) applicable data privacy laws, and shall not be made available to the public (collectively, the rules governing confidentiality, the "Confidentiality Protocol"). Notwithstanding anything to the contrary herein, with respect to any Authorized Party that has not executed the Protective Order or an Acknowledgement, such Authorized Party shall only be entitled to receive information regarding personal injury claims (including, without limitation, proof of claim forms and any supporting documentation) upon the consent of each of the Debtors, the OCC, and the UCC. For the avoidance of doubt, any personal injury claim information received by any Authorized Party pursuant to the preceding sentence (which shall only be provided upon the consent of each of the Debtors, the OCC, and the UCC) shall be held and treated as *highly confidential* by such Authorized Parties, in accordance with the confidentiality restrictions set forth in the Protective Order, including paragraphs 20, 22 and 23 thereof.

23. For the avoidance of doubt, only the Claim number, Claim amount, and the total number of personal injury Claims, including any subcategories thereof (such as Claims relating to opioids (including for the avoidance of doubt claims on behalf of minors with Neonatal Abstinence

Syndrome), transvaginal mesh and ranitidine), will be made publicly available on the Case Website and included in the publicly available claims register. Subject to the preceding paragraph, copies of Proofs of Claim submitted by personal injury claimants and supporting documentation shall be treated as Professional Eyes Only/Highly Confidential Information as set forth in the Stipulation and Protective Order entered by the Court on November 9, 2022 [Docket No. 623] (the “Protective Order”), and, as applicable, as Information Protected Pursuant to the Health Insurance Portability and Accountability Act of 1996, and made available only to the Court and the Authorized Parties.

24. Other than as set forth in paragraphs 22 and 23, all Proofs of Claim will be made publicly available on the Case Website in their entirety (unless the Claims and Noticing Agent, in its discretion, reasonably determines that a personal injury claimant mistakenly neglected to indicate that its Claim relates to a personal injury; *provided, however*, the Claims and Noticing Agent shall be exculpated and shall have no liability for making an improperly completed Proof of Claim publicly available on its Case Website). The Claims and Noticing Agent shall be under no obligation or duty to advise claimants or make determinations as to whether the Proof of Claim was appropriately completed, and shall be exculpated from liability, and shall be under no obligation or duty to advise claimants and/or make determinations as to whether the appropriate information was included in a Proof of Claim; *provided, however*, to the extent that a claimant seeks such advice, the Claims and Notice Agent shall refer the claimant to the instructions detailing the Proof of Claim Forms in the Bar Date Notice and to the Case Website at <https://restructuring.ra.kroll.com/endo/Home-DocketInfo>; *provided, further, however*, that in no event shall the Claims and Noticing Agent be exculpated in the case of its own bad faith, self-dealing, breach of fiduciary duty (if any), gross negligence or willful misconduct.

The Supplemental Notice Plan for Unknown Claimants and Parties in Interest

25. The Supplemental Notice Plan, as described in the Kroll Declaration and as modified herein, is hereby approved and shall be deemed good, adequate, and sufficient publication notice to unknown claimants of the Bar Dates and the procedures for filing Proofs of Claim in these Chapter 11 Cases.

26. Notwithstanding anything to the contrary in this Order, the Debtors shall consult with the OCC and Ad Hoc First Lien Group regarding, and provide drafts of, all materials comprising or related to the Supplemental Notice Plan or the Media Notice Plan, including, but not limited to, any internet, television, print, radio, press releases, billboards, community outreach materials and other materials or copy created by the Debtors to implement the Supplemental Notice Plan or the Media Notice Plan to the OCC and Ad Hoc First Lien Group for review and comment. The OCC and Ad Hoc First Lien Group shall work in good faith to provide comments and feedback to any such materials as soon as possible, so as not to affect the timeline set forth in this Order.

27. Pursuant to Bankruptcy Rule 2002(l) and the Guidelines, the Debtors shall cause a streamlined version of the Bar Date Notice, substantially in the form attached to this Order as **Exhibit 3** (the “WSJ Notice”), to be published in *The Wall Street Journal*. A further simplified version of the Bar Date Notice shall be published in accordance with the Media Notice Plan set forth in the Kroll Declaration.

28. **The ACE Companies and the Chubb Companies**: Notwithstanding anything to the contrary in this Order, any provision of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, any order of this Court, any Proof of Claim Form or any Bar Date Notice, (a) ACE American Insurance Company, on its own behalf and on behalf of all of its U.S.-based affiliates and successors (collectively, the “ACE Companies”), may file a single consolidated Proof of Claim

based on the insurance policies issued by any of the ACE Companies to (or providing coverage to) the Debtors (or their predecessors) and any agreements related thereto (the “ACE Proof of Claim”) in the chapter 11 case of Endo International plc, Case No. 22-22549 (the “Lead Case”), which shall be deemed filed by each of the ACE Companies not only in the Lead Case, but also in the chapter 11 case of each of the Debtors; (b) Federal Insurance Company, on its own behalf and on behalf of all of its U.S.-based affiliates and successors (collectively, the “Chubb Companies”), may file a single consolidated Proof of Claim based on the insurance policies issued by any of the Chubb Companies to (or providing coverage to) the Debtors (or their predecessors) and any agreements related thereto (the “Chubb Proof of Claim,” and collectively with the ACE Proof of Claim, the “ACE and Chubb Consolidated Claims”) in the Lead Case, which shall be deemed filed by each of the Chubb Companies not only in the Lead Case, but also in the chapter 11 case of each of the Debtors; and (c) as the documents supporting the ACE and Chubb Consolidated Claims are voluminous and contain confidential information, the documents supporting the ACE and Chubb Consolidated Claims will not need to be filed with the ACE and Chubb Consolidated Claims. Nothing contained in this paragraph shall be construed as a waiver or modification of any rights, claims or defenses, including, without limitation, the right of the ACE Companies or the Chubb Companies to (a) assert joint and several liability against some or all of the Debtors, (b) modify the Debtor(s) against which the ACE and Chubb Consolidated Claims are asserted, or (c) amend the amount or nature of the ACE and Chubb Consolidated Claims; *provided, however*, that the ACE and Chubb Consolidated Claims shall not be disallowed, reduced or expunged solely on the basis that the ACE and Chubb Consolidated Claims are filed (i) only in the Lead Case and only against Endo International plc (instead of in the bankruptcy cases of each or any of the other Debtors), and/or (ii) only by either ACE American Insurance Company or Federal Insurance

Company (instead of by each of the ACE Companies and the Chubb Companies); *provided, further*, that the Debtors' and all parties in interests' rights, defenses and objections in respect of any Claims filed by the ACE Companies or the Chubb Companies, other than for the express reasons listed in subpoints (i) and (ii) of this sentence, are fully preserved.

29. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) are satisfied by such notice.

30. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Order shall be effective and enforceable immediately upon entry hereof.

31. The Debtors are authorized and empowered to take all actions necessary or appropriate to implement the relief granted in this Order.

32. Nothing contained in this Order, the Motion, or any Proof of Claim or notice of the Bar Dates is intended to be or shall be construed as an admission of the Debtors' liability, an admission as to the validity of any Claim against the Debtors, or a waiver of the Debtors' or any appropriate party in interest's rights to dispute any Claim.

33. Entry of this Order is without prejudice to the right of the Debtors to seek a further order of this Court fixing a date by which holders of Claims or interests not subject to the Bar Dates established herein must file such Proofs of Claim or interest or be barred from doing so.

34. To the extent that the Debtors, with the consent of the UCC, the OCC and the Ad Hoc First Lien Group, seek to extend any of the Bar Dates for any holders of potential Claims, the Debtors may do so upon notice including a statement that the relief requested therein may be granted, pursuant to Local Rule 9074-1, without a hearing if no objection is timely filed and served in accordance with the *Order Authorizing the Establishment of Certain Notice, Case Management, and Administrative Procedures*, entered on October 12, 2022 [Docket No. 374].

35. The Debtors and the Claims and Noticing Agent are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

36. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: July 14, 2023
New York, New York

/s/ James L. Garrity, Jr.

HONORABLE JAMES L. GARRITY, JR.
UNITED STATES BANKRUPTCY JUDGE

Exhibits 1-3

The exhibits referenced in this Order can be found attached to the Original Bar Date Order filed at Docket No. 1767.

Appendix “G”

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

**ENDO INTERNATIONAL plc, et al.,

Debtors.¹**

Chapter 11

Case No. 22-22549 (JLG)

(Jointly Administered)

**Related Docket Nos. 728, 729, 730, 731,
732, 1765, 2515, 2534 & 2577**

**NOTICE OF FILING OF *FURTHER* UPDATED CHART SUMMARIZING
OUTSTANDING AND ADDITIONAL RESOLVED OBJECTIONS TO
THE PROPOSED SALE ORDER**

PLEASE TAKE NOTICE that on April 3, 2023 the Court entered the *Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, and (III) Granting Related Relief* [Docket No. 1765] (the “Bidding Procedures Order”), approving, among other things, certain bidding procedures attached thereto as Exhibit 1 (the “Bidding Procedures”)² in connection with the sale or sales of substantially all of the assets of the above captioned debtors and debtors in possession (jointly, the “Debtors”).

PEASE TAKE FURTHER NOTICE that on July 26, 2023 the Debtors filed the *Debtors’ Omnibus Reply in Support of the Sale* [Docket No. 2515] (the “Sale Reply”). Attached

¹ The last four digits of Debtor Endo International plc’s tax identification number are 3755. Due to the large number of debtors in these chapter 11 cases, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ claims and noticing agent at <https://restructuring.ra.kroll.com/Endo>. The location of the Debtors’ service address for purposes of these chapter 11 cases is: 1400 Atwater Drive, Malvern, PA 19355.

² Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Bidding Procedures Order or the Bidding Procedures, as applicable.

as Exhibit A to the Sale Reply is a summary of all outstanding objections to the Sale not otherwise addressed in the Sale Reply and responses (the “Sale Objection Summary Chart”).

PLEASE TAKE FURTHER NOTICE that on July 28, 2023, the Debtors filed the *Notice of Filing of Updated Chart Summarizing Outstanding and Additional Resolved Objections to the Proposed Sale Order* [Docket No. 2534].

PLEASE TAKE FURTHER NOTICE that (a) following further discussions with certain, remaining objecting parties and (b) to further reflect the status of each of the various objections and resolutions with respect to the proposed Sale Order, the Debtors have made certain further amendments to the Summary Chart in **Annex 1** (the “Summary Chart Updates”) attached hereto, reflected in the charts labeled as Exhibit A (the “Outstanding Objection Summary Chart”), Exhibit B (the “Resolved Objection Summary Chart”), and Exhibit C (the “Objection Status of Pro Se Objections”).

Dated: August 10, 2023
New York, New York

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

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ANNEX 1

Summary Chart Updates

**Endo International plc
Summary Chart Updates**

This chart (this “Chart”)¹ summarizes the status of objections to the proposed Sale Order.² In addition, attached as exhibits to this chart are the following with further summary detail on each objection to the extent not addressed in the Sale Reply.

- Exhibit A. Outstanding Objection Summary Chart (excluding *Pro Se* Objections (as defined herein))
- Exhibit B. Resolved Objection Summary Chart (excluding *Pro Se* Objections)
- Exhibit C. Objection Status of *Pro Se* Objections

References to the current status of each objection are for summary purposes only. The status of these objections is current as of the time of filing of this document. Summaries of the arguments where provided are not intended to be comprehensive.

Objections Chart Summaries			
Exhibit A. Outstanding Objection Summary Chart			
	Objection	Docket No.	Status
I.	Governmental Objectors		
1.	The Government Objection	2460	Unresolved
2.	The U.S. Trustee Objection	2464	Unresolved
II.	Contract Counterparty Objectors – <i>all have been resolved</i>		
III.	Insurer Objectors		
3.	The Liberty Objection	2428	Unresolved
4.	The Chubb Objection	2430	Unresolved
5.	The Lexington Objection	2434	Unresolved

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Sale Reply, (b) Exhibit A to the Sale Reply, or (c) the relevant objection.

² Pursuant to the notice of adjournment [Docket No. 2504] (the “Cure Adjournment”), the hearing of any objections to (i) the notices of assumption and assignment [Docket No. 1872], (ii) the notice of cure amounts [Docket No. 1876], or (iii) the notice of amended cure amounts [Docket No. 2392], but not in response to the Sale Motion, have been adjourned. Accordingly, the Sale Objection Chart only addressed objections to the extent the objections were filed, in whole or in part, as sale objections. The Debtors have resolved or otherwise adjourned all sale objections that dealt with cure issues. Since filing the Sale Reply, Pfizer has consented to have their cure objection, which was styled as a Sale objection at [Docket No. 2434], adjourned along with the adjournment of all purely cure objections pursuant to the authority under the Assumption and Assignment Procedures in Exhibit 3 of the Bidding Procedures Order to a later date following the Sale Hearing.

Exhibit B. Resolved Objection Summary Chart			
	Objection	Docket No.	Status
I.	Governmental Objectors		
1.	The Canadian Gov. Objection	2418	Resolved in Principle
2.	The Public School Objection	2420	Resolved in Principle
3.	The Texas Objection	2424	Resolved
II.	Contract Counterparty Objectors		
4.	The PSKW and CareForm Objection	2355	Resolved
5.	The Padagis Objection	2400	Resolved
6.	The Pharmacy Objection	2425	Resolved
7.	The Schein Joinder	2433	Resolved
8.	The DMP Reservation	2459	Resolved
III.	Insurer Objectors		
9.	The Hartford Objection	2429	Resolved, subject to filing updated Sale Order language

Exhibit C. Objection Status of <i>Pro Se</i> Objections			
	Objection	Docket No.	Status
I.	<i>Pro Se</i> Objections	N/A	Partially Resolved

Exhibit A – Outstanding Objection Summary Chart

Summary of Argument		Summary of Response
I. GOVERNMENTAL OBJECTORS		
1. Government Objection [Docket No. 2460]		
<i>The Government Objection is addressed in the Sale Reply other than the following three points.</i>		
(i) The parties here seek to receive approval of the resolution of estate claims outside of Rule 9019 because they do not satisfy the absolute priority rule. Whether a particular settlement’s distribution scheme complies with the Code’s priority scheme must be the most important factor for the bankruptcy court to consider when determining whether a settlement is “fair and equitable.” <i>See</i> Gov. Obj. ¶¶ 90–92.		<i>See</i> UCC Reply; OCC Reply.
(ii) When the trusts receive payments to fund settlement of personal injury claims against Endo, they will become “primary plans” obligated to reimburse the United States under the MSP statute. The relevant jurisdictional statute “demands the channeling” of all claims arising under the Medicare Act through the special review procedures provided by the Medicare Act, and “plainly bars” jurisdiction over such claims under 28 U.S.C. § 1331. <i>See</i> Gov. Obj. ¶¶ 99–100.		<i>See</i> OCC Reply.
(iii) This Court lacks the authority to terminate CERCLA liability or other liabilities. <i>See</i> Gov. Obj. ¶ 101.		The Sale Order affects only claims impacted by section 363(f) of the Bankruptcy Code, such as derivative claims or other “interests.”
2. U.S. Trustee Objection [Docket No. 2464]		
<i>The U.S. Trustee Objection is addressed in the Sale Reply.</i>		
II. CONTRACT COUNTERPARTIES		
<i>All Contract Counterparty objections have been resolved.</i>		
III. INSURER OBJECTORS		
3. Liberty Objection [Docket No. 2428]		
(i) The Debtors have not filed any “Insurance Assignment” or proposed “Voluntary GUC Creditor Trust and Sub-Trust Distribution Procedures”; unless and until Liberty has the opportunity to review these, it will not be able to determine whether its rights under the Policies have been abrogated by the Sale and Insurance Assignment. <i>See</i> Liberty Obj. ¶¶ 6–7.		<i>See</i> UCC Reply. The Debtors understand that insurance counsel to the UCC is working with Liberty to resolve the Liberty Objection in a revised proposed Sale Order.
(ii) The Debtors must assign policies <i>cum onere</i> , subject to both the benefits and burdens thereunder. <i>See</i> Liberty Obj. ¶ 8.		

Summary of Argument		Summary of Response
4.	Chubb Objection [Docket No. 2430]	
	(i) The Proposed Sale Order provides that the Debtors are not only asking for approval of the PSA but are also seeking approval of the Stipulation and Committee Resolutions without properly seeking this relief pursuant to Rule 9019 on proper notice to affected parties. Chubb Obj. ¶ 62.	See OCC Reply; UCC Reply.
	(ii) The agreements reached with the Committees restrict creditors' voting rights. The proposed Sale and the Stipulation and Committee Resolutions, are clearly designed to incentivize creditors to "opt in" to the Trusts regardless of whether such treatment is in the creditors' best interest, because it is not clear that there will be <i>any</i> recovery available to any creditor who elects to not "opt in." This procedure creates an impossible dynamic for creditors. See Chubb Obj. ¶¶ 64–67.	See OCC Reply; UCC Reply.
	(iii) Approval of the Sale is required for the Trusts to be funded. This procedure is improper because by the time the creditors have the option to participate (or not) in the trust structure, they have no real alternative, because the Sale will have already been approved and likely already consummated. Their "choice" will be <i>fait accompli</i> . Chubb Obj. ¶ 68.	There is no requirement for a credit bid sale to provide a recovery to unsecured creditors, particularly when such claims are out of the money. See also OCC Reply; UCC Reply.
	(iv) The Sale Order as drafted improperly alters the terms of the Debtors' insurance policies and related agreements, and must be modified. See Chubb Obj. ¶¶ 80–100.	See UCC Reply. The Debtors understand that insurance counsel to the UCC is working with Chubb to resolve this portion of the Chubb Objection in a revised proposed Sale Order.
5.	Lexington Objection [Docket No. 2430]	
	(i) Neither the Debtors nor the Bankruptcy Court can rewrite the provisions of Lexington's insurance policies, which expressly require the Debtors to obtain consent before assigning the policies. Lexington has not provided this consent. See Lexington Obj. III(a)–III(f).	See UCC Reply. The Debtors understand that insurance counsel to the UCC is working with Lexington to resolve the Lexington Objection in a revised proposed Sale Order.
	(ii) In entering into the Policies, the Debtors became obligated to certain performance and has not provided adequate assurance that the Buyer will satisfy such obligations. See Lexington Obj. § III(g).	
	(iii) Lexington is granted certain protections and essential features common to liability insurance policies that the Debtors seek to summarily eliminate. See Lexington Obj. § IV(b).	
	(iv) The proposed Sale Order fails to provide the Insurance Assignment, and trust distribution procedures. See Lexington Obj. §§ V(b)–V(c).	
	(v) The Debtors have not provided adequate notice to the parties concerning the subject of the transaction, most recently filing the Proposed Order (which finally discloses the intent related to insurance policies) just one day before the objection deadline to the Sale Motion. See Lexington Obj. § V(d).	
	(vi) Lexington is not listed as one of the parties served on the Affidavit of Service of the Sale Motion, despite the inclusion of Lexington's address on the first page of the Policies. Therefore, the Debtors' notice appears lacking. See Lexington Obj. § V(e).	Lexington was served the Sale Notice, along with other Bar Date and Sale materials, on April 24, 2023, as provided on page 1496 of the <i>Affidavit of Service</i> filed at [Docket No. 2128].

Exhibit B –Resolved Objection Summary Chart

Objection		Status
I.	RESOLVED GOVERNMENTAL OBJECTIONS	
1.	Canadian Gov. Objection [Docket No. 2418]	Resolved in Principle. Resolution subject to definitive documentation.
2.	Public Schools Objection [Docket No. 2420]	Resolved in Principle. Resolution subject to definitive documentation.
3.	Texas Objection [Docket No. 2424]	RESOLVED. As confirmed by counsel for Texas, the Texas Objection is resolved by the inclusion of the agreed upon language at ¶ 59 to the proposed Sale Order filed on August 3, 2023 [Docket No. 2577].
II.	RESOLVED CONTRACT COUNTERPARTY OBJECTIONS	
4.	PSKW and CareForm Objection [Docket No. 2355]	RESOLVED. Counsel for PSKW and CareForm confirmed that the PSKW and CareForm Objection would be resolved upon the Debtors’ filing of the second amended cure schedule including certain agreed upon descriptions of the PSKW and CareForm contracts, which was then filed on July 26, 2023 [Docket No. 2522]. PSKW and CareForm formally withdrew their objection on July 28, 2023 [Docket No. 2533].
5.	Padagis Objection [Docket No. 2400]	RESOLVED. The Padagis Objection is resolved by the inclusion of the agreed upon language at ¶ 57 to the proposed Sale Order filed on August 3, 2023 [Docket No. 2577]. Padagis formally withdrew its objection on August 7, 2023 [Docket No. 2579].
6.	Pharmacy Objection [Docket No. 2425]	RESOLVED. Pursuant to the Court’s approval of the DMP Stipulation on August 3, 2023 [Docket No. 2574] and the Pharmacies’ joinder to the DMP Stipulation filed on July 28, 2023 [Docket No. 2547], the Pharmacy Objection is deemed withdrawn.
7.	Schein Joinder [Docket No. 2433]	RESOLVED. Pursuant to the Court’s approval of the DMP Stipulation on August 3, 2023 [Docket No. 2574], the Schein Joinder is deemed withdrawn.
8.	DMP Reservation [Docket No. 2459]	RESOLVED. Pursuant to the Court’s approval of the DMP Stipulation on August 3, 2023 [Docket No. 2574], the DMP Reservation and the DMP Bidding Procedures Objection are deemed withdrawn.
III.	RESOLVED INSURER OBJECTIONS	
9.	Hartford Objection [Docket No. 2429]	RESOLVED. Counsel to Hartford confirmed that the Hartford Objection will be resolved by the inclusion of the following agreed upon language, which will be added to a forthcoming draft of the proposed Sale Order: The Hartford Objection shall be resolved in its entirety as follows: (a) Subject to subsection (b) below, notwithstanding any other provision of this Order (together with any orders, documents, exhibits, or agreements related thereto including, without limitation, the Sale Motion, the

Bidding Procedures Order, the PSA, and any amended versions of the foregoing, and including, without limitation, any other provision that purports to be preemptory or supervening (collectively, the “Sale Documents”), the rights of The Hartford Fire Insurance Company, the Hartford Financial Services Group, or any of their affiliated sureties (collectively “Surety”) against any of the Debtors in connection with:

- (i) any surety bonds or similar instruments issued or executed by the Surety on behalf of any of the Debtors and/or non-debtor affiliates (collectively, and together with those bonds or similar instruments in which the Buyer is becoming the Principal, as set forth in paragraph (b)(i), below, the “Bonds”; all of the obligations under each and every one of the Bonds shall hereafter be referred to individually and collectively as the “Bonded Obligations”);
- (ii) any indemnity agreement executed by any Debtor and/or non-debtor affiliates, including the General Indemnity Agreement executed on or about October 13, 2021 (the “GIA”), by Debtors Endo U.S. Inc., Endo Health Solutions, Inc., and Par Pharmaceutical Companies; and
- (iii) any related documents ((i) through (iii), collectively, the “Surety Documents”), including, without limitation, subrogation rights, are neither affected nor impaired by the Sale Documents.

(b) Notwithstanding anything in the Sale Documents to the contrary:

- (i) any and all active Bonds in place as of the Closing shall survive the Closing and the Buyer shall become the principal on the Bonds in lieu of the current principal or principals as of the Closing;
- (ii) the GIA shall be assumed by the Debtors and assigned to the Buyer and, solely in accordance with and to the extent set forth in the GIA, Surety shall be entitled to reasonable and documented attorneys’ fees and costs and, without duplication, any cure amounts, without having to file an administrative claim, request for payment, cure objection, or fee application; provided, that, any cure amounts that remain outstanding as of the Closing shall become the obligation of the Buyer;
- (iii) Surety releases and forever discharges the Debtors and the Buyer and each of their current and former officers and directors from all liability, Claims, demands, damages, and Causes of Action related to the Bonds, the Bonded Obligations, and/or the GIA arising from, in whole or in part, the development, production, manufacture, licensing, labeling, marketing, distribution or sale of opioid products or the use or receipt of any proceeds therefrom, or the use of opioids, including opioids that are not products developed, designed, manufactured, marketed or sold, in research or development, or supported by, the Debtors (such activities, the “Opioid-Related Activities”) occurring or existing on or before the Closing Date (the “Release by Surety”); notwithstanding the foregoing or anything in the Sale Documents to the contrary, expressly excluded and otherwise carved out from the Release by Surety are liability, Claims, demands, damages and Causes of Action under the GIA or applicable common law (the “Surety Claims”) provided the Surety Claims are in connection with losses, costs and/or expenses relating to the Bonded Obligations;
- (iv) on and after the Closing the Buyer shall comply with all obligations of the Debtors relating to the Bonds under the GIA as if the Buyer had executed the GIA;

Objection	Status
	<p>(v) to the extent the Closing does not occur, this paragraph will be of no force and effect, and the parties' rights are reserved; provided that nothing in any other section of this Order shall negate any of the rights of the Surety or of any of the obligees under any of the Bonds.</p> <p>(c) Notwithstanding any provision in the Sale Documents to the contrary: the Surety reserves all of its rights to modify, extend, and/or cancel any and all of the active Bonds as permitted by the Surety Documents and/ or under applicable law, the Surety has no obligation to issue or execute any new bonds on behalf of any entity, and the Surety has no obligation to extend, modify, renew or increase the amount of any the Bonds.</p> <p>(d) Nothing in the Sale Documents, or any documents related to the foregoing, shall prime or otherwise impact: (x) current or future setoff and/or recoupment rights and/or the lien rights and/or trust fund claims of the Surety or any party to whose rights the Surety has or may be subrogated; and/or (y) any existing or future subrogation or other common law rights of the Surety.</p> <p>(e) Notwithstanding any other provision in the Sale Documents to the contrary, if a claim or claims is or are asserted against any of the Bonds, then the Surety shall be granted access to, and may make copies of, any books and records that may be held by the Debtors and/or the Buyer relating to any such claim.</p>

Exhibit C –Objection Status of *Pro Se* Objections

Summary of Objections		Status																		
I.	<i>PRO SE OBJECTORS</i>																			
	<p>The Debtors are aware of 24 individuals (collectively, the “<i>Pro Se Objectors</i>”) that have expressed objections to the Sale “<i>Pro Se Objections</i>”).</p> <p>The <i>Pro Se</i> Objections consist of:</p> <ul style="list-style-type: none"> • 19 filed objections on the docket and • 5 informal letters sent to the Debtors and/or Debtors’ counsel. <p>The <i>Pro Se</i> Objectors come from individuals with personal injury claims.</p> <ul style="list-style-type: none"> • 22 of the 24 <i>Pro Se</i> Objectors are personal injury claimants asserting opioid-related claims. • 2 of the 24 <i>Pro Se</i> Objectors are personal injury claimants asserting ranitidine-related claims 	<table border="1"> <thead> <tr> <th colspan="2"><i>Pro Se Objectors with Opioid-Related Claims</i></th> </tr> </thead> <tbody> <tr> <td><i>Pro Se</i> Objector has provided written notice of intent to withdraw.</td> <td style="text-align: center;">9</td> </tr> <tr> <td><i>Pro Se</i> Objector has provided verbal notice of intent to withdraw but have not yet provided written confirmation.</td> <td style="text-align: center;">1</td> </tr> <tr> <td><i>Pro Se</i> Objector does not plan to formerly withdraw.</td> <td style="text-align: center;">2</td> </tr> <tr> <td><i>Pro Se</i> Objector is incarcerated.</td> <td style="text-align: center;">4</td> </tr> <tr> <td>Committee counsel is still reaching out to resolve the objections of the <i>Pro Se</i> Objector</td> <td style="text-align: center;">6</td> </tr> <tr> <th colspan="2"><i>Pro Se Objectors with Ranitidine-Related Claims</i></th> </tr> <tr> <td><i>Pro Se</i> Objector does not plan to formerly withdraw.</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Committee counsel is still reaching out to resolve the objections of the <i>Pro Se</i> Objector</td> <td style="text-align: center;">1</td> </tr> </tbody> </table>	<i>Pro Se Objectors with Opioid-Related Claims</i>		<i>Pro Se</i> Objector has provided written notice of intent to withdraw.	9	<i>Pro Se</i> Objector has provided verbal notice of intent to withdraw but have not yet provided written confirmation.	1	<i>Pro Se</i> Objector does not plan to formerly withdraw.	2	<i>Pro Se</i> Objector is incarcerated.	4	Committee counsel is still reaching out to resolve the objections of the <i>Pro Se</i> Objector	6	<i>Pro Se Objectors with Ranitidine-Related Claims</i>		<i>Pro Se</i> Objector does not plan to formerly withdraw.	1	Committee counsel is still reaching out to resolve the objections of the <i>Pro Se</i> Objector	1
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Appendix “H”

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

----- X
In re : Chapter 11
ENDO INTERNATIONAL plc, *et al.*, : Case No. 22-22549 (JLG)
Debtors. : Jointly Administered
----- X

**AMENDED OBJECTION OF UNITED STATES TRUSTEE TO ORDER
APPROVING THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS'
ASSETS**

WILLIAM K. HARRINGTON
UNITED STATES TRUSTEE, REGION 2

By: /s/ Paul K. Schwartzberg
Paul K. Schwartzberg
Trial Attorney
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Alexander Hamilton Custom House
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HEARING DATE: August 4, 2023
HEARING TIME: 10:00 am

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----	X	
	:	
In re	:	Chapter 11
	:	
ENDO INTERNATIONAL plc, et al.,	:	Case No. 22-22549 (JLG)
	:	
Debtors.	:	Jointly Administered
	:	
-----	X	

**AMENDED OBJECTION OF UNITED STATES TRUSTEE TO ORDER
APPROVING THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS’
ASSETS**

William K. Harrington, the United States Trustee for Region 2 (the “United States Trustee”), by his undersigned counsel, respectfully objects to the Debtors’ motion for an order approving the sale of substantially all the Debtors’ assets (the “Sale”). ECF Nos. 728 and 1765. In support of his objection, the United States Trustee respectfully states as follows:¹

PRELIMINARY STATEMENT

In a blatant attempt to avoid the Bankruptcy Code’s priority scheme and other protections provided to creditors through the plan process, the Debtors seek approval of the Sale, which violates the Bankruptcy Code’s priority scheme and constitutes a *sub rosa* plan. Pursuant to the Sale, senior secured creditors settled with opioid claimants and unsecured creditors and agreed to pay them while skipping administrative and priority creditors, which is prohibited by the Code. *Czyzewski v. Jevic Holding Corp.*, 137 S. Ct. 973 (2017). In *Jevic* the Supreme Court rejected arguments that the priority rules apply only to chapter 11 plans. *Id.* at 984. Because the

¹ Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Bid Procedures Motion or the RSA, as defined below.

priority system is fundamental to the Code’s operation, any departure from those rules (whether in a structured dismissal, sale, settlement or other court-approved agreement) must come from Congress. *See id.* Because no such authorization exists for bankruptcy courts to approve end of the case priority-skipping distributions, the Sale cannot be approved. To do so would invite “collusion, *i.e.*, senior secured creditors and general unsecured creditors teaming up to squeeze out priority unsecured creditors.” *Id.* at 986-987. Here, the parties admit that they are proposing this Sale because in a plan process they would need to satisfy the IRS and other priority creditors prior to making a distribution to general unsecured creditors. This is precisely the type of abusive situation the Supreme Court rejected in *Jevic*.

The authority cited in support of the Sale’s priority skipping result, *In re ICL Holding Co.*, 802 F.3d 547, 555-56 (3d Cir. 2015), was decided before *Jevic*, making its validity doubtful, and is not binding in the Second Circuit. Here, as set forth in detail below, the distributions are proceeds of the Sale and property of the estate.

The Sale also constitutes a *sub rosa* plan. The transaction goes beyond merely selling the Debtors’ business under section 363. Rather, the Sale (i) dictates the distribution scheme to unsecured creditors, (ii) releases the Debtors, Non-Debtor affiliates, and certain of their officers and directors, (iii) enjoins actions against the purchaser and various creditor trusts, (iv) restricts voting on alternative proposals, including a plan of reorganization or liquidation, and (v) leaves little left to reorganize. All of this (none of which is part of section 363) is sought without important chapter 11 safeguards, including adequate disclosure, voting, acceptance, and judicial consideration of the “fair and equitable” standards of section 1129.

The cases cited in support of the argument that the Sale is not a *sub rosa* plan are easily distinguishable. In those cases, creditors received distributions of non-estate assets from a new

entity in return for new value contributed to that new entity. Creditors did not receive distributions on account of their pre-petition claims. Here, certain creditors, as priority creditors and other creditors, who do not agree to release various third parties are excluded from the deal, will receive estate assets for their pre-petition claims without contributing new value to new Endo—in short, a totally different scenario. Moreover, these creditors, using the leverage created by their standing to bring actions against the lenders on behalf of the estate, have spent months in mediation negotiating the terms of an agreement which allocates the proceeds of the sale of substantially all of the Debtors’ assets, dictates the process for the resolution of claims and governs the distributions to be made from the proceeds of the sale of all of the Debtors’ assets.

Accordingly, because the Sale not only skips priority creditors, but also dictates matters that go well beyond section 363 and are confirmation issues, the Court should find that the Sale violates the Code’s priority scheme and constitutes a *sub rosa* plan.

Finally, as more fully discussed below, the United States Trustee objects to the proposed sale order to the extent it (i) seeks an injunction in violation of Bankruptcy Rule 7001(7), (ii) grants authority to appoint a wind-down administrator without further order of this Court, (iii) permits the parties to modify, amend, or supplement terms relating to the Wind Down without further order of this court, and (iv) waives the 14-day stay of the sale.

BACKGROUND

General Background

1. The Debtors each commenced a chapter 11 bankruptcy case on August 16, 2022 (the “Petition Date”). ECF No. 1
2. The Debtors operate a global specialty biopharmaceutical business. *See*

Declaration of Mark Bradley (the “Bradley Declaration”) at ¶ 1, ECF No. 19.

3. The Debtors’ bankruptcy filing was caused by a confluence of factors, including the Debtors’ litigation overhang from thousands of lawsuits related to its marketing and sale of prescription opioids. Bradley Declaration at ¶ 39.

4. On September 2, 2022, the United States Trustee appointed an Official Committee of Unsecured Creditors (the “UCC”), *see* ECF No. 161, and an official committee of Opioid Claimants (the “OCC”). ECF No. 163.

5. On September 30, 2022, the Court appointed Roger Frankel as a future claims representative (the “FCR”). ECF No. 318

Restructuring Support Agreement

6. The Debtors commenced these cases with the intention to pursue a sale of substantially all their assets under section 363 of the Bankruptcy Code. *See* Notice of Filing of Restructuring Support Agreement (the “RSA”), ECF No. 20. The RSA is the result of negotiations between, among others, the Debtors and an ad hoc group of first lien lenders (the “Ad Hoc First Lien Group”). Bradley Declaration at ¶ 76.

7. Pursuant to the RSA, a stalking horse credit bid will be provided by one or more entities formed in a manner acceptable to the Ad Hoc First Lien Group to purchase substantially all the Debtor’s assets. *Id.*

8. Annexed to the RSA is a Voluntary Opioid Trust Term Sheet by and among various parties, including the Debtors, the Consenting First Lien Creditors and the Initial Supporting Governmental Entities. RSA at Exhibit E.

9. Pursuant to the Voluntary Opioid Trust Term Sheet, trusts (the “Voluntary Opioid Settlement Trusts”) to settle opioid claims will be created. *Id.* Specifically, a public

opioid settlement trust will be funded with \$450,000,000, a private settlement opioid trust will be funded with \$85,000,000, and a tribal opioid settlement trust will be funded with \$15,000,000.

Id. To receive distributions from the Voluntary Opioid Settlement Trusts opioid claimants are required to opt into participation in the trusts. *Id.* According to the Voluntary Opioid Trust Term Sheet, the sale order will contain a release by participating opioid claimants against the Released Parties. *Id.* Released Parties include the Debtors, Non-Debtor Affiliates, and certain of their officers and directors. *Id.* at Glossary of Key Defined Terms. *See also* Amended OCC Resolution Term Sheet, ECF No. 2415, Ex. B.

Bid Procedures Motion

10. On November 23, 2022, the Debtors filed a Motion for an Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, (III) Approving the Sale of Substantially all of the Debtors' Assets and (IV) Granting Related Relief (the "Bid Procedures Motion"). ECF No. 728.

11. Pursuant to the Bid Procedures Motion, the Debtors sought approval of an auction process to sell substantially all their assets with the Ad Hoc First Lien Group serving as the stalking horse bidder. Bid Procedures Motion at ¶ 1.

12. According to the Stalking Horse Agreement (the "Stalking Horse Agreement") annexed to the Bid Procedures Motion, the stalking horse bid consists of (a) a credit bid, pursuant to § 363(k) of approximately \$5.9 billion in full satisfaction of the prepetition first lien indebtedness, (b) \$5 million in cash on account of unencumbered transferred assets, (c) \$122 million in cash to wind down the Debtors' operations, (d) fund pre-closing professional fees, and (e) the assumption of assumed liabilities (the "Stalking Horse Bid"). *Id.* at ¶¶ 1 & 19.

13. To the extent the Stalking Horse Bid is the winning bid, general unsecured creditors would not receive a distribution. Bradley Declaration at ¶ 82 (the discussion of wind-down budget fails to provide funding for unsecured creditors).

14. Objections to the Bid Procedures Motion were filed by, among others, the United States Trustee, the FCR, the UCC, and the OCC. ECF Nos. 910, 1131, 1144, and 1145.

15. The UCC and the OCC also filed a joint motion seeking standing to attack purported liens on (i) \$670 million of the Debtors' US Deposit Accounts, (ii) \$350 million of the Debtors' foreign Deposit Accounts, and (iii) equity interests in certain non-Debtor Indian affiliates. ECF No. 1243. The UCC and the OCC also sought to pursue avoidance actions to challenge roughly \$95 million paid to insiders on the eve of bankruptcy as well as three debt transactions where certain Debtors "uptiered" billions of dollars of unsecured debt into new, secured debt. *Id.*

The UCC and OCC Settlements

16. In response to the objections, the Court directed the parties to mediation. ECF No. 1257. As a result of mediation, the UCC and the OCC settled their objections. Notice of Filing of Settlement Summary, ECF No. 1457

17. Pursuant to the settlement, an amended RSA (the "Amended RSA") and a Stipulation Among the Debtors, Official Committee of Unsecured Creditors, Official Committee of Opioid Claimants, and Ad Hoc First Lien Group Regarding Resolution of Joint Standing Motion and Related Matters (the "Stipulation") were filed. ECF Nos. 1502 and 1505.

18. Attached to the Amended RSA was an amended Voluntary Opioid Trust Term Sheet which, among other things, increased the public trust consideration from \$450,000,000 to \$465,200,000. Amended RSA, ECF No. 1502 at Exhibit C.

19. According to the Stipulation (i) the motion filed by the UCC and OCC for standing to pursue estate causes of action will be held in abeyance and eventually withdrawn, Stipulation at ¶¶ 5 and 15, (ii) the UCC and the OCC will not pursue, investigate or assert any Challenge Claims, *Id.* at ¶ 6, (iii) the UCC and OCC will not participate in the formulation or vote for any plan of reorganization or liquidation, *Id.* at ¶ 7(a)(iv)(B) n.7 and (b)(iv)(B), and (iv) the UCC and OCC will not attack the pre-petition secured parties rights under the cash collateral order. *Id.* at ¶ 10.

20. In addition, attached to the Stipulation is a UCC Resolution Term Sheet and an OCC Resolution Term Sheet. Stipulation at Exhibits 1 and 2.

21. The UCC Resolution Term Sheet provides that unsecured creditors who agree to release their claims against, among others, the Debtors, Non-Debtor affiliates and certain of their officers and directors, will be eligible to participate in a trust(s) (the “GUC Trust”). UCC Resolution Term Sheet at 3-4. The GUC Trust will be funded with (i) \$60 million in cash, (ii) 4.25% of equity in the purchased entity, (iii) the option to subscribe for the purchase up to \$160 million of common equity. *Id.* at 5-7. The GUC Trust will also receive estate causes of action against certain third parties as well as rights to certain of the Debtors’ insurance policies. *Id.* at 12-14.

22. The OCC Resolution Term Sheet provides that opioid claimants who agree to release claims against, among others, the Debtors, Non-Debtor affiliates and certain of their officers and directors, will be eligible to participate in trusts and sub-trusts (the “PPOC Trust”). OCC Resolution Term Sheet at 1-2, 4-5 and Exhibit 1. The PPOC Trust will be funded with \$119,200,000. *Id.* at 3.

23. Distributions in accordance with the Amended RSA, UCC Resolution Term Sheet and OCC Resolution Term sheet will be made regardless of whether priority creditors receive a distribution in these cases.²

FCR Settlement

24. On June 13, 2023, the Debtors filed the Notice of Filing of Stalking Horse Bidder-FCR Term Sheet which describes a settlement with the FCR. In exchange for the FCR agreeing not to object to the Sale Motion, the Stalking Horse Bidder will establish a trust for future opioid claimants in the maximum aggregate amount of \$11.5 million to be paid over ten years and a trust for future transvaginal mesh claimants to be funded with \$500,000 over two years. ECF No. 2415 at Ex. A.

Bid Procedures Hearing

25. At the March 28, 2023, hearing on the Bid Procedures Motion Mark Barberio, the Chairman of the Board of Endo International, plc., testified that funding for the opioid trusts as well as the resolutions with UCC were material parts of the Stalking Horse Bid. *See* Declaration of Mark Barberio, ECF No. 729 at ¶ 14; *See also*, Bidding Procedures Hearing, March 28, 2023, ECF No. 1793; Tr. 66: 25, 67: 1-11.

26. Mr. Barberio also testified that when evaluating bids, the Debtors will consider the settlements with the OCC and UCC. Bidding Procedures Hearing, March 28, 2023, ECF No.1793; Tr. 70: 18-25, 72: 17-25, 86: 8-12.

27. Over the objection of the UST and the FCR, the court approved the Bid Procedures Motion, which included the Debtors bid procedures (the “Bid Procedures”). Order

² Numerous priority claims have been filed in these cases, included a priority claim of approximately \$3.5 billion by the Internal Revenue Service. *See* Claim No. 3289.

(I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, and (III) Granting Related Relief, ECF No. 1765 at Exhibit 1.

28. According to the Bid Procedures, when evaluating competing bids, the Debtors may consider if the bids provide for an opioid trust or creditor trusts and will favor bids that include such trusts. Bid Procedures at 29, 30 and 33. In evaluating bids, the Debtors must consult with, among others, the UCC and the OCC. *Id.* at 6 & 33.

29. On June 20, 2022, the Debtors filed a notice stating that they did not receive any indications of interest that were likely to result in the submission of a qualified bid. See Notice of (I) Debtors' Termination of the Sale and Marketing Process, (II) Naming the Stalking Horse Bidder as the Successful Bidder, and (III) Scheduling the Accelerated Sale Hearing, ECF No. 2240. Accordingly, the Debtors terminated their auction process and named the Stalking Horse Bid the successful bid. *Id.*

30. On July 7, 2023, the Debtors filed a proposed order (the "Proposed Order") approving the sale. ECF No. 2383.

31. On July 13, 2023, the Debtors filed a revised Proposed Order (the "Revised Proposed Order") approving the sale which incorporates, among other things, the filing of the Notice of Stalking Horse Bidder-FCR Term Sheet and Amended OCC Resolution Term Sheet. ECF No. 2413. The revised Proposed Order, among other things, (i) enjoins claims and actions against, among others, the buyers, the First Lien Collateral Trustee and the GUC and PPOC Trusts, (ii) authorizes the Debtors to appoint a wind-down administrator without further order of this court, (iii) provides that the PSA and any related agreements may be modified, amended or supplemented by the parties without further order of the court in order to facilitate the wind down of the Debtors' estates, (iv) permits modifications of the PSA and any related documents

including the documents attached to the Resolution Documents Notice, without further order of the court; and (v) waives the 14-day stay of the sale order. Revised Proposed Order, ECF No. 2413, ¶¶ 16-21, 38, 43, 44 and 49.

32. The Revised Proposed Order also approves the PSA and all other ancillary documents including those documents attached to the Proposed Order, any ancillary documents required to effectuate the Reconstruction Steps, and the Direction Letter. Revised Proposed Order at ¶ 3. The attached documents include the GUC Trust Agreement, the UCC Allocation, the PPOC Trust Agreement, the PPOC Trust Distribution Procedures and several sub-trust agreements. See ECF No. 2384. These documents dictate the distribution of trust assets to their beneficiaries. *See e.g.* GUC Trust Agreement (purpose of trust is to, among other things, distribute trust assets for benefit of trust beneficiaries), *Id.* at Exhibit 2-A, § 2.2.2; UCC Allocation (allocation of GUC Creditor Trust Assets), *Id.* at Exhibit 2-D; PPOC Trust Agreement (purpose of trust is to, among other things, distribute PPOC Trust Consideration), *Id.* at Exhibit 3-A, § 1.02; PPOC Distribution Procedures, *Id.* at Exhibit 3-B; OCC Allocation, *Id.* at Exhibit 3-G.

33. The attached documents also include the claim election and release forms (the “Claim Election and Release Forms”) opioid creditors must execute to participate with their respective trust and release the Released Parties. *Id.* at Exhibits 3-E and 3-F.

OBJECTION

1. *Distributions to Opioid Claimants, FCR and Unsecured Creditors Violate the Bankruptcy Code’s Priority Scheme*

The settlements reached with the UCC, FCR and OCC, and the Initial Supporting Governmental Entities, which the Debtors’ Chairman of the Board testified are material terms of

the Stalking Horse Agreement, dictate class-skipping payments to opioid claimants and unsecured creditors when priority creditors are not paid in full. Skipping priority creditors to pay unsecured claims violates the Bankruptcy Code’s priority scheme. *Czyzewski v. Jevic Holding Corp.*, 137 S. Ct. 973 (2017).

In *Jevic*, the Supreme Court ruled that a “distribution scheme ordered in connection with the dismissal of a Chapter 11 case cannot, without the consent of the affected parties, deviate from the basic priority rules that apply under the primary mechanisms the Code establishes for final distributions of estate value in business bankruptcies.” 137 S. Ct. at 978. In doing so, the Court reversed an order approving a settlement of a fraudulent conveyance lawsuit that gave a distribution to high-priority secured creditors and to low-priority general unsecured creditors, but which skipped certain dissenting mid-priority creditors. *Id.* The distribution consisted of, among other things, non-estate assets. *Id.* at 981 (CIT would distribute \$2 million into an account and Sun would assign its lien on \$1.7 million to a trust). The Supreme Court considered several justifications offered in support of the priority-skipping deal. It rejected all of them.

The settling parties argued (and the lower courts agreed) that the Code’s priority rules only apply to chapter 11 plans (and chapter 7 liquidations). The Supreme Court disagreed. Because the priority rules have “long been considered fundamental to the Bankruptcy Code’s operation,” limiting their scope requires more than mere legislative silence. *See* 137 S. Ct. at 984 (citations omitted). The Supreme Court saw no indication that Congress intended a “major” departure from the priority system through a structured dismissal. 137 S. Ct. at 984 (“we would expect to see some affirmative indication of intent if Congress actually meant to make structured dismissals a backdoor means to achieve the exact kind of nonconsensual priority-violating final distributions that the Code prohibits in Chapter 7 liquidations and Chapter 11 plans.”).

The parties also claimed that, under the allegedly rare circumstances of the case, the Court faced a binary choice of approving a settlement that made many creditors better off or rejecting the settlement and leaving all creditors empty-handed—an argument that the bankruptcy court had adopted. *See In re Jevic*, 08-11006, Docket No. 1519, *14 (Bankr.D.Del. Dec. 4, 2012) (“I am presented with two options, a meaningful return or zero.”). The Supreme Court, however, was unmoved and reiterated that courts cannot “alter the balance struck by the statute . . . not even in rare cases.” 137 S. Ct. at 987 (*quoting Law v. Siegel*, 134 S. Ct. 1188, 1198 (2014)) (further citations omitted). The Supreme Court also saw through the “rare case” justification as both dubious and dangerous. “[O]ne can readily imagine other cases that turn on comparably dubious predictions. . . . [D]ebtors and favored creditors can be expected to make every case that ‘rare case’”. *Id.* at 987 (citation omitted). The Court further found the rare case exception to be dangerous because it would inflict uncertainty upon the bankruptcy system with serious consequences—consequences including collusion and changes in bargaining power even in cases not ending in a structured dismissal. *Id.* (observing that the consequences of the rare case justification “include risks of collusion, *i.e.*, senior secured creditors and general unsecured creditors teaming up to squeeze out priority unsecured creditors.”). To allow priority skipping distributions would depart from the protections congress granted priority creditors, change the bargaining power of certain classes of creditors, and risk collusion between senior secured creditors and general unsecured creditors to squeeze out priority creditors.³ *Id.* at 986-987.

³ Although the Supreme Court seemingly noted with approval the type of distribution permitted by in *In re Chrysler LLC*, 576 F.3d 108, 118 (2d Cir. 2009), a case relied upon by the Debtors, that case is distinguishable. First, the Supreme Court cited the case for approval because it did not upset the Code’s priority scheme, unlike the instant case which seeks to skip priority creditors. In addition, as set forth in more detail *infra.*, pgs. 23-25, *Chrysler* involved creditors who were not paid on their pre-petition claims. Instead, creditors received non-estate assets from a new entity in return for new value contribute to that new entity. In the present case, creditors are not contributing new value to a new entity, but rather will be paid with estate assets on account of their pre-petition claims.

In the present matter, in an end of the case distribution—the Debtors are selling substantially all their assets for a credit bid—senior secured creditors have settled with opioid claimants, unsecured claimants and future claimants and agreed that they will receive a distribution of estate property before priority creditors. Higher priority creditors have colluded with lower priority creditors to squeeze out creditors that fall in between. And all of this will be done with no prospect of a reorganization, as the business will be sold. In short, the proposed distributions are not interim distributions to enable a successful reorganization such as first day wage orders or critical vendor orders, which some courts have allowed. *Jevic*, 137 S. Ct. at 985.⁴ Rather, the proposed payments are end of the case distributions that improperly skip priority creditors in violation of the Code’s priority scheme. *Id.* at 986-987. Indeed, it is difficult to imagine how the Debtors and Committee are able to reconcile their respective fiduciary duties with their support of a Sale that in no way is authorized by the Bankruptcy Code as it provides for a distribution scheme that skips over priority creditors and treats other creditors unfairly as it excludes from the distribution creditors, who will not agree to release various third parties.

To the extent the parties seek to characterize the distributions from the secured creditors to opioid claimants and general unsecured creditors as a gift, such gifting also violates the Code’s priority scheme and is prohibited in this Circuit. *In re DBSD North America, Inc.*, 634 F.3d 79, 100-101(Cir. 2nd 2011) (absolute priority rule was designed to prevent senior class from gifting to junior class unless every intermediate class consents).

2. *The Sale Constitutes a Sub Rosa Plan*

i. The Law

⁴ To be clear, the U.S. Trustee does not concede that any priority-skipping payments are permitted by the Code, and the Supreme Court did not definitively hold otherwise in *Jevic*.

When a significant transaction arises in a case which requires court approval prior to the submission of a plan, courts may properly consider whether the transaction is a *sub rosa* plan of reorganization “or an attempt to circumvent the chapter 11 requirements for confirmation.” *In re Chrysler, LLC*, 405 B.R. 84, 95-96 (Bankr. S.D.N.Y. 2009) (citing *Motorola v. Committee of Unsecured Creditors (In re Iridium Operating LLC)*, 478 F.3d 452, 466 (2d Cir. 2007) (citing *Pension Benefit Guaranty Corp. v. Braniff Airways, Inc. (In re Braniff Airways, Inc.)*, 700 F.2d 935, 940 (5th Cir. 1983)).

A transaction that fixes key terms of a yet to be filed plan “short circuits” the chapter 11 plan review process by establishing plan terms *sub rosa*. *In re LATAM Airlines Grp. S.A.*, 620 B.R. 722, at 816 - 820 (Bankr. S.D.N.Y. 2020) (debtor’s option to repay a DIP loan provided by certain of its shareholders in the form of reorganized equity dictated key terms of an eventual plan of reorganization and constituted an impermissible *sub rosa* plan); *see also In re Conroe Forge & Mfg. Corp.*, 82 B.R. 781, 785 (Bankr. W.D. Pa.1988) (denying application for creditor distribution in advance of liquidating Chapter 11 plan on grounds that, *inter alia*, “if distribution of assets occurs before confirmation, there will exist no means by which a plan may be implemented... [thus violating] § 1123(a)(5) [of the Bankruptcy Code]”).

“A 363 sale may be objectionable as a *sub rosa* plan if the sale itself seeks to allocate or dictate the distribution of sale proceeds among different classes of creditors.” *See In re General Motors Corp.*, 407 B.R. 463, 495 (Bankr. S.D.N.Y. 2009); *see also In re WestPoint Stevens, Inc.*, 333 B.R. 30, 51 (S.D.N.Y. 2005), *rev’d on other grounds*, 600 F.3d 231 (2d Cir. 2010), (“The Sale Order, which authorized and directed operating assets as well as the direct distribution to creditors of the consideration paid for those assets and the termination of liens and

other interests, clearly constituted an attempt to determine or preempt plan issues in the context of the Section 363(b) sale and was improper to that extent.”).

Similarly, a section 363 sale that releases creditors’ claims against a debtor, its secured creditors, and its officers and directors may also be objectionable. *Braniff Airways*, 700 F.2d at 940 (the transaction “also provides for the release of claims by all parties against Braniff, its secured creditors and its officers and directors. On its face this is not a ‘use, sale or lease’ and is not authorized by § 363(b)”).

Finally, a proposed sale may also be objectionable when aspects of the transaction restrict creditors’ rights to vote on a plan. *Braniff Airways*, 700 F.2d at 940 (agreement dictating vote of deficiency claim thwarts code’s scheme for creditor enfranchisement); *General Motors Corp.*, 407 B.R. at 495 (363 sale may be objectionable where it restricts creditors’ rights to vote on a plan).

When reviewing a transaction to determine if it constitutes a *sub rosa* plan, a court need not determine whether each single piece of the deal complies with section 363; rather the court may look at the entire transaction as an integrated whole. *Braniff Airways*, 700 F.2d at 939 (“It is not necessary, however, to decide, whether each individual component of the PSA transaction is or is not authorized by § 363 because the entire transaction was treated by both courts below as an integrated whole.”).

ii. The Sale Determines a Distribution Scheme for Creditors

The Sale determines a distribution scheme for unsecured creditors outside a plan of reorganization. Specifically, under the transaction, public opioid claimants will receive \$465,200,000, tribal opioid claimants will receive \$15,000,000, and private opioid claimants will receive \$119,200,000. Amended RSA at Exhibit C, OCC Resolution Term Sheet at 3.

General unsecured creditors will receive (i) \$60 million in cash, (ii) 4.25% of equity in the purchased entity, (iii) the option to subscribe for the purchase up to \$160 million of common equity, (iv) estate causes of action against certain third parties, and (v) rights to certain of the Debtors' insurance policies. UCC Resolution Term Sheet 5-7 and 12-14.

With respect to future claimants, in a settlement between the Debtors and the Future Claims Representative, the Stalking Horse Bidder will establish a trust for future opioid claimants in the aggregate amount of \$11.5 million to be paid over ten years and a trust for future transvaginal mesh claimants to be funded with \$500,000 over two years (collectively referred to as "Future Claimants"). ECF No. 2415.

The above-mentioned distributions - particularly those to the private and public opioid claimants and general unsecured creditors that Mr. Barberio testified are material terms of the stalking horse agreement -- will be made while priority creditors receive nothing. The entire sale transaction dictates how creditors will be treated in this case. The determination of how creditors will be paid in a case pursuant to a sale is beyond the term "use, sale or lease" under 363 and, hence, a *sub rosa* plan. *Braniff*, 700 F.2d at 940; *General Motors Corp.*, 407 B.R. at 495.

iii. Sale Transaction Contains Releases and an Injunction Demonstrating it is a Sub Rosa Plan

Parties that agree to participate in the Voluntary Public/Tribal Opioid Trust Term Sheet will provide a release to, among others, the Debtors, Non-Debtor affiliates and certain of their officers and directors. Amended RSA at Exhibit C (Amended Voluntary Public/Tribal Opioid Term Sheet) at 8-9. To participate in the GUC Trust, unsecured creditors must agree to release their claims against, among others, the Debtors, Non-Debtor affiliates, and certain of their officers and directors. UCC Resolution Term Sheet at 3-4. Similarly, to participate in the PPOC

Trust, opioid claimants must agree to release claims against, among others, the Debtors, Non-Debtor affiliates and certain of their officers and directors. OCC Resolution Term Sheet at 1-2, 4-5 and Exhibit 1. These releases are part of the trusts that Mr. Barberio testified were material to the stalking horse agreement. The nonconsensual release of non-debtors by non-debtors is not a proper sale issue and likely not appropriate in a chapter 11 cases at all.⁵ Releases are not part of section 363. Rather, releases are issues for a reorganization plan which come with it a disclosure statement and the right to vote. *Braniff Airways*, 700 F.2d at 940. The releases demonstrate that the sale transaction constitutes a *sub rosa* plan.⁶

Similarly, the Proposed Order enjoins creditors from asserting claims against the buyer as well as the GUC and PPOC Trusts. Proposed Order at ¶¶ 16-21. Bankruptcy Rule 7001(7), however, provides that a party seeking an injunction must commence an adversary proceeding, except when a plan provides for such relief. *See* Bankruptcy Rule 7001(7). Because the Debtors have not commenced an adversary proceeding, the inclusion of an injunction in the Proposed Order, something they can only obtain in a plan, is further evidence that the Sale is a *sub rosa* plan.

iv. Sale Transaction Restricts Creditors Right to Vote on a Plan Demonstrating it is Sub Rosa Plan

⁵ As this Court is likely aware, the United States Trustee appealed the issue of the authority to approve a non-consensual, non-debtor release in the case of Purdue Pharma *In re Purdue Pharma LP.*, No. 22-110 (2d Cir.). Although the Second Circuit recently reversed the district court's decision on appeal, finding that there is no statutory or constitutional authority for a court to impose non-consensual releases, in a concurring opinion, one panel member expressed grave doubt about that Court's prior precedents and urged consideration by the Supreme Court for a nationwide resolution on this question. *In re Purdue Pharma L.P.*, 69 F.4th 45, 86 (2nd Cir. 2023) (J. Wesley, concurring). Thus, on July 7, the United States Trustee filed a motion to stay the mandate in the Second Circuit pending the filing of a petition for certiorari at the U.S. Supreme Court with the authorization of the Solicitor General issued that same day. *In re Purdue Pharma L.P.*, No. 22-110, Dkt. No. 1012 (2nd Cir.).

⁶ Although the parties delineate the releases as "voluntary", that is a misnomer. Under the trusts creditors will be forced to opt into the releases. If they do not opt in, they will be left with debtors that have sold substantially all their assets. Therefore, although termed "voluntary" trusts, the only actual choice is to opt in, grant releases and obtain a pro rata distribution. A Hobbesian choice.

According to the Stipulation, the UCC and OCC will not participate in the formulation of or *vote* for any Alternative Proposal, which is defined to include a plan of reorganization or liquidation. Stipulation at ¶ 7(a)(iv)(B) n.7 and (b)(iv)(B). A proposed sale transaction, however, is objectionable as a *sub rosa* plan when it restricts creditors' rights to vote on a plan. *Braniff Airways*, 700 F.2d at 940 (agreement dictating vote of deficiency claim thwarts code's scheme for creditor enfranchisement); *General Motors Corp.*, 407 B.R. at 495 (363 sale may be objectionable where it places restrictions on creditors' rights to vote on a plan). Accordingly, the restrictions on voting rights for alternative proposals, including plans of reorganization or liquidation, further demonstrate this Sale is a *sub rosa* plan.

v. Sale Transaction Leaves Little Prospect for Reorganization Demonstrating it is a Sub Rosa Plan

Finally, because there is little left to reorganize after the sale of substantially all the Debtors' assets, this also leads to the conclusion that this is a *sub rosa* plan. *Braniff Airways*, 700 F.2d at 940 (because little would remain after the transaction for future reorganization reinforces view that transaction is a *sub rosa* plan).

vi. The Sale Should Not be Approved

The Debtors' sale transaction when considered as an integrated whole (i) dictates a distribution to unsecured creditors while leaving priority creditors with nothing, (ii) provides releases to the Debtors, Non-Debtor affiliates, and certain of their officers and directors, (iii) seeks to enjoin actions against the purchaser and various creditor trusts, (iv) restricts voting on alternative proposals, including a plan of reorganization or liquidation, and (v) leaves little left to reorganize. All of this is done without the important chapter 11 safeguards, including adequate disclosure, voting, acceptance, and judicial consideration of the "fair and equitable" standards of

section 1129. Thus, the sale violates the principles that restrain bankruptcy courts from approving what amount to *sub rosa* plans through motion practice. Accordingly, the Court should not approve the sale. *See In re Continental Air Lines, Inc.*, 780 F.2d at 1227-28 (“Undertaking reorganization piecemeal pursuant to § 363(b) should not deny creditors the protection they would receive if the proposals were first raised in the reorganization plan”).

3. *The Cases Cited in Support of the Sale are Easily Distinguishable*

i. *ICL Holdings*

In support of the assertion the Sale does not violate the Code’s priority scheme, the parties primarily rely upon *In re ICL Holding Co., Inc.*, 802 F.3d 547, 555-56 (3d Cir. 2015). Debtors’ Omnibus Reply in Support of Bidding Procedures Order, ECF No. 1200 at 43 and Reply of Ad Hoc First Lien Group In Support of Debtors’ Bidding Procedures Motion, ECF No. 1199 at 19 n. 49. *ICL*, however, was decided prior to the Supreme Court’s decision in *Jevic*, which casts doubt on *ICL*’s continued viability.

a. *Jevic Casts Doubt on ICL’s Continued Viability*

In *ICL Holdings*, which is not a Second Circuit case and is not controlling on this Court, the Third Circuit affirmed an order approving a pre-plan settlement between an official creditors’ committee and a secured lender group that had purchased the debtors’ assets. Similar to *Jevic*, high-priority (secured) creditors and low-priority (unsecured) creditors teamed up to squeeze out a dissenting mid-priority creditor (the United States, which held a large tax claim entitled to administrative priority). In essence, *ICL* limited the scope of the priority rules on the grounds that the Code did not expressly prohibit distributions of non-estate property in bankruptcy.

To be sure, the Supreme Court did not expressly consider whether the Code’s priority

rules apply to “gifts” of purportedly non-estate property.⁷ But in rejecting the *Jevic* settlement, the Supreme Court demanded strict adherence to the rules established by Congress and laid bare the true harms of so-called “gifting.” *Jevic* casts substantial doubt on *ICL*’s reasoning.

First, courts cannot approve distributions that deviate from the “basic system of priority” simply because the Code does not contain an express prohibition. The Supreme Court directly repudiated this line of reasoning when it rejected arguments that the priority rules apply only to chapter 11 plans. *See Jevic* 137 S. Ct. at 984. Because the priority system is fundamental to the Code’s operation, any departure from it (whether in a structured dismissal, sale, settlement or other court-approved agreement) must come from Congress. *See id.* No such authorization exists for bankruptcy courts to approve priority-skipping gifts of value derived from estate property but masquerading as a purchaser’s generosity for a class of creditors. The integrity of a comprehensive bankruptcy scheme, including the painstakingly detailed priority rules governing distributions to creditors, cannot be cast aside in favor of creditor side deals. *See In re Lehman Bros. Holdings, Inc.*, 508 B.R. 283, 294 (S.D.N.Y. 2014) (“The Bankruptcy Code is meant to be a “comprehensive federal scheme . . . to govern” the bankruptcy process. Although flexibility is necessary[,] the federal scheme cannot remain comprehensive if interested parties and bankruptcy courts in each case are free to tweak the law to fit their preferences . . .”) (citations omitted). Simply put, parties should not reap the benefits from the comprehensive bankruptcy process without also accepting its obligations, including the obligation to follow statutory priorities. *See In re DBSD North America, Inc.*, 634 F.3d 79, 100-101(Cir. 2nd 2011) (absolute

⁷ It defies logic and economics to believe that a purchaser of estate assets values anything other than the total cost of acquiring estate assets in making its offer; that purchaser has no interest in how the debtor allocates the value of the purchase price as long as the purchaser acquires the assets. Thus, the debtor can manipulate the allocation of the sale price/purchase value to orchestrate the fiction that the purchaser agrees— out of its good will and without deriving economic value therefrom—to pay a third party a premium unrelated to the sale’s value.

priority rule was designed to prevent senior class from gifting to junior class unless every intermediate class consents).

Second, the Third Circuit in *ICL* failed to consider the full consequences of priority-skipping distributions. By contrast, the Supreme Court exposed the harms that priority-skipping settlements inflict upon disfavored creditors and observed that departures from the Code’s priority rules—even in supposedly “rare” cases—run counter to the protections Congress granted particular classes of creditors. 137 S. Ct. at 986. Those statutory protections take precedence over even well-intentioned payments to junior creditors, and departing from them invites “collusion, *i.e.*, senior secured creditors and general unsecured creditors teaming up to squeeze out priority unsecured creditors.” *Id.* at 986-987 (*citing Bank of America Nat. Trust and Sav. Assn. v. 203 North LaSalle Street Partnership*, 526 U.S. 434, 444 (1999) (discussing how the absolute priority rule was developed in response to “concern with ‘the ability of a few insiders, whether representatives of management or major creditors, to use the reorganization process to gain an unfair advantage’” (*quoting* H.R. Doc. No. 93–137, pt. I, p. 255 (1973))). And by increasing uncertainty in the bankruptcy process, the failure to follow creditor priorities makes settlements more, not less, difficult to achieve. *Id.* at 987. When the Third Circuit evaluated the priority-skipping settlement on its merits in *ICL*, it did not consider the systemic harms that the Supreme Court found important when deciding *Jevic*.

b. The Distributions to Creditors are Property of the Estate

Here, the distributions to the trusts are proceeds of the sale, and therefore property of the estate.

First, the documents and the testimony at the Bid Procedures hearing demonstrate that the distributions to the opioid claimants, general unsecured creditors and future claimants, are sale

proceeds. According to the Bid Procedures, when evaluating bids for the sale of their assets the Debtors may consider if the bid provides for an opioid trust or creditor trust and *will favor bids that include such trusts*. Bid Procedures at 29, 30 and 33. In addition, Mark Barberio, the Chairman of the Board of Endo International, plc. testified that funding for the opioid trusts as well as the resolutions with UCC were material parts of the stalking horse bid. *See* Declaration of Mark Barberio, ECF No. 279 at ¶ 14; *See also* Bidding Procedures Hearing, March 28, 2023, ECF No. 1793; Tr. 66: 25, 67: 1-11. He also testified that when evaluating and valuing bids, the Debtors will consider the settlements with the OCC and UCC. Bidding Procedures Hearing, March 28, 2023, ECF No. 1793; Tr. 70: 18-25, 72: 17-25, 86: 8-12. The parties, then, are clearly evaluating the distributions to opioid claimants and unsecured creditors during the sale process. Why? Because they are being considering as part of the transaction. The parties are treating each part of this transaction as an integrated whole, with the assets going to opioid claimants, unsecured creditors and future claimants being valued like sale proceeds. *Braniff Airways*, 700 F.2d at 939 (“It is not necessary, however, to decide, whether each individual component of the PSA transaction is or is not authorized by § 363 because the entire transaction was treated by both courts below as an integrated whole.”).

Second, the UCC and the OCC filed a joint motion seeking standing to attack the secured creditor’s liens and to pursue avoidance action. ECF No. 1243. The committees, however, settled those actions and, pursuant to the Stipulation, agreed to hold the standing motion in abeyance and eventually withdraw them, as well agreed to not pursue, investigate or assert any challenge claims or attack the pre-petition secured parties rights under the cash collateral order. Stipulation at ¶¶ 5, 6, 10 and 15. The committees could only mount such challenges if they obtained derivative standing on behalf of the estate. *In re STN Enterprises*, 779 F.2d 901 (2d

Cir. 1985). Consequently, any consideration that the committees receive for their settlement of such claims belongs to the estate.

Third, the UCC settlement involves the transfer of avoidance claims and insurance policies that currently belong to the Debtors' estate. Such assets must be traceable to the estate or else the party holding them has no ability to prosecute or collect upon them. Separate from the tracing issues, the Code created many of the underlying rights for the estate in the first instance. *See* 11 U.S.C. §§ 544-551. Permitting the sale of these claims and rights and their subsequent assignment to creditors outside of priority undermines the Code's purpose and structure. In other words, this Settlement distributes Code-created rights in violation of Code-specified priority. *Constellation Enterprises*, No. 16-11231 (CSS), ECF No. 967) (Bankr. D. Del. 2017) Tr. 248 ("this case is not controlled by ICL and does not fit ICL because the causes of action were property of the estate at one time.").

ii. Chrysler and General Motors

In support of the assertion the Sale is not a sub rosa plan, the parties primarily rely upon (i) *In re Chrysler*, 576 F.3d, 108 (2nd Cir. 2009), *vacated as moot sub nom. Indiana State Police Pension Trust v. Chrysler, LLC*, 558 U.S. 1087 (2009), (ii) *In re Chrysler LLC*, 405 B.R. 84 (Bankr. S.D.N.Y. 2009), *aff'd*, 576 F.3d 108 (2nd Cir. 2009) and (iii) *In re General Motors Corp.*, 407 B.R. 463 (Bankr S.D.N.Y. 2009), *aff'd sub nom. In re Motors Liquidation Co.*, 428 B.R. 43 (S.D.N.Y. 2010). Debtors' Omnibus Reply in Support of Bidding Procedures Order, ECF No. 1200 at 43 and Reply of Ad Hoc First Lien Group in Support of Debtors' Bidding Procedures Motion, ECF No. 1199 at 19 n. 49. These cases are easily distinguishable.

a. Chrysler and General Motors Creditors Provided Distributions on Account of New Value, Not Pre-Petition Claims

First, in *Chrysler* and *General Motors* the new entities were not providing distributions on account of prepetition claims. Instead, they were providing distributions on account of new value contributed to the new entities. *Chrysler*, 576 F.3d at 118 (equity stakes in New Chrysler were entirely attributable to new value - including governmental loans, new technology, and new management); *Chrysler*, 405 B.R. at 99 (“New Chrysler negotiated with various constituencies that are contributing and essential to the new venture, including Fiat—contributing technology and expertise; the Governmental Entities—contributing billions of dollars in funding; and Chrysler’s employees—contributing a skilled workforce with a more competitive cost structure. In negotiating with those groups essential to its viability, New Chrysler made certain agreements and provided ownership interests in the new entity, which was neither a diversion of value from the Debtors’ assets nor an allocation of the proceeds from the sale of the Debtors’ assets.”); *General Motors Corp.*, 407 B.R. at 497-98 (same).

In the instant matter, distributions are being made on account of pre-petition claims⁸. In regard to opioid claimants, there is no ongoing business or other relationship between prepetition opioid creditors and the proposed new operator of the Debtors’ assets. In fact, the prepetition conduct giving rise to liability— principally, the improper marketing of opioids—ended and will not continue.

In regard to unsecured creditors, the payments to them are also on account of their pre-petition claims. The distribution does not require a continued relationship between the parties or contemplate negotiations regarding future relationships. Simply stated, unsecured creditors will receive their pro rata share based on their pre-petition claim.

⁸ Although distributions will be made to future claimants, these claimants will not be providing any new value to the new entity.

Moreover, because these are payments on behalf of pre-petition claims, they are not deals to provide new value to ensure the viability of the new company. For example, the beneficiaries of these settlements do not contribute technology or expertise, billions in funding, or a skilled workforce, such as contributed by Fiat, the Government, and the unions in *Chrysler*. Therefore, under the Sale, creditors are being paid for their pre-petition claims and not for contributing new value necessary for the continued vitality of new Endo.

b. Chrysler and General Motors Did Not Involve Estate Assets

Second, in *Chrysler* and *General Motors* estate assets were not going to anyone other than the secured creditors. *Chrysler*, 576 F.3d at 118 (equity stakes in New Chrysler were not assets of the debtor's estate); *Chrysler*, 405 B.R. at 99 (ownership interests in new entity was neither a diversion of value of the debtor's assets nor allocation of proceeds from the sale); *General Motors Corp.*, 407 B.R. at 497-98 (same).

In the present situation, unlike the cases cited in support of the Sale, as set forth *supra*, the distributions to opioid claimants and to unsecured creditors are property of the estate. Accordingly, the cases cited in support of the Sale are distinguishable.

4. *Objections to Proposed Sale Order*

Finally, the United States Trustee objects to the Proposed Order to the extent it (i) grants an injunction, (ii) authorizes the Debtors to appoint a wind-down administrator without an application, notice and a hearing, and (iii) waives the 14-day stay of the sale.

i. An Injunction May only Be Granted Pursuant to an Adversary Proceeding

The Proposed Order enjoins creditors from asserting claims against the buyer as well as the GUC and PPOC Trusts. Proposed Order at ¶¶ 16-21. Bankruptcy Rule 7001(7), however, provides that a party seeking an injunction must commence an adversary proceeding, except

when a plan provides for such relief. *See* Bankruptcy Rule 7001(7), *see also In re Saint Vincent's Catholic Med. Ctrs.*, 445 B.R. 264, 270 (Bankr. S.D.N.Y. 2011) (“A proceeding to obtain an injunction . . . must be brought as an adversary proceeding pursuant to . . . Rule . . . 7001(7) and a showing of irreparable harm must be made. Courts have been near universal in reversing injunctions which have been issued without compliance with Rule 7001.” (citation and internal quotation marks omitted), *aff'd*, 581 F. App'x 41 (2d Cir. 2014). Because Section 363 does not authorize the issuance of an injunction, the Sale is not a plan and the Debtors have not commenced an adversary proceeding, there is no authority to permit the sale order to issue an injunction. *See In re On-Site Sourcing, Inc.*, 412 B.R. 817, 825 n.6 (Bankr. E.D. Va. 2009) (“There is no provision for issuing injunctions in § 363. Injunctions may be available in the context of a § 363 sale but must be obtained by commencing an adversary proceeding.” (citing Fed. R. Bankr. P. 7001(7))).

ii. Court Approval, after Notice and a Hearing is Required for the Appointment of a Wind-down Administrator.

The Proposed Order authorizes the Debtors to appoint a wind-down administrator in accordance with the Purchase and Sale Agreement (the “PSA”). Proposed Order at ¶ 36. The PSA provides that a wind-down administrator will be appointed to oversee the wind down of the Debtors’ estates. PSA at Section 2.08(d), ECF No. 1502. The wind-down administrator, then, will be in charge and oversee the Debtors’ affairs after the Sale closes. The wind-down administrator’s responsibilities are akin to those performed by a trustee. The identity, conflicts, and compensation of the wind-down administrator, however, are unknown. It is equally unclear to whom the wind-down administrator will report. All such information should be fully disclosed. Moreover, the appointment of a wind-down administrator (which is clearly not in the

ordinary course of the Debtors' affairs) should be subject to application, notice and a hearing. In fact, section 363, the authority which the Proposed Order relies upon, requires notice and a hearing, to which the United States Trustee reserves all rights. *See* 11 U.S.C. § 363(b)(1) (after notice and a hearing).

iii. Waiver of the 14-Day Stay Should Not be Permitted.

The Proposed Order waives the 14-day stay of the sale order under bankruptcy Rules 6004(h), 6006(d). Proposed Order ¶ 46. Such a provision is inappropriate. First, General Order M-383, the order entered by this Court to establish guidelines by which to conduct sales, lists a stay waiver as an extraordinary measure and requires debtors to provide their business grounds for such a request. General Order M-383 at I.D.16. In the Bid Procedures Motion the Debtors merely provide boiler plate language when they request the waiver. Specifically, the Debtors state that that a waiver "is necessary for the Debtors to operate without interruption and to preserve value for their estates." Bidding Procedures Motion at ¶ 136. This is hardly the basis to grant the extraordinary relief requested.

Second, if a party that objects to a sale intends to appeal, the 14-day stay should not be reduced to less than the amount of time sufficient to allow the objecting party to seek a stay, unless the court determines that the need to proceed sooner outweighs the objecting party's interests. *In re Borders Group, Inc.*, 453 B.R. 477, 486 (Bankr. S.D.N.Y. 2011). The United States Trustee, among other parties, may seek to appeal an order approving the Sale. At this point, because it is not clear how long it will take to effectuate the Sale, an immediate waiver of the 14-day stay may not provide sufficient time to seek a stay pending appeal. Accordingly, the 14-day stay should not be waived.

CONCLUSION

WHEREFORE, the United States Trustee respectfully requests that the Court deny the Sale and grant such other and further relief as it may deem just and proper.

Dated: New York, New York
July 18, 2023

Respectfully submitted,

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	:	
	:	
In re:	:	Chapter 11
	:	
ENDO INTERNATIONAL plc, <i>et al.</i> ,	:	Case No. 22-22549 (JLG)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----X	:	

**THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS' REPLY TO SALE OBJECTIONS**

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The Official Committee of Unsecured Creditors (the “**Committee**”) of the above-captioned debtors (the “**Debtors**”), by and through its undersigned counsel, hereby submits this reply (the “**Reply**”) in support of entry of the proposed order (the “**Sale Order**”) [Dkt. No. 2413] granting the Debtors’ motion (the “**Sale Motion**”) [Dkt. No. 728] to approve the sale of substantially all of their assets (the “**Sale**”), and in response to the objections thereto, including the objections filed by the United States of America (the “**United States**” or the “**Government**”) [Dkt. No. 2460], the United States Trustee (the “**UST**”) [Dkt. No. 2463], certain of the Debtors’ insurers (the “**Insurers**”) including the Chubb Companies [Dkt. No. 2430], certain public school district creditors (the “**School Districts**”) [Dkt. No. 2420], and certain Canadian creditors (the “**Canadian Creditors**”) [Dkt. No. 2418].¹ In support of its reply, the Committee references the declarations of Christopher Kearns of Berkeley Research Group, LLC (the “**Kearns Declaration**”) [Dkt. No. 2498] and David S. Kurtz of Lazard Frères & Co. LLC (the “**Kurtz Declaration**”) [Dkt. No. 2499], and respectfully states as follows:

PRELIMINARY STATEMENT

1. The Sale and related transactions deliver substantial value to general unsecured creditors, and promise to facilitate the long overdue resolution of these chapter 11 cases to the benefit of the Debtors’ many and varied constituents. The Committee is therefore pleased to support the Sale, and gratified that the parties’ efforts at consensus have resulted in a value-maximizing resolution that nearly every creditor group has endorsed. In both outcome and process, these cases should be judged a success.

¹ Capitalized terms used but not defined herein have the meanings given to them in the Sale Motion, Sale Order, or Stipulation.

2. The Debtors' bankruptcies began inauspiciously with their announcement of a sale that would deliver the entirety of their assets to their secured creditors for inadequate consideration while providing non-opioid general unsecured creditors *virtually nothing*. At that time, the transaction was justifiably opposed by nearly every one of the Debtors' major unsecured creditor groups. Opponents included not just the Committee, as representative of non-opioid general unsecured creditors, but also the Official Committee of Opioid Claimants (the "OCC") and the Future Claimants' Representative (the "FCR"). As the Committee observed in an early pleading, it was the Committee's initial view that the Debtors had embraced a flawed approach to the case that required "material revisions" to facilitate an acceptable outcome for unsecured creditors. [Dkt. No. 1144.]

3. Fortunately, in the over ten months since the Committee's appointment, and with substantial efforts on the part of all parties-in-interest, these cases have evolved in an extremely positive fashion. The bidding procedures were revised (as the Committee requested) to ensure as robust a sale process as possible, and the Sale reflected in the revised Sale Order now enjoys near universal support. In addition to the group of State attorneys general with whom the Buyer had settled prepetition (support from which has actually grown over the course of the case), the Buyer has now reached mediated and/or negotiated resolutions with the Committee, the OCC, the FCR, the Ad Hoc Cross-Holder Group, and a variety of other creditors. While the Committee did explore whether other potential alternatives were available, it ultimately concluded that the Sale is the only viable option at this time, and one that it now fully supports. By virtue of the Committee's efforts – including its investigation of estate claims, its objections to the Debtors' proposed bidding procedures, its active role in mediation for non-opioid unsecured creditors, and other work detailed below – every major non-opioid general unsecured creditor constituency has the opportunity to

receive material consideration in these cases. Employees and trade claimants (assumed and unassumed), mesh and ranitidine claimants, antitrust claimants, second-lien and unsecured noteholders, even general unsecured claimants whose identities are currently unknown will all receive distributions from the Buyer under the terms of the Sale-related resolutions.

4. A handful of objections remain, most notably that of the United States, which contends that the Sale inappropriately denies it a recovery on its asserted claims. The legal objections of the United States and others are addressed below, including the mistaken assertions that the Sale violates Circuit law and/or amounts to a “*sub rosa* plan.” Before turning there, however, the United States’ demonstrably false portrayal of the Sale as benefiting only certain “favored” and “narrow” constituencies requires correction. The terms of the Committee resolution were negotiated by the Committee as a fiduciary for *all* general unsecured creditors, and the Committee concluded, on the basis of substantial analysis, that the Sale is the best outcome here for non-opioid general unsecured creditors *as a whole*. This conclusion was informed, among other things, by the Committee’s extensive investigation of estate claims, its consideration of alternatives (including a chapter 11 plan), its evaluation of the benefits and risks of continued litigation, and its participation in a months’-long mediation among sophisticated and adverse parties that was overseen by an esteemed and experienced mediator. The Committee did not easily endorse a sale path, nor did it do so before assuring itself that the Sale and resolutions, as modified, would be in the best interests of all non-opioid general unsecured creditors.

5. The United States makes much of the fact that its own claims are not dealt with as part of the resolutions with the Committees. As discussed below, the Buyer enjoys broad discretion in how it disposes of the assets it purchases – *its assets* – and its choice to use those assets to pay certain parties is no legal basis to deny the Sale. In any event, the United States, like

the Committee, was its own party to the mediation advocating (and participating in these cases) on its own behalf. The fact that it has been unable to reach its own resolution with the Buyer (and the Debtors, as may be necessary), is an outgrowth of its own strategic decisions. The United States had its own set of advisors and principals and engaged directly with the Debtors and the Buyer over an array of civil and criminal matters without including or seeking input from the Committee (despite the Committee's requests to be involved in those discussions). The Committee thus expected that the United States would negotiate its own resolution – or not – according to its own unique objectives, and from sources separate from the consideration provided to other non-opioid general unsecured creditors. Indeed, the Committee's term sheet documenting its resolution with the Buyer expressly accounted for this possibility. For the United States now to complain that the Committee did not serve its interests belies the extensive history of these cases.²

6. Finally, certain of the Insurers³ object to the Sale Order on the basis that the Debtors purportedly cannot sell their interests in the Specified Debtor Insurance Policies to the Buyer, and that the Buyer may not transfer those interests to the Voluntary GUC Creditor Trust, without the Insurers' consent. These arguments contradict the Bankruptcy Code, state law, and the policies themselves. They are merely an attempt by the Insurers to use the Debtors' bankruptcy to escape their coverage obligations and should be overruled. The Insurers also raise a handful of other insurance-related objections that, while meritless, the Committee expects will be resolved by the addition of clarifying language to the Sale Order. In the event the parties do not resolve these other objections, the Committee reserves its rights to address them at the Sale hearing.

² The Committee will file a separate objection to the United States' Motion to Appoint a Chapter 11 Trustee [Dkt. No. 2486].

³ The Insurers are Liberty Mutual Insurance Company, the Chubb Companies, as defined in Dkt. No. 2430, and Lexington Insurance Company.

REPLY

7. The Debtors' and the Ad Hoc First Lien Group's replies provide comprehensive responses to the various objections to the Sale, none of which have merit. This Reply focuses on a subset of the issues raised across the objections, beginning with a discussion of the interests of the non-opioid general unsecured creditors, insofar as those interests weigh in favor of approval of the Sale. The Committee then focuses the balance of the Reply on the objections asserting (i) that the Sale is a *sub rosa* plan – including the related contentions that it violates the absolute priority rule and cannot be approved outside the context of a Rule 9019 motion – and (ii) that certain of its insurance-related provisions are improper.

8. For the reasons set forth below, each of these objections should be overruled.

I. The Sale As Modified Is Consistent With *Lionel*

9. At the start of these cases, the Committee was skeptical that the Debtors' proposed sale could ever meet the governing standard for approval of an all-assets sale. That standard, set forth in *Committee of Equity Security Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063 (2d Cir. 1983), requires, among other things, a “good business reason” for pursuing the sale. *Id.* at 1071. Central to a court's analysis of whether that requirement is met is a consideration of whether such sale will “further the diverse interests of the debtor, creditors and equity holders, alike.” *Id.* As initially proposed, the Debtors' sale failed to satisfy that factor, as the interests of non-opioid general unsecured creditors were left by the wayside.

10. The Committee's central objective in these cases has been to correct this glaring deficiency in the Debtors' and Ad Hoc First Lien Group's initial case strategy – to contest the original sale, to investigate sources of unencumbered value, to explore alternative structures, and, above all, to increase consideration provided to non-opioid general unsecured creditors. Those extensive efforts, which began immediately upon the Committee's appointment and continue

today, are catalogued in detail in the Kearns and Kurtz Declarations. As set forth therein, in roughly chronological order:

- The Committee obtained material improvements to the cash collateral order. The Debtors' proposed initial form of cash collateral order sought to limit the Committee's rights and curtail its investigatory function. The Committee objected to the order and thereafter negotiated significant improvements thereto, including an expansion of the Committee's challenge period and investigation budget. Kurtz Decl. ¶¶10-14.
- The Committee conducted an extensive investigation of estate claims. Over the course of the several months following its appointment (and continuing in certain areas to today), the Committee conducted an extensive factual and legal analysis of estate claims. The Committee's investigation entailed substantial discovery, some of it informal and some of it authorized pursuant to Rule 2004, including the receipt and review of tens of thousands of documents. Committee professionals analyzed an array of complex issues, including ones relating to the nature and extent of the secured creditors' liens and the viability of numerous claims against the secured creditors, the Debtors' directors and officers, and various third parties. The Committee presented the (then-current) results of its investigation to the Debtors and the Ad Hoc First Lien Group in December 2022, with the goal of fostering settlement discussions. Kearns Decl. ¶¶14-18; Kurtz Decl. ¶¶15-21.
- The Committee objected to the Debtors' proposed bidding procedures. When the Committee's efforts to achieve a consensual resolution to the cases were slow to bear fruit, the Committee objected to the Debtors' bidding procedures, asserting, among other things, that the sale in its then-current form was both premature and unsolicitous to the rights of non-opioid general unsecured creditors, and that it could not be approved absent material modifications. Kearns Decl. ¶¶26-28; *see also, e.g.*, Objection of the Official Committee of Unsecured Creditors to the Debtors' Bidding Procedures and Sale Motion [Dkt. No. 1144], at ¶4 ("The Bidding Procedures, which intend to establish a runway for the Debtors' flawed, one-sided, and prejudicial approach to these cases, should therefore be denied absent material revisions and the implementation of the other key case protections set forth herein that are designed to maintain a balanced playing field and actually protect unsecured creditors.").
- The Committee prepared and filed a standing motion and associated complaints. While conducting its investigation and engaging in outreach to the Debtors and Ad Hoc First Lien Group, the Committee was simultaneously preparing for litigation. Thus, close on the heels of its bidding procedures objection, the Committee (together with the OCC) filed a motion seeking standing to prosecute a series of more than 43 estate claims – against secured creditors, the Debtors' directors and officers, and others – that were identified in four accompanying draft complaints. Kearns Decl. ¶¶20-25.
- The Committee explored alternative plan constructs. The Committee was also busy exploring alternative plan constructs. As part of its analysis, the Committee engaged in discussions with both the Ad Hoc Cross-Holder Group and the Department of

Justice. In an effort to foster consideration of plan constructs, the Committee objected to the Debtors' request to extend exclusivity. Kurtz Decl. ¶¶25-28.

- The Committee engaged in extensive – and fruitful – mediation. Upon the filing in close succession of the Committee's bidding procedures objection, exclusivity objection, and standing motion, the Court ordered the parties to mediation before the Hon. Shelley C. Chapman (ret.). The ensuing mediation, which has now spanned nearly six months, was intense and adverse and was conducted at arm's length and in good faith. The mediation ultimately bore fruit in the form of a modified sale construct that (as discussed below) promises greatly improved and material benefits to non-opioid general unsecured creditors as a whole. Kurtz Decl. ¶¶29-42.

11. As a result of its efforts, the Committee's perspective on a sale of the Debtors' assets to the Buyer has evolved. The Committee had advocated for a chapter 11 plan, or at the very least the consideration of such an approach – but its efforts to facilitate a plan proved unsuccessful due to an inability to reach finality over a plan structure with key parties-in-interest, in addition to anticipated litigation attendant to pursuing a non-consensual creditor-sponsored plan path. *See* Kurtz Decl. 26-28. The Committee had investigated and prepared a series of strong challenges – but those challenges, while they were essential to the success of the Committee's efforts at a mediated resolution, carried risks and the threat of potentially substantial cost and delay. And the Committee had strenuously opposed efforts to sell off the Debtors' assets quickly to the severe detriment of general unsecured creditors – but a more measured and collaborative process has led to a resolution that is in the best interests of non-opioid general unsecured creditors as a whole (with no buyers emerging on the substantially extended timeline that would provide a higher or better purchase price for the Debtors' assets). That resolution increases non-opioid general unsecured creditor consideration from *virtually zero* to a figure that is ultimately likely to measure in the *hundreds of millions of dollars*. *See, generally*, Stipulation Among the Debtors, Official Committee of Unsecured Creditors, Official Committee of Opioid Claimants, and Ad Hoc First Lien Group Regarding Resolution of Joint Standing Motion and Related Matters (the "Stipulation") [Dkt. No. 1505].

12. Despite this significant progress, the United States continues to question the propriety of the Sale. In doing so, the United States misstates or distorts the key terms of the Sale and, worse yet, seeks an outcome that would, at best, inure only to its own narrow benefit and to the detriment of non-opioid general unsecured creditors (and all other creditors) as a whole. In this regard, the United States' repeated refrain that the Sale serves the interests of but a small fraction of the Debtors' unsecured creditors (e.g., United States Obj. ¶¶53, 105, 109) is simply untrue. The Committee responds more fully to the United States' unjustified attacks in its response to the United States' Motion to Appoint a Chapter 11 Trustee [Dkt. No. 2486], but the central allegation of unfairness is readily refuted here.

13. The Sale transaction, as it has now been modified, will “further the diverse interests” of general unsecured creditors (*Lionel*, 722 F.3d at 1071), not just a favored few. The Committee worked extensively in mediation to ensure just such a result, overseeing – together with the experienced mediator – the negotiation of the terms of an inter-unsecured creditor allocation that accounts for nearly every (non-opioid) general unsecured creditor constituency.⁴ As reflected in the Committee resolution documents and recounted in the Kearns Declaration, those constituents are treated as follows

- Employees and trade claimants. The Buyer has agreed to take substantially all of the Debtors' employees and assume substantially all go-forward trade agreements on existing terms (including payment of cure costs).
- Mesh and ranitidine claimants. Mesh and ranitidine personal injury claimants will receive a combination of cash and a percentage of consideration on account of applicable products liability insurance policies held by the Debtors.
- Antitrust claimants. Generic price-fixing and reverse payment antitrust claimants will receive a combination of cash and a share of the Voluntary GUC Creditor Trust Litigation Consideration.

⁴ The parenthetical qualification is not meant to suggest that creditors with opioid-related claims are not treated fairly in the Sale, only that they are subject to a separate series of resolutions not involving the Committee.

- Financial creditors. Financial creditors (i.e., the second lien and unsecured note holders) will receive equity in the Buyer (including the right to participate in a rights offering for additional equity), and a combination of cash and a share of the Voluntary GUC Creditor Trust Litigation Consideration.
- Unassumed trade claimants and other claimants. A reserve was created for any non-opioid general unsecured creditors not subsumed in the foregoing categories (including unsecured creditors with trade claims that will not be assumed or whose contracts were rejected), who will receive from this reserve a combination of cash and a share of the Voluntary GUC Creditor Trust Litigation Consideration.

Kearns Decl. ¶¶ 42, 43. In short, and contrary to the United States’ assertions (*e.g.*, United States Obj. ¶110), each non-opioid unsecured creditor constituency, *including those that do not have a corresponding representative on the Committee*, is accounted for as part of the resolution.

14. It is correct, of course, that the United States itself is not eligible to receive any portion of this Voluntary GUC Creditor Trust Consideration. But that hardly means that the United States has been dealt with unfairly. To begin with, the lion’s share of the United States’ claims are asserted as priority claims. *See, e.g.*, United States Obj. ¶17 (describing IRS claim consisting of “a priority unsecured claim of \$3,495,542,269.77 and a general unsecured claim of \$516,700,716.00”). It is not the Committee’s role to advocate for payment of such claims.⁵ And, perhaps more to the point, had the Committee advocated for payment of the United States’ priority claims it would have done so to the detriment of *every single other unsecured creditor in these cases*. To elevate the interests of a single priority claimant over all other creditors is definitively *not* the role of an unsecured creditor fiduciary.⁶

15. Moreover, the Committee did not, in fact, abandon the United States. Though the Committee appropriately advocated for a result that would best serve the unsecured creditors writ

⁵ *See, e.g., In re SPM Mfg. Corp.*, 984 F.2d 1305, 1315 (1st Cir. 1993) (noting that “the Committee’s appointment pursuant to 11 U.S.C. § 1102(c) charged it only with representation of the general, unsecured creditors (not with representation of the I.R.S. or other priority creditors)”).

⁶ *See, e.g., In re Drexel Burnham Lambert Grp., Inc.*, 138 B.R. 717, 722 (Bankr. S.D.N.Y. 1992) (noting committee’s fiduciary duty “extends to the class as a whole, not to its individual members”).

large – within the context of a sale structure that was not of the Committee’s choosing – the Committee also was careful to note in its term sheet that any resolution with the United States would be dealt with separately. *See* Kurtz Decl. ¶38; *see also* Stipulation, Ex. 1, at n.4 & pg. 19 (providing, among other things, that “[n]othing in this Term Sheet limits the ability of the Debtors or the Required Consenting Global First Lien Creditors to reach agreements and/or resolutions with holders of Claims that are not Eligible Unsecured Claims” – a definition that excludes the United States – “which agreements and/or resolutions do not impair, affect, or otherwise modify the terms set forth herein or would otherwise affect holders of Eligible Unsecured Claims or the Creditors’ Committee”). The Committee understands that the Debtors have publicly stated they have meritorious defenses to the Government’s claims, and that they may be subject to disallowance and/or reduction in priority. But the Committee’s own resolution with the Buyer does not preclude or restrict payment of any valid Government claims.

16. Finally, the United States has been an active participant in these cases from the start, including in mediation. Had the United States wanted, or even expected, the Committee to advocate for its interests, then surely it would have made that expectation known. But, instead, the United States has charted its own course – as it had every right to do – and has negotiated and made litigation decisions on its own behalf. Indeed, the Committee has largely been kept in the dark concerning the Government’s negotiations with the Debtors and the Buyer. In light of those negotiations, however, the Committee expected (and continues to hope) that the United States would reach its own resolution, just as other parties to the mediation were able to do.

II. The Sale Is Not a Prohibited *Sub Rosa* Plan

17. Contrary to the Objectors’ assertions, the Sale is not a “*sub rosa* plan.” That ill-defined concept has little utility or relevance in the case of an all-assets sale under section 363,

which is governed by the specific standard set forth in *Lionel*, 722 F.2d 1063 (2d Cir. 1983). To the extent the Court considers the *sub rosa* objection at all, it is easily overcome here.

A. The *Lionel* Standard Governs Approval Of The Sale

18. The concept of a “*sub rosa* plan” appears nowhere in the Bankruptcy Code. *See In re Latam Airlines Group S.A.*, 620 B.R. 722, 812 (Bankr. S.D.N.Y. 2020) (noting the same). Properly understood, it is at best a *descriptor* of an inappropriate transaction; it is not a *standard*. The standard for approval of section 363 sales in this Circuit is the one set forth in *Lionel*.

19. The Second Circuit recognized as much in *Chrysler*, where it held that “*sub rosa*” was not just a “misnomer,” but was affirmatively “unhelpful.” *In re Chrysler LLC*, 576 F.3d 108, 117 (2d Cir. 2009). Instead, the Court held, “*Lionel*’s multi-factor analysis remains the proper, most comprehensive framework for judging the validity of §363(b) transactions.” *Chrysler*, 576 F.3d at 116-17. Thus, “a bankruptcy court confronted with that allegation [that a sale is a *sub rosa* or *de facto* reorganization] may approve or disapprove a §363(b) transfer that is a sale of all or substantially all of a debtor’s assets using the analysis set forth in *Lionel*. . . .” *Id.* at 117.⁷

20. Here, the Debtors have provided justification for approval of the Sale under *Lionel*. If the Court is satisfied with that case for approval, it need go no further. Yet even if “*sub rosa*” were more than a shorthand descriptor of the types of sales that might otherwise fail the *Lionel* test, the Objectors’ case law does not mandate denial of the Sale here.

B. The “*Sub Rosa Plan*” Case Law Is Of No Help To The Objectors

21. The Objectors’ case law, to the extent it has independent and ongoing vitality in the context of an all-assets sale, supplies not so much a test for approval of a transaction, but a series

⁷ While *Chrysler* was vacated by the Supreme Court due to intervening mootness, the Second Circuit has recognized its continued persuasive weight. *See In re Motors Liquidation Co.*, 829 F.3d 135, 156, n.23 (2d Cir. 2016) (“Although *Chrysler* was vacated on grounds of mootness, it still constitutes persuasive authority.”) (cleaned up).

of considerations that may bear on the “*sub rosa*” analysis. These considerations may include whether the transaction: “dictate[s] the terms of the ensuing plan”; “seeks to allocate or dictate the distribution of sale proceeds among different classes of creditors”; “circumvents” chapter 11 protections; or “plac[es] restrictions on creditors’ rights to vote on a plan.” *See, e.g., In re General Motors Corp.*, 407 B.R. 463, 495 (Bankr. S.D.N.Y. 2009); *In re GSC, Inc.*, 453 B.R. 132, 175, 179-80 (Bankr. S.D.N.Y. 2011). The Sale does none of these things.

i. The Sale Does Not Dictate The Terms Of An Ensuing Plan

22. To begin with, the Sale does not dictate the terms of any future chapter 11 plan in these cases. *See, e.g., Chubb Companies Obj.* ¶60. Consistent with the Debtors’ prior statements,⁸ the Sale Order is almost entirely silent as to future plans. The sole exception is a provision specifying that no future plan “shall alter, conflict with, or derogate from, the provisions of the PSA or this Sale Order without the consent of the Buyer.” Sale Order ¶47. This provision – a standard one in many pre-plan sale orders – does little more than confirm the obvious: that the Sale Order, once entered and final, will be binding on the parties as to any matters addressed therein. Those matters, notably, do *not* include any dictates concerning the terms of a future plan.

23. Tellingly, the United States and the UST do not actually contend that the Sale will dictate the terms of a future plan. But other Objectors do, focusing on what they view as the practical effect of the Sale on possible future plan structures, and contending that the Sale will almost inevitably lead to a liquidation. *See Canadian Creditors Obj.* ¶42 (“The Sale is the critical event in these bankruptcy cases and will leave the Debtors with virtually nothing to do but wind down the cases and distribute the wind down funds to the remaining creditors.”); *School Districts*

⁸ *See, e.g., Dkt. No. 979, ¶28* (Debtors’ December 2022 motion to extend exclusivity, in which they noted that they “have not yet constructed a plan for which they are seeking creditor support”); *Dkt. No. 2168, ¶26* (Debtors’ June 2023 motion to extend exclusivity, in which they noted that “[o]nce the results of the sale process are known, the Debtors will be in a position to formulate and further negotiate a resolution to these Chapter 11 Cases”).

Obj. at 12 (arguing that Sale “would dispense with substantially all the Debtors’ assets, leaving little prospect or occasion for further reorganization”) (internal quotations and citation omitted).

24. These predictions, even if true, are irrelevant to approval of the Sale. As the Second Circuit noted in *Chrysler*, “it is elementary that the more assets sold [by way of section 363], the less will be left for a plan of reorganization, or for liquidation.” *Chrysler*, 576 F.3d at 117. But, as in *Chrysler*, the fact that a sale “has inevitable and enormous influence on any eventual plan of reorganization or liquidation” is not enough to make it a “sub rosa plan.” *Id.* at 118, n.9. What matters is whether the sale “specifically ‘dictate[s],’ or ‘arrange[s]’ *ex ante*, by contract, the terms of any subsequent plan.” *Id.* This Sale does not, and so it is not a *sub rosa* plan.⁹

ii. The Sale Does Not Allocate Or Dictate The Distribution Of Sale Proceeds Among Different Classes Of Creditors

25. Also misplaced are assertions that the Sale is a sub rosa plan because it “seeks to allocate or dictate the distribution of sale proceeds among different classes of creditors.” *See, e.g.*, United States Obj. ¶56 (citing *General Motors*, 407 B.R. at 495). The Sale is essentially a credit bid sale, so there are only limited “proceeds” to begin with. But the proceeds the estates will receive – for instance, the Wind-Down Amount – are not earmarked for any particular creditor.

26. Because the Sale places no restrictions on what the *Debtors* may do with sale proceeds, the Objectors’ true complaint appears to lie with the *Buyer*’s choices. The Buyer, it is true, will contribute some of its own post-Sale assets to (among other recipients) the Voluntary GUC Creditor Trust. But the Objectors cite no provision of the Bankruptcy Code or governing case law prohibiting a non-debtor from distributing its own assets as it sees fit. To the contrary –

⁹ The absence of provisions binding the Debtors to any future plan structures also serves to distinguish this case from *Latam* and *Braniff*. *See Latam*, 620 B.R. at 819 (denying approval of “a transaction that will fix now, some of the terms of a plan yet to be filed”); *Pension Benefit Guaranty Corp. v. Braniff Airways, Inc. (In re Braniff Airways, Inc.)*, 700 F.2d 935 (5th Cir. 1983) (denying approval of transaction that required sale consideration to “be used only in a future Braniff reorganization and that it be issued only to former Braniff employees or shareholders”).

and not surprisingly – the case law shows deference to an asset purchaser in the management of its own affairs, including its decisions regarding the assumption and/or post-sale payment of creditors.

27. The Third Circuit’s decision in *In re ICL Holding Co.*, 802 F.3d 547 (3d Cir. 2015), is instructive. There, the court considered ***and rejected*** the very argument made by the Objectors here – i.e., that payments by a section 363 purchaser (there, as here, the secured lender) directly to sale objectors to resolve those objections to the sale were violative of the priority scheme of the Bankruptcy Code. *Id.* at 555. In rejecting that contention, Judge Ambro concluded that the purchaser’s payments did not qualify as distributions of “estate property,” and accordingly “was not subject to the Code’s distribution priority.” *Id.* at 549, 555-56.

28. The Objectors are dismissive of *ICL*, suggesting among other things that it is inconsistent with Second Circuit law. *See* United States Obj. ¶68. But *ICL* is substantively no different from cases holding that a section 363 purchaser may choose which of a debtor’s liabilities to assume and which to reject. That decision may result in divergent outcomes for creditors, but that does not result in a violation of the Code. *See, e.g., Parker v. Motors Liquidation Co. (In re Motors Liquidation Co.)*, 430 B.R. 65, 80 (S.D.N.Y. 2010) (“Indeed, ‘cherry picking’ of assets and liabilities to assume is exactly what Section 363 allows, as the Second Circuit expressly noted in *In re Chrysler LLC...*”) (citation omitted).

29. Nor is the Buyer’s decision to contribute funds to the Voluntary GUC Creditor Trust analogous to a prohibited “gift,” as the United States suggests. United States Obj. ¶63 (citing *Dish Network Corp. v. DBSD North America, Inc. (In re DBSD North America, Inc.)*, 634 F.3d 79 (2d Cir. 2010)). The plan in *DBSD* distributed *estate property* to shareholders before payment of unsecured creditors in full – a result the Second Circuit condemned notwithstanding assertions it

was a “gift” from the secured creditors. *DBSD*, 634 F.3d at 94. In so holding, the Second Circuit distinguished a First Circuit case that, like *ICL*, had permitted a secured creditor to distribute its own post-sale assets to unsecured creditors. *See In re SPM Mfg. Corp.*, 984 F.2d 1305 (1st Cir. 1993), *cited in DBSD*, 634 F.3d at 98. As the Second Circuit observed, in *SPM* (unlike in *DBSD*), “[i]n a very real sense, the property belonged to the secured creditor alone, and the secured creditor could do what it pleased with it.” *DBSD*, 634 F.3d at 98. The same is true here.

iii. The Sale Does Not Circumvent The Absolute Priority Rule

30. For substantially the same reasons that the Sale does not dictate an allocation of sale proceeds, it likewise does not violate the absolute priority rule. Any future chapter 11 plan must satisfy that standard, but the absolute priority rule has no bearing on the current Sale, under which no estate assets will be distributed (nor allocated) among the Debtors’ creditors.

iv. The Sale Does Not Restrict Creditor Rights To Vote

31. Finally, the Sale does not restrict creditor voting rights. In arguing that it does, the UST points to language in the Stipulation providing that “[t]he Creditors’ Committee shall . . . not . . . solicit, encourage, propose, file, support, participate in the formulation of or vote for, any Alternative Proposal.” Stipulation at 10-11, *cited in UST Obj.* at 18. But any limitations on the *Committee*’s rights are completely irrelevant, as the Committee is not a creditor that can vote on a chapter 11 plan. And even if it were, the Stipulation does not require the Committee (or its members) to vote one way or another as to any future post-Sale plan. Either the Sale will go through, and creditors can thereafter vote however they choose on an ensuing plan, or the Sale will not go through, in which case any purported limitations in the Stipulation will become moot.

C. The Sale Does Not Require A Rule 9019 Motion

32. In conjunction with its *sub rosa* plan objection, the United States also contends that the Sale Order “seeks to accomplish what can only be done through either a Rule 9019 motion or

the plan confirmation process: resolve claims belonging to the estate.” United States Obj. ¶¶90. The assertion is both incorrect as a matter of bankruptcy law, and fundamentally mischaracterizes the nature of the relief being sought in the Sale and Sale Order.

33. First, the law. It is not correct as a general matter – and certainly not true in *this* case – that estate claims can be resolved only through a Rule 9019 motion or a plan. Cash collateral orders can, and frequently do, resolve such claims as well. This case is a perfect example. Section 16 of the final cash collateral order (the “**Cash Collateral Order**”) [Dkt. No. 499], contained a broad release of claims that could be asserted against the Prepetition Secured Parties (as defined therein) by “each of the Debtors and the Debtors’ estates.” *Id.* ¶16. The United States did not object to entry of the Cash Collateral Order, and it has long since become final.¹⁰

34. This leads to the second, factual flaw in the United States’ analysis. The Sale itself will not release or settle estate claims against the secured creditors. *Those claims have already been released by the Debtors in the Cash Collateral Order.* To be sure, the Cash Collateral Order’s release was expressly subject to the right of any party in interest to timely challenge the release (Cash Collateral Order ¶¶16, 19) – but the only parties in interest who did were the Committee and the OCC. What’s more, while the Committee and the OCC *sought* standing to pursue estate claims, that request was never *granted*. Thus, at this time, the estate claims are not the Committee’s nor the OCC’s to settle – and they have not settled (and could not settle) them. Instead, those parties are resolving, through entry of the Sale Order on terms acceptable to them, their objections to the original sale and their joint standing motion. In light of that reality, the Committee resolution is neither a settlement of any causes of action belonging to the Debtors nor any claims held by non-

¹⁰ The United States was certainly aware of entry of the Cash Collateral Order, as the United States Attorney’s Office had appeared at hearings as early as August 18, 2022. *See* Tr. of Hr’g (August 18, 2022) at 82 (United States Attorney speaking on the record); *see also* Tr. of Hr’g (September 28, 2022) at 18 (reflecting appearance by United States Attorney at a hearing at which cash collateral was discussed).

opioid unsecured creditors, but simply effectuates an agreement between the Committee and the Buyer with respect to the use of assets that the Buyer is purchasing from the Debtors' estate.¹¹

35. In short, there is no procedural impediment to approval of the Sale Order nor resolution of the Committee's objections to the original sale on the terms set forth therein. Those resolutions can and should be judged on their merits, and as set forth elsewhere herein and in the Debtors' brief, they are amply supported. The United States' assertions that the resolution of the Committee's sale objection and standing motion is not in its best interests, nor the estate's best interests, is irrelevant. As noted above, the Committee is convinced that the resolution is in the best interests of the general unsecured creditors as a whole. The Committee owes no duty to the "estate," nor to any specific general unsecured creditor. *See* footnotes 5 and 6, *supra*.¹²

III. The Court Should Overrule the Insurers' Objections

36. The Debtors' sale of their interests in the Specified Debtor Insurance Policies to the Buyer and the subsequent transfer of the Buyer's rights under those policies to the Voluntary GUC Creditor Trust is a cornerstone of the resolution negotiated by the Ad Hoc First Lien Group and supporting creditor constituencies, and should be approved.

37. The insurance sale and transfer contemplated by the Sale Order should be uncontroversial. It is well-established that the Debtors' insurance policies are property of the estate, and thus that they may be sold pursuant to sections 363(b), 363(f), and 105(a) of the Bankruptcy Code. *See, e.g., In re Brunswick Baptist Church*, Nos. 03-13719-1-rel; 1:05-CV-1085;

¹¹ Though not expressly the United States' contention, there is no requirement that the Committee or OCC seek Rule 9019 approval of their decision to hold their standing motions in abeyance or to withdraw their objections to the original sale. Objections in bankruptcy are routinely resolved through changes to a debtor's proposed order; if parties were required to seek Rule 9019 approval every time they negotiated improvements to a debtor's requested relief, the bankruptcy courts would become bogged down in needless and time-consuming motion practice.

¹² The Committee will file an objection to the United States' motion to appoint a chapter 11 trustee. That objection will explain in more detail why the Cash Collateral Order bars any belated attempt by the United States, or a chapter 11 trustee acting on its behalf, to preserve and pursue estate claims.

1:05-CV-1203, 2007 WL 160749, at *5-6 (N.D.N.Y. Jan. 16, 2007) (finding that insurance policies and proceeds were assets of the estate); *MacArthur Co. v. Johns-Manville Corp.*, 837 F.2d 89, 92-93 (2d Cir. 1988) (affirming bankruptcy court’s ruling that insurance policies and proceeds were assets of the estate and authorizing a settlement of the debtor’s insurance coverage claims pursuant to the court’s authority to approve the sale of the debtor’s assets); *In re United Gilsonite Labs.*, No. 5:11-bk-02032-RNO, 2014 WL 7778849, at *5 (Bankr. M.D. Pa. Dec. 8, 2014) (approving settlement agreement wherein insurance policies were sold free and clear of interests and issuing injunction pursuant to section 105 enjoining contribution claims). The Debtors’ ability to use their existing assets to resolve their liabilities is a fundamental tenet of bankruptcy. *In re Federal-Mogul Global Inc.*, 684 F.3d 355, 378 (3d Cir. 2012) (noting debtor’s use of insurance assets to satisfy liabilities “furthers the purposes of the Bankruptcy Code.”).

38. Nonetheless, the Insurers assert that these transactions are prohibited by the policies and applicable law, or that they are otherwise subject to various restrictions and limitations. While the Committee expects that most of the Insurers’ concerns will be resolved by clarifying language that is currently under negotiation by the parties, the core of the Insurers’ argument – that the sale and transfer of a debtor’s rights under its insurance policy is impermissible – contradicts bankruptcy law, state law, and the policies themselves. The Court should overrule the Insurers’ objections, which are merely an attempt to use the Debtors’ bankruptcy to escape their coverage obligations.

A. The Sale And Transfer Of The Debtors’ Insurance Rights Is Permissible

39. The Insurers argue that the Debtors’ insurance rights may not be sold or transferred without their consent. In support of their argument, the Insurers assert that (i) section 365 of the Bankruptcy Code prohibits debtors from assigning an executory contract if applicable law prohibits such assignment, and (ii) applicable non-bankruptcy law prohibits the assignment of the

Insurers' policies. Chubb Companies Obj. at ¶¶ 88-97; Lexington Obj. [Dkt. No. 2441], at 7-9. Both arguments fail.

40. *First*, no party – including the Insurers – has contended that the Specified Debtor Insurance Policies are executory contracts. *See* Sale Order at 2 (distinguishing “Acquired Assets,” which includes Specified Debtor Insurance Policies, from “Transferred Contracts,” which are executory contracts assumed and assigned pursuant to Section P); Chubb Companies Obj. ¶ 30 (“[I]t does not appear that the Debtors consider either of the Insurance Programs to be an “executory contract” subject to assumption pursuant to the Bidding Procedures”). Accordingly, section 365 does not apply.

41. *Second*, even if section 365 did apply, applicable non-bankruptcy law does not prohibit the sale or transfer of the Insurers' policies. It is well-established under state law that the enforceability of a policy's anti-assignment clause turns on whether the assignment materially increases the insurer's risk of an insured injury occurring during the policy period. Courts have agreed – both inside and outside the bankruptcy context – that no such material increase in risk is present where, as here, the events giving rise to a loss already have occurred. Such a transfer merely shifts liabilities for which the insurers were already responsible to the transferee. *See, e.g., Givaudan Fragrances Corp. v. Aetna Cas. & Sur. Co.*, 227 N.J. 322, 339 (2017) (“The majority rule in the United States is that a provision that prohibits the assignment of an insurance policy, or that requires the insurer's consent to such an assignment, is void as applied to an assignment made after a loss covered by the policy has occurred.”) (citing *Conrad Bros. v. John Deere Ins. Co.*, 640 N.W.2d 231, 237–38 (Iowa 2001); 3 *Couch on Insurance* § 35:8 (3d ed. 2016) (observing that “the great majority of courts” adhere to this rule)); *Globecon Grp., LLC v. Hartford Fire Ins. Co.*, 434 F.3d 165, 170-71 (2d Cir. 2006) (internal citations omitted) (“As a general matter, New York

follows the majority rule that [an anti-assignment] provision is valid with respect to transfers that were made prior to, but not after, the insured-against loss has occurred. The idea behind the majority rule is that, once the insured-against loss has occurred, the policy-holder essentially is transferring a cause of action rather than a particular risk profile.”); *In re Federal-Mogul Global Inc.*, 684 F.3d at 379 (“[A]fter events giving rise to the insurer’s liability have occurred, the insurer’s risk cannot be increased by a change in the insured’s identity.”) (quoting 3 *Couch on Ins.* § 35.8 (3d ed. 2011)). Both Pennsylvania and New York, which are states whose laws are potentially applicable to Debtors’ insurance policies,¹³ follow the majority rule. *See id.*¹⁴

42. The Insurers fail to cite *any* case where a court prohibited a debtor from selling or transferring insurance rights. The two non-bankruptcy cases they cite from Pennsylvania and New York both involve *post*-assignment losses under fire insurance policies, which have their own specific statutory requirements regarding assignment. Neither case is applicable here. Both also predate substantial precedent in those jurisdictions confirming that anti-assignment clauses are not enforceable for pre-assignment losses.¹⁵

¹³ The Debtor-insured is located in Pennsylvania, and the Debtors have asserted that the policies were negotiated and paid for in Pennsylvania. Certain of the policies contain New York choice of law provisions that the insurers may argue apply to some disputes. However, this Court need not affirmatively decide what choice of law applies to the policies. As discussed below, it is enough that the Insurers have failed to show that the law of the few states that have enforced anti-assignment provisions—Indiana, Oregon, Hawaii, or (potentially) Texas—is applicable.

¹⁴ *See also, e.g., Egger v. Gulf Ins. Co.*, 903 A.2d 1219, 1224 (Pa. 2006) (“[A] non-assignment clause in an insurance contract is not enforceable after the loss has occurred[, as] . . . [t]he purpose of a no assignment clause is to protect the insurer from increased liability, and after events giving rise to the insurer’s liability have occurred, the insurer’s risk cannot be increased by a change in the insured’s identity”) (internal citations omitted); *In re ACandS, Inc.*, 311 B.R. 36, 41 (Bankr. D. Del. 2004) (applying Pennsylvania law, policies may be vested in personal injury trust because loss giving rise to liability already accrued); *M.V.B. Collision Inc. v. State Farm Ins. Co.*, 72 N.Y.S.3d 407, 411-12 (Dist. Ct. Nassau Cnty, 2018) (surveying other jurisdictions and stating, “the majority rule in the United States is that a provision that prohibits the assignment of an insurance policy, or that requires the insurer’s consent to such an assignment, is void as applied to an assignment made after a loss covered by the policy has occurred”) (internal citations omitted); *SR Int’l Bus. Ins. Co. v. World Trade Ctr. Props.*, 375 F. Supp. 2d 238, 245-46 (S.D.N.Y. 2005) (“[A] party to an insurance contract may assign its right to accrued insurance proceeds to another party [after loss], even in the face of express policy language prohibiting assignments.”).

¹⁵ *See* Lexington Obj. at 8 (citing *Christ Gospel Temple v. Liberty Mut. Ins. Co.*, 417 A.2d 660, 662 (Pa. Super. Ct. 1979); *id.* at 7 (citing *Carle Place Plaza Corp. v. Excelsior Ins. Co.*, 534 N.Y.S. 2d 397, 398 (App. Div. 2d Dep’t 1988)).

43. The remaining cases cited by the Insurers are from jurisdictions with no contact whatsoever to the transfer or the policies at issue. The Insurers cannot credibly argue that the proposed sale and transfer of insurance rights violates “applicable non-bankruptcy law” by citing law that does not apply. In any event, those cases do not support a different conclusion. One of them supports the majority view.¹⁶ Two of them involve post-loss assignments and are no longer good law in the relevant jurisdiction (not surprising, as one is from 1899).¹⁷ The two remaining cases are outliers that have been rejected by nearly every jurisdiction in the country.¹⁸

44. *Third*, accepting the Insurers’ position would allow them to impede the Debtors’ ability to resolve their liabilities and to use the Debtors’ bankruptcy to escape their coverage obligations. The Bankruptcy Code, state law, and the policies themselves prohibit the Insurers from doing so.

45. “The purpose of allowing the sale of an asset “free and clear” is to “maximize the value of the asset, and thus enhance the payout made to creditors.” *In re USA United Fleet Inc.*, 496 B.R. 79, 83 (Bankr. E.D.N.Y. 2013) (citation omitted); *see also Toibb v. Radloff*, 501 U.S.

¹⁶ See Lexington Obj. at 7 (citing *Mass. Elec. Co. v. Commercial Union Ins.*, No. 9900467B, 2005 WL 3489658, at *2 (Mass. Supp. Oct. 18, 2005); *but see Mass. Elec. Co. v. Commercial Union Ins.*, No. 9900467B, 2005 WL 3489658, at *2 (acknowledging that “the general rule is that no-assignment clauses do not prevent assignment after loss, which is merely the transfer of a right to a money claim.”).

¹⁷ See *Touchet v. Guidry*, 550 So. 2d 308, 313 (La. Ct. App. 1989) (cited in Chubb Companies Obj. ¶93), later superseded by the Louisiana Supreme Court in *In re Katrina Canal Breaches Litig.*, 63 So.3d 955, 963 (La. 2011) (post-loss assignments are only prohibited if the policies “clearly and unambiguously express that the non-assignment clause applies to post-loss assignments.”); *Cummins v. Nat’l Fire Ins. Co.*, 81 Mo. App. 291, 296 (Mo. Ct. App. 1899), later superseded by numerous cases, including *Bowden v. Am. Mod. Home Ins. Co.*, 658 S.W.3d 86, 92 (Mo. Ct. App. 2022), *reh’g and/or transfer denied* (Nov. 17, 2022), *transfer denied* (Jan. 31, 2023) (“As a general rule, an assignment made by the insured after the event has occurred on which liability under an insurance policy is predicated does not violate a policy provision prohibiting assignment of the policy or its benefits.”) (internal citations omitted).

¹⁸ Chubb cites *Travelers Cas. & Surety Co. v. U.S. Filter Corp.*, 895 N.E. 2d 1172, 1178 (Ind. 2008) and *Banco Popular v. Kanning*, No. A-13-CV-200 RP, 2015 U.S. Dist. LEXIS 175647, at *25 (W.D. Tex. Mar. 9, 2015). However, Indian and Texas (federal court prediction of Texas law only)—along with Hawaii and Oregon—are the *only* jurisdictions that have enforced anti-assignment provisions for post-loss assignments. See *PCS Nitrogen v. Cont’l Cas. Co.*, 871 S.E.2d 590, 598 (2022) (explaining that subsequent courts have criticized *Travelers Cas.*, and describing it as an outlier); *Givaudan*, 151 A.3d at 590 (stating that *Travelers Cas.* “reject[s] the majority rule” and that “no out-of-state case has followed its holding”; further summarizing and rejecting the handful of cases that have followed the minority rule).

157, 163 (1991) (recognizing the Bankruptcy Code’s general policy of “maximizing the value of the bankruptcy estate”); *In re Federal-Mogul Global Inc.*, 684 F.3d at 378 (noting debtor’s use of existing insurance assets to satisfy liabilities “furthers the purposes of the Bankruptcy Code.”). Accepting the Insurers’ argument would mean that a debtor could *never* sell its insurance assets to resolve its liabilities – thus depriving creditors of a major source of consideration and rendering significant estate assets valueless. Such an outcome would frustrate the purpose of bankruptcy.

46. The Insurers’ position also contradicts section 524(e) of the Bankruptcy Code and its state law counterparts. Section 524(e) provides that the “discharge of a debt of the debtor does not affect the liability of any other entity” 11 U.S.C. § 524(e). Applicable state law similarly requires insurers to perform their obligations, even in the event of the policyholder’s insolvency. *See, e.g., Admiral Ins. Co. v. Grace Indus., Inc.*, 409 B.R. 275, 282 (Bankr. E.D.N.Y. 2009) (“New York Insurance Law § 3420 makes clear that bankruptcy does not relieve the insurance company of its obligation to pay damages for injuries or losses covered under an existing policy.”) (quoting *Lang v. Hanover Ins. Co.*, 3 N.Y.3d 350, 355–56 (2004))). Consistent with this principle, in many states, liability policies “*must* contain a provision asserting that bankruptcy or insolvency does not release the insurers from its obligations under the policy.” *Id.* All of the Specified Debtor Insurance Policies issued by the objecting Insurers contain such bankruptcy clauses.¹⁹

47. Accepting the Insurers’ argument would permit them to extinguish their liability and reap a windfall based on the Debtors’ bankruptcy, in violation of these principles. Numerous courts have rejected similar attempts by insurers. *See, e.g., In re Federal-Mogul Global Inc.*, 684

¹⁹ Chubb, Policy No. 7995-73-17, 2011-2012, at 12 (“Bankruptcy or insolvency of the insured or of the insured’s estate will not relieve us of our obligations under this insurance.”); Chubb, Policy No. 7995-73-17, 2012-2013, at 15 (same); Chubb, Policy No. 7995-73-17, 2013-2014, at 15 (same); Lexington, Policy No. 6794179, 2011-2012, at 19 (same); Lexington, Policy No. 6794179, 2012-2013, at 18 (same).

F.3d at 364, 378 (approving transfer of debtor’s insurance rights on the basis of Bankruptcy Code provisions that were intended “to prevent creditors and others from employing a debtor’s bankruptcy filing to diminish post-filing contractual rights” and affirming district court’s decision, which stated that “the contrary result would grant the insurers a windfall”); *In re Purdue Pharma L.P.*, 633 B.R. 53, 63 (Bankr. S.D.N.Y. 2021), *aff’d sub nom. In Re Purdue Pharma L.P.*, 69 F.4th 45 (2d Cir. 2023) (rejecting insurer challenges to findings “integral to the effectuation of the transfer by the Debtors of insurance and insurance rights to the plan trust or NewCo, notwithstanding any ‘anti-assignment’ provisions in the applicable policies, and to obviate a defense that the plan itself in providing for means to pay creditors’ claims somehow derogates the insurers’ rights to review and consent to the payment of insured claims”). This Court should similarly reject the Insurers’ attempt to use the Debtors’ bankruptcy to avoid their obligations.

B. The Insurers’ Remaining Objections Regarding the Insurance Sale and Transfer Are Similarly Meritless

48. Separate from their challenge to the permissibility of the sale and transfer itself, the Insurers assert that the transactions unlawfully alter their rights in a variety of ways. Neither the facts nor the law supports these arguments. Nonetheless, the Committee expects that the Insurers’ concerns can (and should) be resolved with clarifying language in the Sale Order. To the extent the parties are unable to resolve the Insurers’ objections on these issues, the Committee reserves all rights to address them in more detail at the sale hearing.

49. *First*, the Insurers object to the Sale Order on the basis that it unlawfully transfers policy rights without expressly transferring obligations, citing section 365 of the Bankruptcy Code.²⁰ As noted above, section 365 applies only to executory contracts. The Specified Debtor

²⁰ Chubb Companies Obj. ¶¶ 81, 84, 88-93, 99; Liberty Obj. ¶ 8; Lexington Obj. at 8.

Insurance Policies are not executory contracts. Thus, the Debtors may assign their rights under the policies without their obligations. The case cited by Liberty in support of its argument confirms this very point: “Under the Bankruptcy Code, if a contract is not executory, a debtor may assign, delegate, or transfer rights *and/or* obligations under section 363 of the Bankruptcy Code” *In re American Home Mortgage Holding*, 402. B.R. 87, 92-93 (Bankr. D. Del. 2009) (emphasis added). Nonetheless, the Debtors *do* intend to transfer their obligations under the Specified Debtor Insurance Policies subject to the terms of the policies and applicable law. They have proposed language clarifying this point and anticipate that such language will resolve the Insurers’ objection.

50. *Second*, Chubb argues that the various policies that it issued to the Debtors are “indivisible” and must be interpreted, enforced, and transferred together, to a single transferee.²¹ The Committee does not agree that independently-issued insurance policies, for which the Debtors paid separate premiums and which provide their own separate policy limits and coverage, constitute an “indivisible” insurance program. Chubb cites no cases holding otherwise.²² The Committee similarly does not agree that rights under such policies cannot be transferred to different entities, as such a transfer changes only the name of the payee of insurance proceeds, not the scope of the insurers’ risk (as discussed above). Nonetheless, the parties are negotiating

²¹ Chubb Companies Obj. ¶¶ 81-82, 85.

²² None of Chubb’s cases involve insurance policies. *See* Chubb Companies Obj. ¶82. They all address severability of executory contracts, which are not at issue here. In any event, the contracts in those cases are distinguishable. *See In re Aneco Elec. Constr.*, 326 B.R. 197, 202 (Bankr. M.D. Fla. 2005) (multiple contracts requiring a single payment); *Huron Consulting Servs., LLC v. Physiotherapy Holdings, Inc. (In re Physiotherapy Holdings, Inc.)*, 538 B.R. 225, 235 (D. Del. 2015) (multiple contracts expanding on various components of a single transaction, including a master agreement that stated “that the multiple documents create[d] one agreement to govern th[e single] transaction”); *Allegheny Enters. v. J-W Operating Co.*, No. 4:10-cv-02539, 2014 U.S. Dist. LEXIS 27998, at *15-19 (M.D. Pa. Mar. 5, 2014) (three separate contracts governing a single land transaction, with the second contract stating that it was “executed pursuant to and subject to the terms of [the first contract],” and the third providing for ways to terminate the first contract); *In re Karfakis*, 162 B.R. 719, 725 (Bankr. E.D. Pa. 1993) (two “inextricably interwoven,” “coterminous” contracts, a franchise agreement that permitted the operation of a restaurant chain and a commercial lease agreement that provided the physical space for the restaurant chain, “containing cross default provisions,” were executed “on the same date,” and could not practically exist without the other).

language intended to address what the Committee understands to be Chubb’s primary concern – that by transferring policy rights, the transferee is not a “new” insured entitled to coverage for its own independent post-closing liabilities.

51. *Third*, Chubb argues that it “should not be put in the position of having to determine, as between the Debtors and the Buyer and/or to the Voluntary GUC Creditor Trust . . . which entity is entitled to proceeds under the Insurance Programs.”²³ To the extent Chubb is objecting to the Sale Order on this basis, such an objection is meritless. Nothing in the sale documents alters applicable law on the relative burdens of entities seeking to prove that they are entitled to coverage.

52. *Fourth*, Chubb contends that it entered into post-petition “Renewal Agreements” under which the Debtors agreed that any “Renewed Policies” would not be sold or transferred “without the express written consent of Chubb.”²⁴ Chubb did not attach these agreements or policies to its Objection. Thus, neither the UCC nor this Court can evaluate the nature, scope, relevance, or applicability of these alleged “Renewal Agreements.” To the extent this Court finds such arguments properly raised and relevant to its decision, the UCC reserves all rights to address them at the sale hearing.

C. Lexington Received Adequate Notice Of The Sale Order

53. Despite filing a 12-page objection to the insurance-related components of the Sale Order, Lexington argues it was given insufficient notice of the Order.²⁵

54. Lexington’s argument is belied by the factual record in this case. The proposed insurance transactions have been in the public record for months. The Debtors filed the PSA eight

²³ Chubb Companies Obj. ¶ 100.

²⁴ Chubb Companies Obj. ¶¶ 88, 96.

²⁵ Lexington Obj. at 10-11.

months ago, on November 23, 2022. [Dkt. No. 728]. As noted in Lexington’s own brief, the PSA made clear that the Debtors intended to transfer (with some exclusions) “all right, title and interest of the Endo Companies, the Sellers or Participating Debtors in, to or under . . . all interests in insurance policies . . . of Transferor Debtor[.]” to the Stalking Horse Bidder.²⁶ The Debtors filed the UCC Resolution Term Sheet and Stipulation on March 23, 2023, over four months ago. [Dkt. No. 1505-1]. Those documents made clear that the Stalking Horse Bidder would transfer, at closing, the Stalking Horse Bidder’s rights, including rights to claims and/or proceeds, under the Specified Debtor Insurance Policies, to the Voluntary GUC Creditor Trust.²⁷

55. Lexington was served with notice of the aforementioned documents over three months ago, on April 24, 2023. *See* Dkt. No. 2128, Aff. of Service, Ex. D, at 40; Ex. H, at 76, Ex. J, at 1496 (May 30, 2023) [Dkt. No. 2128] (providing a copy of (1) a Notice of Sale, Bidding Procedures, Auction, and Sale Hearing for the Sale of Substantially All Assets, which explained the Debtors’ intent to enter into the PSA and referred Lexington to the docket number where the full terms of the PSA were filed, and (2) a letter from the Committee, which explained the proposed settlement it had reached and referred Lexington to the docket number of the filed UCC Resolution Term Sheet). Lexington has filed a fulsome objection to the Sale, has been included in negotiations regarding Sale Order language over the last two weeks, and will have an opportunity to present its objection to this Court at the Sale Hearing. The Committee does not contest Lexington’s reservation of rights to object to documents it has not yet reviewed, but respectfully disagrees that Lexington has not been provided with adequate opportunity to raise an objection to the Sale Order.

²⁶ PSA Sec. 2.1(b)(xiii), at 30.

²⁷ UCC Resolution Term Sheet, Voluntary GUC Creditor Trust Litigation Consideration, subsection (b). [Dkt. No. 1505-1].

CONCLUSION

WHEREFORE, for the reasons set forth herein, the Court should overrule the objections to the Sale and enter the proposed Sale Order.

Dated: July 26, 2023
New York, New York

**KRAMER LEVIN NAFTALIS & FRANKEL
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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

ENDO INTERNATIONAL plc, et al.,

Debtors.¹

Chapter 11

Case No. 22-22549 (JLG)

(Jointly Administered)

**Re: Docket Nos. 728, 2413, 2417,
2418, 2430, 2460, 2464**

**REPLY OF AD HOC FIRST LIEN GROUP
IN SUPPORT OF DEBTORS' SALE MOTION**

¹ The last four digits of Debtor Endo International plc's tax identification number are 3755. Due to the large number of debtors in these Chapter 11 Cases, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at <https://restructuring.ra.kroll.com/Endo>. The location of the Debtors' service address for purposes of these chapter 11 cases is: 1400 Atwater Drive, Malvern, PA 19355.

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The Ad Hoc First Lien Group, through its undersigned counsel, hereby files this reply (this “**Reply**”) to the objections (the “**Objections**”) of the Canadian Governments,² the Public School Districts,³ the Chubb Companies,⁴ the DOJ,⁵ and the United States Trustee⁶ (each as defined herein, and, collectively, the “**Objectors**”) to the *Debtors’ Motion for an Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, (III) Approving the Sale of Substantially All of the Debtors’ Assets and (IV) Granting Related Relief* [Docket No. 728] (the “**Sale Motion**”) and, in support of the Sale Motion, respectfully represents as follows:

² See *Objection of His Majesty the King in Right of the Province of British Columbia and Other Canadian Governments to the Debtors’ Motion for an Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, (III) Approving the Sale of Substantially all of the Debtors’ Assets and (IV) Granting Related Relief and Approval of the Sale of Substantially All of the Assets of the Debtors to the Stalking Horse Bidder as Set Forth Therein* [Docket No. 2418] (the “**Canadian Governments Objection**”), filed by the Canadian Governments (as defined therein).

³ See *Objection of the Public School District Creditors to the Proposed Sale of Substantially All of the Assets of Endo International plc and Its Debtor Affiliates* [Docket No. 2420] (the “**Public School Districts Objection**”), filed by the Rochester City School District, together with the public school districts identified in the *Amended Verified Statement of Binder & Schwartz LLP Under Federal Rule of Bankruptcy Procedure 2019* [Docket No. 2417] (collectively, the “**Public School Districts**”).

⁴ See *Objection of the Chubb Companies to Debtors’ Motion for an Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, (III) Approving the Sale of Substantially All of the Debtors’ Assets and (IV) Granting Related Relief* [Docket No. 2430] (the “**Chubb Objection**”), filed by the Chubb Companies (as defined therein).

⁵ See *Objection of the United States of America to the Debtors’ Motion for an Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, (III) Approving the Sale of Substantially All of the Debtors’ Assets and (IV) Granting Related Relief – and – Memorandum of Law in Support of Motion to Appoint Chapter 11 Trustee* [Docket No. 2460] (the “**DOJ Objection**”), filed by the United States of America (the “**DOJ**”) on behalf of the federal agencies listed in the DOJ Objection, including, *inter alia*, the Internal Revenue Service (the “**IRS**”).

⁶ See *Amended Objection of the United States Trustee to Order Approving the Sale of Substantially All of the Debtors’ Assets* [Docket No. 2464] (the “**UST Objection**”), filed by the United States Trustee (as defined therein, and, together with the DOJ, the “**Government**”).

⁷ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Sale Motion, the Amended and Restated Restructuring Support Agreement, dated as of March 24, 2023 [Docket No. 1502] (as may be further amended, amended and restated, or otherwise modified from time to time, the “**RSA**”), the proposed order attached as Exhibit A to the *Notice of Filing of Revised Proposed Order (A) Approving the Purchase and Sale Agreement, (B) Authorizing the Sale of Assets, (C) Authorizing the Assumption and Assignment of Contracts and Leases, and (D) Granting Related Relief* [Docket No. 2413] (as may be supplemented, revised, and/or amended, the “**Proposed Sale Order**”), the *Amended Final Order (I) Authorizing Debtors to Use Cash Collateral; (II) Granting Adequate Protection to Prepetition Secured Parties;*

PRELIMINARY STATEMENT

1. These Chapter 11 Cases are unquestionably complex—the Debtors are a multi-national business with an over-leveraged balance sheet, a complicated corporate and capital structure, and exposure to significant prepetition litigations and claims. These complexities, however, particularly from the perspective of the Objectors, are subject to two simple truths. First, the Prepetition First Lien Secured Parties have perfected, first-priority security interests, which are beyond challenge, in substantially all of the Debtors’ assets. Second, as a robust market check has confirmed, the value of the Debtors’ assets is significantly less than the full amount of the Prepetition First Lien Indebtedness and, accordingly, there is no value available for unsecured creditors under any scenario. Once contextualized against the backdrop of these unassailable facts, it becomes plain that the Debtors’ proposed section 363 sale transaction (the “*Sale*”) should be approved.

2. The Debtors commenced these Chapter 11 Cases nearly a year ago, amidst the overhang of thousands of opioid lawsuits and other enterprise-threatening litigation.⁸ To preserve the Debtors’ business as a going concern, the Prepetition First Lien Secured Parties consented to the Debtors’ use of their Cash Collateral from the outset of these Chapter 11 Cases—critically, in exchange for and in reliance on the specific stipulations and challenge procedures embodied in the Cash Collateral Order. Without that initial and continued access to Cash Collateral, these Chapter 11 Cases would have quickly devolved into a value-destructive liquidation.

(III) *Modifying Automatic Stay*; and (IV) *Granting Related Relief* [Docket No. 535] (the “*Cash Collateral Order*”), or the *Order Establishing Bidding, Noticing, and Assumption and Assignment Procedures*, (II) *Approving Certain Transaction Steps*, and (III) *Granting Related Relief* [Docket No. 1765], as applicable.

⁸ See *Declaration of Mark Bradley in Support of Chapter 11 Petitions and First Day Papers* [Docket No. 19] ¶ 57.

3. Since the commencement of these Chapter 11 Cases (and, indeed, even prior to the Petition Date) it has been well known that the Debtors were seeking bids on their assets. Yet, despite running a fair and extremely robust marketing process (which not one of the Objectors claim was unfair or insufficient), the Sale Process did not yield any Bids or collection of Bids that were higher or better than (or even close to) the Stalking Horse Bid. The results of this Court-approved Sale Process have made clear that there is simply no value available for unsecured creditors.⁹ If approved, however, the Sale would, among other things, (a) maximize the value of the Debtors' business as a going concern, (b) preserve the jobs and assume the unsecured employee benefit claims of thousands of employees, (c) provide for the assignment of thousands of executory contracts (including the payment of millions of dollars in otherwise unsecured cure claims), and (d) minimize disruption to supplier relationships by, among other things, assuming non-contractual unsecured trade payables. None of the Objectors question any of these direct benefits of the Sale or that generating these benefits fulfills important bankruptcy purposes—nor could they. Indeed, the Sale represents the only path forward that avoids what could be years of time-consuming and expensive litigation (and the incurrence of what could be hundreds of millions of dollars in additional administrative expenses—to the significant detriment of the Debtors' business and all parties in interest).

4. Meanwhile, notwithstanding this economic reality, the Ad Hoc First Lien Group has worked tirelessly (and from even before the commencement of these Chapter 11 Cases) to forge significant consensus and successfully resolve numerous objections to the Sale. Following

⁹ Certainly, the market believes that there is no additional value available to junior creditors, as the Prepetition First Lien Loans and First Lien Notes have continued to trade down since the commencement of these Chapter 11 Cases—from approximately 84% of par on the Petition Date to between approximately 72% and 74% of par as of July 24, 2023. See *Declaration of Jonathan Kartus in Support of Sale of Purchased Assets to Buyer*, filed contemporaneously herewith (the "**Kartus Declaration**"), at Ex. B.

months of protracted, hard-fought negotiations under the auspices of the Court-appointed mediator (the Hon. Shelley C. Chapman (Ret.)) pursuant to the *Stipulation and Order (A) Granting Mediation and (B) Referring Matters to Mediation* [Docket No. 1257] (the “**Mediation Order**”), the Ad Hoc First Lien Group was able to reach resolutions with each of the three estate fiduciaries—the Official Committee of Unsecured Creditors (the “**UCC**”), the Official Committee of Opioid Claimants (the “**OCC**” and, together with the UCC, the “**Committees**”), and the Future Claimants’ Representative (the “**FCR**”)—that, if consummated, would provide an enormous quantum of the Buyer’s value for, among others, opioid claimants and other out-of-the-money creditors of the Debtors, as well as facilitate the continuation of the Debtors’ business as a going concern. These resolutions minimize expense and delay by resolving the Committees’ and the FCR’s objections to the Sale, thereby avoiding what all parties acknowledge would have been extremely time-consuming, value-destructive, and multifront litigation. These resolutions reflect the decision of the Buyer (through the Consenting First Lien Creditors) to use its—and not the Debtors’—assets (potentially including its investors’ own funds raised in a post-Closing rights offering) in a manner that the Buyer determined would be in its best interests.

5. Further, in addition to the aforementioned resolutions, the Ad Hoc First Lien Group also engaged with and successfully resolved the concerns and disputes of numerous other parties, including: (a) the Multi-State Endo Executive Committee (as defined in the *Third Amended Verified Statement of the Multi-State Endo Executive Committee Pursuant to Bankruptcy Rule 2019* [Docket No. 2511]), (b) the Ad Hoc Cross-Holder Group (as defined in the *Fourth Amended Verified Statement of the Ad Hoc Cross-Holder Group Pursuant to Bankruptcy Rule 2019* [Docket No. 1811]), (c) the Non-RSA 1Ls (as defined in the *Second Amended Verified Statement of the Non-RSA 1Ls Pursuant to Bankruptcy Rule 2019* [Docket No. 1381]), (d) the Ad

Hoc Group of Unsecured Noteholders (as defined in the *Amended Verified Statement of the Ad Hoc Group of Unsecured Noteholders Pursuant to Bankruptcy Rule 2019* [Docket No. 1810]), (e) the DMPs (as defined in the *Debtors' Motion for an Order Approving the Stipulation and Agreed Order Among the Debtors and the DMPs Resolving the DMPs' Objection to the Bidding Procedures and Sale Motion* [Docket No. 2466]), (f) the State of Texas with respect to its mesh-related concerns, and (g) other commercial stakeholders (such as contract counterparties). It thus goes without saying that the Ad Hoc First Lien Group took the Court's direction to mediate disputes and work toward consensual resolutions seriously and that it earnestly engaged in such pursuits with all parties in interest, regardless of whether a particular counterparty was similarly subject to the Mediation Order.

6. Notwithstanding these resolutions, the Objectors (i.e., the few remaining parties with whom the Consenting First Lien Creditors have not been able to reach resolution despite their best efforts) seek to derail these Chapter 11 Cases and force them into years of litigation that will be to the detriment of every party in interest—and literally to the benefit of no one. The Objectors do this based on, among other things, a combination of misreading the case law, misunderstanding the terms of the Proposed Sale Order, and, in the case of the DOJ, collaterally attacking the Cash Collateral Order.

7. First, as an initial matter, the DOJ's erroneous argument notwithstanding, the stipulations, admissions, waivers, and releases in the Cash Collateral Order, including the Debtors' Stipulations, are binding on *all* parties in interest, and the *only* exception is for those parties that properly sought standing before the expiration of the applicable Challenge Period. The Committees are the only parties that filed a motion seeking standing to challenge the Prepetition First Liens. No other party in interest—including the DOJ—sought to commence a Challenge

prior to the termination of the Challenge Period (for all parties in interest other than the Committees and the FCR) on January 10, 2023. Indeed, prior to filing the DOJ Objection, the DOJ—whose appearance and participation in these Chapter 11 Cases dates back to the first day hearing in these Chapter 11 Cases¹⁰—never once indicated either that it had an interest in challenging the Debtors’ Stipulations or that it believed that such stipulations were for any reason not applicable to the federal government. By its express terms, the Cash Collateral Order, including the Debtors’ Stipulations as to, *inter alia*, the validity of the Prepetition First Liens, is binding upon the Debtors and “all other parties in interest.” Cash Collateral Order ¶ 17. The DOJ’s insinuations to the contrary are nothing more than a collateral attack on a long-standing order of this Court.

8. Second, there are ample valid business reasons supporting the Debtors’ judgment that a section 363 sale is appropriate in these cases. Specifically, the Debtors came to the well-reasoned conclusion that a plan process that is inherently uncertain, and quite possibly infeasible, would unquestionably mire the Debtors in chapter 11 for an inordinate amount of time—all while professional fees from the litigation of multiple disputes and continued business uncertainty would eat away at the Debtors’ value, to the detriment of all parties in interest. The Debtors looked at the chapter 11 landscape, weighed the options that they had in a reasoned and thought-out manner, and came to the conclusion that the best way to maximize the value of the estates as a whole was to pursue a sale path, robustly market the business to establish its value (and determine its purchaser), and then bring the business out of chapter 11. It cannot seriously be questioned that the Debtors properly exercised their business judgment in coming to this conclusion, and there is *zero* evidence to suggest otherwise.¹¹

¹⁰ See August 18, 2022 Hearing Transcript [Docket No. 154] at 18:2-8.

¹¹ See *In re Lionel Corp.*, 722 F.2d 1063, 1071 (2d Cir. 1983) (holding that “an objectant . . . is required to produce some evidence respecting its objections”).

9. Third, the Sale does not implicate—let alone run afoul of—the absolute priority rule or the Supreme Court’s decision in *Czyzewski v. Jevic Holding Corp.*, 580 U.S. 451 (2017) (hereinafter *Jevic*), which was limited to case-ending orders. *See id.* at 468 (“[I]n a structured dismissal like the one ordered below, the priority-violating distribution is attached to a final disposition; it does not preserve the debtor as a going concern; it does not make the disfavored creditors better off; it does not promote the possibility of a confirmable plan; it does not help to restore the *status quo ante*; and it does not protect reliance interests.”). Unlike the structured dismissal in *Jevic*, however, the Sale will not effectuate a case-dispositive distribution. More fundamentally, unlike *Jevic*, none of the distributions to be made are being made by the Debtors. Not one. Rather, it is undisputed that it will be the Buyer that is making distributions with its own property after the Sale has closed. The Objectors’ complaints have nothing to do with the Bankruptcy Code’s priority scheme and only relate to their unhappiness with the Buyer’s decision. As such, the holding in *Jevic* is simply inapplicable. *See, e.g., In re Gen. Motors Corp.*, 407 B.R. 463, 496 (Bankr. S.D.N.Y. 2009) (“The objectors’ real problem is with the decisions of the Purchaser, not with the Debtor, nor with any violation of the Code or caselaw.”).

10. Fourth, the Buyer’s decision to assume some (but not all) of the obligations of a debtor-seller do not transform an otherwise permissible Sale into an impermissible *sub rosa* plan.¹²

¹² *See In re Gen. Motors Corp.*, 407 B.R. at 491 (“[A] debtor cannot enter into a transaction that ‘would amount to a *sub rosa* plan of reorganization’ or an attempt to circumvent the chapter 11 requirements for confirmation of a plan of reorganization. If, however, the transaction has ‘a proper business justification’ which has the potential to lead toward confirmation of a plan and is not to evade the plan confirmation process, the transaction may be authorized.” (citations omitted)); *In re Chrysler LLC*, 405 B.R. 84, 99 n.18 (Bankr. S.D.N.Y. 2009) (“New Chrysler has determined that, to effectively carry on its business, it should take over certain other of the Debtors’ obligations. Any such assumption of liability reflects the purchaser’s business judgment, the effect of which does not constitute a *sub rosa* plan because the obligation is negotiated directly with the counterparty. Thus, any of the obligations under those agreements are satisfied by New Chrysler and do not constitute a distribution of proceeds from the Debtors’ estates.”).

The Sale does not dictate the terms of any plan; indeed, the formation and funding of the Trusts¹³ are voluntary acts of the Buyer post-Closing and will not involve the Debtors or any proceeds that the Debtors receive from the Sale. Moreover, creditors have unfettered discretion not to participate in the Trusts and, contrary to the Objectors' alarmist rhetoric regarding "non-consensual" releases, are free to retain their claims against the Debtors. In fact, what the Buyer is proposing to do *is exactly what the Government (as purchaser) did in the General Motors bankruptcy* (albeit on a smaller scale), which the United States Court of Appeals for the Second Circuit endorsed and upheld, stating that the sale was "a negotiated deal with input from multiple parties—Old GM, New GM, Treasury, and other stakeholders. The Sale Order and Sale Agreement reflect this polycentric approach: it includes some fifteen sets of liabilities that New GM voluntarily, and without legal compulsion, took on as its own." *In re Motors Liquidation Co.*, 829 F.3d 135, 163 (2d Cir. 2016).

11. Finally, the Government misconstrues the Proposed Sale Order as granting a general release of *all* claims and as creating an impermissible injunction of third-party claims the Government may have against the Buyer. The DOJ thus spends nearly a quarter of its brief postulating various hypothetical direct claims and/or claims related to hypothetical future post-Sale conduct that it seems to erroneously assume are being enjoined and then invokes a series of inapposite doctrines that purportedly would have precluded this Court from enjoining or releasing those hypothetical claims. However, these arguments completely miss the point. The Proposed

¹³ The term "**Trusts**" refers to the voluntary trusts to be established by the Buyer in accordance with the terms of the *Stipulation Among the Debtors, Official Committee of Unsecured Creditors, Official Committee of Opioid Claimants, and Ad Hoc First Lien Group Regarding Resolution of Joint Standing and Related Matters* [Docket No. 1505] (the "**Resolution Stipulation**"), the term sheet attached as Exhibit A to the *Notice of Filing of Stalking Horse Bidder-FCR Term Sheet and Amended OCC Resolution Term Sheet* [Docket No. 2415] (the "**FCR Resolution Term Sheet**"), and the term sheet attached as Exhibit C to the RSA (as may be further amended, amended and restated, or otherwise modified from time to time, the "**Amended Public/Tribal Voluntary Opioid Trust Term Sheet**").

Sale Order simply seeks to enforce the free-and-clear language of Bankruptcy Code section 363(f) and ensure that the Buyer gets the benefit of the protections contained therein. It is entirely customary to enforce section 363(f)'s mandate through provisions in a sale order prohibiting suits against the Buyer or the Acquired Assets specifically related to the Debtors' pre-Closing activities, particularly in a situation, such as here, where one of the Objectors is already attempting to collaterally attack an order of the Court nearly nine months after such order was entered. The Court should not be misled by the DOJ's citation to a number of inapplicable statutes or its errant conclusion that the Proposed Sale Order contains an impermissible injunction.

12. In the end, the Objectors' arguments are a bridge to nowhere. The Sale is the only viable path forward, and yet the Objectors seek to thwart it—and doom the estates to years of value-destructive litigation—by attacking the negotiated resolutions that the Ad Hoc First Lien Group worked diligently and in good faith to achieve after the Court ordered the parties to mediation. In essence, the Objectors' complaint is that the mediation simultaneously achieved too much and too little consensus, i.e., the Ad Hoc First Lien Group is somehow obligated to fund resolutions of every party's objections in order for the Sale to be approved. This perverse outcome would not only undermine the broad, painstakingly negotiated, and fragile consensus created thus far, but it would cause these Chapter 11 Cases to devolve into years of value-destructive, multifront litigation and undermine chapter 11's primary goal of preserving the Debtors' underlying business as a going concern. Accordingly, the Court should overrule the Objections and approve the Sale.

REPLY

I. The Debtors Have Demonstrated That There Are Good Business Reasons To Proceed with the Sale.

13. There can be no question that the Debtors have demonstrated numerous good business reasons to proceed with the Sale. Three of the Objectors attempt to argue otherwise, *see*

Public School Districts Objection at 13-15; Chubb Objection at 26-28; DOJ Objection at 28-36, but their arguments are meritless.

14. In the Second Circuit, a sale of all or substantially all of a debtor's assets should be approved so long as there is a "good business reason" for the sale. *Gen. Motors*, 407 B.R. at 491; *Chrysler*, 405 B.R. at 99. The Objectors suggest that, because the Debtors' business is allegedly not a "melting ice cube," there is no authority for the Debtors to pursue a sale of substantially all of their assets under section 363 of the Bankruptcy Code without first attempting to confirm a plan. *See* DOJ Objection at 30-31; Public School Districts Objection at 15; *see also* Canadian Governments Objection at 27-28 (raising a melting ice cube argument within a *sub rosa* plan objection).¹⁴ Absent such a scenario, the Objectors contend that a debtor's sound and reasoned business judgment that timely confirmation of a plan is extremely difficult (if not impossible) and that such pursuit would mire the debtor in litigation (with all attendant costs) for an unknowable amount of time is *per se* insufficient for a debtor to decide to pursue a pre-plan sale path. *See* DOJ Objection at 32 (arguing that "expedition" and avoidance of administrative expense are insufficient standing alone (citation omitted)); Chubb Objection at p. 27 n.7 (dismissing litigation

¹⁴ The DOJ goes so far as to suggest that a sale outside the melting ice cube context amounts to a disguised foreclosure, but the cases it cites could not be farther afield. *See In re Flour City Bagels, LLC*, 557 B.R. 53, 84 (Bankr. W.D.N.Y. 2016) (applying *Lionel* factors holistically—in case where the debtor's junior secured lender served as both the debtor's managing member and purchaser—and concluding that the debtor "failed to carry its burden to introduce evidence to prove," *inter alia*, "the good faith of [the lender] in acting as both the buyer and seller of [the debtors'] assets, and that adequate notice was given to all parties of all substantive terms of the sale"); *In re Gulf Coast Oil Corp.*, 404 B.R. 407, 413-14 (Bankr. S.D. Tex. 2009) (noting that (i) the debtors' own financial advisors opposed the sale; (ii) the secured lender/purchaser acknowledged the sale would only benefit the purchaser and not even generate enough proceeds to fund the estates' administrative expenses; (iii) the sale process was truncated with "virtually no time available for due diligence and compliance with the terms of the proposed asset purchase agreement;" and (iv) there was "no material prospect" from the outset that there would be *any* other bidders to test the value of the assets). Here, by contrast, the Debtors' decision to pursue a section 363 sale was driven not by "the appeasement of major creditors," *see* DOJ Objection at 31; Public School Districts Objection at 14, but rather by a sound exercise of business judgment—now confirmed by a robust market test—that the Sale would maximize value for the estates while preserving the business as a going concern. Far from being "appease[d]," the Prepetition First Lien Secured Creditors are simply exercising their rights under the Bankruptcy Code by virtue of the approximately \$5.8 billion in secured debt indisputably extended to the Debtors.

risk as a mere “tactical preference,” without citing any supporting authority). Said differently, the Objectors want the Court to write into Bankruptcy Code section 363 a requirement that it can only be utilized for the sale of substantially all assets in the case of a rapidly deteriorating business. Of course, section 363 contains no such limitation and *Lionel* does not require either a “melting ice cube” or that a debtor first try—and fail—to confirm a plan as a condition precedent to pursuing a section 363 sale.

15. In *Lionel*, the United States Court of Appeals for the Second Circuit found that the bankruptcy court’s authorization of a pre-plan sale of the debtor’s equity interest in a subsidiary was an abuse of discretion where the *only* reason for the sale advanced by the debtor was the creditors’ committee’s insistence on the sale. *See* 722 F.2d at 1071. In determining that this stated reason was “insufficient as a matter of fact because it [was] not a sound business reason and insufficient as a matter of law because it ignore[d] the equity interests required to be weighed and considered under Chapter 11,” the court set forth a set of factors that courts should consider in approving a sale, which the Court of Appeals made clear were “not intended to be exclusive, but merely to provide guidance to the bankruptcy judge.” *Id.* Indeed, the court specifically dispensed with the notion that only an “emergency” or “perishability” permits the sale of assets outside of the ordinary course pursuant to Bankruptcy Code section 363(b). *Id.* at 1069-70.

16. Post-*Lionel* case law that is more directly on point to the facts and circumstances of these Chapter 11 Cases demonstrates that the Debtors’ chosen path is perfectly appropriate. In *In re GSC, Inc.*, 453 B.R. 132 (Bankr. S.D.N.Y. 2011), for example, the court weighed the *Lionel* factors and ultimately approved a pre-plan sale proposed by the chapter 11 trustee based on the following facts:

- “[t]here was little likelihood of the Plan being confirmed within a reasonable period of time;”¹⁵
- “[p]roceeding to solicitation and confirmation would have been an extended and highly contentious process,” “[l]itigation would have ensued over” a host of confirmation-related issues, and “such contentious litigation would have a deleterious effect on asset values;”¹⁶
- “[a]lthough the assets, not considering the administrative costs of the process and other costs, have recently appreciated in value, the ability of the estate to sustain itself would have been severely compromised if there was an interruption in the liquidity of the business;”¹⁷
- “interruption in liquidity and the protracted and extensive litigation would necessarily be followed by a loss in investor confidence, resulting in overall diminution in value of the assets;”¹⁸
- “the use of cash collateral, if not consented to, would have involved extensive and complex valuation issues which could have placed the assets at risk during that litigation;”¹⁹ and
- “the Plan provided no benefit to the estate,” and “hearing [a dispute over allocation of the Sale assets], among other issues in the context of a contested confirmation, would not only have placed the Sale at risk, but it would also have placed the Debtors’ liquidity, *inter alia*, at risk.”²⁰

17. As the Debtors and the Ad Hoc First Lien Group have reiterated throughout these Chapter 11 Cases, all of the foregoing factors weigh in favor of approving a pre-plan sale here.

18. As established in *GSC* and a number of other cases in this district,²¹ there is nothing in the Bankruptcy Code or caselaw that precludes debtors from choosing to sell their assets “[s]o

¹⁵ *Id.* at 184.

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *Id.* at 184-85.

²¹ *See In re Chateaugay Corp.*, 973 F.2d 141, 143-45 (2d Cir. 1992) (finding that the bankruptcy court had considered the relevant factors in approving a sale, including the fact that the debtors had engaged in an “in-depth exploration of all viable alternatives,” the sales procedure was “properly calculated to obtain a fair and reasonable recovery for the assets in question,” the debtors had taken into account “the interests of equity and the various

long as a good business reason supporting the sale exists.”²² To the contrary, it is well-settled that debtors are free to pursue a sale if they have determined, in their business judgment, that a sale is the best way to maximize the value of their estates. Instead of focusing on the benefits that the Debtors and their stakeholders are receiving through the Sale, the Objectors seek to usurp the Debtors’ well-considered business judgment for their own purpose and to disrupt the overall value-maximizing path the Debtors have determined to pursue—one that is supported by the vast majority of the Debtors’ stakeholders.

19. Here, the Sale is supported by numerous good business reasons. As in *GSC*, it is unlikely that the Debtors would be able to confirm a plan in a timely manner (if at all) given the substantial intercreditor disputes that would need to be resolved prior to proposing, let alone confirming, a plan. This is in addition to the need to make determinations with respect to the amount of any priority tax or other obligations and the extent of any Diminution in Value—all of which is likely to require costly and time-consuming litigation that could very well result in the Debtors liquidating and there being no priority or unsecured creditor distributions at all. It goes without saying that the worst of both worlds would be for the Debtors to abandon the Sale now in favor of a plan process, engage in extensive litigation and incur significant costs, both in terms of

creditor groups,” and an immediate sale was “necessary to obtain maximum value” for the debtors’ assets (citation omitted)); *GSC*, 453 B.R. at 156-57 (“The Trustee must establish a good business reason for going forward with the Sale now rather than proceeding to the Plan. The Trustee, not the Court, was in the best position to make a decision of the most advantageous way to proceed. The ‘bankruptcy court has neither the role nor the expertise . . . to substitute its own views as to the optimum business decision for the views of the Debtors’ Board of Directors” (ellipsis in original) (citations omitted)); *In re Bos. Generating, LLC*, 440 B.R. 302, 329 (Bankr. S.D.N.Y. 2010) (“[T]he Court concludes that there exists an articulated business justification and a good business reason to grant the Sale Motion now and not wait for confirmation of a plan of reorganization.”); *In re Glob. Crossing, Ltd.*, 295 B.R. 726, 744 n.58 (Bankr. S.D.N.Y. 2003) (finding that courts do not dictate the *means* to achieve the objective of maximizing value).

²² *GSC*, 453 B.R. at 156.

professional fees and in terms of time, have the plan process fail, and end up pursuing a sale (potentially under chapter 7) several months (or years) down the road.

20. The Debtors' board of directors considered the alternative of seeking to confirm a chapter 11 plan but, *even before the IRS filed its disputed tax claims*,²³ concluded that doing so—rather than completing a sale and then seeking to resolve claims and confirm a plan—would substantially increase delay and uncertainty, add cost, jeopardize value and jobs, and spawn litigation over value and the dischargeability of certain debts.

21. The Public School Districts observe that “a mere desire to streamline bankruptcy proceedings is no sound basis for dispensing with Chapter 11 safeguards.” Public School Districts Objection at 14. Here, however, the decision to pursue the Sale was not intended merely to expedite the reorganization process, but instead was determined to be value-maximizing and, indeed, the Sale presents the *only* viable means of ensuring the survival of the business as a going concern given the immense uncertainty and attrition that would have resulted from protracted

²³ The Government contends that the Sale was designed principally for tax avoidance purposes. *See* DOJ Objection at 32, 34-35; *see also* UST Objection at 2. This contention ignores four fundamental realities: (a) the IRS's tax claims are disputed and have not been allowed; (b) any allowed tax claims, whether or not entitled to priority, would be subordinate to the Prepetition First Lien Indebtedness, which is secured by substantially all of the Debtors' assets; (c) after an extensive marketing process, the highest bid for the Debtors' assets fell *over a billion dollars* below the amount the Prepetition First Lien Secured Parties are owed; and (d) delaying the resolution of these cases until the disputed tax claims are fully litigated will destroy value, jeopardize thousands of jobs, and generate millions of dollars in additional administrative expenses, all while yielding *no increased distribution* on account of the disputed IRS claims. That is because, (1) if this Court disallows the tax claims, the IRS is entitled to no distribution, and (2) even if the Court were to allow large priority tax claims over the Debtors' objections, no chapter 11 plan could be confirmed because there would be no source from which such claims could be paid, as all of the Debtors' material assets are encumbered by the Prepetition First Liens (not to mention any First Lien Adequate Protection Superpriority Claims on account of any Diminution in Value), and the marketing process demonstrates that the Prepetition First Liens exceed the value of the Debtors' assets. In any event, nothing is being “avoided;” to the contrary, the Sale generates a Wind Down Budget of approximately \$116 million that can be used to litigate or settle the disputed tax claims and, if appropriate, to seek to confirm a plan.

confirmation-related litigation. *See Declaration of Mark B. Barberio in Support of Entry of the Bidding Procedures Order* [Docket No. 729] ¶¶ 8-9.²⁴

22. Moreover, to the extent these Chapter 11 Cases devolve into protracted and value-destructive litigation, the Prepetition First Lien Secured Creditors may no longer be able to continue to consent to the Debtors' consensual use of their Cash Collateral and may thus leave the Debtors no choice but to move to convert their cases to chapter 7 liquidations. Indeed, it is the Prepetition First Lien Secured Creditors' ongoing consent to the use of over \$2.4 billion of their Cash Collateral (to date) that has enabled the business to remain afloat thus far and avoid the very "melting ice cube" considerations that the Objectors now ironically claim are lacking as a justification for the Sale.²⁵ A good business reason supporting a section 363 sale "is even stronger where the purchaser is providing funding to the estate and that funding would be placed at risk should the court decline to consider a sale." *GSC*, 453 B.R. at 166.

23. Given the totality of the circumstances in these Chapter 11 Cases, the Sale clearly represents the best available option for the Debtors' estates. Virtually all parties with an economic stake in these Chapter 11 Cases support it, none of the Objectors will be better off without it, and it is well within this Court's discretion under *Lionel* to approve it. Accordingly, the Court should

²⁴ The Public School Districts speculate that the Court-approved Bidding Procedures may have suppressed Bids by bundling encumbered and unencumbered assets. *See Public School Districts Objection* at 18. This argument is self-defeating: If the Stalking Horse Bid had really "substantially undervalue[d] the assets," *id.* (emphasis added), then the auction process should have generated *more* Bids, not fewer. *See Chrysler*, 405 B.R. at 97-98. In any event, the Public School Districts ignore the additional consideration the Buyer has provided by agreeing to fund the Wind Down Budget, and their citation to *In re Breitburn Energy Partners LP*, 582 B.R. 321 (Bankr. S.D.N.Y. 2018), a case having nothing to do with bidding procedures or 363 sale prices, lends nothing to the analysis.

²⁵ The Chubb Companies' *Lionel* objection appears to overlook this key fact. *See Chubb Objection* at 27 (erroneously suggesting that "no business justification exists because," *inter alia*, the Debtors have thus far been able to maintain their operations and had access to cash and credit prior to the Petition Date, while ignoring the Prepetition First Lien Secured Creditors' security interests and their consent to the ongoing use of their Cash Collateral); *see also Canadian Governments Objection* at 28 (asserting that "there is no evidence that the Debtors did not have access to cash to fund operations or attempted to, but could not, obtain post-petition financing").

hold that the Sale constitutes an appropriate exercise of the Debtors' business judgment and that it is supported by a sound business purpose.

II. The Sale Does Not Violate the Absolute Priority Rule or Run Afoul of *Jevic*.

24. Notwithstanding the various Objectors' protestations to the contrary, the Sale neither violates the absolute priority rule nor runs afoul of the Supreme Court's holding in *Jevic*. See UST Objection at 15-18; DOJ Objection at 38-43; Public School Districts Objection at 17.

25. Bankruptcy Code section 1129(b)(2)(B) provides that, if a class of unsecured creditors rejects a chapter 11 plan, the class must be paid in full or the "holder of any claim or interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or interest any property." 11 U.S.C. § 1129(b)(2)(B). This statute is commonly referred to as the absolute priority rule, and, in *Jevic*, the Supreme Court held that, notwithstanding its express terms (which are limited to distributions under a plan), the rule is applicable to "final dispositions" that are "backdoor means to achieve the exact kind on nonconsensual priority-violating final distributions that the [Bankruptcy] Code prohibits in [c]hapter 7 liquidations and [c]hapter 11 plans." 580 U.S. at 465, 468.

26. Critically, however, the instant Sale does not involve either the distribution of estate property to any party other than the Buyer (which is more precisely an acquisition for value and not a "distribution") or dictate the final disposition of the estates. Rather, the Buyer is purchasing the Acquired Assets and assuming the Assumed Liabilities in exchange for the Purchase Price. Following the Closing, the Debtors will be entitled to administer the wind down of their estates and make any final distributions of their assets (including from the Purchase Price) that they determine appropriate, subject to the strictures of the Bankruptcy Code (including the absolute priority rule).

27. Indeed, the absolute priority rule only applies to distributions of property of *bankruptcy estates*. See *In re ICL Holding Co., Inc.*, 802 F.3d 547, 558 (3d Cir. 2015). In *ICL*, the United States Court of Appeals for the Third Circuit held that “the Bankruptcy Code’s creditor-payment hierarchy only becomes an issue when distributing estate property.” *Id.* Accordingly, the absolute priority rule did not apply to settlement payments paid by senior creditors to junior creditors as part of a sale-related settlement. *Id.* The court reasoned that it could not “conclude . . . that when the secured lender group, using that group’s own funds, made payments to unsecured creditors, the monies paid qualified as estate property.” *Id.* Similarly, the Objections here concern payments that the Buyer proposes to make on its own accord subsequent to the Sale—not payments of estate property. A priority-based objection is not appropriately aimed at (i) post-Sale distributions (ii) by the Buyer (iii) of the Buyer’s own property (including funds it may raise from third-party investors via one or more capital raises to occur at or after Closing).

28. The cases on which the Objectors rely prove the point by contrast. For instance, *In re DBSD N. Am., Inc.*, 634 F.3d 79 (2d Cir. 2011), addressed plan provisions whereby senior creditors purported to “gift” “substantial quantities of shares and warrants” to junior creditors. *Id.* at 87. That is, the senior creditors were diverting *estate assets* to a junior class of creditors “under the plan” itself. *Id.*; see also *In re Iridium Operating LLC*, 478 F.3d 452, 459 (2d Cir. 2007) (reviewing a settlement that “divides up the Estate’s remaining cash”). Far from announcing a *per se* prohibition on gifting, the Court of Appeals’ holding in *DBSD* was expressly limited to the wholly distinguishable, and plan-specific, context. See 634 F.3d at 95 (declining to reach the separate question “whether the Code would allow the [parties] to agree to transfer shares outside of the plan”).

29. To state it again, here, estate assets are *not* being finally “distributed”—under a plan, under the Resolutions,²⁶ the Amended Public/Tribal Voluntary Opioid Trust Term Sheet, or otherwise. Rather, estate assets are being *sold* to the Buyer for a market-tested quantum of consideration. The Buyer is thereafter free to dispense with its assets (including the Acquired Assets) as it sees fit—and eligible interested parties are likewise free to elect to participate (or not) in the Trusts. That the Debtors may have considered the Trusts when evaluating potential Bids does not somehow convert, as the U.S. Trustee contends,²⁷ the Buyer’s *funding* of those Trusts into a distribution of “sale proceeds.” *See ICL*, 802 F.3d at 555 (“Though it is true that the secured lenders [will pay] cash [and other consideration] to resolve objections to the sale of [the Debtors’] assets, that money [will] never [make] it into the estate. Nor [will] it [be] paid at [the Debtors’] direction.”).

30. The Government nevertheless seeks to recategorize and deride the Buyer’s independent and voluntary decision to fund the Trusts as a “diver[sion]” of “value properly belonging to the estate” on the basis that the Resolutions “resolve the estate’s challenges to the Prepetition Secured Indebtedness.” DOJ Objection at 57-58; *see also* UST Objection at 27-28. Not so. As the U.S. Trustee concedes, “[t]he [C]ommittees could only mount such [C]hallenges if they obtained derivative standing on behalf of the estate.” UST Objection at 27. Here, the Committees’ standing motion was never adjudicated or granted. As such, the Committees did not (and *could not*) settle any estate causes of action. *Cf. Iridium*, 478 F.3d at 458 (“The bankruptcy court authorized the Committee, on June 7, 2000, to commence adversarial proceedings *on behalf*

²⁶ The term “*Resolutions*” refers to the resolutions set forth in the Resolution Stipulation and the FCR Resolution Term Sheet.

²⁷ Given the massive delta (in excess of a billion dollars) between the Purchase Price and the next highest Bid, the U.S. Trustee’s objection on this point is purely theoretical, as the Buyer plainly offered the best value irrespective of whether the Debtors considered the Trusts.

of the Estate against the Lenders as to the debt ‘and any lien, pledge or security interest of Chase and/or the Lenders.’” (emphasis in original)).²⁸

31. The DOJ and U.S. Trustee contend that *Jevic* effectively overrules *ICL*, broadly extends the absolute priority rule outside the plan context, and operates to govern the conduct of non-debtor third party purchasers. That interpretation of *Jevic* is simply incorrect. *Jevic* is limited to the structured dismissal context in which it was decided and thus has no application to the approval of a sale. See *In re Veg Liquidation, Inc.*, 931 F.3d 730, 739 (8th Cir. 2019) (“*Jevic* involved a structured dismissal and did not hold that § 363 sales must conform to normal priority rules. In fact, the Court noted that some courts in other contexts have approved priority-violating distributions where they serve ‘significant Code-related objectives,’ such as maximizing the value of the bankruptcy estate.”); *In re Daily Gazette Co.*, 584 B.R. 540, 546 (Bankr. S.D.W. Va. 2018) (“The decision in *Jevic* . . . bears no similarity to this proceeding. Foremost, the Supreme Court was reviewing a structured dismissal of a case rather than the Code-sanctioned sale and distribution process here involved.”).

32. Moreover, the Supreme Court’s rationale for applying the absolute priority rule outside the context of plan confirmation in *Jevic* was that the structured dismissal at issue there was an “end-of-case distribution” and thus would not be succeeded by a final distribution of the debtor’s property under the Bankruptcy Code’s priority system. *Jevic*, 580 U.S. at 466.²⁹ The

²⁸ It is likewise irrelevant that one of the Trusts will be funded with non-cash assets that “*currently* belong to the Debtors’ estate.” UST Objection at 28 (emphasis added). Nobody disputes that the Buyer is acquiring estate assets; indeed, that is the very definition of a section 363 sale. The point is that, once the Buyer does so, it may freely retain or dispose of such assets just as it is free to retain or dispose of any of its other property.

²⁹ Eliding this key distinction in *Jevic*’s procedural posture, the U.S. Trustee suggests that *Jevic* “exposed” a risk of “collusion” inherent “even in supposedly ‘rare’ cases,” which *ICL* purportedly overlooked. UST Objection at 26 (citations omitted). But the Buyer is not relying on any purported “rare case” exception. Quite the opposite: This is a routine case of a purchaser reaching agreements with certain parties and using its own resources to fund those resolutions. Indeed, consistent with the practice endorsed by the Second Circuit in *Motors Liquidation*, 829 F.3d at 163-64, after various parties in interest raised concerns about the Sale, the Ad Hoc First Lien Group negotiated

Supreme Court distinguished that end-of-case distribution from “interim” distributions, which are routinely approved in chapter 11 cases under section 363 without applying the absolute priority rule. *See id.* at 466-67. Here, neither the Sale nor the Buyer’s voluntary funding of the Trusts *post*-Closing with its own assets constitutes an end-of-case distribution of estate property such that it would fall within the scope of *Jevic*’s holding.³⁰ To the contrary, the Debtors will have a Wind Down Budget of approximately \$116 million following the Sale, and that budget may be used to litigate and/or resolve any remaining disputed claims and, as appropriate, confirm a chapter 11 plan for one or more of the Debtors. The ultimate resolution of these Chapter 11 Cases will thus depend on the outcome of future litigation and/or consensual claims resolution, which in turn will drive whether or not a plan can ultimately be confirmed. That is, even if this Sale is approved, the final disposition of the Debtors’ Chapter 11 Cases will remain unknown.

33. Further, the Supreme Court in *Jevic* expressly recognized that even priority-violating “interim” distributions may be approved if they satisfy “Code-related objectives.” *Id.* at 467-68. Thus, even assuming *arguendo* that the Buyer’s payments to the Trusts constitute distributions of estate property (which they do not), the Sale, Resolutions, and Amended Public/Tribal Voluntary Opioid Trust Term Sheet should *still* be approved. Tellingly, not one of the Objectors addresses this portion of *Jevic*’s analysis. The Buyer’s decision to fund the Trusts will help preserve the Debtors’ underlying business as a going concern, save thousands of jobs, maintain positive relationships with a great many trade creditors and state and local governments, and allow for the assumption of and continued performance under more than 8,000 executory

in good faith—*under the supervision of the Court-appointed mediator*—to resolve some of those objections, with the terms of those resolutions announced publicly. The DOJ is free to not reach a consensual resolution, but that is not a function of the Ad Hoc First Lien Group “picking” others or not “picking” them. DOJ Objection at 36. There is no collusion, and not a single fact has been adduced to suggest otherwise.

³⁰ Moreover, in *Jevic*, the priority claimants had already been awarded a judgment and thus had an allowed claim. *Jevic*, 580 U.S. at 459. Here, by contrast, the IRS’s purported priority claims are disputed.

contracts. These are fundamental “Code-related objectives”—and the Sale is the *only* transaction by which they can be achieved.³¹

III. The Sale Is Not a *Sub Rosa* Plan.

34. All five Objectors erroneously contend that the Sale is an impermissible *sub rosa* plan because the Buyer has agreed to fund the Trusts using property purchased in the Sale. *See* Public School Districts Objection at 16-18; Chubb Objection at 16-20; Canadian Governments Objection at 22-26;³² UST Objection at 18-24; DOJ Objection at 36-58.³³ That objection is both inaccurate and flawed for myriad reasons.

35. Here, as in *General Motors*, “[t]he objectors’ real problem is with the decisions of the Purchaser, not with the Debtor[s], nor with any violation of the Code or caselaw.” *Gen. Motors*, 407 B.R. at 496. Caselaw is clear that a buyer’s selective assumption of a debtors’ liabilities is routine and permissible under section 363. *See Motors Liquidation*, 829 F.3d at 163 (“The Sale Order and Sale Agreement . . . includes some fifteen sets of liabilities that New GM voluntarily, and without legal compulsion, took on as its own.”); *Gen. Motors*, 407 B.R. at 496-97; *Chrysler*, 405 B.R. at 99 n.18 (“Any such assumption of liability reflects the purchaser’s business judgment,

³¹ The DOJ implies that the lack of a viable alternative is irrelevant given that the lower court decision reversed in *Jevic* included a similar finding, but the DOJ is again relying on arguments concerning final dispositions “upon dismissal” of a chapter 11 case, *see* DOJ Objection at 40, as opposed to interim distributions (of non-estate assets) of the kind at issue here.

³² Nested within the Canadian Governments’ *sub rosa* plan objection is a series of *non sequiturs* contending that, “[i]f this reorganization structure were proposed in the context of a chapter 11 plan, it would suffer from multiple infirmities rendering the plan unconfirmable.” Canadian Governments Objection at 28-31. Given that no such hypothetical plan is before the Court, these detours are irrelevant. Perhaps recognizing as much, the provinces later spin off their “discrimination” argument as a purported independent basis for opposing the Sale. *See id.* at 32-33. But this further digression is rooted in inapposite cases in which *no* proceeds were left behind for unsecured creditors (unlike here, where the Buyer is funding a nine-figure Wind Down Budget), or where assets were sold for the benefit of the Debtors’ *insiders* and fiduciaries. *See id.* at 32.

³³ Aside from parroting the other Objectors’ conclusory use of buzzwords about “dictating” plan terms and distributions, the DOJ’s *sub rosa* plan discussion focuses primarily on arguments regarding absolute priority (*see supra* Section II) and misplaced concerns about non-existent injunctive provisions (*see infra* Section IV).

the effect of which does not constitute a *sub rosa* plan because the obligation is negotiated directly with the counterparty.”).

36. Indeed, this Court routinely enters orders approving sales of substantially all debtor assets in which the purchaser has selectively assumed liabilities. *See, e.g., In re Premiere Jewelry Inc.*, Case No. 20-11484 (JLG) [Docket Nos. 67, 127] (Bankr. S.D.N.Y. 2020) at 77, ¶ 5 (approving sale pursuant to an asset purchase agreement in which the purchaser agreed to assume only certain listed “Assumed Liabilities”); *In re Fairway Group Holdings Corp.*, Case No. 20-10161 (JLG) [Docket Nos. 445] (Bankr. S.D.N.Y. 2020) at ¶¶ 19-21 (approving a purchase agreement in which the purchaser was to assume certain liabilities but not “Excluded Liabilities”); *In re Synergy Pharms. Inc.*, Case No. 18-14010 [Docket No. 484] (JLG) (Bankr. S.D.N.Y. Mar. 1, 2019) at ¶¶ S, 5 (approving purchase agreement and noting that the purchaser is “subject only to the Assumed Liabilities” and “the Purchaser is not . . . assuming any of the Excluded Liabilities”); *In re Cocoa Services, L.L.C.*, Case No. 17-11936 (JLG) [Docket Nos. 96, 117] (Bankr. S.D.N.Y. 2017) at 19-21, 16 (approving asset purchase agreement in which the purchasers agreed to assume only certain “Assumed Liabilities” and not any “Excluded Liabilities”); *In re Angelica Corp.*, Case No. 17-10870 (JLG) [Docket Nos. 17, 363] at 96-98, ¶ 5 (Bankr. S.D.N.Y. 2017) (same).

37. Here, as in *General Motors* and *Chrysler*, any perceived disparate treatment of creditors is a result of the Buyer’s independent business judgment that it is in its best interests to resolve certain parties’ Sale objections and to fund the Trusts. The Government purports to distinguish the Resolutions and the Amended Public/Tribal Voluntary Opioid Trust Term Sheet from the resolutions in *General Motors* and *Chrysler* on the basis that the Resolutions and the Amended Public/Tribal Voluntary Opioid Trust Term Sheet allegedly fail to provide the Buyer

with any new value. *See* UST Objection at 28-30; DOJ Objection at 44. However, contrary to the Government’s assertions, there is nothing in the Bankruptcy Code or the *General Motors* and *Chrysler* opinions that requires a party purchasing assets pursuant to section 363 to limit its resolution of sale-related disputes to parties that provide it with new value. Further, the Government is incorrect in its assessment that none of the potential beneficiaries of the Resolutions and the Amended Public/Tribal Voluntary Opioid Trust Term Sheet provide the Buyer with new value. To the contrary, *all* of the potential beneficiaries will either have ongoing dealings with the Buyer post-Closing (e.g., the States as pervasive regulatory partners, unsecured and second lien bondholders as investors invited as capital providers, continuing employees, and trade creditors providing ongoing credit and business) or are providing valuable benefits to the Buyer (e.g., tort claimants who elect to forgo nuisance litigation against the Buyer and/or claims against any of the Buyer’s officers and directors who are former officers and directors of the Debtors, preventing disruption to the ongoing business). *See* Kartus Declaration ¶¶ 8-10.³⁴ And, as discussed at length above, the Buyer is funding the Trusts with its own assets (potentially including funds raised from third-party financial investors on or after the Closing Date), without *any* contributions from or distributions by the Debtors or their estates. *See, e.g., ICL*, 802 F.3d at 555-56; *Chrysler*, 405 B.R. at 99 n.18 (“[A]ny of the obligations under those agreements are satisfied by New Chrysler and do not constitute a distribution of proceeds from the Debtors’ estates.”).

38. The Objectors’ conclusory recitations notwithstanding, nothing about this voluntary arrangement dictates the terms of a future plan, establishes a distribution scheme,

³⁴ Moreover, the Ad Hoc First Lien Group’s resolution term sheet with the OCC, attached as Exhibit B to the *Notice of Filing of Stalking Horse Bidder-FCR Term Sheet and Amended OCC Resolution Term Sheet* [Docket No. 2415] (the “OCC Resolution Term Sheet”), provides that, if certain opioid claimant participation thresholds are not met, a portion of the aggregate value of the consideration allocated to the trust created therein will revert to the Buyer. *See* OCC Resolution Term Sheet at 25. That provision further confirms that the resolutions are predicated on the *going-forward* value to the Buyer of opioid claimants’ participation in the Trusts.

discharges any debt (other than that of the Prepetition First Lien Secured Creditors, by virtue of their credit bid), or impairs creditors' voting rights. Once again, one of the Objectors' own citations—this time, to *In re LATAM Airlines Group, S.A.*, 620 B.R. 722 (Bankr. S.D.N.Y. 2020)—is instructive by contrast. In *LATAM*, this Court denied a motion to approve a DIP financing arrangement that would have preordained *actual plan terms* by “giving the [d]ebtors the right to distribute equity in the reorganized [d]ebtors to the [DIP lenders] . . . at a 20% discount to plan value,” granting *all* existing shareholders a right to acquire stock at plan value, and, via an event of default covenant, “mandate[d] that only a Company Approved Reorganization Plan [could] be confirmed in [the debtors'] Chapter 11 cases, regardless of exclusivity.” *Id.* at 819-20. Nothing of the sort is happening here, where the Prepetition First Lien Creditors have simply credit bid their claims secured by their Collateral and entered into the Resolutions and the Amended Public/Tribal Voluntary Opioid Trust Term Sheet in order to move forward and obtain various post-Closing benefits. What a potential future plan may look like for any Debtor remains an open question and is unaffected by the Sale—nor does anything in the Proposed Sale Order impact plan voting rights.

39. Indeed, the flaw in the Objectors' reasoning is apparent on the face of the Canadian Governments' pleading: “By the creation of the Opioid Trusts, certain opioid claimants who are eligible to participate in the trusts — *and elect to participate* — will have their claims forever released and discharged, while non-participating opioid claimants will still need to have their claims addressed during the pendency of these bankruptcy cases in some manner, *most likely through a post-sale bankruptcy wind down plan.*” Canadian Governments Objection at 27 (emphasis added). Thus, as the Objectors themselves acknowledge, participation in the Trusts (in exchange for an informed and consensual release) is an entirely voluntary proposition, and any

claimants who elect not to participate will have their claims resolved in the ordinary course in these Chapter 11 Cases, “in some manner” that has not yet been determined. By definition, the fact that parties are given the *option* of granting a release in exchange for funds offered post-Closing *by the Buyer* does not convert this section 363 sale into a non-consensual release or otherwise compel the discharge of *any* debt.³⁵

IV. The Proposed Sale Order Does Not Seek Any Improper Injunctions or Non-Consensual Releases.

40. The Government (the DOJ in particular) spends significant portions of its Objections arguing that the Proposed Sale Order contains an impermissible injunction and third-party releases. In particular, the DOJ makes multiple arguments based on the false premise that the findings in the Cash Collateral Order are not binding on the Government and the Government is free to pursue claims against the Prepetition First Lien Secured Parties. The DOJ is wrong and is attempting an impermissible collateral attack on the Cash Collateral Order.³⁶

41. The Cash Collateral Order unequivocally provides that the Prepetition First Liens are valid and fully perfected and that such findings are binding on all parties in interest, subject only to very limited exceptions. Specifically, the Cash Collateral Order provides that “[t]he stipulations, admissions, and waivers contained in the Final Order, including the Debtors’ Stipulations, shall be binding upon all other parties in interest . . . unless and to the extent that a

³⁵ Far from facing a “Hobbesian choice” (UST Objection at 22 n.6; *see also* Chubb Objection at 24, 25-26), any non-participating claimants will retain their potential claims against both the Debtors *and certain third parties*. To the extent there may be “little left to reorganize” following the Sale, UST Objection at 23, such a result is purely a function of the Prepetition First Lien Indebtedness and the fact that such debt exceeds the value of the Debtors’ assets. A plan would not alter this fact or lead to a different outcome for the Prepetition First Lien Secured Creditors. *See In re Chrysler LLC*, 576 F.3d 108, 117 (2d Cir. 2009) (observing that “it is elementary that the more assets sold that way, the less will be left for a plan of reorganization, or for liquidation,” and rejecting “the argument that a § 363(b) asset sale must be rejected simply because it is a sale of all or substantially all of a debtor’s assets”), *vacated as moot*, 558 U.S. 1087 (2009).

³⁶ The DOJ’s alternative request that the Court appoint a chapter 11 trustee or authorize the DOJ to evade the Challenge deadline will be more fully addressed in the Ad Hoc First Lien Group’s forthcoming objection to that motion.

party in interest with proper standing granted by order of the Court (or other court of competent jurisdiction) has timely and properly filed an adversary proceeding or contested matter under the Bankruptcy Rules . . . by . . . seventy-five (75) calendar days after entry of this Final Order.” Cash Collateral Order ¶ 19(a).

42. Nevertheless, the DOJ, in a footnote, feebly attempts to argue that the Debtors’ Stipulations somehow do not bind the Government. But the DOJ provides zero explanation as to why the unambiguous terms of the Cash Collateral Order, which (i) find that the Prepetition First Lien Secured Parties’ liens and claims are fully valid and not subject to any defense and (ii) bind all parties in interest, should not be binding on the Government. The Government is a party in interest and was actually present and involved from the very beginning of these cases. Accordingly, the Debtors’ Stipulations are *res judicata* and enforceable against them.³⁷ In *In re MRPC Christiana, LLC*, 2019 WL 6652237 (Bankr. D.N.J. 2019), the Bankruptcy Court for the District of New Jersey held that the doctrine of *res judicata* barred parties in interest from challenging a DIP lender’s prepetition liens after the challenge period had expired. *See id.* at *15 (“The Final DIP Order set forth guidelines of what parties needed to do to challenge a portion of [the DIP lender’s] liens or claims. The Patel Parties for whatever reason chose to do nothing. Now they have decided they wish to take action in this Court. *Res judicata* bars their attempt.”); *see also In re Louisiana Highway St. Gabriel, LLC*, 2021 WL 2546027, at *5 (Bankr. M.D. La. June 21, 2021) (barring a complaint seeking to recharacterize a debt in part because a DIP order “gave parties until August 3, 2020 to challenge its terms, including [a] bar to recharacterization claims”

³⁷ *See In re 11 E. 36th LLC*, 2016 WL 152924, at *7 (Bankr. S.D.N.Y. Jan. 12, 2016) (“[A] final judgment on the merits of an action precludes the parties or their privies from relitigating issues that were or could have been raised in that action.” (quoting *St. Pierre v. Dyer*, 208 F.3d 394, 399 (2d Cir. 2000))).

but the plaintiffs “failed to challenge any terms of the DIP Order by the deadline so *res judicata* bars their effort to recharacterize the debt now”).

43. Indeed, courts routinely enforce the terms of final financing and cash collateral orders, including challenge periods, as creditors need to be able to rely on the finality of the courts’ orders. Failing to commence an action before the end of a specified challenge period results in a final release, that is binding on all parties in interest, of any such claims. *See In re Outer Harbor Terminal, LLC*, Case No. 16-10283 (LSS) (Bankr. D. Del. May 5, 2017) [Docket No. 690] (Bench Ruling) at 12; *see also* James H.M. Sprayregen et al., *The Effect of a Debtor’s Stipulations on Derivative Standing in Chapter 11 Cases*, 2022 NORTON ANN. SURV. BANKR. L. 2 (“A failure to commence an action before the expiration of the challenge period will result in a permanent release of such claims that is binding on all parties, including official committees formed after the challenge period.”). As the Court noted in *SunEdison*, a challenge period is “stronger than a statute of limitations. In other words, the cause of action disappears when the period of repose runs.” *Official Committee of Unsecured Creditors v. Wells Fargo Bank, N.A. (In re SunEdison, Inc.)*, Adv. Proc. No. 16-01228 (SMB), Hr’g Tr. [Docket No. 85] at 148:10-12 (Bankr. S.D.N.Y. Jan. 24, 2017). This principle is so sacrosanct that one court ruled that an unsecured creditors’ committee was barred from challenging certain insider transactions due to the expiration of a challenge period, even though the committee was appointed *after* the expiration of the challenge period. *See Outer Harbor*, Case No. 16-10283 (LSS) [Docket No. 690] (Bench Ruling) at 12 (“Having found that the challenge period has expired and there is no due process concern, I will not resurrect the challenge period. While it may be unfortunate that the Committee was not appointed earlier, I cannot use that circumstance to re-open an expired period. Lenders are entitled to rely on the finality of orders.”).

44. Moreover, despite not only having the opportunity to object to entry of the Cash Collateral Order, to seek an extension of the applicable Challenge Period from the Court for cause, and to simply commence a Challenge on or before January 10, 2023, the Government sat on its hands for nearly a year before raising its novel and unsupported position that it is not bound by the terms of the Cash Collateral Order. Indeed, there was no mention of this position in the DOJ's December 2, 2022 letter to the Court, which directly referenced the UCC's then-pending investigation. *See* Docket No. 912 at 1. Nor was there any subsequent written or oral statement from the DOJ articulating these arguments to the Court following the conclusion of the UCC's investigation or the filing of the Resolution Stipulation. It would be the height of inequity to allow the DOJ to raise these issues now. *See Louisiana Highway*, 2021 WL 2546027, at *7 (“a party cannot escape *res judicata* after making a calculated choice not to act” (citing *Federated Department Store, Inc. v. Moitie*, 452 U.S. 394, 400 (1981))). Accordingly, the Court should reject the DOJ's position as an impermissible collateral attack on the Cash Collateral Order.

45. The Government's other arguments fail as well. The Proposed Sale Order contains standard free-and-clear sale provisions that bar successor liability claims (i.e., pre-Closing claims against the Debtors or related to the Acquired Assets) against the *Buyer*. *See* Proposed Sale Order ¶¶ 16-21. Protecting a buyer from claims against a debtor is one of the most basic and fundamental protections a section 363 sale is intended to provide. *See, e.g., Douglas v. Stamco*, 363 F. App'x 100, 102-03 (2d Cir. 2010) (summary order) (affirming a district court's dismissal of successor liability claims after a bankruptcy sale and observing that, “to the extent that the ‘free and clear’ nature of the sale . . . was a crucial inducement in the sale's successful transaction, it is evident that the potential chilling effect of allowing a tort claim subsequent to the sale would run counter to a core aim of the Bankruptcy Code, which is to maximize the value of the assets and

thereby maximize potential recovery to the creditors”). Indeed, the DOJ even acknowledges that “section 363(f) permits a sale that is free and clear of *in rem* interests and certain types of derivative successor liability claims that flow from the debtor’s ownership of transferred assets.” DOJ Objection at 51 (internal quotation marks omitted). Recognizing this to be true, the DOJ tries to argue that (i) it has a number of “direct” potential claims against the Buyer that it should be free to pursue and (ii) that the injunction provisions of the Proposed Sale Order are somehow inappropriate.

46. All of the purported claims alleged by the DOJ, however, are clearly derivative of claims it can assert against the Debtors (or, as explained above, are barred by the Cash Collateral Order). For example, the DOJ cites to potential claims it may have against the Buyer under the Federal Debt Collection Procedures Act, *see* DOJ Objection at 53, a statute that—by its express terms—does not “supersede or modify the operation of” the Bankruptcy Code. *See* 28 USC § 3003(c) (“[t]his chapter shall not be construed to supersede or modify the operation of . . . title 11”). Any such claims clearly derive solely from the fact that the IRS has an unpaid tax claim *against the Debtors* and has nothing to do with the Buyer. At best, the Government is “pursuing a strategy that Second Circuit case law repeatedly cautions against and instructs courts not to endorse: . . . simply ‘pleading around’ causes of action that [the Government] would need to concede are derivative or exclusively reserved for the . . . the estate, while seeking substantively identical relief.” *In re Revlon, Inc.*, 2023 WL 2229352, at *15 (Bankr. S.D.N.Y. Feb. 24, 2023). Just as the court found in *Revlon*, the DOJ’s proposed claims here “entirely overlap with claims and proposed forms of relief that either were, or could have been, sought by the UCC or any other authorized estate representative regarding fraudulent transfers, preferences, or other voidable transactions by which the . . . Lenders acquired their interests in estate property.” *Id.* at *13. And,

just like the plaintiffs in *Revlon*, the Government here “could have, but did not, seek a grant of statutory standing to pursue whatever estate remedies they thought appropriate and legally supportable.” *Id.* at *15.³⁸ More broadly, the Government’s position would effectively require a carve-out for governmental claims in *every* section 363 sale order.

47. The DOJ’s cited cases on these subjects actually confirm the disconnect. *See, e.g., Matter of LaSalle Rolling Mills, Inc.*, 832 F.2d 390, 391 (7th Cir. 1987) (Anti-Injunction Act precludes bankruptcy court from enjoining IRS assessment of tax penalties *against the debtor*); *In re Scott Cable Commc’ns, Inc.*, 227 B.R. 596, 598-99, 601-02 (Bankr. D. Conn. 1998) (Anti-Injunction Act barred confirmation of chapter 11 *plan* that broadly enjoined taxing authorities from asserting claims for “*future tax liability*” against the debtors and various third parties (emphasis added)). To the extent the Government believes it can target the Buyer with claims relating to the Sale itself (e.g., that the sale itself was somehow a fraudulent transfer), those claims would be a collateral attack on this Court’s order approving the Sale. *See Veg Liquidation*, 931 F.3d at 737. Indeed, this Court’s determination that the Sale is in the best interest of the estates will preclude any subsequent fraudulent transfer claim from arising from the Sale, as the merits will have been fully litigated before this Court.

48. In addition, the Government misconstrues the provisions of the Proposed Sale Order. The Proposed Sale Order provides for nothing more than a “pre-enforcement” of the

³⁸ The Government’s reference to transferee liability under section 6901 of the Internal Revenue Code is likewise unavailing, as that provision does not impose any tax liability; *rather*, it provides the IRS with a procedure to enforce the existing fraudulent transfer liability of a transferee under substantive law. *See Diebold Foundation, Inc. v. Commissioner*, 736 F.3d 172, 184 (2d Cir. 2013) (stating that the transferee must be subject to liability at law or equity for the IRS to collect under I.R.C. § 6901); *see also* DOJ Objection at 52 (acknowledging that the transferee would have to be liable for fraudulent transfer under relevant state law to pursue the Debtor’s unpaid tax liabilities against any of Debtor’s transferees within the meaning of I.R.C. § 6901). Because the Government’s (hypothetical) predicate claims are already barred by the Cash Collateral Order (which, among other things, found that the “Prepetition First Liens [were granted] for fair consideration and reasonably equivalent value”), the Proposed Sale Order has absolutely no impact on section 6901. *See* Cash Collateral Order ¶ E(1)(d).

Court’s approval of the Sale “free and clear” under section 363(f). Bankruptcy courts have the ability to issue orders in furtherance of the relief granted under section 363. *See, e.g., In re Trans World Airlines, Inc.*, No. 01-0056 (PJW), 2001 WL 1820325, at *8 (Bankr. D. Del. Mar. 27, 2001) (“because my order authorizing the sale . . . is based on the “free and clear” language of § 363(f) . . . the injunctive relief in the Sale Order is appropriate under § 105(a) because it is necessary to carry out the effect and purpose of § 363(f)”), *aff’d*, 322 F.3d 283 (3d Cir. 2003); *In re Parker*, 499 F.3d 616, 628 (6th Cir. 2007) (affirming a grant of an injunction issued “to give effect to § 363”). Moreover, absent the inclusion of such protections, section 363 sales would fail to achieve a primary goal: maximization of value for the assets being sold. *See, e.g., In re Lehman Bros. Holdings Inc.*, 526 B.R. 481, 498 (S.D.N.Y. 2014), *as corrected* (Dec. 29, 2014), *aff’d*, 645 F. App’x 6 (2d Cir. 2016) (“Strong policy reasons exist to protect a purchase of estate assets from future litigation costs. An injunction with teeth encourages more prospective buyers to participate in sales and auctions under section 363, and to offer higher prices for a debtor’s assets, ultimately to the benefit of creditors.”). Indeed, this Court has entered sale orders containing such provisions on numerous occasions.³⁹

³⁹ *See, e.g., In re Fairway Group Holdings Corp.*, Case No. 20-10161 (JLG) [Docket No. 707] (Bankr. S.D.N.Y. Apr. 20, 2020) ¶ 15 (stating that “all persons and entities . . . including . . . creditors holding Interests or Claims against the Debtors or the Acquired Assets . . . hereby are forever barred, estopped, and permanently enjoined from asserting any Interests or Claims relating to the Acquired Assets or the transfer of the Acquired Assets against Buyer or its successors”); *In re Synergy Pharms. Inc.*, Case No. 18-14010 [Docket No. 484] (JLG) (Bankr. S.D.N.Y. Mar. 1, 2019) ¶ 9 (stating that “all persons and entities . . . including . . . creditors arising under or out of, in connection with, or in any way relating to, the Debtors, the Acquired Assets, and the ownership, sale, or operation of the Acquired Assets prior to Closing or the transfer of the Acquired Assets . . . are hereby forever barred, estopped, and permanently enjoined from asserting such claims against any Purchaser Party and its property (including, without limitation, the Acquired Assets)”); *In re Angelica Corp.*, Case No. 17-10870 (JLG) [Docket No. 363] (Bankr. S.D.N.Y. Jun. 23, 2017) ¶ O (“All Persons having Claims of any kind or nature whatsoever against the Debtors or the Purchased Assets shall be forever barred, estopped, and permanently enjoined from pursuing or asserting such Claims against Purchaser or any of its assets, property, Affiliates, successors, assigns, or the Purchased Assets.”).

49. Finally, the Governments’ other arguments fail as well. Neither the Anti-Injunction Act nor sovereign immunity trumps the Bankruptcy Code or this Court’s authority to enforce a section 363(f) sale order. As the DOJ itself acknowledges, “the statutory waiver of sovereign immunity for bankruptcy cases in 11 U.S.C. § 106(a)(1) encompasses section 363.” DOJ Objection at 60. As the Supreme Court recently explained, “[t]he Bankruptcy Code unequivocally abrogates the sovereign immunity of any and every government that possesses the power to assert such immunity.” *Lac du Flambeau Band of Lake Superior Chippewa Indians v. Coughlin*, 143 S. Ct. 1689, 1696 (2023). Moreover, as is clear from decades of bankruptcy practice, there is no requirement that an adversary proceeding is required to enable the Court to enter a 363 sale order.⁴⁰

RESERVATION OF RIGHTS

50. The Ad Hoc First Lien Group expressly reserves all of its respective rights, claims, defenses, and remedies under the Prepetition Documents, the Bankruptcy Code, and applicable law, including, without limitation, the right to amend, modify, or supplement this Reply, seek discovery and diligence with respect to same, and introduce evidence at any hearing relating to the Sale Motion, the Proposed Sale Order, or this Reply.

CONCLUSION

51. Accordingly, for the reasons set forth herein and in the Sale Motion, the Court should overrule the Objections and enter the Proposed Sale Order.

⁴⁰ For example, none of the sale order provisions cited in note 39, *supra*, were the subject of an adversary proceeding prior to their approval.

WHEREFORE, the Ad Hoc First Lien Group requests that the Court overrule the
Objections, enter the Proposed Sale Order, and grant such other relief as is just and proper.

Dated: July 26, 2023
New York, New York

Respectfully submitted,

*/s/ Scott J. Greenberg*_____

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Appendix “K”

From: Margo Siminovitch <msiminovitch@ffmp.ca>
Sent: Monday, December 5, 2022 9:22 AM
To: Joshua Foster
Cc: Marianne Dagenais-Lespérance; Sean Zweig
Subject: Re: Endo International plc / Paladin Labs Inc.

Thank you Josh for the information you provided. We have subscribed to the docket for the Chapter 11 information.

Regards,

Margo

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On Fri, Dec 2, 2022 at 10:04 AM Joshua Foster <FosterJ@bennettjones.com> wrote:

Hello Margo,

In response to your request and desire to remain apprised of Endo International plc, et al.'s and certain of its affiliates' (collectively, the "**Debtors**") proceedings under chapter 11 of title 11 of the United States Code (the "**Chapter 11 Cases**"), please note that:

(a) materials filed in the Chapter 11 Cases can be found on the Debtors' claims and noticing agent's website here: <https://restructuring.ra.krroll.com/endo/Home-DocketInfo> (the "**Case Website**");

(b) you may subscribe to the docket in the Chapter 11 Cases via the Case Website to receive daily updates of the materials filed in the Chapter 11 Cases;

(c) you should be able to direct your request to be provided with materials via email to the claims and noticing agent via: EndoInquiries@ra.kroll.com; and

(d) counsel and co-counsel to the Debtors in the Chapter 11 Cases are Skadden, Arps, Slate, Meagher & Flom LLP (Paul D. Leake, Lisa Laukitis, Shana A. Elberg, and Evan A. Hill) and Togut, Segal & Segal LLP (Albert Togut, Frank A. Oswald and Kyle J. Ortiz), respectively, should you have any questions for them.

Additionally, please advise if you and your colleague would like to be added to the email service list in the Canadian recognition proceedings (the "**Recognition Proceedings**") commenced by Paladin Labs Inc. under the *Companies' Creditors Arrangement Act*, in its capacity as the foreign representative of the Debtors. Materials filed in the Recognition Proceedings can be found on the case website established by KSV Restructuring Inc., in its capacity as the Court-appointed Information Officer in the Recognition Proceedings here:

<https://www.ksvadvisory.com/experience/case/endo>.

Please kindly include my colleague, Sean Zweig (copied here) on future correspondence.

Kind regards,

Josh



Joshua Foster
Associate, Bennett Jones LLP

T. [416 777 7906](tel:4167777906) | F. [416 863 1716](tel:4168631716)
BennettJones.com

From: Margo Siminovitch <msiminovitch@ffmp.ca>
Sent: Thursday, December 1, 2022 1:29 PM
To: Joshua Foster <FosterJ@bennettjones.com>
Cc: Marianne Dagenais-Lespérance <marianne@tjl.quebec>
Subject: Endo International plc / Paladin Labs Inc.

Good afternoon Mr. Foster,

We are writing to you in your role as Information Officer in the above referenced matter.

We are class counsel in *Bourassa v. Abbott Laboratories et al*, a class action instituted in Quebec (file # 500-06-001004-197) against a number of pharmaceutical entities, including Paladin Labs. Inc.

Yesterday we received by regular mail a Notice with a Motion of Debtors to Extend the Time to File Notices of Removal of Civil Actions filed in the US Bankruptcy Court (NY) relating to the voluntary relief sought under Chap. 11 by Endo International plc, *et al.* on Aug. 16, 2022. As you are no doubt aware, the deadline to object to the Motion is today and the Motion is presentable tomorrow.

Although we will not object to this Motion, we are concerned that other matters may arise that could affect the rights of the plaintiff (and the members he seeks to represent) in our class action and that we will not be made aware of such matters in a timely manner. Are you able to assist us by having our offices added to an email service list for information and notices or direct us to the appropriate individual who could provide this assistance? I have copied my colleague from the firm acting as co-counsel with our office so that, if you are able to assist, they will also receive the requested information by email.

Regards,

Margo Siminovitch

Telephone: (514) 932-4100 x 233

E-mail: msiminovitch@ffmp.ca

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Appendix “L”

From: Margo Siminovitch <msiminovitch@ffmp.ca>
Sent: Wednesday, June 28, 2023 9:53 AM
To: Jordan Wong
Cc: Hugo Carrier-L'Italien; Justin Reiter
Subject: Paladin Labs Inc. / Endo Chapter 11 proceedings

Follow Up Flag: Follow up
Due By: Thursday, June 29, 2023 9:00 AM
Flag Status: Flagged

Good morning Jordan,

Thank you for your offer to assist in answering our questions related to the above referenced matter.

As I explained to you, I am counsel in a class action instituted in Quebec in 2019 against a large number of pharmaceutical companies that manufactured, distributed, marketed or sold opioids, including Paladin Labs Inc. (*Bourassa c. Abbott laboratories Ltd. et al.*). The authorization (certification) hearing took place last November and we are waiting for the judgment on authorization to be issued. Our action is referenced at paragraphs 112 and 113 of the D. Vas affidavit sworn on August 17, 2022. In the US Proceedings, our action is referenced as #00133804 on the Schedules of Assets and Liabilities that was filed (as a non priority creditor).

We are concerned about protecting the rights of class members vis-a-vis Paladin Labs Inc. Here are some of our questions:

1. Filing a Proof of Claim in the US Proceedings by July 7 - **which form is appropriate in this context?** The Personal Injury Proof of Claim doesn't seem to be appropriate because the putative class representative, Mr. Bourassa, was not prescribed Paladin's opioid drugs although we anticipate that as we move forward with the action, we will establish that many class members were harmed by these products since Paladin had a large market share of opioid drugs in Quebec. The General Opioid Proof of Claim also does not seem appropriate in relation to a class action where members claims will be based on their personal injury - i.e., this is not a government claim for health care recovery costs. The calls I have made have not provided any assistance and my email inquiry has not been answered.
2. Please clarify if our class members fall within the **trusts being created for the plaintiffs in opioid trials**. Is there any route to have our class members included. How much is being allocated in these trusts?
3. What work, if any, has been done to **to protect the assets of Paladin Labs Inc.** so that they are available for the purposes of compensating Canadians rather than being used only to satisfy Endo's debts?

Thank you very much for your assistance.

Regards,

Margo

Margo Siminovitch

Telephone: (514) 932-4100 x 233

E-mail: msiminovitch@ffmp.ca



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Appendix “M”

From: Margo Siminovitch <msiminovitch@ffmp.ca>
Sent: Wednesday, June 28, 2023 9:00 PM
To: Joshua Foster
Cc: Sean Zweig; Noah Goldstein; Jordan Wong; jreiter@ffmp.ca; hcarrierlitalien@ffmp.ca
Subject: Re: Paladin Labs Inc. / Endo Chapter 11 proceedings

Perfect. Thank you.

Sent from my iPhone

On Jun 28, 2023, at 8:58 PM, Joshua Foster <FosterJ@bennettjones.com> wrote:

Thank you Margo,

3-3:30 p.m. (EST) would work well. We will circulate a calendar invitation and Teams details shortly.

Kind regards,

Josh

<image001.png> **Joshua Foster**
Associate, Bennett Jones LLP
T. [416 777 7906](tel:4167777906) | F. [416 863 1716](tel:4168631716)
BennettJones.com

From: Margo Siminovitch <msiminovitch@ffmp.ca>
Sent: Wednesday, June 28, 2023 4:59 PM
To: Joshua Foster <FosterJ@bennettjones.com>
Cc: Sean Zweig <ZweigS@bennettjones.com>; Noah Goldstein <ngoldstein@ksvadvisory.com>; Jordan Wong <Jwong@ksvadvisory.com>; jreiter@ffmp.ca; hcarrierlitalien@ffmp.ca
Subject: Re: Paladin Labs Inc. / Endo Chapter 11 proceedings

Thank you Josh for your email.

Can we have the call at 9:00 or 9:30 tomorrow morning? If that doesn't work, between 12:00 and 3:30 is possible at our end. I would appreciate having the call as soon as possible.

Will you send an invitation or call-in info or would you like us to set it up?

Margo

Margo Siminovitch

Telephone: [\(514\) 932-4100 x 233](tel:(514)932-4100)

E-mail: msiminovitch@ffmp.ca



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On Wed, Jun 28, 2023 at 4:27 PM Joshua Foster <FosterJ@bennettjones.com> wrote:

Hello Margo,

As you may know, we are counsel to KSV Restructuring Inc., in its capacity as the Court-appointed information officer (in such capacity, the "**Information Officer**") of Paladin Labs Canadian Holding Inc. and Paladin Labs Inc. in their recognition proceedings under Part IV of the *Companies' Creditors Arrangement Act* (the "**Recognition Proceedings**"). We understand that you've raised a number of inquiries with the Information Officer pertaining to the Recognition Proceedings and Endo International plc.'s and certain of its affiliates' ongoing proceedings under chapter 11 of title 11 of the United States Code (the "**Chapter 11 Proceedings**"), including with respect to the filing of a proof of claim and the treatment of certain class action claimants therein.

Would you have time tomorrow or Friday for a call with Bennett Jones and the Information Officer to discuss your questions as we appreciate the general bar date in the Chapter 11 Proceedings is quickly approaching? If so, can you please kindly advise of any times that would be convenient for you on each date.

Kind regards,

Josh

Joshua Foster

Associate, Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4

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Appendix “N”

June 30, 2023

**BY EMAIL - zweigs@bennettjones.com
fosterj@bennettjones.com**

BENNETT JONES LLP
c/o Sean Zweig and Joshua Foster
3400 One First Canadian Place
P.O. Box 130
Toronto, ON M5X 1A4

Re: In the matter of the Companies' Creditors Arrangement Act, R.S.C. 1985, C. C 36, as amended and in the matter of Paladin Labs Canadian Holding Inc. and Paladin Labs Inc.

CV-22-00685631-00CL

Dear colleagues,

As you are aware, we are counsel to Jean-François Bourassa, the putative class plaintiff in a class action instituted in May 2019 (as thereafter amended) against *inter alia* Paladin Labs Inc. ("**Paladin Labs**") and numerous other manufacturers and sellers of prescription opioid drugs in the Province of Quebec, before the Superior Court of Quebec in court file number 500-06-001004-197 (the "**Quebec Class Proceedings**"). The authorization hearing for the Quebec Class Proceedings (not including Paladin Labs due to the stay of proceedings) was held over a two-week period in November 2022 and we anticipate a judgment on authorization (certification) in the near future.

As you are also aware from our discussion on June 29, 2023, it has recently come to our attention that the Ontario Superior Court of Justice (the "**CCAA Court**") has issued orders in court file number CV-22-00685631-00CL (the "**Paladin Canadian Recognition Proceedings**") granting Paladin Labs' Motion for Fourth Supplemental Order for the recognition of the therein defined Bidding Procedure Orders and the therein defined Bar Date Order.

In reviewing the materials filed in support of such Motion, as well as in connection with the Paladin Canadian Recognition Proceedings generally, serious questions have arisen as to the fairness of the process that has been put in place with respect to the treatment of the Canadian creditors of the Canadian debtor Paladin Labs, and in particular, the Canadian victims who have been injured by using Paladin Labs' opioid products in Canada.

We note that although assertions have been made that Paladin Labs has provided secured guarantees for the obligations of Endo International plc (“**Endo Parent**”) and certain of its affiliates (the “**Endo Group**”), no information has been provided regarding the validity of the guarantees, the circumstances surrounding the provision of the guarantees, the consideration, if any, provided to Paladin Labs in connection with the guarantees, or the effect on the solvency of Paladin Labs in the event that such guarantees were to be executed against it. Copies of the guarantees do not even appear to have been filed in support of the Paladin Canadian Recognition Proceedings. It is also noteworthy that the balance sheet of Paladin Labs filed in support of the Application for Interim Order, Initial Recognition Order and Supplemental Order in the Canadian proceedings does not even reference these alleged debts arising from guarantees.

Information relating to the guarantees of the indebtedness of the Endo Group is critical in light of the fact that the currently envisioned process foresees that nearly all of the value of Paladin Labs (the Canadian entity) will be used to pay the secured debts of the Endo Group generally (much of which secured debt does not even mature for several years) and nothing has been set aside for the creditors of Paladin Labs directly, including primarily its Canadian victims. Of the relatively small amount allocated to pay victims at large in the US proceedings, it appears that the Canadian victims will be treated in a consolidated class with the personal injury creditors of the Endo Group, such that very little, if anything, will be available to satisfy the claims of such Canadian victims.

While we intend to file a without prejudice proof of claim to preserve the rights of the class members we represent, it is also troubling that the claims process materials as existing do not even provide for any procedure to file a claim on a class basis. Considering that all of the opioid-related litigation in Canada is by way of class proceedings, this demonstrates that little attention or effort was devoted to address the rights of Canadian victims and, more importantly, the process as currently structured effectively makes any recovery illusory for them.

It is our position that the Canadian victims of the Canadian debtor Paladin Labs are not being represented nor protected in this process, and that intervention on behalf of these victims is now essential. Accordingly, it is currently our intention to address these issues with Justice Morawetz, and to seek, *inter alia*, the appointment of our firm as representative counsel for the Canadian opioid-victims of Paladin Labs, in order to ensure that their rights are adequately protected throughout the remainder of this restructuring process.

We trust that you will forward this letter to the appropriate stakeholders in this process, including without limitation, Paladin Labs, the US debtors, the US Official Committee of Unsecured Creditors, the US Official Committee of Opioid Claimants, and their respective counsel.

Yours truly,

FISHMAN FLANZ MELAND PAQUIN LLP


Tina Silverstein

c.c. Mark E. Meland
Margo R. Siminovitch
André Lespérance

Appendix “O”

From: Joshua Foster
Sent: Tuesday, July 4, 2023 2:06 PM
To: Helene Bouthillette; Tina Silverstein; Mark E. Meland; Margo Siminovitch; André Lespérance
Cc: Sean Zweig
Subject: RE: In the matter of the Companies' Creditors Arrangement Act, R.S.C. 1985, C. C 36, as amended and in the matter of Paladin Labs Canadian Holding Inc. and Paladin Labs Inc. - CV-22-00685631-00CL

Sirs/Mesdames,

We are writing to acknowledge receipt of your letter dated June 30, 2023 (the "**June 30 Letter**"), and to advise that, further to your request, we have forwarded the June 30 Letter to Rob Chadwick and Brad Wiffen of Goodmans LLP, Canadian counsel to Paladin Labs Inc. and Paladin Labs Canadian Holding Inc. (together, the "**Canadian Debtors**") in their recognition proceedings under Part IV of the *Companies' Creditors Arrangement Act* (the "**Debtors' Canadian Counsel**"). Further, we have now had an opportunity to discuss the June 30 Letter with the Debtors' Canadian Counsel.

We understand that the Debtors' Canadian Counsel will forward the June 30 Letter to Skadden, Arps, Slate, Meagher & Flom LLP, counsel to Endo International plc and certain of its affiliates, including the Canadian Debtors, in their proceedings under chapter 11 of title 11 of the United States Code.

In addition, the Debtors' Canadian Counsel has advised that it will be reaching out to you shortly to discuss the June 30 Letter and certain of the issues raised therein.

As we expressed during our discussion on June 29, 2023, we remain available to discuss your questions or concerns if helpful.

Kind regards,

Josh



Joshua Foster
Associate, Bennett Jones LLP

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From: Helene Bouthillette <hbouthillette@ffmp.ca>
Sent: Friday, June 30, 2023 2:49 PM
To: Sean Zweig <ZweigS@bennettjones.com>; Joshua Foster <FosterJ@bennettjones.com>
Cc: Tina Silverstein <tsilverstein@ffmp.ca>; Mark E. Meland <mmeland@ffmp.ca>; Margo Siminovitch <msiminovitch@ffmp.ca>; André Lespérance <andre@tjl.quebec>
Subject: In the matter of the Companies' Creditors Arrangement Act, R.S.C. 1985, C. C 36, as amended and in the matter of Paladin Labs Canadian Holding Inc. and Paladin Labs Inc. - CV-22-00685631-00CL

Sirs,

Please see the attached letter.

Regards,

Hélène Bouthillette

Sent on behalf of Tina Silverstein

Telephone: (514) 932-4100

E-mail: hbouthillette@ffmp.ca



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