HEALTHCARE PROVIDER TRUST DISTRIBUTION PROCEDURES[1]

§ 1. APPLICABILITY.

Pursuant to the plan of reorganization of Purdue Pharma L.P. and its Debtor affiliates[2] and the Master TDP, the following claims ("Healthcare Provider Channeled Claims") shall be channeled to and liability therefor shall be assumed by the Healthcare Provider Trust as of the Effective Date: (i) all Healthcare Provider Claims,[3] and (ii) all Released Claims held by providers of healthcare treatment services or any social services, in their capacity as such, that are not Domestic Governmental Entities. Healthcare Provider Channeled Claims shall be administered, liquidated and discharged pursuant to the Healthcare Provider Trust Documents, and satisfied solely from funds held by the Healthcare Provider Trust as and to the extent provided in these distribution procedures (this "Healthcare Provider TDP"). This Healthcare Provider TDP sets forth the manner in which the Healthcare Provider Trust shall make Distributions to Holders of Healthcare Provider Channeled Claims (such Distributions, "Distributions") that satisfy the eligibility criteria for Healthcare Provider Authorized Recipients set forth herein. Healthcare Provider Channeled Claims shall be fully discharged pursuant to this Healthcare Provider TDP.

Healthcare Provider Authorized Recipients (as defined below) are required to use all funds distributed to them from the Healthcare Provider Trust solely and exclusively for (i) the authorized purposes set forth in § 7 (the "Authorized Purposes") or (ii) the payment of attorneys' fees and costs of Holders of Healthcare Provider Channeled Claims (including counsel to the Ad Hoc Group of Hospitals) (collectively, the "Healthcare Provider Authorized Purposes").

§ 2. CLAIMS ADMINISTRATION.

The Plan contemplates that the Healthcare Provider Trust will receive a total of approximately $88 million on the Effective Date (the "Initial Healthcare Provider Trust Distribution").[4] So long as he is able to serve as of the Effective Date, the presumptive trustee of the Healthcare Provider Trust is Hon. Thomas Hogan (Ret.) (the "Trustee"). If Judge Hogan is not able to serve, then a new Trustee will be selected in accordance with the Plan in advance of the Effective Date by the

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[1] These procedures are qualified by the terms of the Plan. Holders of Healthcare Provider Channeled Claims are strongly advised to review the Plan as well as all of the Healthcare Provider Trust Documents and the Debtors' Disclosure Statement for additional information on the terms of the Plan and the treatment of Healthcare Provider Channeled Claims.

[2] Terms used but not defined herein shall have the meaning ascribed to them in the *Thirteenth Amended Joint Chapter 11 Plan of Reorganization of Purdue Pharma L.P. and its Affiliated Debtors* (as modified, amended or supplemented from time to time, the "Plan") [Docket No. 7638].

[3] For the avoidance of doubt, "Healthcare Provider Claim" as defined in the Plan includes, without limitation, (i) the Claims set forth in the 1,030 Proofs of Claim filed by hospitals and the 150 Proofs of Claim filed by other treatment providers and (ii) Claims against the Debtors held by Non-Federal Acute Care Hospitals.

[4] In the event that any payment date is on a date that is not a Business Day, then the making of such payment may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

Ad Hoc Group of Hospitals with the consent of the Debtors (which consent shall not be unreasonably withheld, delayed or denied).[5] The Ad Hoc Group of Hospitals is a group of certain Holders of Healthcare Provider Channeled Claims consisting of the Ad Hoc Group of Hospitals identified in the *Second Amended Verified Statement of the Ad Hoc Group of Hospitals Pursuant to Bankruptcy Rule 2019* [Dkt.1536].

The Trustee shall have the power and authority to perform all functions on behalf of the Healthcare Provider Trust, and shall undertake all administrative responsibilities as are provided in the Plan and the Healthcare Provider Trust Documents.[6] The Trustee shall be responsible for all decisions and duties with respect to the Healthcare Provider Trust.[7] If the Trustee determines pursuant to the Healthcare Provider TDP that the holder of a Healthcare Provider Channeled Claim (a) is not eligible or (b) is not qualified to receive a Distribution, then the Trustee or his agent shall so notify (by electronic mail or first class mail) such holder as promptly as reasonably practicable after such determination. Such holder shall then have 14 calendar days from the date of such notice to make additional inquiry (by electronic mail via info@purduehospitalsettlement.com) to the Trustee to ensure that all timely submitted data and forms were duly considered; provided, however, that no additional data or other claim related information may be submitted as a part of such inquiry.

The Trustee shall have the authority to determine the eligibility of Healthcare Provider Authorized Recipients and the amount of Distributions made by the Healthcare Provider Trust. In order to qualify as a Healthcare Provider Authorized Recipient and be eligible to receive a Distribution, Holders of Healthcare Provider Channeled Claims must comply with the terms, provisions and procedures set forth herein, including the Distribution Form Deadline and the timely submission of all forms required pursuant hereto. The Trustee may investigate any Healthcare Provider

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[5] The Healthcare Provider Trust Agreement shall provide that, in the event of a vacancy in the Trustee position, whether by term expiration, death, retirement, resignation, or removal, the vacancy shall be filled by the unanimous vote of the Healthcare Provider Trust Advisory Committee (the "TAC"); in the event that the TAC cannot appoint a successor Trustee, for any reason, the Bankruptcy Court shall select the successor Trustee.

[6] The Healthcare Provider Trust Agreement shall provide that the Trustee shall have the power to appoint such officers, hire such employees, engage such legal, financial, accounting, investment, auditing, forecasting, and other consultants, advisors, and agents as the business of the Healthcare Provider Trust requires, and delegate to such persons such powers and authorities as the fiduciary duties of the Trustee permit and as the Trustee, in its discretion, deem advisable or necessary in order to carry out the terms of the Healthcare Provider Trust, including without limitation the Delaware Trustee, and any third-party claims or noticing agent deemed necessary or convenient by the Trustee, and pay reasonable compensation to those employees, legal, financial, accounting, investment, auditing, forecasting, and other consultants, advisors, and agents employed by the Trustee after the Effective Date (including those engaged by the Healthcare Provider Trust in connection with its alternative dispute resolution activities).

[7] The Healthcare Provider Trust Agreement shall provide that: (i) the Trustee shall receive a retainer from the Healthcare Provider Trust for his or her service as a Trustee in the amount of $25,000 per annum, paid annually; (ii) hourly time shall first be billed and applied to the annual retainer; (iii) hourly time in excess of the annual retainer shall be paid by the Healthcare Provider Trust; (iv) for all time expended as a Trustee, including attending meetings, preparing for such meetings, and working on authorized special projects, the Trustee shall receive the sum of $600 per hour; (v) for all non-working travel time in connection with Healthcare Provider Trust business, the Trustee shall receive the sum of $300 per hour; (vi) all time shall be computed on a decimal (1/10th) hour basis; and (vii) the Trustee shall not be required to post any bond or other form of surety or security unless otherwise ordered by the Bankruptcy Court.

Channeled Claim and may request information from any Holder of a Healthcare Provider Channeled Claim to ensure compliance with the terms set forth in this Healthcare Provider TDP, the other Healthcare Provider Trust Documents and the Plan.

Pursuant to section 1123(b)(3)(B) of the Bankruptcy Code and applicable state corporate law, the Trustee shall be and is appointed as the successor-in-interest to, and the representative of, the Debtors and their Estates for the retention, enforcement, settlement or adjustment of the Healthcare Provider Channeled Claims.

In accordance with Section 5.11(b) and (c) of the Plan, the Trustee shall receive copies of all Proofs of Claims for the Healthcare Provider Claims on the Effective Date, and shall be entitled to make reasonable requests to NewCo for additional information and documents reasonably necessary for the administration of the Healthcare Provider Trust, which may include those medical, prescription or business records of the Debtors related to the Healthcare Provider Channeled Claims, which records shall be transferred to NewCo on the Effective Date.

§ 3. QUALIFYING CERTIFICATION.

To qualify as a Healthcare Provider Authorized Recipient, a Holder of a Healthcare Provider Channeled Claim must certify in its Distribution Form (as defined below) that:

(a) It adheres to the standard of care for the emergency department, hospital wards and outpatient clinics at the time of any prospective evaluation, diagnosis, and treatment of OUD, including with respect to the applicable standard of care for the treatment of addiction, acute withdrawal and treatment for OUD with medication assisted treatment; and

(b) It provides discharge planning and post-discharge care coordination for patients with OUD, including information for appropriate OUD treatment services.

A Holder of a Healthcare Provider Channeled Claim must demonstrate through the Requisite Claims Data that it has been damaged in the past and reasonably anticipates incurring additional abatement expenses in the future arising from patients suffering from OUD; if it does not do so, then it will not receive any Distribution.

§ 4. ELIGIBILITY FOR DISTRIBUTIONS; NOTICES.

(a) Eligibility for Distributions

To qualify as a Healthcare Provider Authorized Recipient eligible to receive Distributions from the Healthcare Provider Trust, each applicable Holder of a Healthcare Provider Channeled Claim must:

(i) Have timely filed a Proof of Claim in the Debtors' Chapter 11 Cases (that is, on or before July 30, 2020);

(ii) Timely submit the form attached hereto as Exhibit A (the "Distribution Form") containing:

A. the certification set forth in § 3;

B. a certification signed by the Holder of a Healthcare Provider Channeled Claim or its attorney attesting to the accuracy and truthfulness of the Holder of a Healthcare Provider Channeled Claim's submission. Such certification must include an attestation that no data required for claims processing and distribution valuation, and no records or information that would reasonably be relevant to the valuation of the distribution, have been misrepresented or withheld; and

C. the certification that the Holder of a Healthcare Provider Channeled Claim will comply with § 7 in its use of any funds distributed to it; and

(iii) Provide all of the requisite claims data (as described in § 5 the "Requisite Claims Data") as part of a timely filed Proof of Claim or in connection with submitting a Distribution Form.

Any Holder of a Healthcare Provider Channeled Claim who meets all of the above criteria (i)-(iii) (each, a "Healthcare Provider Authorized Recipient") shall qualify for Distributions, subject to the limitations otherwise set forth herein; however, if such Holder does not meet such criteria, then it will not qualify as a Healthcare Provider Authorized Recipient and will not receive any Distributions. Any discrepancy as to whether a Holder of a Healthcare Provider Channeled Claim qualifies as a Healthcare Provider Authorized Recipient pursuant to the criteria as set forth in this § 4(a) will be resolved by the Trustee.

Those Healthcare Provider Claims that are evidenced by timely filed Proofs of Claim in the Debtors' Chapter 11 Cases (that is, for which Proofs of Claim were filed prior to or on the General Bar Date of July 30, 2020, i.e., Dkt. 1536) that contained all of the Requisite Claims Data for such Healthcare Provider Claims have satisfied the requirements of §§ 4(a)(i) and 4(a)(iii), and shall be required to submit only a Distribution Form that provides the certifications set forth in § 4(a)(ii) to qualify for Distributions.[8]

FOR AVOIDANCE OF DOUBT, FOR A HOLDER OF A HEALTHCARE PROVIDER CHANNELED CLAIM TO QUALIFY AS A HEALTHCARE PROVIDER AUTHORIZED RECIPIENT AND BE ELIGIBLE TO RECEIVE A DISTRIBUTION, SUCH HOLDER OF A HEALTHCARE PROVIDER CHANNELED CLAIM MUST TIMELY SUBMIT A FULLY COMPLETED DISTRIBUTION FORM BY ON OR BEFORE THE DISTRIBUTION FORM

[8] There are approximately 1,180 Healthcare Provider Claims believed to satisfy the requirements of §§ 4(a)(i) and 4(a)(iii), comprising approximately 1,030 Proofs of Claim filed by hospitals and 150 Proofs of Claim filed by other treatment providers; this Healthcare Provider TDP does not constitute an admission by the Trustee that such Proofs of Claim in fact contained all applicable Requisite Claims Data, and the Trustee reserves the right to request additional information from any Holder of a Healthcare Provider Channeled Claim before such Holder of a Healthcare Provider Channeled Claim is determined to be a Healthcare Provider Authorized Recipient.

DEADLINE (THAT IS, FORTY-FIVE (45) DAYS AFTER THE DATE OF THE APPLICABLE DISTRIBUTION DEADLINE NOTICE, AS SET FORTH HEREIN).

(b) Notices

(i) As soon as reasonably practicable after the Effective Date of the Plan, the Trustee or the Claims Administrator, as applicable, shall cause a notice to be served on each Holder of a Healthcare Provider Channeled Claim a "Distribution Deadline Notice". Such notice shall contain, among other things that the Trustee deems reasonable and appropriate under the circumstances, (i) this Healthcare Provider TDP, including the Distribution Form attached hereto, (ii) the URL for the Debtors' claims and noticing website where such Hospitals can locate the Plan (https://restructuring.ra.kroll.com/purduepharma), and (iii) clear instructions for submitting a Distribution Form to the Trustee, the deadline set forth in each such Distribution Form for submitting the Distribution Form being 45 days after the date of such notice.

(ii) [intentionally omitted]

(iii) For any Holder of a Healthcare Provider Channeled Claim that receives a Distribution Deadline Notice pursuant to §§ 4(b)(i) or 4(b)(ii) hereof and submits a Distribution Form, and all of its parts, by the applicable deadline (with respect to each such notice, the "Distribution Form Deadline") and whose Distribution Form is substantially complete but otherwise defective in such a manner as to render such Holder of a Healthcare Provider Channeled Claim ineligible to receive Distributions, and to the extent such defect is determined by the Trustee to be curable, the Trustee, as applicable, shall provide such Holder of a Healthcare Provider Channeled Claim with notice of the defect and a reasonable period of time following delivery of such notice for such Holder of a Healthcare Provider Channeled Claim to cure such defective Distribution Form. The Trustee shall exercise discretion in determining defect, curability and the period of time in which a defect may be cured. Under no circumstance is the Trustee obligated to send a notice of defect for Distribution Forms that do not provide responses to the requirements set forth under §§ 4(a)(ii) and 4(a)(iii).

(iv) Other than pursuant to the cure procedures set forth herein, any Holder of a Healthcare Provider Channeled Claim that does not submit a Distribution Form shall not qualify as a Healthcare Provider Authorized Recipient, and any Holder of a Healthcare Provider Channeled Claim that submits a Distribution Form after the Distribution Form Deadline shall not qualify as a Healthcare Provider Authorized Recipient. No Distribution Form shall be accepted after the Distribution Form Deadline.

§ 5. EVIDENCE FOR DETERMINATION OF DISTRIBUTIONS.

(a) To permit the Trustee to evaluate the amount each Healthcare Provider Authorized Recipient is to receive as a Distribution, and to the extent not already submitted in connection with its Proof of Claim, a Holder of a Healthcare Provider Channeled Claim must submit all of the following, non-exhaustive, data and types of documents, unless otherwise determined in the discretion of the Trustee in consultation with the TAC and consistent with § 4(b)(iii):

(i) A properly and fully completed Distribution Form, with all its parts and requisite submissions, as established by the Trustee, consistent with the requirements set forth in § 4; and

(ii) copies of all claims, complaints, proofs of claim, notices, settlement documents, releases, recoveries, compensation received, or similar documents that a Holder of a Healthcare Provider Channeled Claim submits or entered into in respect of claims asserted against or to be asserted against any other entity or person arising from or related to such Holder of a Healthcare Provider Channeled Claim's OUD program or related to any of the injuries that underlie that claim presented to the Trustee.

The Trustee may request additional information as reasonably necessary in the opinion of the Trustee to determine the amount to be distributed to a Healthcare Provider Authorized Recipient. The Trustee shall establish a reasonable timeframe in which a Healthcare Provider Authorized Recipient must provide any requested information.

§ 6. DETERMINATION OF DISTRIBUTION AMOUNTS.

(a) The Trustee (or its agents or representatives) shall review the timely submitted Distribution Forms.

(b) The Trustee shall utilize (but shall have no rights in or to the intellectual property contained in) the proprietary Cherry Bekaert Model and Algorithm (the "Model"), prepared and operated by Cherry Bekaert Advisory, LLC (formerly known as Legier & Company, apac), for determining the amount of each Distribution. The amount of the Distribution to be paid to each Healthcare Provider Authorized Recipient shall be determined within 120 days after the applicable Distribution Form Deadline or in a period of time determined by the Trustee to be most practicable.

(c) The Model shall determine the amount distributable to each Healthcare Provider Authorized Recipient based on (1) the diagnostic codes associated with operational charges incurred by the Healthcare Provider Authorized Recipient in connection with the treatment of opioid use disorder, (2) the portion of such charges that were

not reimbursed, and (3) the following distribution determination factors and weights:[9]

(i) Units of morphine milligram equivalents (MME) dispensed in the Healthcare Provider Authorized Recipient's service area ("Service Area") during the period January 1, 2006-December 31, 2014 (the "Measurement Period") (to be weighted at 10%);

(ii) Opioid use disorder rates at the state level, pro-rated for each Healthcare Provider Authorized Recipient (to be weighted at 10%);

(iii) Opioid overdose deaths in the Healthcare Provider Authorized Recipient's Service Area (to be weighted at 8.75%)

(iv) Operational impact calculated using the Model, to include opioid diagnoses, and charge and reimbursement data (to be weighted at 35%);

(v) Healthcare Provider Authorized Recipient's opioid related patients as a percentage of its total patients (to be weighted at 18.75%);

(vi) 17.5% for either

A. such Healthcare Provider Authorized Recipient having filed a timely Proof of Claim in the Chapter 11 Cases claim filing process, or

B. such Healthcare Provider Authorized Recipient having been designated as a "Safety Net Hospital"[10] on the Effective Date.

§ 7. HEALTHCARE PROVIDER AUTHORIZED PURPOSES.

(a) All net funds (after the deduction of all legal fees and litigation expenses, as described herein, and in the Healthcare Provider Trust Agreement) distributed to Healthcare Provider Authorized Recipients shall be used solely and exclusively for opioid use disorder ("OUD") abatement programs, whether currently existing or newly initiated. As a condition of receiving a Distribution, each Healthcare Provider Authorized Recipient must submit to the Trustee on its Distribution Form a written statement that all funds will be spent only in the Healthcare Provider Authorized Recipient's Service Area for one or more of the following Healthcare Provider Authorized Purposes:

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[9] The Model calculates a Healthcare Provider Authorized Recipient's loss resulting from its treatment of patients with OUD and other opioid diagnoses, considering the total charges and collections for each, among other things, including a causation algorithm applied to each "patient encounter.

[10] A "Safety Net Hospital" has (a) a Medicare Disproportionate Patient Percentage (DPP) of 20.2% or greater; (b) annual uncompensated care (UCC) of at least $25,000 per bed; and (c) profit margin of 3.0% or less.

(i) Providing transportation to treatment facilities for patients with OUD.

(ii) Providing continuing professional education in addiction medicine, including addressing programs addressing stigma.

(iii) Counteracting diversion of prescribed medication in ED or practice, consistent with the following goal: reducing opioid misuse, OUD, overdose deaths, and related health consequences throughout the hospital Service Area (county or region).

(iv) Participating in community efforts to provide OUD treatment to others in the community, such as those in jails, prisons, or other detention facilities.

(v) Providing community education events on opioids and OUD.

(vi) Providing Naloxone kits and instruction to patients upon discharge.

(vii) Implementing needle exchange in hospital or adjacent clinic and providing on-site medication-assisted treatment services if possible.

(viii) Prospectively providing otherwise unreimbursed or under-reimbursed future medical services for patients with OUD or other opioid related diagnoses.

(ix) Building or leasing space to add half-way house beds.

(x) Participating in research regarding development of innovative OUD treatment practices.

(xi) Directing moneys to any other public or private Healthcare Provider Authorized Recipient of funds concerning the treatment of persons with OUD or other opioid-related diagnoses; provided that such recipient's use of such funds would otherwise constitute an Authorized Purpose].

(xii) Medication-assisted treatment programs ("MAT Programs"): an aggregate of $50 million may be earmarked for Holders of Healthcare Provider Channeled Claims to establish and implement a MAT Program or to continue, complete and/or implement an existing MAT Program already under development.[11]

(xiii) Engaging in any other abatement activity with the express permission of the Bankruptcy Court, at the request of the Trustee.

(b) In addition, the Healthcare Provider Trust shall, in accordance with the Plan, the Confirmation Order and the Healthcare Provider Trust Documents, make

[11] The Distribution Form will provide an opportunity to indicate the proportion and amount of Distributions that the Healthcare Provider Authorized Recipient intends to apply to MAT Programs.

Distributions to Healthcare Provider Authorized Recipients exclusively for Healthcare Provider Authorized Purposes within each Healthcare Provider Authorized Recipients' respective Service Area identified in the claim. Decisions concerning Distributions made by the Healthcare Provider Trust will consider the need to ensure that underserved urban and rural areas, as well as minority communities, receive equitable access to the funds.

(c) To the extent any Holder of a Healthcare Provider Channeled Claim that is otherwise a Healthcare Provider Authorized Recipient does not comply with this § 7, such Holder of a Healthcare Provider Channeled Claim shall not be a Healthcare Provider Authorized Recipient and shall be disqualified from receiving Distributions, notwithstanding any other eligibility determination pursuant to other sections or procedures set forth herein or in the other Healthcare Provider Trust Documents.

§ 8. DISTRIBUTIONS BY HEALTHCARE PROVIDER TRUST.

(a) Once the Trustee has calculated the amount of the Distribution to be paid to each Healthcare Provider Authorized Recipient, and also calculated each Healthcare Provider Authorized Recipient's *pro rata* share of the total sum of all Distributions to be paid to all Healthcare Provider Authorized Recipients, then the Trustee shall make interim Distributions, from time to time in its judgment, to those Healthcare Provider Authorized Recipients that have complied with all of the criteria and procedures described herein. Unless otherwise determined by the Trustee, such Healthcare Provider Authorized Recipients may receive one interim, and one final, distribution.

(b) All payments made for one or more of said Healthcare Provider Authorized Purposes shall be subject to audit by the Trustee of the Healthcare Provider Trust and shall be repaid with a ten percent (10%) penalty added for any funds found by audit to have been spent for an unauthorized purpose. Such audit may occur any time prior to the wind-down of the Healthcare Provider Trust.

(c) Distributions will be subject to a common benefit assessment and may be subject to certain additional assessments for payment of attorneys' fees and costs of the Ad Hoc Group of Hospitals in accordance with the Plan.

§ 9. REPORTING BY HEALTHCARE PROVIDER AUTHORIZED RECIPIENTS.

(a) The Healthcare Provider Trust shall have the right to audit a claimant to determine whether the Healthcare Provider Authorized Recipient's expenditures for Healthcare Provider Authorized Purposes have met the requirements set forth in the Healthcare Provider Trust Documents.

(b) Each Healthcare Provider Authorized Recipient, if and when requested by the Trustee (or its agents or representatives), shall provide supporting documentation, in a mutually agreed upon format, demonstrating that the Healthcare Provider Authorized Recipient's expenditures for Healthcare Provider Authorized Purposes

have met the requirements of the Healthcare Provider Trust Documents. All Proofs of Claim, Distribution Forms and certifications filed or submitted by Holders of Healthcare Provider Channeled Claims are subject to audit by the Trustee (or its agents or representatives). If the Trustee finds a material misstatement in a Holder of a Healthcare Provider Channeled Claim's Proof of Claim, Distribution Form or certification, the Trustee may allow that Holder of a Healthcare Provider Channeled Claim up to 30 days to resubmit its Proof of Claim, Distribution Form or certification with supporting documentation or revisions. Failure of the Holder of a Healthcare Provider Channeled Claim to timely correct its misstatement in a manner acceptable to the Trustee may result in forfeiture of all or part of the Holder of a Healthcare Provider Channeled Claim's qualification as a Healthcare Provider Authorized Recipient or right to receive Distributions.

(c) The Trustee shall have the power to take any and all actions that in the judgment of the Trustee are necessary or proper to fulfill the purposes of Healthcare Provider Trust. The Healthcare Provider Trust retains the right to seek return by legal means of any expenditures which fail to comply with the requirements of this Healthcare Provider TDP.

§ 10. REPORTING BY THE HEALTHCARE PROVIDER TRUST.

The Healthcare Provider Trust shall file an annual report with the Bankruptcy Court after each year that the Healthcare Provider Trust is in existence, summarizing the distributions made from the Healthcare Provider Trust and detailing the status of any Healthcare Provider Authorized Recipient audits, and any recommendations made by the Trustee relating to such audits.