

STATE OF LOUISIANA

SUIT NO. 596164, SECTION 25

VERSUS

19th JUDICIAL DISTRICT COURT

PARISH OF EAST BATON ROUGE

ABBOTT LABORATORIES, INC., ET AL.

STATE OF LOUISIANA

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement (“the Agreement”) is entered into by and between the State of Louisiana (“Louisiana,” or “the State,” or “Plaintiff”), through James B. “Buddy” Caldwell, the Attorney General for the State of Louisiana, and GlaxoSmithKline LLC, formerly known as SmithKline Beecham Corporation, d/b/a GlaxoSmithKline (“GSK”). The State and GSK shall be collectively referred to as the “Parties.”

PREAMBLE

A. WHEREAS, the Louisiana Medicaid Program is a state-administered program which pays for medical care, including prescription drug benefits, for the State’s low-income and disabled citizens, and the program is funded in part by funds provided by the United States.

B. WHEREAS the acts and omissions sued upon and which are subject to the release language in this Agreement are set forth in the following case: *State of Louisiana v. Abbott Laboratories, Inc., et al.*, Suit No. 596,164, Section “25,” 19th Judicial District, Parish of Baton Rouge (the “Louisiana Lawsuit”), in which a Petition was originally filed against a GSK-related entity on or about November 3, 2010, and in which a Fourth Amending Petition for Damages was filed against GSK and others on or about December 29, 2010 and a Fifth Amending Petition for Damages was filed against GSK and others on or about March 28, 2011 (the Petition and all amending Petitions are hereinafter collectively referred to as the “Petition”).

C. WHEREAS, the State contends in the Petition in the Louisiana Lawsuit that it has civil claims against GSK and its predecessors for actions taken by them in connection with prescriptions reimbursed by the State through the date this Agreement is executed, pertaining to published prices for GSK's pharmaceutical products, including Average Wholesale Prices ("AWPs"), Wholesale Acquisition Costs ("WACs"), Wholesale Purchase Prices ("WPPs") and Suggested List Prices ("SLPs") and GSK's and its predecessors' use of these and related pricing terms in marketing their products.

D. WHEREAS, this Agreement is intended to cover all drugs manufactured, distributed, marketed, co-marketed, co-promoted and/or sold by the GSK Released Parties, as defined herein. These drugs are referred to hereafter as the "Covered Drugs." All: (a) conduct alleged in the State's Petition; and (b) potential claims of the State concerning any conduct relating to any of the GSK Released Parties' reporting, setting, publishing, or failure to object to the publication of another of Average Wholesale Price ("AWP"), Wholesale Acquisition Cost ("WAC"), Wholesale Purchase Price ("WPP"), Suggested List Price ("SLP"), and/or any other pricing term reported or used by any of the GSK Released Parties in marketing or selling any of the Covered Drugs, and any marketing activity relating to any such prices for any of the Covered Drugs, constitutes the "Covered Conduct" that is addressed by this Agreement. The Covered Conduct is expressly limited to: (a) conduct which has occurred prior to the Effective Date of this Agreement; and (b) conduct as expressly alleged by the State in its Petition and the potential claims referenced in the preceding sentence, as though such conduct and potential claims had been alleged with respect to all of the Covered Drugs.

E. WHEREAS, GSK denies all of the State's claims and allegations, has asserted various defenses to the State's claims, and denies it has any liability whatsoever relating to such claims and allegations.

F. WHEREAS, in order to avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the State's claims, and as a result of a mutual desire to settle their disputes, the Parties have reached a full and final settlement as set forth in this Agreement.

G. WHEREAS, the State represents to GSK that no interest in any claim herein released has been assigned by it to any third party.

H. WHEREAS, the State has concluded that this settlement is in the public interest.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and obligations set forth below, and for good and valuable consideration as stated herein, the Parties agree as follows:

Incorporation of Representations

1. The foregoing Preamble is incorporated herein.

The Settlement Payment

2. In full and final settlement of the State's claims as outlined in the Petition in the Louisiana Lawsuit, and in consideration of the releases below, GlaxoSmithKline LLC agrees to pay \$10,000,000.00 (Ten Million Dollars) to the State of Louisiana (the "Settlement Amount").

3. Within three (3) days of the Effective Date, counsel for the State of Louisiana shall provide counsel for GlaxoSmithKline LLC with an original letter on counsel's own letterhead, signed by two attorneys from the firm (with a copy to GlaxoSmithKline LLC's counsel by e-mail pdf), which letter shall specify the bank wiring information for the deposit of the Settlement Amount into an account designated for receipt of the Settlement Amount by the

State of Louisiana. GlaxoSmithKline LLC agrees to wire the Settlement Amount in accordance with such written wiring instructions within ten (10) business days of the date such wiring instructions are received.

4. This settlement is intended to settle only the State of Louisiana's claims as defined and released herein.

5. The Parties acknowledge that the United States may be entitled to a portion of the Settlement Amount (the "federal share"), and that that allocation shall be handled separately by and between the State and the United States. It is expressly understood and agreed that the State shall be solely responsible for allocating the Settlement Amount, including proper determination of the federal share, that the federal share shall be paid from the Settlement Amount, and that GSK is not a party to any obligation, agreement or allocation with respect to the federal share and takes no position on the appropriate allocation.

Dismissal of Louisiana's Claims with Prejudice

6. Promptly following the payment of the Settlement Amount to the State of Louisiana, the State will take all necessary steps to cause the dismissal, with prejudice, of all claims in the Petition against GSK in the Louisiana Lawsuit.

State's Release of the GSK Released Parties

7. In consideration of the obligations of GSK, set forth in this Agreement, and conditioned upon GlaxoSmithKline LLC's payment in full of the Settlement Amount specified herein in paragraph 2 above, the State, acting by and through its Attorney General, and its officers, agents, agencies, and departments, fully and finally releases and discharges GSK and its predecessors and parent companies, as well as their respective current and former directors, officers, employees, agents, shareholders, and attorneys (collectively the "GSK Released Parties") from any civil, regulatory, and/or administrative claim, action, suit, or proceeding

(including attorneys' fees, penalties, punitive damages, costs, interest, and expenses of every kind and however denominated) which the State has, may have, has asserted, or could assert in the future under any source of law for any of the Covered Conduct through the Effective Date. The payment of this Settlement Amount fully discharges GSK from any obligation to pay the State of Louisiana any damages, restitution, fines, and/or penalties for the Covered Conduct as described.

8. Notwithstanding any other provisions of this Agreement, specifically reserved and excluded from the scope and terms of this Agreement, and from the scope and terms of any release, are any and all of the following:

- a. Any claims based upon such obligations as are created by this Agreement;
- b. Any claims relating to the calculation of rebates paid to the State under any federal or state health care program or any other law or contract;
- c. Any liability of any sort under State revenue codes;
- d. Any express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services, provided by GSK;
- e. The subrogation rights to claims for personal injury or property damage arising from usage by a participant in the Louisiana Medicaid Program of any of the Covered Drugs;
- f. Any claims based on a failure to deliver items or services due;
- g. Any claims based on the marketing of mislabeled or off-label products; and
- h. Claims of natural persons or consumers, or claims the State could assert on behalf of such natural persons or consumers, including for co-payments or co-insurance under Medicare Part B, occurring prior to the Effective Date of this Agreement.

Notwithstanding the foregoing, the State covenants not to sue GSK based on the claims reserved from the scope of the State's release by this subparagraph (h) if such claims are based upon the Covered Conduct.

9. In consideration of the obligations of GSK set forth in this Agreement, conditioned upon GSK's payment in full of the Settlement Amount specified herein, the State acting on behalf of itself agrees to release and refrain from instituting, directing, recommending, or maintaining any administrative claim or any action seeking exclusion from any Louisiana Medicaid Program against any of the GSK Released Parties for the Covered Conduct up to and including the Effective Date, or seeking to impose a Corporate Integrity Agreement on any of the GSK Released Parties as a result of the Covered Conduct. However, nothing in this Agreement precludes the State from taking action against GSK for conduct and practices other than the Covered Conduct or for any civil or administrative liability under any statute, regulation, rule, policy, contract, or of any other sort not expressly released by this Agreement.

Covenant Not to Sue

10. The State acknowledges that Defendant Released Parties have reported, and continue to report, confidential market pricing information on at least a quarterly basis to the Centers for Medicare and Medicaid Services ("CMS") and, pursuant to a prior State Settlement Agreement and Release between the State of Louisiana and GSK effective on August 10, 2006 (the "Prior State Settlement Agreement"), to the State of Louisiana. As part of this Agreement, Defendant Released Parties shall continue to provide this confidential market pricing information directly to the State or its designee for a period of three (3) additional years, pursuant to the same specific terms and conditions set forth in the Prior State Settlement Agreement. The State agrees that compliance by the Defendant Released Parties with these price reporting obligations shall,

from the date of this Agreement forward, satisfy in full any legal obligation the Defendant Released Parties may have to disclose, directly or indirectly, to the State or any agencies, departments or representatives thereof market pricing for the pharmaceutical products to which that reporting pertains. However, this paragraph does not relieve the Defendant Released Parties of any new disclosure obligations that may arise from changes in state or federal statutes or regulations enacted after the Effective Date of this Agreement so long as such changes are generally applicable to the pharmaceutical industry.

GSK's Release of the State

11. In consideration of the State's promises and obligations set forth in this Agreement, GSK fully and finally releases the State, its agencies, employees, servants, attorneys and agents from any claims (including attorneys fees, costs, and expenses of every kind and however denominated) which GSK has asserted, or could have asserted against the State, its agencies, employees, servants, attorneys and agents, related to the Covered Conduct for all Covered Drugs and the State's investigation and prosecution thereof. This Release shall not release any accounts receivable unrelated to the Covered Conduct due from the State, or any agency or instrumentality of the State, or any claim relating to the calculation of rebates paid to the State under any federal or state health care program or any other law or contract.

No Admission

12. This Agreement is the result of compromise and accord, and shall not be considered an admission of liability or responsibility by the GSK Released Parties. GSK continues to deny any liability and disclaim any responsibility to Plaintiff with respect to any and all claims Plaintiff has asserted or may in the future assert with respect to the Covered Conduct. The State will not urge or seek to admit this Agreement as evidence of any fault or liability of the

GSK Released Parties in any investigation, regulatory, civil, criminal, and/or administrative proceeding, or federal or state court or arbitration proceeding.

Complete Agreement

13. This Agreement constitutes the complete agreement between the Parties and may not be amended except in writing and with written consent of the Parties or their duly authorized counsel.

Costs

14. Except as otherwise provided herein, by separate agreement, or ordered by the Court, each Party to this Agreement will bear its own legal and other costs incurred in connection with the Louisiana Lawsuit and the investigation and prosecution thereof, including the preparation and performance of this Agreement.

Choice of Law

15. This Agreement is governed by the laws of the State of Louisiana except to the extent otherwise governed by federal law.

Notice

16. Unless otherwise stated in writing subsequent to the Effective Date of this Agreement, all notices and communications made pursuant to this Agreement shall be submitted by overnight mail to the entities listed below:

a) STATE:

Jerald P. Block
Block Law Firm
422 East First Street
P.O. Box 108
Thibodaux, Louisiana 70302

W. Daniel "Dee" Miles, III
Beasley, Allen, Crow, Methvin, Portis & Miles, P.C.
272 Commerce Street

P.O. Box 4160 (36103)
Montgomery, Alabama 36104

b) GlaxoSmithKline LLC:

Frederick G. Herold
Dechert LLP
2440 W. El Camino Real
Suite 700
Mountain View, California 94040-1499

No Other Representations or Promises

17. The Parties represent and acknowledge that in entering into this Agreement they are not relying on any promises or representations other than those expressly set forth in this Agreement.

Retention of Documents

18. Unless otherwise agreed by the parties in writing, the Parties agree to return or certify the destruction of any and all documents, transcripts, data, or other information provided to the State by GSK or to GSK by the State in connection with the Louisiana Lawsuit, or otherwise obtained by the State and relating to the Petition.

Authority

19. Each of the undersigned represents that he/she is authorized to execute this Agreement on behalf of their respective clients.

Counterparts and Signatures

20. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which shall be deemed to constitute one and the same Agreement. Facsimile or .PDF signatures shall be valid signatures as of the date thereof.

Compromise

21. This Agreement and all of the terms herein, and all negotiations leading up to and resulting in this agreement, shall constitute compromises and offers to compromise covered by Fed. R. Evid. 408 and analogous state law provisions.

Acts Necessary to Effectuate Agreement

22. Each Party agrees to perform such further acts and to execute and to deliver such further documents as may reasonably be necessary to carry out this Agreement.

Headings Are for Convenience Only

23. The bold-face paragraph headings in this Agreement are for convenience only and do not add to, detract from, or change the substantive language or terms of this Agreement.

Effective Date

24. The Effective Date of this Agreement shall be the date upon which all of the parties below have executed this Agreement.

Sovereign Immunity

25. Nothing in this Agreement shall be construed to be a waiver of the sovereign immunity of the State, provided, however, that the State agrees it will not assert any claim of sovereign immunity in connection with any action or claim that GSK may have with respect to the enforcement of this Agreement.

STATE OF LOUISIANA
Office of the Attorney General

By: _____

Dated: _____

Printed Name: James B. "Buddy" Caldwell
Title: Attorney General for the State of Louisiana

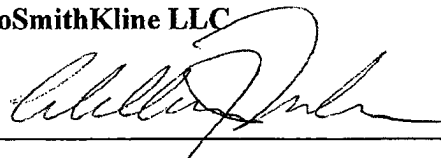
State of Louisiana Medicaid Program

By: _____

Dated: _____

Printed Name:
Title:

GlaxoSmithKline LLC

By:  _____

Dated: 9 November 2011

Printed Name: William J. Mosher
Title: Vice President & Secretary

STATE OF LOUISIANA
Office of the Attorney General

GlaxoSmithKline LLC

By: *James B. Caldwell*

By: _____

Dated: 12/13/11

Dated: _____

Printed Name: James B. "Buddy" Caldwell
Title: Attorney General for the State of Louisiana

Printed Name: _____
Title: _____

**State of Louisiana Medicaid Program
Acknowledgement**

By: *[Signature]*

Dated: 2/12/2012

Printed Name: Stephen Russo
Title: Executive Counsel

STATE OF LOUISIANA

SUIT NO. 596164, SECTION 25

VERSUS

19th JUDICIAL DISTRICT COURT

PARISH OF EAST BATON ROUGE

ABBOTT LABORATORIES, INC., ET AL.

STATE OF LOUISIANA

STATE OF LOUISIANA

SUIT NO. 597634, SECTION 23

VERSUS

19th JUDICIAL DISTRICT COURT

PARISH OF EAST BATON ROUGE

MCKESSON CORPORATION

STATE OF LOUISIANA

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement (the "Agreement") is entered into by and between the Plaintiff State of Louisiana, including the State of Louisiana Medicaid Program, acting through the Attorney General of the State of Louisiana, James D. "Buddy" Caldwell, the Block Law Firm, and the defendants Merck & Co., Inc. (f/k/a Schering-Plough Corporation) and Warrick Pharmaceuticals Corporation, acting through their authorized signatories below (collectively referred to as the "Parties"). The Parties, through their authorized representatives, STIPULATE, COVENANT, and AGREE as follows:

Section I: Preamble

A. The State of Louisiana and the duly qualified and acting Attorney General of the State of Louisiana, James D. "Buddy" Caldwell, duly responsible for the enforcement and administration of Louisiana law, shall be collectively referred to as the "State."

B. On or around November 3, 2010, the State commenced an action in the 19th Judicial District Court, Parish of East Baton Rouge, Louisiana, against Schering-Plough

Corporation and Warrick Pharmaceuticals Corporation, and other drug manufacturers, entitled *State of Louisiana v. Abbott Laboratories, Inc., et. al.* (Suit No. 596164, Section 25) (the "Litigation"). On or around June 2, 2011, the Litigation was consolidated with the action entitled *State of Louisiana v. McKesson Corporation* (Suit No. 567,634, Section 23).

C. The law firms of Beasley, Allen, Crow, Methvin, Portis & Miles, P.C. (hereinafter referred to as "Beasley Allen") and the Block Law Firm have been retained by the Attorney General of Louisiana to act as Attorneys for Plaintiff the State of Louisiana to handle this Litigation. Both Beasley Allen and the Block Law Firm have been authorized to act on behalf of the State of Louisiana in this Litigation, and specifically, these firms are authorized to enter into this Settlement Agreement.

D. Schering-Plough Corporation and its wholly-owned subsidiaries Schering Corporation and Warrick Pharmaceuticals Corporation shall hereinafter be referred to as the "Schering Entities" for purposes of this Agreement.

E. All references to the Schering Entities herein include acts individually, in concert, or by or through their current and former employees, agents, consultants, attorneys, representatives, subsidiaries, affiliates, assignees and successors. The State and the Schering Entities, and the persons executing this Agreement on their behalf, hereby represent that the persons so executing this Agreement have full and binding authority to do so.

F. The Schering Entities expressly deny any wrongdoing, and the State acknowledges that the Schering Entities have denied any wrongdoing. This Agreement does not constitute an admission of fault or liability by the Schering Entities, nor does it constitute evidence of any liability or unlawful conduct on the part of the Schering Entities.

Notwithstanding the foregoing, nothing contained herein shall prevent or prohibit the full enforcement of this Agreement.

G. The Parties acknowledge that this settlement agreement is intended to resolve the “Covered Conduct” claims concerning only the State of Louisiana including its Medicaid Program. The Parties further acknowledge that the United States Federal Government has asserted claims against the Schering Entities for the same “covered conduct” in a lawsuit separate and apart from this Litigation, entitled *United States of America ex rel. Ven-A-Care of the Florida Keys, Inc. v. Schering, Inc., et al.*, Civ. Action No. 05-11084-PBS, and consolidated in *In re Pharmaceutical Industry Average Wholesale Price Litigation*, MDL No. 1456, Civil Action No. 01-12257-PBS, United States District Court, District of Massachusetts (the “DOJ Litigation”). It is also the Parties’ understanding that the federal government has previously settled all of its claims against Schering, including, claims for Louisiana’s Federal Medical Assistance percentage for the Covered Conduct and, as such, this agreement is only intended to resolve claims as alleged in the Petition(s) for the State of Louisiana. This Agreement is not intended in any way to settle any claim belonging to the Federal Government in the DOJ Litigation.

H. This Agreement is the product of a compromise between the Schering Entities and the State and the amount of the settlement is based on the Parties’ respective assessments of numerous factors and issues relating to the Litigation. The Agreement and the amount of the settlement therefore cannot be cited by any non-party to the Agreement as evidence supporting any position.

I. In order to avoid the delay, uncertainty, inconvenience and expense of continuing the litigation of the State’s claims against the Schering Entities, and as a result of a mutual desire

to settle their disputes, the Parties have reached a full and final settlement as set forth in this Agreement.

J. The State represents that no interest in its claims set forth in the Litigation against the Schering Entities has been assigned by the State to any third party.

K. Having read and understood the terms and conditions of this Agreement, the Parties agree that this Agreement constitutes a fair resolution of the Parties' disputes. The Parties have had the opportunity to consult with legal counsel regarding this Agreement, and agree to be bound by all provisions contained herein, waiving their rights to trial or appeal. The Attorney General has reviewed the terms of the Agreement and finds that such terms serve the public interest.

Section II: Terms and Conditions

NOW THEREFORE, for the mutual promises, covenants and obligations set forth below, and for the good and valuable consideration as stated herein, the receipt and sufficiency of which is hereby acknowledged, the State and the Schering Entities agree as follows:

1. The foregoing Preamble is incorporated herein.
2. This Agreement is intended to cover all pharmaceutical products manufactured, distributed, marketed, co-marketed, co-promoted and/or sold by the Schering Entities. These pharmaceutical products are referred to hereafter as the "Covered Drugs."
3. All: (a) conduct expressly alleged by the State in the Litigation; and (b) potential claims of the State concerning any conduct relating to the Schering Entities's reporting of Average Wholesale Price ("AWP"), Wholesale Acquisition Cost ("WAC"), or Direct Price ("DP") or the marketing of any alleged spread between AWP and actual acquisition cost, as though such conduct and potential claims had been alleged in the Litigation with respect to all of

the Covered Drugs, constitutes the "Covered Conduct" that is addressed by this Agreement. The Covered Conduct is expressly limited to conduct which has occurred prior to the Effective Date of this Agreement.

The Settlement Payments

4. The Schering Entities agree to pay the amount of Five Million Dollars (\$5,000,000.00) (the "Settlement Amount") to the State pursuant to wire instructions to be provided separately in full and final payment for the Release of the Covered Conduct for all Covered Drugs as more fully explained below. The Schering Entities agree to pay the Settlement Amount to the State within ten (10) business days of the Effective Date of this Agreement or receipt of the wire instructions, whichever is later.

The State's Release of the Schering Entities

5. Subject to the Schering Entities paying all sums required by Paragraph Four (4) of this Agreement, the State and its agencies, departments, instrumentalities, employees, servants, attorneys and agents do hereby fully and finally release the Schering Entities, their present and former parent corporation(s), their present and former subsidiaries and affiliates, and their predecessors, successors, and assigns, as well as their current and former directors, officers, employees, agents, consultants, attorneys, representatives, and shareholders (collectively, the "Schering Released Parties") from any civil or administrative claim, action, suit or proceeding the State has or may have or could have asserted in the future under any source of law or theory for the Covered Conduct. The payment of all amounts required by Paragraph Four (4) of this Agreement fully discharges the Schering Released Parties from any obligation to pay additional monies to the State of Louisiana for the Covered Conduct, including for restitution and compensatory damages, civil penalties, and costs, fees, and expenses of litigation, including

attorneys' fees. The State shall not initiate or prosecute civil litigation against the Schering Released Parties based on the Covered Conduct. The Parties further agree that nothing in this Agreement is intended to constitute a release of any claims the State might have against Merck Sharp & Dohme Corp.

6. In consideration of the obligations of the Schering Entities set forth in this Agreement, conditioned on the Schering Entities' payment in full of all amounts required by Paragraph Four (4) of this Agreement, the State agrees to release and refrain from instituting, directing, recommending or maintaining any action seeking permissive suspension or exclusion from the Louisiana Medicaid Program against the Schering Released Parties for the Covered Conduct. Nothing in this Agreement precludes the State from taking action against the Schering Entities for conduct and practices other than the Covered Conduct or for any civil or administrative liability under any statute, regulation, rule, policy, contract or of any other sort not expressly released by this Agreement.

7. Notwithstanding any other provisions of this Agreement, specifically reserved and excluded from the scope and terms of this Agreement, and from the scope and terms of any release, are any and all of the following:

- a. Any claims based upon such obligations as are created by this Agreement;
- b. Any claims relating to the calculation of rebates paid to the State under any federal or state Medicaid health care program or any other law or contract;
- c. Any liability of any sort under State revenue codes;

- d. Any express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services, provided by the Schering Entities;
- e. The subrogation rights to claims for personal injury or property damage arising from usage by a participant in the Louisiana Medicaid Program of any of the Covered Drugs;
- f. Any claims based on a failure to deliver items or services due;
- g. Any claims based on the promotion for off-label use of products;
- h. Claims of natural persons or consumers, or claims the State could assert on behalf of such natural persons or consumers, including for co-payments or co-insurance under Medicare Part B, occurring prior to the Effective Date of this Agreement; and
- i. Any criminal liability not specifically released by this Agreement.

Notwithstanding the foregoing, the State covenants not to sue the Schering Entities based on the claims reserved from the scope of the State's release by Subparagraphs 7(b) and 7(h) if such claims are based upon the Covered Conduct.

8. Nothing in this Agreement constitutes an agreement by the State of Louisiana concerning the characterization of the amounts paid hereunder for the purpose of state or federal revenue codes. However, the Parties agree that payment of Settlement Amount pursuant to this Agreement is not punitive in purpose or effect.

The Schering Entities' Release of the State

9. The Schering Entities fully and finally release the State, its agencies, employees, servants, attorneys and agents from any claims (including attorneys fees, costs, and expenses of

every kind and however denominated) which the Schering Entities have asserted, or could have asserted against the State, its agencies, employees, servants, attorneys and agents, related to the Covered Conduct for all Covered Drugs and the State's investigation and prosecution thereof. This Release shall not release any accounts receivable unrelated to the Covered Conduct due from the State, or any agency or instrumentality of the State.

Dismissal of Action

10. Upon receipt of payment of the Settlement Amount, the Parties shall file with the Court a joint motion to dismiss with prejudice the Litigation as to Schering-Plough Corporation and Warrick Pharmaceuticals Corporation.

Notice to Parties

11. Unless otherwise stated in writing subsequent to the Effective Date of this Agreement, all notifications and communications made pursuant to this Agreement shall be in writing and submitted to the entities listed below:

a. For the State for all purposes:

Jerald P. Block
422 East 1st Street
Thibodaux, LA 70301-3328
(985) 446-0418; and

W. Daniel "Dee" Miles, III
Beasley, Allen, Crow, Methvin, Portis & Miles, P.C.
Post Office Box 4160
Montgomery, Alabama 36103-4160
1-800-898-2034

b. For the Schering Entities for all purposes:

John P. Bueker
Ropes & Gray
Prudential Tower
800 Boylston Street
Boston, Massachusetts 02199-3600

Miscellaneous Provisions

12. This Agreement is intended to be solely for the benefit of the Parties and persons and entities released and except as stated herein, the Parties do not by this Agreement release any claim against any other person or entity that purchases drugs or pharmaceutical products from the Schering Entities. No word, term, phrase or definition in this Agreement (including, without limitation, the Agreement itself or the amount of the Settlement) is or may be used for the benefit of any person, or private or governmental entity or litigant who is not a signatory to, or released by this Agreement.

13. This Agreement, including any and all attachments or appendices, constitutes the complete agreement between the State and the Schering Entities and may not be amended except by a writing signed by the State and the Schering Entities.

14. This Agreement shall be equally binding on the successors, transferees and assigns of the Schering Entities.

15. Nothing in this Agreement shall relieve the Schering Entities of their other obligations under applicable federal, state and local law.

16. The Parties agree that this Agreement is freely and voluntarily entered into without any degree of duress or compulsion whatsoever.

17. Nothing in this Agreement shall be construed to create a waiver of the State of Louisiana's sovereign immunity.

18. Except as expressly set forth in Paragraph five (5) of this Agreement, this Agreement shall neither create nor affect any rights of persons, or private or governmental entities or litigants, who are not Parties to this Agreement.

19. Except as otherwise provided herein, each Party to this Agreement shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

20. This Agreement shall be governed by the laws of the State of Louisiana.

21. The exclusive forum for resolving any disputes under this Agreement shall be the 19th Judicial District Court, Parish of East Baton Rouge, Louisiana.

22. The bold-faced paragraph captions in this Agreement are for convenience only and do not add to, detract from or change the substantive language or terms of this Agreement.

23. The undersigned individual signing this Agreement on behalf of the Schering Entities represents and warrants that he is duly authorized by the Schering Entities to execute this Agreement.

24. The undersigned individual signing this Agreement on behalf of the State represents that he is signing this Agreement in his official capacity and that he is duly authorized to execute this Agreement.

25. The State and the Schering Entities agree that should any nonmaterial portion or portions of this Agreement be found to be void, unenforceable or otherwise invalid by any court of competent jurisdiction after the exhaustion of all rights to appeal, the entire Agreement shall not be nullified and such invalid portion or portions shall be severed from the remainder of the Agreement as if they had never been entered into and the remainder of the Agreement shall be enforced. The State and the Schering Entities agree that portions of this Agreement regarding the release of claims and the payment of the Settlement Amount are material. The Parties further that this Agreement shall be fully enforceable whether or not the court approves the separate Attorney Fees Settlement Agreement.

26. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which shall be deemed to constitute one and the same Agreement.

27. The Effective Date of this Agreement shall be the date upon which all of the Parties below have executed this Agreement.

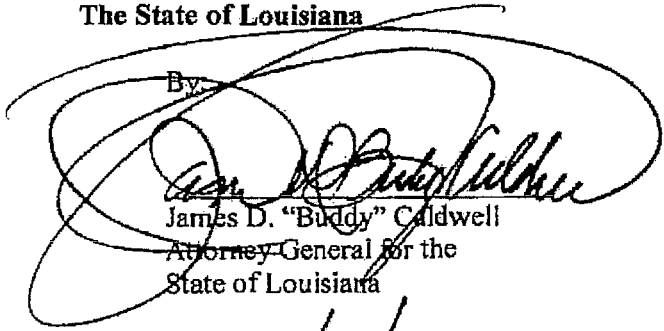
Safe Harbor

28. The State acknowledges that the Schering Entities have reported, and continue to report, confidential market pricing information on a quarterly basis to the Centers for Medicare and Medicaid Services ("CMS"). As part of this Agreement, the Schering Entities shall also provide this confidential market pricing information directly to the State or its designee for a period of five (5) years, pursuant to specific terms and conditions to be set forth in a Letter Agreement between the State and the Schering Entities to be executed concurrently with this Agreement. The State agrees that compliance by the Schering Entities with these price reporting obligations shall, from the date of this Agreement forward, satisfy in full any legal obligation the Schering Entities may have to disclose, directly or indirectly, to the State or any agencies, departments or representatives thereof market pricing for the pharmaceutical products to which that reporting pertains. However, this paragraph does not relieve the Schering Entities of any new disclosure obligations that may arise from changes in state or federal law enacted after the Effective Date of this Agreement so long as such changes are generally applicable to the pharmaceutical industry.

IN WITNESS WHEREOF, the State and the Schering Entities set their hands and seals
on the dates set forth below:

The State of Louisiana

By:


James D. "Buddy" Caldwell
Attorney General for the
State of Louisiana


Date:

12/13/11

State of Louisiana Medicaid Program

Acknowledgement

By:

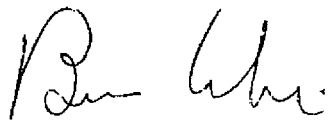

Authorized Representative

Date:

1/30/2012

The Schering Entities

By:


Bruce N. Kuhlik, Esq.
Executive Vice President and General Counsel
Merck & Co., Inc.

Date:

2/3/12