



ARCHDIOCESE
of
NEW YORK

March 30, 2018

Robert F. Mujica
Director
New York State Division of the Budget
New York State Capitol
Albany, New York 12237

Dear Director Mujica:

On behalf of the New York State Catholic Health Plan, Inc. d/b/a Fidelis Care, a New York not-for-profit corporation ("Fidelis Care"), this letter reflects a summary of the terms of a financial settlement relating to New York State's (the "State") claims to a portion of the proceeds from the sale of substantially all of the assets of Fidelis Care to Centene Corporation, a Delaware corporation ("Centene"), and the cash and cash-equivalent assets that will be retained by Fidelis Care following the Closing of the sale transaction.

As you are aware, Centene and Fidelis Care have entered into an Asset Purchase Agreement, dated as of September 12, 2017, pursuant to which Fidelis Care has agreed to sell and assign, and Centene has agreed to purchase and assume, substantially all of the assets and liabilities of Fidelis Care subject to the terms and conditions set forth therein (the "Transaction"). In response to the Transaction, the State has asserted its intent to enact legislation aimed at regulating transactions such as the one contemplated by Fidelis Care, which would entitle it to receive proceeds from Centene following the closing of the Transaction, as well as from Fidelis Care's current assets that it will be retaining following the closing of the Transaction (such sale proceeds, together with such retained assets, hereinafter referred to collectively as "Fidelis Assets"). Fidelis Care disputes the State's position and contends that the State has no right or interest in or to any portion of the Fidelis Assets under existing law, and further disputes legislation that would deprive Fidelis Care of any portion of the Fidelis Assets.

In recognition of the value of the Transaction and the anticipated benefits to be realized by the population served by Fidelis Care and the citizens of New York, the parties desire to enter into

an agreement to settle and resolve the disputes between the State and Fidelis Care with respect to the State's asserted rights to receive or be paid, directly or indirectly, or to restrict Fidelis Care's right to retain and use, any portion of the Fidelis Assets.

By the performance of Fidelis Care's obligations as reflected in this letter, the parties intend that Fidelis Care will be deemed to have satisfied in full, and the State shall release Fidelis Care from any and all obligations relating to the State's asserted rights to receive or be paid, directly or indirectly, or to restrict Fidelis Care's rights to retain and use, any portion of the Fidelis Assets, whether under existing law or any future legislation that may be enacted.

In consideration of the State agreeing to settle this dispute, upon the closing of the Transaction, Fidelis Care shall pay the following amounts to the State:

(i) the sum of one billion dollars (\$1,000,000,000.00), which shall be paid within thirty (30) days after Closing (the "Initial Fidelis Payment"); and

(ii) the sum of four hundred million dollars (\$400,000,000.00) between twelve (12) months and eighteen (18) months following the Initial Fidelis Payment (the "Second Fidelis Payment");

(iii) the sum of fifty million dollars (\$50,000,000.00), which shall be paid within twelve (12) months following the Second Fidelis Payment in the form of either (x) a grant for a mutually agreed upon purpose consistent with Fidelis Care's purposes as reflected in its Certificate of Incorporation as in effect immediately following the closing of the Transaction or (y) a cash payment for unrestricted purposes in the event that the parties cannot agree upon a mutually acceptable purpose (the "Third Fidelis Payment"); and

(iv) the sum of fifty million dollars (\$50,000,000.00), which shall be paid within twelve (12) months following the Third Fidelis Payment in the form of either (x) a grant for a mutually agreed upon purpose consistent with Fidelis Care's purposes as reflected in its Certificate of Incorporation as in effect immediately following the closing of the Transaction or (y) in the form a cash payment for unrestricted purposes in the event that the parties cannot agree upon a mutually acceptable purpose (the "Fourth Fidelis Payment").

The payment of the aforementioned funds shall be conditioned upon the following:

(i) The approval of the Transaction by the New York State Department of Health, the New York State Department of Financial Services, the New York Attorney General (or if applicable, the New York State Supreme Court), the Center for Medicaid and Medicare Services ("CMS"), and any other State or Federal agency or instrumentality or a court of competent jurisdiction which has approval authority over the Transaction;

(ii) The Closing of the Transaction between Fidelis Care and Centene;

(iii) The State releasing Fidelis Care from any and all obligations relating to the State's asserted rights to receive or be paid, directly or indirectly, or restricting Fidelis Care's rights to retain and use, any portion of the Fidelis Assets; and

(iv) On or after April 1, 2018, Legislation not being introduced and enacted into law, which restricts Fidelis Care's right to receive, retain and use, or reduces any portion of the Fidelis Assets or directs the payment of any portion of the Fidelis Assets to the State or any other person.

While Fidelis Care shall be bound by and will abide by the aforementioned terms, the terms and obligations reflected herein shall be reflected in a written agreement between the parties. In the event that any of the aforementioned conditions, including, but not limited to, the Transaction not being approved or the closing of the Transaction not occurring, this letter or any subsequent agreement shall have no force and effect.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory Mustaciuolo".

Rev. Msgr. Gregory Mustaciuolo
Vicar General/Chancellor &
Authorized Representative of Fidelis Care