STATE SETTLEMENT AGREEMENT

I. PARTIES

This Settlement Agreement ("Agreement") is entered into between the State of New Jersey ("the State") and Gilead Sciences, Inc. ("Gilead"), collectively, "the Parties."

II. PREAMBLE

As a preamble to this Agreement, the Parties agree to the following:

A. At all relevant times, Gilead, a Delaware corporation with its principal place of business in Foster City, California, was a biopharmaceutical company, which, among other things, developed, manufactured, and sold pharmaceuticals for the treatment of infectious diseases, including HIV/AIDS.

B. On August 5, 2016, Dr. Paul Bellman ("Relator") filed a *qui tam* action in the United States District Court for the Southern District of New York captioned *United States of America et al., ex rel. Dr. Paul Bellman v. Gilead Sciences, Inc.*, Civil Action No. 16-CV-6228 (PAE). On January 7, 2020, Relator filed his First Amended Complaint, and on April 26, 2021, Relator filed a Second Amended Complaint, alleging, *inter alia*, that Gilead violated the False Claims Act ("FCA") and the Anti-Kickback Statute ("AKS"), 42 U.S.C. § 1320a-7b(b), by, *inter alia*, paying doctors remuneration to prescribe the drugs Stribild®, Genvoya®, Complera®, Odefsey®, Descovy®, and Biktarvy®, which are prescribed to treat HIV/AIDS. This *qui tam* action will be referred to as the "Civil Action."

C. Gilead has entered into a separate civil settlement agreement ("Federal Settlement Agreement") with the United States of America ("United States") as that term is defined in the Federal Settlement Agreement.

D. The State contends that Gilead caused claims for payment to be submitted to the State's Medicaid Program (42 U.S.C. Chapter 7 Subchapter XIX), including "managed care entities" as defined by 42 U.S.C. § 1396u-2.

E. The State further contends that from January 1, 2011 through November 17, 2017 (the "Covered Period"), Gilead offered and paid remuneration in the form of honoraria payments, meals, and travel expenses to healthcare practitioners who spoke at or attended Gilead speaker events to induce them to prescribe Stribild®, Genvoya®, Complera®, Odefsey®, Descovy®, and Biktarvy® (the "Gilead HIV Drugs") in violation of the AKS and thereby caused, up to and through May 17, 2018, false claims for the Gilead HIV Drugs to be submitted to and paid by the State's Medicaid program in violation of the State's false claims act (the "Covered Conduct").

F. Gilead admits, acknowledges, and accepts responsibility for the following conduct during the Covered Period (the "Admitted Conduct"):

Marketing of Gilead's Drugs through HIV Speaker Programs

1. Gilead developed, marketed, and/or sold the following antiretroviral drugs primarily used to treat HIV: Stribild®, Genvoya®, Complera®, Odefsey®, Descovy®, and Biktarvy®. Medicaid typically paid well in excess of a thousand dollars for a one-month supply of these drugs.

2. As part of its marketing efforts and to increase sales, Gilead conducted events known as "HIV Speaker Programs" at which a healthcare provider involved in the treatment of HIV ("HIV Speaker") was engaged to present a slide deck and facilitate discussion about one of the drugs or a topic concerning HIV (an "HIV Disease State Topic") to other healthcare providers involved in the treatment of HIV ("Attendees").

3. These HIV Speaker Programs were typically organized by sales representatives in Gilead's HIV therapeutic area ("Sales Representatives"), at times in consultation with their direct supervisors ("Regional Directors"). HIV Speaker Programs were an important part of Gilead's strategy for promoting its HIV drugs and increasing drug sales. A Gilead Regional Director's HIV business plan from 2012 noted that a particular HIV Speaker was a "must win" account whose

prescriptions "need to increase" and that the Regional Director should "[c]apitalize on program opportunities" for the doctor "as a speaker and attendee."

4. Gilead's Regional Directors had discretion to nominate individuals to become HIV Speakers in Gilead's HIV Speaker Bureau. Frequently, Regional Directors would nominate potential HIV Speakers at the recommendation of a Sales Representative. After an HIV Speaker was nominated, Gilead's Medical Affairs and Business Conduct groups were responsible for reviewing and approving the nomination, but nominations from Regional Directors were rarely rejected.

5. Some Gilead Sales Representatives suggested, and some Regional Directors nominated, HIV Speakers based on the fact that they were either already high prescribers of Gilead HIV Drugs or had the potential to be.

6. For each HIV Speaker Program, Gilead paid the HIV Speaker an honorarium of, on average, $1,500 to present a slide deck and facilitate discussion about one of the drugs or an HIV Disease State Topic.

7. Gilead's HIV Speaker Programs were often held in the evening at restaurants ("HIV Dinner Programs"). Gilead held over 17,300 HIV Speaker Programs, over 9,500 of which were HIV Dinner Programs.

8. Gilead paid 548 healthcare providers who served as HIV Speakers a total of more than $23.7 million in honoraria payments ($13.7 million of which was for the HIV Dinner Programs). Gilead also paid for the HIV Speakers' and Attendees' meals and alcohol consumed at these events.

9. Gilead paid many high-volume prescribers of HIV drugs tens or hundreds of thousands of dollars in honoraria to prepare and present as HIV Speakers. Gilead paid approximately 60 healthcare providers involved in the treatment of HIV over $100,000 each in total honorarium payments, in addition to paying for their meals and any travel expenses, and the vast majority of these individuals prescribed a large volume of the Gilead HIV Drugs. For instance, one HIV Speaker, who received over $300,000 in total honorarium payments, wrote prescriptions for Gilead HIV Drugs that resulted in over $6 million in Medicare, Medicaid, and TRICARE payments.

10. On many occasions, Gilead covered the travel costs of HIV Speakers who traveled long distances to speak at HIV Speaker Programs at desirable travel destinations, such as Hawaii, Miami, and New Orleans.

This was sometimes in response to an HIV Speaker's request to be booked for an HIV Speaker Program in that city.

Speaker Programs at Luxury Restaurants

11. Gilead Sales Representatives organized HIV Speaker Programs at high-end restaurants across the country. For instance, a significant percentage of the Speaker Programs held in New York City were held at expensive restaurants, such as the James Beard House, Del Posto, Asiate, Palma, Vaucluse, Ilili, and Limani. In particular, Gilead held 157 HIV Speaker Programs at the James Beard House, making it one of Gilead's most used venues for HIV Speaker Programs. A dinner at the James Beard House typically included approximately six courses with alcoholic beverage pairings.

12. While Gilead's internal policies limited the cost of food and beverage at HIV Dinner Programs to $125 per person, Gilead Sales Representatives conducted numerous HIV Speaker Programs where the meals served exceeded the $125 per person threshold. Furthermore, in certain instances, Gilead Sales Representatives circumvented the $125 per person limit by including the cost of food and beverages in the reported "room fee," thereby concealing the true cost of the meal and making it appear like the per person cost was below $125 when it was actually significantly higher.

Repeat Attendance at Speaker Programs

13. At each HIV Speaker Program, the HIV Speaker was expected to present a slide deck, prepared by Gilead, regarding one of the Gilead HIV Drugs or an HIV Disease State Topic.

14. Many healthcare providers who prescribed a high volume of Gilead HIV Drugs attended a large number of HIV Speaker Programs, frequently at high-end restaurants. Approximately 160 doctors and other healthcare providers who prescribed Gilead HIV Drugs attended or spoke at more than 50 HIV Speaker Programs.

15. Gilead Sales Representatives repeatedly invited numerous doctors and other healthcare providers to attend the same HIV program over and over. Many repeatedly attended HIV Speaker Programs covering the exact same topic, often within a short period of time.

16. Over 250 prescribers of the Gilead HIV Drugs attended HIV Dinner Programs on the same topic three times or more within a six-month period. And over 80 of them attended five or more Dinner Programs on the same topic within a six-month period.

17. For instance, a nurse practitioner in New York City attended 75 HIV Dinner Programs. This nurse practitioner attended 40 HIV Dinner Programs on the same topic three times or more within a six-month period. That nurse practitioner often brought their sibling—a pediatric nurse practitioner and non-prescriber of Gilead HIV drugs—to the programs. Similarly, a physician assistant in Miami attended 60 HIV Dinner Programs, with 32 repeat attendances, often attending with their spouse who was a pharmacist, on the same topic three times or more within a six-month period.

18. Further, many healthcare providers who were paid to be HIV Speakers on a particular topic also attended HIV Dinner Programs on exactly the same topic, often within less than six months after speaking.

19. In certain instances, the same group of doctors repeatedly attended the same HIV Speaker Programs together at various restaurants. For instance, a group of ten doctors in Manhattan spoke at or attended together approximately 384 HIV Dinner Programs (at which the others were in attendance). Over 300 of these 384 HIV Dinner Programs were led by one of these 10 doctors. Each of the doctors repeatedly attended HIV Speaker Programs within 90 days of speaking on the same topic. In many instances, they attended a Dinner Program less than two weeks after speaking on the same topic.

Gilead's Compliance Program

20. During the Covered Period, Gilead's policies and procedures failed to prevent Sales Representatives and Regional Directors in its HIV therapeutic area from improperly providing honoraria payments, meals, and travel expenses to healthcare providers who spoke at or attended HIV Speaker Programs to induce them to prescribe the Gilead HIV Drugs.

21. For example, before 2016, Gilead did not place any limits on repeat attendance at HIV Speaker Programs or on whether HIV Speakers could repeatedly attend programs on the same topics they spoke on.

22. Gilead maintained or had access to data on its HIV Speaker Programs, including the venues used, the costs of the events, and the Attendees at its programs. However, Gilead failed to detect instances of HIV Speaker Program abuses by Sales Representatives and Regional Directors related to compliance with meal-spend limits, inappropriate venues, as well as excessive attendance by HIV Speakers and other healthcare providers at HIV Dinner Programs.

G. The Parties mutually desire to reach a full and final settlement as set forth below.

III. TERMS AND CONDITIONS

NOW, THEREFORE, in reliance on the representations contained herein and in consideration of the mutual promises, covenants, and obligations set forth in this Agreement, and for good and valuable consideration as stated herein, the Parties agree as follows:

1. Gilead agrees to pay to the United States and the Medicaid Participating States (as defined in sub-paragraph (c) and subject to the non-participating state deduction provision of sub-paragraph (d) below), collectively, the sum of $202,000,000.00 plus accrued interest on that amount as specified below (the "Settlement Amount"). The Settlement Amount shall constitute a debt immediately due and owing to the United States and the Medicaid Participating States on the "effective date" of the Federal Settlement Agreement, as defined therein and subject to the terms of this Agreement. The debt shall forever be discharged by payments to the United States and the Medicaid Participating States under the following terms and conditions:

   a. Gilead shall pay to the United States the sum of $176,927,889.28 plus accrued interest pursuant to the terms of the Federal Settlement Agreement.

   b. The total Medicaid recovery for the Covered Conduct is $49,045,600.00 consisting of $25,072,110.72 for the states pursuant to this Agreement and $23,973,489.28 for the United States pursuant to the Federal Settlement Agreement. Gilead shall pay to the Medicaid Participating States the sum of $25,072,110.72 plus accrued interest on that amount at a rate of 4.25% per annum for the period of April 9, 2025 to May 26, 2025 (the "Medicaid State Settlement Amount"), subject to the non-participating state deduction provision of sub-paragraph (d) below (the "Medicaid Participating State Settlement Amount"), no later than seven (7) business days after the expiration of the 60-

day opt-in period for Medicaid Participating States described in sub-paragraph (c) below. The Medicaid Participating State Settlement Amount shall be paid and immediately deposited by electronic funds transfer to the New York State Attorney General's National Global Settlement Account pursuant to written instructions from the state settlement team (the "State Team"), which written instructions shall be delivered to counsel for Gilead. This electronic funds transfer shall constitute tender and negotiation of the State Amount as defined in Paragraph III. 1. (d) below.

c. Gilead shall execute a State Settlement Agreement with any State that executes such an Agreement in the form to which Gilead and the State Team have agreed, or in a form otherwise agreed to by Gilead and an individual State. The State shall constitute a Medicaid Participating State provided this Agreement is fully executed by the State and delivered to Gilead's attorneys within 60 days of receiving this Agreement. Gilead's offer to resolve this matter with the State shall become null and void absent written agreement between counsel for Gilead and the State Team to extend the 60-day period.

d. The total portion of the amount paid by Gilead in settlement for the Covered Conduct for the State is $2,866,237.79, consisting of a portion paid to the State under this Agreement and another portion paid to the United States as part of the Federal Settlement Agreement. The amount allocated to the State under this Agreement is the sum of $1,704,699.87 plus applicable interest (the "State Amount"), of which $852,349.94 is restitution. If the State does not execute this Agreement within 60 days of receiving this Agreement, the State Amount shall be deducted from the Medicaid State Settlement Amount and shall not be paid by Gilead absent written agreement between counsel for Gilead and the State Team to extend the time period for executing this Agreement.

2. Contingent upon receipt of the State Amount, the State agrees to dismiss with prejudice any state law claims which the State has the authority to dismiss currently pending against Gilead in State or Federal Courts for the Covered Conduct, including any supplemental state law claims asserted in the Civil Action. Contingent upon receipt of the State Amount, the State, if served with the Civil Action and otherwise liable to pay a relator's share, agrees to pay the Relator(s) the amount of $323,892.98 plus applicable interest. This amount is to be paid through the State Team and has been addressed via a side letter with the Relator in the Civil Action.

3. Subject to the exceptions in Paragraph 4 below, in consideration of the obligations of Gilead set forth in this Agreement, and conditioned upon tender and negotiation of the State Amount, the State agrees to release Gilead, including its subsidiaries and corporate predecessors, successors, and assigns (collectively, the "Defendant Released Entities"), from any civil or administrative monetary cause of action that the State has for any claims submitted or caused to be submitted to the State's Medicaid Program for the Covered Conduct. For avoidance of doubt, this Stipulation does not release any current or former officer, director, employee, or agent of Defendant from liability of any kind.

4. Notwithstanding the releases given in Paragraph 3 of this Agreement, or any other term of this Agreement, the following claims and rights of the State are specifically reserved and are not released:

a. any criminal, civil, or administrative liability arising under state revenue codes;

b. any criminal liability;

c. any civil or administrative liability that any person or entity, including the Defendant Released Entities, has or may have to the State or to individual consumers or state program payors under any statute, regulation, or rule not expressly covered by the release in Paragraph 3 above, including, but not limited to, any and all of the following claims: (i) claims involving unlawful or illegal conduct based on State or federal antitrust violations; and (ii) claims involving unfair and/or deceptive acts and practices and/or violations of consumer protection laws;

d. any liability to the State for any conduct other than the Covered Conduct;

e. any liability based upon obligations created by this Agreement;

f. except as explicitly stated in this Agreement, any administrative liability or right, including exclusion from the State's Medicaid Program;

g. any liability for expressed or implied warranty claims or other claims for defective or deficient products and services, including quality of goods and services;

h. any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct;

i. any liability for failure to deliver goods or services due; or

j. any liability of individuals.

5. Gilead waives and shall not assert any defenses it may have to criminal prosecution or administrative action for the Covered Conduct, which defenses may be based in whole or in part on a contention, under the Double Jeopardy Clause of the Fifth Amendment of the U.S.

Constitution or the Excessive Fines Clause of the Eighth Amendment of the U.S. Constitution, that this Agreement bars a remedy sought in such criminal prosecution or administrative action.

6. In consideration of the obligations of the State set forth in this Agreement, the Defendant Released Entities waive and discharge the State and any of its agencies, departments, and personnel including, but not limited to, officials, employees, and agents, whether current or former in their official and individual capacities from any causes of action (including attorneys' fees, costs, and expenses of every kind and however denominated) which the Defendant Released Entities have against the State and any of its agencies, departments, and personnel as previously referenced arising from the State's investigation and prosecution of the Covered Conduct.

7. The amount that Gilead must pay to the State pursuant to Paragraph III.1. above will not be decreased as a result of the denial of any claims for payment now being withheld from payment by the State's Medicaid Program, or any other state program payor, for the Covered Conduct; and Gilead agrees not to resubmit to the State's Medicaid Program or any other state program payor, any previously denied claims, which denials were based on the Covered Conduct, and agrees to withdraw the appeal of, or not to appeal or cause the appeal of, any such denials of claims.

8. Gilead shall not seek payment for any claims for reimbursement to the State's Medicaid Program covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third-party payors.

9. Gilead expressly warrants that it has reviewed its financial condition and that it is currently solvent, meaning that a fair valuation of its property (exclusive of exempt property) exceeds the sum of its debts.

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

11. Gilead agrees to cooperate fully and truthfully with any State investigation of individuals or entities not released in this Agreement. Upon reasonable notice of such an investigation, Gilead shall encourage, and agrees not to impair, the cooperation of its directors, officers, and employees, and shall use its best efforts to make available and encourage, the cooperation of former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals and of Gilead. Upon request, Gilead agrees to furnish to the State complete and unredacted copies of all non-privileged documents including, but not limited to, reports, memoranda of interviews, and records in its possession, custody or control, concerning any investigation of the Covered Conduct that it has undertaken, or that has been performed by another on its behalf, as well as complete and unredacted copies of any other non-privileged documents in its possession, custody, or control relating to the Covered Conduct.

12. Except as expressly provided to the contrary in this Agreement, 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.

13. Except as otherwise stated in this Agreement, this Agreement is intended to be for the benefit of the Parties only, and the Parties do not release any liability as to any other person or entity.

14. Nothing in this Agreement constitutes an agreement by the State concerning the characterization of the amounts paid hereunder for purposes of the State's revenue code.

15. In addition to all other payments and responsibilities under this Agreement, Gilead agrees to pay the State Team's reasonable expenses and fees, including travel costs, consultant

expenses, and administrative fees. Gilead will pay this amount by separate check made payable to the National Association of Medicaid Fraud Control Units, after the Medicaid Participating States execute their respective Agreements, or as otherwise agreed by the Parties.

16. This Agreement is governed by the laws of the State and venue for addressing and resolving any and all disputes relating to this Agreement shall be the state courts of appropriate jurisdiction of the State.

17. The undersigned Gilead signatories represent and warrant that they are authorized as a result of appropriate corporate action to execute this Agreement. The undersigned State signatories represent that they are signing this Agreement in their official capacities and that they are authorized to execute this Agreement on behalf of the State through their respective agencies and departments.

18. The Effective Date of this Agreement shall be the date of signature of the last signatory to this Agreement. The facsimile, email or other electronically delivered signatures of the parties shall be deemed to constitute acceptable binding signatures for purposes of this Agreement, and facsimile or electronic copies shall be deemed to constitute duplicate originals.

19. This Agreement shall be binding on all successors, transferees, heirs, and assigns of the Parties.

20. This Agreement constitutes the complete agreement between the Parties with respect to this matter and shall not be amended except by written consent of the Parties.

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

22. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by the Parties to this Agreement and shall not, therefore, be construed against any of

the Parties for that reason. The recitals in Section I (Parties) and Section II (Preamble) are agreed to by the Parties. The headings of this Agreement are not binding and are for reference only and do not limit, expand, or otherwise affect the contents or meaning of this Agreement.

STATE OF NEW JERSEY

By: ______________________________ Dated: July 1, 2025

Matthew J. Platkin
Attorney General
Office of the Attorney General
State of New Jersey

By: Gregory Woods ______________________________ Dated: 7-9-25

Gregory Woods
Assistant Commissioner
Division of Medical Assistance and Health Services
Department of Human Services

GILEAD SCIENCES, INC.

By: ____ Dated: _________

Deborah H. Telman
Executive Vice President, Corporate Affairs
and General Counsel
Gilead Sciences, Inc.

By: ____ Dated: _________

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