

CAUSE NO. _____

STATE OF TEXAS

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IN THE DISTRICT COURT OF

Plaintiff

VS.

MCKINSEY & COMPANY, INC.
UNITED STATES

TRAVIS COUNTY

Defendant

_____ JUDICIAL DISTRICT

AGREED FINAL JUDGMENT AND PERMANENT INJUNCTION

Plaintiff, the State of Texas has filed a Petition for a permanent injunction, damages and other relief in this matter pursuant to the TEXAS DECEPTIVE TRADE PRACTICES----CONSUMER PROTECTION ACT, TEX. BUS. & COM. CODE §§ 17.41, *et seq.* (“DTPA”), alleging that Defendant McKinsey & Company, Inc. United States (“McKinsey” or “Defendant”), committed violations of the Sections 17.46(a) and (b) of the DTPA and Plaintiff, by its counsel, and McKinsey, by its counsel, have agreed to the entry of this Final Consent Judgment (“Judgment”) by the Court without trial or adjudication of any issue of fact or law, and without finding or admission of wrongdoing or liability of any kind.

IT IS HEREBY ORDERED THAT:

I. FINDINGS

1. For purposes of this proceeding only, this Court has jurisdiction over the subject matter of this lawsuit and over the Parties (as defined below). This Judgment shall not be construed or used as a waiver of any jurisdictional defense McKinsey may raise in any other proceeding.
2. The terms of this Judgment shall be governed by the laws of the State of Texas.

3. Entry of this Judgment is in the public interest and reflects a negotiated agreement among the Parties.
4. The Parties have agreed to resolve the issues resulting from the Covered Conduct (as defined below) by entering into this Judgment.
5. McKinsey has cooperated with the Signatory Attorney General's (as defined below) investigation and is willing to enter into this Judgment regarding the Covered Conduct in order to resolve the Signatory Attorney General's claims and concerns under the DTPA as to the matters addressed in this Judgment and thereby avoid significant expense, inconvenience, and uncertainty.
6. "MultiState Executive Committee" means the Attorneys General and staffs representing California, Colorado, Connecticut, Massachusetts, New York, North Carolina, Oregon, Oklahoma, Tennessee, and Vermont.
7. The Signatory Attorney General acknowledges McKinsey's good faith and responsible corporate citizenship in reaching this resolution.
8. McKinsey is entering into this Judgment solely for the purpose of settlement, and nothing contained herein may be taken as or construed to be an admission or concession of any violation of law, rule, or regulation, or of any other matter of fact or law, or of any liability or wrongdoing, all of which McKinsey expressly denies. McKinsey does not admit any violation of the State Consumer Protection Laws (as defined below) and set forth in footnote 1 and does not admit any wrongdoing that was or could have been alleged by the Signatory Attorney General before the date of the Judgment. No part of this Judgment, including its statements and commitments, shall constitute evidence of any liability, fault, or wrongdoing by McKinsey.
9. This Judgment shall not be construed or used as a waiver or limitation of any defense otherwise

available to McKinsey in any other action, or of McKinsey's right to defend itself from, or make any arguments in, any other regulatory, governmental, private individual, or class claims or suits relating to the subject matter or terms of this Judgment. This Judgment is made without trial or adjudication of any issue of fact or law or finding of liability of any kind. Notwithstanding the foregoing, the Signatory Attorney General may file an action to enforce the terms of this Judgment.

10. No part of this Judgment shall create a private cause of action or confer any right to any third party for violation of any federal or state statute except that the Signatory Attorney General may file an action to enforce the terms of this Judgment. It is the intent of the Parties that this Judgment shall not be binding or admissible in any other matter, including, but not limited to, any investigation or litigation, other than in connection with the enforcement of this Judgment. This Judgment is not enforceable by any persons or entities besides the Signatory Attorney General, McKinsey and this Court.

II. DEFINITIONS

9. The following definitions shall be used in construing the Judgment:
 - A. "Covered Conduct" means any and all acts, failures to act, conduct, statements, errors, omissions, events, breaches of duty, services, advice, work, deliverables, engagements, transactions, or other activity of any kind whatsoever, occurring up to and including the Effective Date arising from or related in any way to (i) the discovery, development, manufacture, marketing, promotion, advertising, recall, withdrawal, distribution, monitoring, supply, sale, prescribing, reimbursement, use, regulation, or abuse of any opioid, or (ii) the treatment of opioid abuse or efforts to combat the opioid crisis, or (iii) the characteristics, properties, risks, or benefits of any opioid, or (iv) the spoliation of any

materials in connection with or concerning any of the foregoing.

- B. “Effective Date” means the date on which a copy of the Judgment, duly executed by McKinsey and by the Signatory Attorney General, is approved by, and becomes a Judgment of the Court.
- C. “McKinsey” means McKinsey & Company, Inc. United States, a Delaware Corporation, and all its current or former officers, directors, partners, employees, representatives, agents, affiliates, parents, subsidiaries, operating companies, predecessors, assigns and successors.
- D. “Parties” means McKinsey and the Signatory Attorney General.
- E. “Signatory Attorney General” means the Attorney General of Texas, or his/her authorized designee, who has agreed to this Judgment.
- F. “Settling State” means the state that has agreed to this Judgment.
- G. “State Consumer Protection Laws” means the consumer protection laws cited in footnote

1.¹

¹ALABAMA – Alabama Deceptive Trade Practices Act § 8-19-1 et seq. (2002); ALASKA – Alaska Unfair Trade Practices and Consumer Protection Act AS 45.50.471 – 45.50.561; AMERICAN SAMOA – Consumer Protection Act, A.S.C.A. §§ 27.0401 et seq.; ARIZONA - Consumer Fraud Act, A.R.S. §44-1521 et seq.; ARKANSAS – Arkansas Deceptive Trade Practices Act, Ark. Code Ann. § 4-88-101, et seq.; CALIFORNIA – Bus. & Prof Code §§ 17200 et seq. and 17500 et seq.; COLORADO – Colorado Consumer Protection Act, Colo. Rev. Stat. § 6-1-101 et seq.; CONNECTICUT – Connecticut Unfair Trade Practices Act, Conn. Gen Stat. §§ 42-110a through 42-110q; DELAWARE – Delaware Consumer Fraud Act, Del. CODE ANN. tit. 6, §§ 2511 to 2527; DISTRICT OF COLUMBIA, District of Columbia Consumer Protection Procedures Act, D.C. Code §§ 28-3901 et seq.; FLORIDA – Florida Deceptive and Unfair Trade Practices Act, Part II, Chapter 501, Florida Statutes, 501.201 et. seq.; GEORGIA - Fair Business Practices Act, O.C.G.A. Sections 10-1-390 et seq.; GUAM - Trade Practices and Consumer Protection, 5 G.C.A. Ch. 32 et seq.; HAWAII – Uniform Deceptive Trade Practice Act, Haw. Rev. Stat. Chpt. 481A and Haw. Rev. Stat. Chpt. 480; IDAHO – Idaho Consumer Protection Act, Idaho Code § 48-601 et seq.; ILLINOIS – Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/2 et seq.; INDIANA – Deceptive Consumer Sales Act, Ind. Code §§ 24-5-0.5-0.1 to 24-5-0.5-12; IOWA - Iowa Consumer Fraud Act, Iowa Code Section 714.16; KANSAS - Kansas Consumer Protection Act, K.S.A. 50-623 et seq.; KENTUCKY – Kentucky Consumer Protection Act, KRS Ch. 367.110, et seq.; LOUISIANA – Unfair Trade-Practices and Consumer Protection Law, LSA-R.S. 51:1401, et seq.; MAINE – Unfair Trade Practices Act, 5 M.R.S.A. § 207 et seq.; MARYLAND - Maryland Consumer Protection Act, Md. Code Ann., Com. Law §§ 13-101 et seq.; MASSACHUSETTS – Mass. Gen. Laws c. 93A, §§ 2 and 4; MICHIGAN – Michigan Consumer Protection

Agreed Final Judgment and Permanent Injunction
State of Texas v. McKinsey & Company, Inc, et al

- H. Any reference to a written document shall mean a physical paper copy of the document, electronic version of the document, or electronic access to such document.

III. INJUNCTIVE RELIEF

10. It is ordered that:

- A. McKinsey shall not accept any future engagements relating to the discovery, development, manufacture, marketing, promotion, advertising, recall, withdrawal, monitoring, sale, prescribing, use or abuse of any Opioid or other opioid-based Schedule II or III controlled substance;
- B. Nothing in Section III.A above is intended to prohibit McKinsey from offering its services to: (1) clients who, as part of their overall business, develop, manufacture, market, promote, advertise, recall, withdraw, distribute, monitor, supply, sell or prescribe opioids or other opioid-based Schedule II or III controlled substances, so long as the subject matter of the

Act, MCL § 445.901 et seq.; MINNESOTA – Minn. Stat. §§325D.44, 325F.69; MISSISSIPPI - Mississippi Consumer Protection Act, Miss. Code Ann. § 75-24-1, et seq.; MISSOURI – Missouri Merchandising Practices Act, Mo. Rev. Stat. §§ 407.010 et seq.; MONTANA – Montana Consumer Protection Act §§ 30-14-101 et seq.; NEBRASKA – Consumer Protection Act, Neb. Rev. Stat. §§ 59-1601 et seq. and Uniform Deceptive Trade Practices Act, Neb. Rev. Stat. §§ 87-301 et seq.; NEW HAMPSHIRE – NH RSA §358-A et seq; NEW JERSEY – New Jersey Consumer Fraud Act, NJSA 56:8-1 et seq.; NEW MEXICO – NMSA 1978, § 57-12-1 et seq.; NEW YORK – General Business Law Art. 22-A, §§ 349-50, and Executive Law § 63(12); NORTH CAROLINA – North Carolina Unfair and Deceptive Trade Practices Act, N.C.G.S. § 75-1.1, et seq.; NORTH DAKOTA – Unlawful Sales or Advertising Practices, N.D. Cent. Code § 51-15-02 et seq.; NORTHERN MARIANA ISLANDS – Consumer Protection Act, 4 N. Mar. I. Code §§ 5201 et seq.; OHIO – Ohio Consumer Sales Practices Act, R.C. 1345.01, et seq.; OKLAHOMA – Oklahoma Consumer Protection Act 15 O.S. §§ 751 et seq.; OREGON – Oregon Unlawful Trade Practices Act, Or. Rev. Stat. § 646.605 et seq.; PENNSYLVANIA – Pennsylvania Unfair Trade Practices and Consumer Protection Law, 73 P.S. 201-1 et seq.; PUERTO RICO – Puerto Rico Antitrust Act, 10 L.P.R.A. § 259; RHODE ISLAND – Deceptive Trade Practices Act, Rhode Island Gen. Laws § 6-13.1-1, et seq.; SOUTH CAROLINA – South Carolina Unfair Trade Practices Act, S.C. Code Ann. § 39-5-10 et seq.; SOUTH DAKOTA – South Dakota Deceptive Trade Practices and Consumer Protection, SDCL ch. 37-24; TENNESSEE – Tennessee Consumer Protection Act, Tenn. Code Ann. 47-18-101 et seq.; TEXAS – Texas Deceptive Trade Practices-Consumer Protection Act, Tex. Bus. And Com. Code 17.41, et seq.; UTAH - Consumer Sales Practices Act, Utah Code Ann. §§ 13-11-1 et seq.; VERMONT – Vermont Consumer Protection Act, 9 V.S.A. § 2451, et seq.; VIRGIN ISLANDS – Virgin Islands Consumer Protection Law, 12A V.I.C. §§ 101 et seq.; VIRGINIA-Virginia Consumer Protection Act, Va Code Ann. §59.1-196 et seq.; WISCONSIN – Wis. Stat. § 100.18 (Fraudulent Representations); WYOMING – Wyoming Consumer Protection Act, Wyo. Stat. Ann. §§ 40-12-101 through -114.

engagement does not specifically relate to opioids or other opioid- based Schedule II or III controlled substances; or (2) health care providers, health plans, non-profit entities, governments, and quasi-governmental agencies, or any other client that is not a pharmaceutical manufacturer, for purposes of addressing a humanitarian health crisis, drug abuse prevention, treatment, and mitigation or abatement efforts, or other public health benefit;

C. Within eighteen months of the Effective Date for paragraph 4 below, and within twenty-four months of the Effective Date for paragraphs 1-3 below, McKinsey shall develop and implement a document retention policy that provides as follows:

1. McKinsey shall maintain a centralized document storage system (“Storage System”) such as a document management system or a file sharing platform.
2. Unless prohibited by state, federal, or foreign law, McKinsey shall require its partners and employees, to the extent possible on a best-efforts basis, to create and maintain a final working papers file (“Final Working Papers File”) relating to client engagements on the Storage System. The Final Working Papers File shall include, but not be limited to, letters of proposal, contracts, memoranda, invoices, contracted deliverables, and close-out memoranda.
3. McKinsey shall retain the Final Working Papers File for a minimum of seven years.
4. McKinsey shall retain all communications and documents exchanged on any electronic mail (including associated attachments) or instant message system that McKinsey authorizes its personnel to use for five years.
5. Nothing in this section shall prevent McKinsey from: (a) deleting documents or data as required by any state, federal, or foreign law or regulation, or (b) deleting

documents or data as contractually required by a third party where such contractual requirement is reasonably necessary to allow the third party to comply with any state, federal, or foreign law or regulation.

- D. McKinsey shall implement a written policy requiring the termination of any employee that engages in the intentional spoliation of evidence for an improper purpose;
- E. In the next calendar year after the Effective Date, McKinsey shall include in the annual acknowledgement that all McKinsey partners are required to certify a section describing the terms and conditions of this Judgment, and McKinsey shall further hold additional annual training for partners in the Pharmaceuticals & Medical Products practice concerning the terms and conditions of this Judgment;
- F. Revisions to Client conflict policy pertaining to Government Clients (defined below), which shall be implemented within 60 days of the Effective Date.
 - 1. McKinsey agrees to revise its conflict policy pertaining to potential engagements by any Settling State, county government, or municipal government (or any government agency of the aforementioned) (“Government Client”) to require a written disclosure of any material conflict (“Conflict Disclosure”) when (A) responding in writing to a request for proposal; (B) formally proposing work; (C) tendering an engagement letter to a Government Client; or (D) beginning work for a Government Client in the absence of an engagement letter, proposal, or request for proposal, whichever occurs first (“Triggering Event”).
 - 2. A material conflict exists for purposes of this Section III.F when, at the time of any Triggering Event, McKinsey is advising or in the past three years has previously advised an industry client on work which, in the view of a neutral and detached

observer, is or was materially adverse to the work McKinsey would perform for the Government Client, such that when McKinsey is working or has worked to advance the goals or interests of the industry client it is likely to harm the goals or interests it is working to advance of the Government Client.

3. Within 90 days of the Effective Date, McKinsey shall review each current engagement with a Government Client and provide a Conflict Disclosure where it would be otherwise required under this Section III.F for a new Government Client.
4. Nothing in this Section III.F shall supersede or affect any legal or contractual obligation McKinsey may have pertaining to confidentiality, conflicts, or engagement of clients (“Client Obligations”). The Conflict Disclosure shall not require McKinsey to violate any confidentiality obligations McKinsey has with its clients, and McKinsey satisfies its obligations under this section by providing a Conflict Disclosure (A) identifying the relevant industry; and (B) generally describing the work McKinsey performs for its industry client (without identifying its client). If for whatever reason McKinsey determines that its Client Obligations preclude a Conflict Disclosure, McKinsey agrees to decline the work for the Government Client.

G. McKinsey shall not use, assist, or employ any Third Party to engage in any activity that McKinsey itself would be prohibited from engaging in pursuant to this Judgment.

H. The foregoing injunctive terms may be amended by agreement between McKinsey and Texas without this Court’s approval or amendment of this Judgment.

IV. PUBLIC ACCESS TO MCKINSEY DOCUMENTS

It is ordered that:

A. Documents Subject to Public Disclosure

11. The following documents shall be produced by McKinsey to each Settling State and are subject to public disclosure in perpetuity as part of a document disclosure program, except for the redactions authorized by Section B:

All non-privileged documents McKinsey produced to any of the Settling States in response to investigative demands or other formal or informal requests related to opioids in 2019, 2020, or 2021, prior to the date of this Judgment, that fall within the following categories:

- i. All communications with Purdue Pharma LP (“Purdue”);
- ii. All documents reflecting or concerning McKinsey’s work for Purdue;
- iii. All communications with Endo Pharmaceuticals (“Endo”), Johnson & Johnson, or Mallinckrodt Pharmaceuticals (“Mallinckrodt”) related to opioids;
- iv. All documents reflecting or concerning McKinsey’s work related to opioids for Endo, Johnson & Johnson, or Mallinckrodt;
- v. All documents and communications sent or received by individual consultants agreed upon by McKinsey and the Settling States related to opioids or the opioid crisis;
- vi. All documents listed by Bates number in Appendix A.

All documents produced under this provision shall be provided in electronic format with all related metadata. McKinsey and the Settling States will work cooperatively to develop technical specifications for the productions.

B. Information That May Be Redacted

12. The following categories of information are exempt from public disclosure:

1. Information subject to trade secret protection. A “trade secret” is information, including a formula, pattern, compilation, program, device, method, technique or process, that (a) derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure and use; and (b) is the

subject of efforts that are reasonable under the circumstances to maintain its secrecy. Even if the information falls within the definition, “trade secret” does not include information reflecting opioid sales or promotional strategies, tactics, targeting, or data, or internal communications related to sales or promotion of opioids.

2. Confidential personal information. “Confidential personal information” means individual Social Security or tax identification numbers, personal financial account numbers, passport numbers, driver license numbers, home addresses, home telephone numbers, personal email addresses, and other personally identifiable information protected by law from disclosure. “Confidential personal information” does not include the names of officers, directors, employees, agents, or attorneys of McKinsey, Purdue, Endo, Johnson & Johnson, or Mallinckrodt, or of a government agency.

3. Information that is inappropriate for public disclosure because it is subject to personal privacy interests recognized by law (*e.g.*, HIPAA), or contractual rights of third parties (including McKinsey’s clients) that McKinsey may not abrogate. McKinsey shall make its best efforts to ensure that disclosure into the document repository is not limited or prohibited by contractual rights of Purdue with regard to any documents, or by contractual rights of Endo, Johnson & Johnson, or Mallinckrodt with regard to documents related to opioids.

4. Information regarding McKinsey partners’ or employees’ personal or professional matters unrelated to McKinsey or opioids, including but not limited to emails produced by McKinsey custodians discussing vacation or sick leave, family, or other personal matters.

C. Redaction of Documents Containing Protected Information

13. Whenever a document contains information subject to a claim of exemption pursuant to Section B, McKinsey shall produce the document in redacted form. Such redactions shall indicate that

trade secret and/or private information, as appropriate, has been redacted. Redactions shall be limited to the minimum redactions possible to protect the legally recognized individual privacy interests and trade secrets identified above.

14. McKinsey shall produce to each Settling State a log noting each document redacted. The log shall also provide fields stating the basis for redacting the document, with sufficient detail to allow an assessment of the merits of the assertion. The log is subject to public disclosure in perpetuity. The log shall be produced simultaneously with the production of documents required by Section IV.F.
15. In addition to the redacted documents, McKinsey shall, upon any Settling State's request, also produce all documents identified in Section IV.A above in unredacted form to such Settling State at the same time. The redacted documents produced by McKinsey may be publicly disclosed in accordance with Section IV.E below. The unredacted documents produced by McKinsey to a Settling State shall be available only to such State unless McKinsey's claim of exemption under Section IV.B is successfully challenged in accordance with Section IV.C.4 or the trade secret designation expires in accordance with Section IV.D.
16. Anyone, including members of the public and the press, may challenge the appropriateness of redactions by providing notice to McKinsey and a Settling State, which Settling State shall review the challenge and inform McKinsey of whether the challenge has sufficient merit to warrant triggering the remaining provisions of this paragraph. If the challenge is not resolved by agreement, it must be resolved in the first instance by a third party jointly appointed by the Settling State and McKinsey to resolve such challenges. The decision of the third party may be appealed to a court with enforcement authority over this Judgment. If not so appealed, the third party's decision is final. In connection with such challenge, a Settling State may provide copies

of relevant unredacted documents to the parties or the decisionmaker, subject to appropriate confidentiality and/or in camera review protections, as determined by the decisionmaker.

D. Review of Trade Secret Redactions

17. Seven years after McKinsey completes the production of its documents in accordance with Section IV.F and upon notice by a Settling State, McKinsey shall review all trade secret assertions made in accordance with Section IV.B. The newly unredacted documents may then be publicly disclosed by a Settling State in accordance with Section IV.E. McKinsey shall produce to each Settling State an updated redaction log justifying its designations of the remaining trade secret redactions.

E. Public Disclosure through a Document Repository

18. Each Settling State may publicly disclose all documents covered by Section IV.A through a public repository maintained by a governmental, non-profit, or academic institution. Each Settling State may specify the terms of any such repository's use of those documents, including allowing the repository to index and make searchable all documents subject to public disclosure, including the metadata associated with those documents. When providing the documents covered by Section IV.A to a public repository, no Settling State shall include or attach within the document set any characterization of the content of the documents. For the avoidance of doubt, nothing in this paragraph shall prohibit any Settling State from publicly discussing the documents covered by Section IV.A.

F. Timeline for Production

19. McKinsey shall produce all documents required by Section IV.A within nine months from the Effective Date.

G. Costs

20. The Settling States may allocate funds from the Settlement to fund the allocable share of all reasonable costs and expenses associated with the public disclosure and storage of McKinsey's documents through any public repository.

V. PAYMENT

21. McKinsey shall pay a total amount of \$573,919,331 ("the Settlement Amount"). Of the Settlement Amount, \$558,919,331 shall be allocated among the Settling States as agreed to by the Settling States. It is the intent of the Parties that the \$558,919,331 paid to the participating States will be used, to the extent practicable, to remediate the harms caused to the Settling States and their citizens by the opioid epidemic within each State and to recover the costs incurred by the Settling State in investigating and pursuing these claims.²
22. McKinsey shall pay the \$15,000,000 balance of the Settlement Amount to the National Association of Attorneys General ("NAAG Fund"). The NAAG Fund shall be used: first, to reimburse NAAG for the costs and expenses of the States' opioid investigations in the amount of \$7,000,000 and second to reimburse participating States for documented costs and expenses associated with the investigation of McKinsey submitted by or before March 1, 2021, subject to reasonable parameters to be set by NAAG. The remaining balance of the NAAG Fund shall be used to fund the establishment of an online repository of opioid industry documents for the benefit of the public.

² The State of Texas shall receive Thirty-Eight Million Four Hundred Forty Thousand Seven Hundred Ninety-Eight Dollars (\$38,440,798.39). Of this amount, One Million Nine Hundred Twenty-Two Thousand Thirty-Nine Dollars and Ninety Two Cents (\$1,922,039.92) shall be allocated as attorneys' fees and investigative costs under Texas Government Code Section 402.006(c). Pursuant to Texas Government Code § 402.007(b)(1)(B), the identifiable recipient of Texas' allocation beyond recovery of its costs incurred in investigating and pursuing these claims is the state's general revenue fund, which shall receive the remaining Thirty Six Million Five Hundred Eighteen Thousand Seven Hundred Fifty Eight Dollars and Forty Seven Cents (\$36,518,758.47) to be used to the extent practicable to remediate the harms caused to Texas and our citizens by the opioid epidemic.

23. McKinsey shall pay a total amount of \$573,919,331 as follows: 1) the initial payment of \$478,266,111 including the \$15,000,000 payment to NAAG, shall be paid by 60 days after the Effective Date; 2) the second payment of \$23,913,305 shall be paid no later than one year from the date of the initial payment; 3) the third payment of \$23,913,305 shall be paid no later than two years from the date of the initial payment; 4) the fourth payment of \$23,913,305 shall be paid no later than three years from the date of the initial payment; and 5) the fifth payment of \$23,913,305 shall be paid no later than four years from the date of the initial payment.
24. McKinsey will not seek indemnification from any entity with respect to this Judgment, provided, however, that the foregoing limitation shall not be construed to apply to any claim by McKinsey under any policies or contracts of insurance insuring McKinsey.

VI. ENFORCEMENT

25. For the purposes of resolving disputes with respect to compliance with this Judgment, should any of the Signatory Attorneys General have a reasonable basis to believe that McKinsey has engaged in a practice that violates a provision of this Judgment subsequent to the Effective Date, then such Signatory Attorney General shall notify McKinsey in writing of the specific objection, identify with particularity the provision of this Judgment that the practice appears to violate, and give McKinsey 30 days to respond to the notification; provided, however, that a Signatory Attorney General may take any action if the Signatory Attorney General believes that, because of the specific practice, a threat to the health or safety of the public requires immediate action.
26. Upon receipt of written notice, McKinsey shall provide a good faith written response to the Signatory Attorney General's notification, containing either a statement explaining why McKinsey believes it is in compliance with the Judgment, or a detailed explanation of how the alleged violation occurred and a statement explaining how McKinsey intends to remedy the

alleged breach. Nothing in this section shall be interpreted to limit the State of Texas's civil investigative demand ("CID") or investigative subpoena authority, to the extent such authority exists under applicable law, and McKinsey reserves all of its rights in responding to a CID or investigative subpoena issued pursuant to such authority.

27. The Signatory Attorney General may agree, in writing, to provide McKinsey with additional time beyond the 30 days to respond to a notice provided under section V.A. above without Court approval.
28. Upon giving McKinsey 30 days to respond to the notification described above, the Signatory Attorney General shall also be permitted reasonable access to inspect and copy relevant, non-privileged, non-work product records and documents in the possession, custody, or control of McKinsey that relate to McKinsey's compliance with each provision of this Judgment pursuant to that State's CID or investigative subpoena authority.
29. The Signatory Attorney General may assert any claim that McKinsey has violated this Judgment in a separate civil action to enforce compliance with this Judgment, or may seek any other relief afforded by law for violations of the Judgment, but only after providing McKinsey an opportunity to respond to the notification described in paragraph V.A above; provided, however, that a Signatory Attorney General may take any action if the Signatory Attorney General believes that, because of the specific practice, a threat to the health or safety of the public requires immediate action.

VII. RELEASE

30. Released Claims. By its execution of this Judgment, the State of Texas releases and forever discharges McKinsey and its past and present officers, directors, partners, employees, representatives, agents, affiliates, parents, subsidiaries, operating companies, predecessors,

assigns and successors (collectively, the “Releasees”) from the following: all claims the Signatory Attorney General is authorized by law to bring arising from or related to the Covered Conduct, including, without limitation, any and all acts, failures to act, conduct, statements, errors, omissions, breaches of duty, services, advice, work, engagements, events, transactions or other activity of any kind whatsoever occurring up to and including the effective date of the Judgment. Released claims will include, without limitation, claims that were or could have been brought by a Settling State under its State’s consumer protection and unfair trade practices law, RICO laws, false claims laws, and claims for public nuisance, together with any related common law and equitable claims for damages or other relief.

31. Claims Not Covered: Notwithstanding any term of this Judgment, specifically reserved and excluded from the release in Paragraph VII. 30 as to any entity or person, including Released Parties, are any and all of the following:

A. Any criminal liability that any person and/or entity, including Released Parties, has or may have to the State of Texas.

B. Any civil or administrative liability that any person and/or entity, including Released Parties, has or may have to the State of Texas not covered by the release in Paragraph VII. 30 above, including the following claims:

(1) state or federal antitrust violations;

(2) any claims arising under state tax laws;

(3) any claims arising under state securities laws;

(4) any action to enforce this consent judgment and any subsequent related orders and judgments.

C. Any liability under the State of Texas above-cited consumer protection laws which any

person and/or entity, including Released Parties, has or may have to individual consumers. Nothing herein precludes the Released Party from asserting any claims or defenses that may be available to it under the law in any court action.

VIII. ADDITIONAL PROVISIONS

32. Nothing in this Judgment shall be construed to authorize or require any action by McKinsey in violation of applicable federal, state, or other laws.
33. Modification. This Judgment may be modified by a stipulation of the Parties as approved by the Court, or by court proceedings resulting in a modified judgment of the Court, except to the extent as otherwise provided herein. For purposes of modifying this Judgment, McKinsey may contact any member of the MultiState Executive Committee for purposes of coordinating this process.
34. The acceptance of this Judgment by the State of Texas shall not be deemed approval by the State of Texas of any of McKinsey's business practices. Further, neither McKinsey nor anyone acting on its behalf shall state or imply, or cause to be stated or implied, that the State of Texas or any other governmental unit of Texas has approved, sanctioned or authorized any practice, act, or conduct of McKinsey.
35. Any failure by any party to this Judgment to insist upon the strict performance by any other party of any of the provisions of this Judgment shall not be deemed a waiver of any of the provisions of this Judgment, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Judgment.
36. Entire Agreement: This Judgment represents the full and complete terms of the settlement entered into by the Parties hereto, except as the parties have otherwise agreed. In any action undertaken by the Parties, no prior versions of this Judgment and no prior versions of any of its terms that were not entered by the Court in this Judgment, may be introduced for any purpose

whatsoever.

37. Jurisdiction: This Court retains jurisdiction of this Judgment and the Parties hereto for the purpose of enforcing and modifying this Judgment and for the purpose of granting such additional relief as may be necessary and appropriate.
38. If any provision of this Judgment shall be held unenforceable, the Judgment shall be construed as if such provision did not exist.
39. Counterparts: This Judgment may be executed in counterparts, and a facsimile or .pdf signature shall be deemed to be, and shall have the same force and effect as, an original signature.
40. Notice: All Notices under this Judgment shall be provided to the following via email and Overnight Mail:

Defendant:

c/o Mr. James Bernard
Stroock & Stroock & Lavan, LLP
180 Maiden Lane
New York, NY 10038
jbernard@stroock.com

Signatory Attorney General:

Paul Singer
Senior Counsel for Public Protection
209 W 14th Street
Austin, TX 78701
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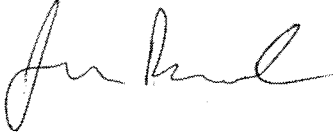
APPROVAL BY COURT

APPROVED FOR FILING and SO ORDERED this _____ day of _____, 2021.

Judge

Approved:

For Defendant McKinsey & Company, Inc. United States



James Bernard
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New York, NY 10038
Phone: (212) 806-5684
jbernard@stroock.com

February 4, 2021

Date

For Defendant McKinsey & Company, Inc. United States




Jonathan Slonim
Assistant Secretary
McKinsey & Company, Inc. United States

February 4, 2021

Date

Local Counsel for McKinsey & Company, Inc. United States



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Feb. 3, 2021
Date

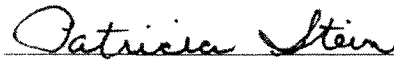
For Plaintiff State of Texas



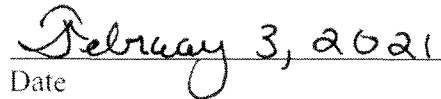
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Date

Appendix A

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