

PRINCIPAL TRANSACTION AGREEMENT

by and among

BLUE CROSS AND BLUE SHIELD OF VERMONT

and

BLUE CROSS BLUE SHIELD OF MICHIGAN MUTUAL INSURANCE COMPANY

Dated as of April 28, 2023

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PRINCIPAL TRANSACTION AGREEMENT

THIS PRINCIPAL TRANSACTION AGREEMENT (this “Agreement”), dated as of April 28, 2023 (the “Execution Date”), is made by and between Blue Cross and Blue Shield of Vermont (“BCBSVT”) and Blue Cross Blue Shield of Michigan Mutual Insurance Company (“BCBSM”). BCBSVT and BCBSM may each be referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, BCBSVT and BCBSM have been separately engaged in, among other matters, the business of providing healthcare insurance and benefits and other services to customers principally in Vermont and Michigan, respectively;

WHEREAS, BCBSVT and BCBSM share the common mission of delivering innovative and affordable healthcare for the benefits of their members and subscribers and to the residents of their respective states;

WHEREAS, BCBSVT has determined that BCBSM has the experience and technological capabilities to satisfy BCBSVT’s statutory obligation of operating solely for the benefit of subscribers by, among other things, providing high-quality, affordable access to health care to Vermonters and enhancing the scope of innovative offerings available to BCBSVT’s subscribers;

WHEREAS, BCBSVT and BCBSM are licensees of the Blue Cross Blue Shield Association (“BCBSA”), and desire to continue to operate as part of BCBSA post-Closing;

WHEREAS, BCBSVT deems it in the best interest of its subscribers and the general good of the State of Vermont that BCBSM and BCBSVT should affiliate and carry on ordinary business practices by providing for BCBSM to become the sole member of BCBSVT (the “Affiliation”), all on the terms and subject to the conditions of this Agreement and other ancillary agreements executed and delivered pursuant hereto; and

WHEREAS, BCBSVT and BCBSM have determined that the Affiliation and transactions contemplated by this Agreement will allow the Parties to pursue Affiliation Opportunity (as defined herein).

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants, and agreements hereunder, and intending to be legally bound hereby, the Parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. As used herein, each of the following underlined terms has the meaning specified in this Section 1.1:

“Affiliate” means, with respect to any Person, any other Person which directly or indirectly controls, is controlled by or is under common control with such Person. For purposes of the immediately preceding sentence, the term “control” (including, with correlative meanings, the terms “controlling,” “controlled by,” and “under common control with”), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

“Affiliation Value” means the value creation that the Integration Office (as defined herein) will seek to achieve through the Integration Plan during the Integration Period, with emphasis and prioritization on a subset of the Affiliation Opportunity, as set forth on Exhibit A and in the Integration Plan to be developed following the date hereof.

“Affiliation Opportunity” means the total aggregate value creation opportunity based on administrative cost savings, increased membership and revenue, retention of group administrative service contracts, enhanced product offerings (e.g. stop loss, vision, dental), expanded customer tools, technology improvements, improved pricing competitiveness, care delivery improvements (provider partnerships, evidence based high-quality coordinated care), pharmacy efficiencies, ancillary provider partnerships (e.g. durable medical equipment and labs), improved data and analytics, value based payment and care initiatives, scaling of operations, enhanced investment portfolio policies (e.g. increased investment yield and lower investment costs), improved payment integrity programs, potential for increased employment in the state of Vermont, and improved risk based capital levels, in each case, with respect to the BCBSVT Entities.

“BCBSM Disclosure Schedule” means the disclosure schedule of BCBSM attached as Schedule B.

“BCBSM Entities” means collectively, BCBSM and each of its Subsidiaries.

“BCBSM Material Adverse Effect” means a material impairment or delay of BCBSVT’s ability to perform its obligations under this Agreement, except such delay caused by a material breach by BCBSVT of any material term or condition of this Agreement.

“BCBSVT Disclosure Schedule” means the disclosure schedule of BCBSVT attached as Schedule A.

“BCBSVT Entities” means collectively, BCBSVT and each of its Subsidiaries.

“BCBSVT Membership Interest” means BCBSM’s interest as the sole member of BCBSVT, as evidenced by the BCBSVT Articles (as defined herein), which interest will afford to BCBSM all of the rights and privileges set forth in the BCBSVT Articles, the BCBSVT Bylaws (as defined herein), and applicable Law.

“Benchmark Measurement of Value Realized” means, during the Measurement Period (as defined herein), an amount equal to: (a) the amount of savings to the BCBSVT Entities for costs related to informational technology, National Account Service Company fees, other administrative and operating cost savings and other special or strategic development costs; minus (b) the amounts charged by BCBSM to the BCBSVT Entities, or otherwise incurred directly by the BCBSVT

Entities with the prior written consent of BCBSM, in connection with implementing the Integration Plan (other than Enhancement Costs); plus (c) pharmacy and other benefit cost savings to the BCBSVT Entities; plus (d) improvements to the BCBSVT Entities' underwriting margins on stop-loss insurance contracts; plus (e) savings on lower costs and fees to the BCBSVT Entities for administration and management of the investment portfolio. The Parties acknowledge and agree that Benchmark Measurement of Value Realized (i) are savings associated with a subset of Affiliation Value items that are discretely measurable, in alignment with the prioritization set forth on Exhibit A, and (ii) are to be calculated at the initial time of when such savings are measurable with respect to any applicable period and pro-rated over the remaining time to the end of the Measurement Period. For example, if a change results in a savings of one million dollars (\$1,000,000) per year starting in the second (2nd) year after the Closing Date (as defined herein), the Benchmark Measurement of Value Realized with respect to such change shall be equal to two million dollars (\$2,000,000) based upon savings in years 2 and 3 of the Measurement Period.

“Books and Records” means all books, files, reports, plans, records, manuals, and data, including customer lists, policy information, Contracts, administrative and pricing manuals and information, claims records, sales records, underwriting records, financial records, actuarial data and analyses, compliance records (prepared for or filed with regulators of BCBSVT), in each case, to the extent related to the operation of BCBSVT and whether or not stored in hardcopy form or on electronic, magnetic, optical or other media.

“Burdensome Condition” means any condition, limitation or qualification imposed by a Governmental Entity on or as a condition of its grant of any consent, authorization, order, approval or exemption that a Party seeks to obtain in connection with the transactions contemplated by this Agreement that, individually or together with all such conditions, limitations or qualifications would or would reasonably be expected to:

- (1) have a material negative effect on the benefits, taken as a whole, which the applicable Party reasonably expects to derive from the consummation of the transactions had such Party not been obligated to take or refrain from taking or agreeing to take or refraining from taking such action or suffering to exist such condition, limitation, restriction or requirement;
- (2) have a material negative effect on the business or the assets, Liabilities, properties, operations, results of operation or condition (financial or otherwise) of either Party or any of its Affiliates, individually or together;
- (3) impose any requirements to sell, divest, operate in a specified manner, hold separate or discontinue or limit, before or after the Closing Date, any material assets, Liabilities, businesses, operations or interest in any assets or businesses of either Party or any of its Affiliates;
- (4) involve any requirement relating to the contribution of capital, keep-well or capital maintenance arrangements or maintaining certain risk based capital levels;
- (5) require any material change to the Transaction Agreements;

(6) impose any requirement on any BCBSVT Entity to make a material contribution or commitment of money, assets or services to any charitable, community or Governmental Entity beyond any such contributions or commitments to which a Party has agreed prior to the date hereof;

(7) impose any requirement on any BCBSM Entity or any of its Affiliates, except for BCBSVT, to make a contribution or commitment of money, assets or services to any charitable, community or Governmental Entity beyond any such contributions or commitments to which a Party has agreed prior to the date hereof; or

(8) subject BCBSM or any of its Affiliates, except for BCBSVT, or their respective operations to the Laws of the State of Vermont as a result of the transactions contemplated by the Transaction Agreements, other than the Vermont Insurance Holding Company Act and related regulations, to the extent applicable to a controlling affiliate of a Vermont-domiciled insurance company.

“Business Day” means any day, other than a Saturday, a Sunday or other day on which commercial banks in New York, New York; Lansing, Michigan; or Montpelier, Vermont are authorized or required by Law to close.

“Close BCBSVT Subsidiary” means each of the Subsidiaries of BCBSVT, except for Comprehensive Benefits Administrator, LLC, Cobalt Benefits Group, LLC, EBPA, LLC and Blue Cross, and Blue Shield Vermont Caring for Children Foundation, Inc.

“COBRA” means Part 6 of Subtitle B of Title I of ERISA (as defined herein), Section 1161 *et seq.* of the Code, or similar state or local Law.

“Code” means the Internal Revenue Code of 1986.

“Collective Bargaining Agreement” means any labor agreement, collective bargaining agreement or any other labor-related agreements or arrangements with any labor union, trade union or labor organization.

“Confidentiality Agreement” means that certain Non-Disclosure Agreement, dated as of February 21, 2022, entered into between by and between the Parties.

“Contract” means any written or oral agreement, deed, mortgage, lease, license, instrument, note, commitment, undertaking, arrangement, contract or other legally binding obligation.

“Customer Data” means any data processed by or on behalf of the Close BCBSVT Subsidiaries from customers that is used in or necessary for the conduct of the business of the Close BCBSVT Subsidiaries, whether obtained via any website operated by or on behalf of the Close BCBSVT Subsidiaries or otherwise.

“Data Protection Requirements” means all applicable (a) Privacy Laws, (b) terms of any Contracts relating to the BCBSVT Entities’ collection, use, storage, disclosure, or transfer of personal data; and (c) industry standards and/or codes-of-conduct which govern the BCBSVT Entities’ collection, use, storage, disclosure, or cross-border transfer of Personal Information.

“Data Room” means the digital disclosure platform hosted on Sharefile through which the Parties have exchanged information. For the avoidance of doubt, any provisions of this Agreement which require BCBSVT to make a document available to BCBSM and/or provide a representation and warranty as to such provision, having posted the document in the Data Room at least five (5) days prior to the Execution Date shall satisfy such condition.

“DFR” means the Vermont Department of Financial Regulation.

“Disclosure Schedules” means the BCBSVT Disclosure Schedule and the BCBSM Disclosure Schedule.

“DOJ” means the U.S. Department of Justice.

“Enhancement Costs” means any cost or expense incurred to the extent relating to any change or upgrade that increases software or hardware capabilities for BCBSVT’s policyholders and other constituents beyond BCBSM’s current products and capabilities, including any changes that allow software and hardware performance scalability, provide additional functionality, greater processing speed, better cross-platform capabilities and improve business results.

“Entity” means any corporation (including any nonprofit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, company (including any company limited by shares, limited liability company or joint stock company) or other association, organization or entity (including any Governmental Entity).

“Environmental Law” means any Laws relating to pollution or protection of the environment, including the presence, use, production, generation, handling, transportation, treatment, storage, disposal, release, discharge or clean-up of Hazardous Materials.

“Equity Interests” means any direct or indirect ownership interests, including any: (a) shares or units of capital stock or voting securities, membership or limited liability company interests or units, partnership interests or other ownership interests (whether voting or nonvoting) in such Person; (b) other interest or participation (including phantom shares, units or interests or stock appreciation rights) in such Person that confers on the holder thereof the right to receive a share of the profits and losses of, or distribution of assets of, such Person; (c) subscriptions, calls, warrants, options or commitments of any kind or character related to, or entitling any Person or entity to purchase or otherwise acquire, any of the interests in the foregoing clauses (a) and (b); (d) securities convertible into or exercisable or exchangeable for any of the interests in the foregoing clauses (a)-(c); or (e) membership interests in a nonprofit corporation or mutual insurance company (including but not limited to a Michigan nonprofit mutual disability insurer and a Vermont nonprofit hospital and medical services corporation).

“ERISA Affiliate” means any trade or business (whether or not incorporated) which together with BCBSVT or a Close BCBSVT Subsidiary would be treated as a single employer under Section 414 of the Code or Section 4001 of ERISA.

“Exchange Act” means the Securities Exchange Act of 1934.

“GAAP” means U.S. generally accepted accounting principles in effect from time to time.

“Governmental Entity” means any government, court, regulatory or administrative agency, commission or authority or other governmental instrumentality, whether federal, state or local, domestic, foreign or multinational, any contractor acting on behalf of such agency, commission, authority or governmental instrumentality, or any quasi-governmental or private body exercising any regulatory, taxing, importing or other governmental authority.

“Hazardous Materials” means (a) petroleum and petroleum-derived substances, radioactive materials, asbestos, toxic molds or polychlorinated biphenyls and (b) any pollutant, contaminant, hazardous substance, hazardous waste, toxic substance, waste, additive, chemical, material or substance, or other compound element, material or substance in any form whatsoever (including products) defined or regulated as such under any Environmental Law.

“Health Care Law” means all applicable Laws relating to the regulation, provision, management, administration of, and payment for, health care services and items, including: (1) Exclusion from Participation in Medicare and State Health Care Programs, 42 U.S.C. § 1320a-7, Civil Monetary Penalties, 42 U.S.C. § 1320a-7a, Criminal Penalties for False Statement or Representations, 42 U.S.C. § 1320a-7b(a); (2) the federal Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b); (3) the Stark Law, 42 U.S.C. § 1395nn; (4) the civil False Claims Act, 31 U.S.C. §§ 3729-3733; (5) 18 U.S.C. §§ 286, 287, 666, 1035, and 1347; (6) HIPAA; (7) the Controlled Substances Act (21 U.S.C. § 801 et seq.); (8) the Medicare statute (Title XVIII of the Social Security Act) and the Medicaid statute (Title XIX of the Social Security Act), TRICARE (10 U.S.C. § 1071 et seq.), and the Children’s Health Insurance Program; (9) any federal, state or local Laws with respect to health care related fraud and abuse, false claims, self-referral, anti-kickback, billing, coding, documentation and submission of claims, dispensing medicines or controlled substances, health care professional credentialing and licensing, sales and marketing, health care quality and safety, the corporate practice of medicine, fee-splitting, and health care facility or agency licensing; and (10) in each case, all regulations, orders, or administrative guidance and requirements promulgated under or related to such Laws and any other similar federal, state or local Laws, as the same may be amended, modified, or supplemented from time to time, and any successor statute thereto.

“HSR Act” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

“Indebtedness” means, with respect to any Person as of any time, without duplication, the outstanding principal amount of, accrued and unpaid interest on, and other payment obligations arising under, any obligations of such Person consisting of: (a) indebtedness for borrowed money; (b) other obligations evidenced by any note, bond, debenture or other debt security; (c) obligations with respect to leases required to be capitalized under GAAP; (d) the deferred purchase price of assets, services or securities (other than ordinary trade accounts payable), including earn-out payments; (e) reimbursement obligations with respect to letters of credit, bankers’ acceptances, surety bonds and other financial guarantees, in each case, only to the extent drawn or otherwise not contingent; (f) all obligations under any interest rate, currency or other hedging agreement (valued at the termination value thereof); and (g) guarantees of any indebtedness of a third party of the type described in the foregoing clauses (a) through (f).

“Independent Contractor” means an individual service provider, which, for the avoidance of doubt, shall not include third party companies providing services as contractors.

“Insurance Contracts” means any insurance policy, contract, binder, slip or certificate, and health benefit plan (including group policies and contracts and stop loss policies and contracts issued to self-funded insurance plans) provided to a customer, subscriber or policyholder of a SAP Entity, including renewals thereof.

“Insurance Regulator” means, with respect to any applicable jurisdiction, the Governmental Entity responsible for administering the insurance Laws of such jurisdiction and regulating insurance companies domiciled or doing business in such jurisdiction.

“Integration Period” means the earlier of: (a) three (3) years after the Closing Date; or (b) the completion of the Integration Plan (as defined below).

“Integration Plan” means that certain plan of integration of certain aspects of the business of the BCBSVT Entities focused on achieving the Affiliation Opportunity guided by the Joint Operating Model, to be developed by the Integration Committee (as defined herein) in accordance with Section 6.9, with emphasis and prioritization on a subset of the Affiliation Opportunity as set forth on Exhibit A. The Integration Plan may be modified from time to time by the Integration Committee as circumstances warrant.

“Intellectual Property” means all intellectual property and intellectual property arising under the Laws in any jurisdiction throughout the world, including: (a) all patents and applications therefor, including continuations, divisionals, continuations-in-part, or reissues of patent applications and patents issuing thereon, inventions and discoveries and invention disclosures (collectively, “Patents”); (b) all trademarks, service marks, trade names, service names, brand names, trade dress rights, logos, Internet domain names and corporate names, and all other indicia of source or origin, together with the goodwill associated with any of the foregoing, and all applications, registrations and renewals thereof, (collectively, “Marks”); (c) copyrights and registrations and applications therefor, works of authorship and mask work rights (collectively, “Copyrights”); (d) trade secrets, confidential or proprietary information, research in progress, algorithms, data, designs, processes, formulae, drawings, schematics, blueprints, flow charts, models, strategies, prototypes, techniques; and (e) all computer software and rights therein (including source code, executable code, data, databases and documentation).

“Investment Asset” means any investment asset (whether or not required by SAP to be reflected on a balance sheet) beneficially owned (within the meaning of Rule 13d-3 under the Exchange Act) by a SAP Entity, including bonds, notes, debentures, mortgage loans, all other instruments of indebtedness, real estate, stocks, partnership or joint venture interests and all other equity interests, certificates issued by or interests in trusts, derivatives and all other assets acquired for investment purposes.

“IRS” means the U.S. Internal Revenue Service.

“Joint Operating Model” means the operating model to govern the interrelationships between the BCBSM Entities and the BCBSVT Entities following the Closing.

“Knowledge” or any other similar knowledge qualification, means, with respect to BCBSVT, the actual knowledge that, after reasonable inquiry of the President and CEO and the Vice President, Treasurer, and CFO of BCBSVT and each of their direct reports, and with respect

to BCBSM, the actual knowledge, after reasonable inquiry of the General Counsel and their direct reports.

“Laws” means any laws (statutory, common or otherwise), constitutions, treaties, conventions, ordinances, codes, rules, regulations, subregulatory guidance, bulletins, licensure standards, permits, approvals, Orders or other similar requirements enacted, adopted, promulgated or applied by a Governmental Entity.

“Liabilities” means assessments, claims of any kind or nature, commitments, damages, deficiencies, demands, fines, interest, liabilities (including any indebtedness), obligations, penalties, losses, Taxes, and costs and expenses (including fees and expenses of outside legal counsel, accountants, experts, consultants, and other advisors, and the costs of all filing fees and printing costs), in each case, whether accrued, absolute, contingent or otherwise, known or unknown, or due or to become due, whether or not required to be recorded or reflected on a balance sheet under GAAP or SAP.

“Lien” means any lien, encumbrance, pledge, mortgage, deed of trust, security interest, claim, lease, charge, option, right of first refusal, easement, servitude, proxy, voting trust or agreement, transfer restriction under any equity holder or similar agreement, or any other similar restriction.

“Material Adverse Effect” means (a) any change, event or effect that has had, or would reasonably be expected to have, a material adverse effect upon the assets, liabilities, condition (financial or otherwise), business or results of operations of the BCBSVT Entities (individually or taken as a whole), as applicable; provided, however, that any adverse change, event or effect arising from or related to any of the following shall not be taken into account in determining whether a “Material Adverse Effect” has occurred (except, with respect to any matter described in the following clauses, to the extent such adverse change, event or effect has a materially disproportionate effect on the BCBSVT Entities relative to other comparable businesses operating in the industry in which such entities operate): (i) conditions affecting the United States economy generally, (ii) any national or international political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the United States, or any of its territories, possessions or diplomatic or consular officers or upon any military installation, equipment or personnel of the United States; (iii) changes in financial, banking or securities markets; (iv) changes in GAAP or SAP; or (v) changes in Law or (b) a material impairment or delay of BCBSVT’s ability to perform its obligations under this Agreement, except such delay caused by a material breach by BCBSM of any material term or condition of this Agreement.

“Order” means any judgment, decree, injunction, rule, order, decision, decree, ruling or assessment of any arbitrator or Governmental Entity.

“Organizational Documents” means any corporate, partnership or limited liability organizational documents, including certificates or articles of incorporation, bylaws, certificates of formation, operating agreements (including limited liability company agreement and

agreements of limited partnership), certificates of limited partnership, partnership agreements, shareholder agreements, and certificates of existence, as applicable.

“Outside Date” means the date that is nine (9) months following the date of this Agreement unless the Parties mutually agree to extend such date.

“Permit” means any approvals, authorizations, licenses, registrations, variances, permits or certificates granted by or obtained from a Governmental Entity and applications therefor and renewals thereof.

“Permitted Liens” means: (a) mechanic’s, materialmen’s, carriers’, repairers’ and other Liens arising or incurred in the ordinary course of business for amounts that are not yet delinquent or are being contested in good faith; (b) Liens for Taxes not yet due and payable as of the Closing Date or which are being contested in good faith by applicable Proceedings (as defined herein), and for which adequate reserves have been established therefor on the GAAP Financial Statements (as defined herein) or SAP Financial Statements (as defined herein) in accordance with GAAP or SAP, as applicable; (c) easements, covenants, conditions, rights of way and other similar restrictions of record affecting title to Real Property that do not detract from the value or materially interfere with the BCBSVT Entities’ present uses or occupancy of such Real Property; and (d) zoning, building codes and other land use laws regulating the use or occupancy of Real Property or the activities conducted thereon which are imposed by any Governmental Entity having jurisdiction over such Real Property and which are not violated by the current use or occupancy of such Real Property or the operation of the businesses of the BCBSVT Entities.

“Person” means any individual or Entity.

“Personal Information” shall have the meaning of such term or like terms set forth in any Data Protection Requirements (including “Protected Health Information” as defined in HIPAA).

“Privacy Laws” means all applicable Laws, rules, regulations, and each Parties’ privacy policies pertaining to Personal Information, data protection, data privacy, data security, data breach notification, and cross-border data transfer, including the Gramm-Leach-Bliley Act of 1999, as amended, and HIPAA. For the avoidance of doubt, the Identity Theft Red Flag Rules under the Fair and Accurate Credit Transactions Act of 2003 and any similar state Laws shall not be deemed to be “Privacy Laws” hereunder.

“Real Property” means the Owned Real Property (as defined herein) and Leased Real Property (as defined herein).

“SAP” means, for any insurance company or health maintenance organization conducting an insurance business, the statutory accounting principles prescribed or permitted by Law of the jurisdiction where such insurance company or health maintenance organization is domiciled, consistently applied.

“SAP Entity” means BCBSVT and The Vermont Health Plan, LLC.

“Subsidiary” of any Person means any Entity: (a) of which fifty percent (50%) or more of the outstanding share capital, voting securities or other voting Equity Interests are owned, directly

or indirectly, by such Person; (b) of which such Person is entitled to elect, directly or indirectly, at least fifty percent (50%) of the board of directors or similar governing body of such Entity; or (c) if such Entity is a limited partnership or limited liability company, of which such Person or one of its Subsidiaries is a general partner or managing member or has the power to direct the policies, management or affairs.

“Tax Return” means any return, declaration, report, claim for refund, estimate, information return or statement, including any schedule or attachment thereto and including any amendment thereof required to be filed or sent in respect of any Taxes.

“Taxes” means all federal, state, local or non-U.S. taxes, customs, duties, governmental fees or other like assessments or any charge of any kind whatsoever, including all net income, alternative or add-on minimum, gross receipts, capital, sales, use, premium, retaliatory, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, retaliatory, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation, escheat and unclaimed property, and estimated taxes, together with any and all interest, penalties, fines, additions to tax or additional amounts imposed by any Taxing Authority in connection with any item described herein.

“Taxing Authority” means each national, state, provincial or local government or any governmental, administrative or regulatory authority, agency, court, commission, tribunal, body or instrumentality of any government that imposes, regulates, administers or collects the collection of Taxes in any applicable jurisdiction.

“Transaction Agreements” means this Agreement, any Contract entered into in connection with this Agreement or any document or certificate delivered by a Party in connection with this Agreement, including the BCBSVT Articles and the BCBSVT Bylaws.

“Transition Costs” means any cost or expense incurred to the extent arising from transitioning BCBSVT to BCBSM’s technology and related systems, including, but not limited to, the implementation, migration, or transfer of data, licenses and subscriptions used in connection with the business other than the costs incurred in relation to the provision of Enhancements Costs.

(b) The following terms are not defined above but are defined in the sections of this Agreement indicated below:

Term	Section
Affiliation	Recitals
Agreement	Preamble
BCBSA	Recitals
BCBSM	Preamble
BCBSVT	Preamble
BCBSVT Actuarial Analysis	Section 4.20(g)
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BCBSVT Benefit Plan	Section 4.16(a)
BCBSVT Board	Section 2.1
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Enforceability Exceptions	Section 4.18(b)
ERISA	Section 4.16(b)
Execution Date	Preamble
Filing	Section 4.3
GAAP Financial Statements	Section 4.6(a)
Health Care Program.....	Section 4.27(b)
HSR Act Termination	Section 7.1(a)
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ARTICLE II

AFFILIATION

Section 2.1 Affiliation. In connection with the closing of the transactions contemplated by this Agreement (the “Closing”), among other matters, the Articles of Incorporation and the Bylaws of BCBSVT in effect as of the date hereof shall be amended as set forth in the forms attached hereto as Exhibit B and Exhibit C (respectively, as amended, the “BCBSVT Articles” and the “BCBSVT Bylaws”), such that, among other things, BCBSM shall become the sole member of BCBSVT. Concurrently with the Closing, (a) the current members of the board of directors of BCBSVT (the “BCBSVT Board”) shall resign (other than as set forth in Section 3.2(a)(iii)) and (b) the BCBSVT Board shall be restructured as set forth in the BCBSVT Articles and BCBSVT Bylaws.

ARTICLE III

THE CLOSING

Section 3.1 Closing. The Closing shall take place at the principal offices of BCBSM at 10:00 am local time (or such other place and time as the Parties may agree in writing), on the later of October 1, 2023, and the third (3rd) Business Day following the full satisfaction or due waiver of all the conditions set forth in Article VII (other than those conditions to be satisfied at the Closing itself, but subject to the satisfaction or waiver of such conditions at the Closing) (the “Condition Satisfaction”), (a) unless another date is mutually agreed upon in writing by the Parties and (b) subject to the continued satisfaction of all the conditions set forth in Article V. The date and time of the Closing are referred to herein as the “Closing Date”.

Section 3.2 Closing Deliverables.

(a) BCBSVT Closing Deliverables. At the Closing, BCBSVT shall deliver to BCBSM the following:

- (i) The BCBSVT Articles;
- (ii) The BCBSVT Bylaws;
- (iii) The written resignation of all members of the board of directors of BCBSVT, other than those individuals approved by BCBSM in accordance with Section 6.12;
- (iv) The officers’ certificate contemplated by Section 7.2(d);
- (v) A duly executed IRS Form W-9; and
- (vi) Any other agreements, corporate documents or documentation of any other action which in the reasonable opinion of BCBSM is necessary to effectuate the terms of this Agreement.

(b) BCBSM Closing Deliverables. At the Closing, BCBSM shall deliver to BCBSVT the following:

- (i) The officers' certificate contemplated by Section 7.3(d);
- (ii) Evidence of resolution by BCBSM as sole member of BCBSVT appointing the new BCBSVT Board of Directors, effective as of the Closing; and
- (iii) Any other agreements, corporate documents or documentation of any other action which in the reasonable opinion of BCBSVT is necessary to effectuate the terms of this Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF BCBSVT

BCBSVT represents and warrants to BCBSM, as applicable, as of the Execution Date and as of the Closing (except to the extent such representation and warranty expressly relates to an earlier date or period) as follows:

Section 4.1 Due Organization and Good Standing.

(a) Each BCBSVT Entity is duly organized and validly existing and in good standing under the Laws of the jurisdiction of its incorporation, organization, or formation, as applicable, and, except as would not result in a Material Adverse Effect, has all requisite corporate, limited liability company, or other power and authority to own, lease, and operate its properties and assets and to conduct its businesses in the manner in which its businesses are currently being conducted. None of the BCBSVT Entities are required to be duly qualified or authorized to do business as a foreign corporation, limited liability company or other such authority under the Laws of any jurisdiction.

(b) BCBSVT is a nonprofit hospital corporation and a nonprofit medical services corporation regulated by Chapters 123 and 125 of Title 8 of the Vermont Statutes Annotated.

(c) No BCBSVT Entity is a licensed insurance company other than the SAP Entities.

Section 4.2 Authority; Binding Nature of Agreement. Each of BCBSVT and the Close BCBSVT Subsidiaries has the requisite power and authority to enter into, and to perform its covenants and agreements under each Transaction Agreement to which it is or contemplated to be a party. The execution, delivery, and performance of the Transaction Agreements by each of BCBSVT and the Close BCBSVT Subsidiaries that is or contemplated to be a party thereto and the consummation thereof by BCBSVT and each such Close BCBSVT Subsidiary have been duly and validly authorized by all necessary corporate or limited liability company action on the part of BCBSVT and each such Close BCBSVT Subsidiary, and no other corporate action or Proceeding on the part of a BCBSVT Entity is necessary to authorize the Transaction Agreements, the

performance by a BCBSVT Entity of its covenants and agreements under the Transaction Agreements to which it is or contemplated to be a party or the consummation thereof. The Transaction Agreements have been or shall be, as applicable, duly and validly executed and delivered on behalf of BCBSVT and the Close BCBSVT Subsidiaries that are or contemplated to be a party thereto and, assuming the due authorization, execution, and delivery of the Transaction Agreements by the other Party to such agreement, shall constitute a legal, valid, and binding obligation of BCBSVT and each Close BCBSVT Subsidiary, enforceable against such entity in accordance with its terms.

Section 4.3 Noncontravention; Consents. BCBSVT's and each Close BCBSVT Subsidiary's execution and delivery of each Transaction Agreement to which it is or is contemplated to be a party, the performance of BCBSVT's and each Close BCBSVT Subsidiary's obligations thereunder, and the consummation by BCBSVT of the Affiliation and the transactions contemplated by each Transaction Agreement to which BCBSVT or a Close BCBSVT Subsidiary is or is contemplated to be a party does not (a) contravene, conflict with or result in any violation or breach of any Organizational Document of BCBSVT or a Close BCBSVT Subsidiary; (b) subject to making or obtaining, as applicable, the Consents and Filings in Schedule 4.3 of the BCBSVT Disclosure Schedule, conflict with or result in any violation or breach of any Law; or (c) subject to making or obtaining, as applicable, the Consents and Filings in Schedule 4.3 of the BCBSVT Disclosure Schedule, (i) require any consent, approval, declaration, authorization or waiver (each, a "Consent") of or any notice to or filing (each, a "Filing") with or to any third party with respect to, (ii) result in any breach or violation of or constitute a default (or an event which with or without notice or lapse of time or both would become a default) or result in the loss of a benefit or result in the imposition of an obligation under, (iii) or give rise to any right of termination, cancellation, amendment or acceleration of, or of any right or obligation of BCBSVT or a Close BCBSVT Subsidiary, or result in the creation of a Lien on any asset of BCBSVT or any BCBSVT Entity, under, any (A) Material Contract (as defined herein) to which BCBSVT or any BCBSVT Entity is a party or by which BCBSVT or any BCBSVT Entity or its properties or assets are bound; or (B) Permit held by BCBSVT or any BCBSVT Entity or pursuant to which BCBSVT or any BCBSVT Entity or its properties or assets is subject, except, in the case of the foregoing clause (c), as would not result in a Material Adverse Effect. Each BCBSVT's and each Close BCBSVT Subsidiary's execution and delivery of this Agreement and of each Transaction Agreement to which any Close BCBSVT Subsidiary is or will be a party, and the performance by such BCBSVT or Close BCBSVT Subsidiary of its obligations thereunder, does not require BCBSVT or any Close BCBSVT Subsidiary to make any Filing with or to, or to obtain any Consent from, any Governmental Entity, other than as listed on Schedule 4.3 of the BCBSVT Disclosure Schedule. BCBSVT has the authority to grant the BCBSVT Membership Interest and amend the BCBSVT Articles to name BCBSM as the sole member of BCBSVT in accordance with the terms of this Agreement. The granting of the BCBSVT Membership Interest to BCBSM at the Closing will not violate any provision of applicable Law or BCBSVT's Organizational Documents.

Section 4.4 BCBSVT Membership Interest. At the Closing, BCBSM will hold and own the BCBSVT Membership Interest, free and clear of any restrictions on Taxes, Liens, transfers, options, warrants, purchase rights, contracts, commencements, equities, claims and demands, other than those created by BCBSM. BCBSVT has the full and unrestricted power and authority to grant, convey, assign, transfer and deliver the BCBSVT Membership Interest as

provided in this Agreement. BCBSVT is not a party to any option, warrant, purchase right or other contract or commitment (other than this Agreement) that would require BCBSVT to grant, transfer, or otherwise dispose of any Membership Interest to any Person other than BCBSM pursuant to this Agreement. The BCBSVT Membership Interest will represent the sole membership interest in BCBSVT. There are no other membership interests, voting rights or similar interests of BCBSVT authorized or otherwise assigned and there are no other Persons that are members or have a membership interest in BCBSVT, or other agreements of any kind or character for the issuance of any voting or economic rights, membership interest, security interest, contractual right or any other right to acquire such interest in BCBSVT.

Section 4.5 Capitalization.

(a) Other than as set forth on Schedule 4.5(a) of the BCBSVT Disclosure Schedule, there are no outstanding, issued or authorized (i) Equity Interests, (ii) equity securities of the BCBSVT Entities, (iii) securities of the BCBSVT Entities convertible into or exchangeable for Equity Interests or equity securities of the BCBSVT Entities, (iv) instruments of any kind containing any equity features or (v) agreements, options, warrants, subscriptions, convertible or exchangeable securities or other rights (including any preemptive, exchange, conversion or other rights), Equity Interest appreciation rights, phantom Equity Interest plans, securities or other arrangements of any character to acquire from the BCBSVT Entities, all of which are owned by the Persons as set forth in Schedule 4.5(a) of the BCBSVT Disclosure Schedule beneficially and of record and free and clear of any Lien and any restriction on transfer and have been duly authorized and validly issued and are fully paid and non-assessable, and there are no obligations of the BCBSVT Entities to issue any of the foregoing. Schedule 4.5(a) of the BCBSVT Disclosure Schedule sets forth the capitalization of each BCBSVT Entity. There are no bonds, debentures, notes or other indebtedness of any BCBSVT Entity having voting rights (or convertible into securities having voting rights).

(b) Except for this Agreement and transfer restrictions arising under securities and insurance Laws generally applicable to insurance companies domiciled in the State of Vermont, there are no voting trusts, equity holder agreements, proxies or other rights, restrictions or agreements in effect with respect to the Equity Interests of the other BCBSVT Entities.

(c) Except as set forth on Schedule 4.5(c) of the BCBSVT Disclosure Schedule, no BCBSVT Entity owns, directly or indirectly, any equity or similar interest in, or any interest convertible into or exchangeable or exercisable for, at any time, any equity or similar interest in, any Person except for investment assets held in the ordinary course of business.

(d) Except as set forth on Schedule 4.5(d), neither BCBSVT nor any Close BCBSVT Subsidiary is a member or participant in any partnership, joint venture or other entity.

Section 4.6 Financial Statements.

(a) BCBSVT has made available to BCBSM true and complete copies of the following financial statements (such financial statements, the "GAAP Financial

Statements”): (i) the audited consolidated balance sheet of the BCBSVT Entities as of December 31, 2022, December 31, 2021 and December 31, 2020 and the related audited consolidated statements of operations, shareholders’ equity and cash flows for the fiscal years then ended and (ii) unaudited consolidated balance sheets of the BCBSVT Entities as of December 31, 2022 and the related unaudited consolidated statements of operations, shareholders’ equity and cash flows for each of the twelve (12)-month periods then ended (collectively, the “Interim Financial Statements”). The GAAP Financial Statements (A) have been prepared from and are consistent with the Books and Records of the applicable BCBSVT Entity, (B) fairly present, in all material respects, the financial position, results of operations and cash flows of the applicable BCBSVT Entity as of the dates and for the periods indicated, subject, in the case of the Interim Financial Statements, to year-end adjustments (if any) and the absence of notes and (C) have been prepared in conformity with GAAP applied consistently throughout the periods covered thereby subject. The BCBSVT Entities maintain a system of internal accounting controls designed to provide reasonable assurances (x) regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP, (y) that BCBSVT Entities maintain no off-balance-sheet accounts and (z) that access to BCBSVT Entities’ assets is permitted only in accordance with authorization of management of the relevant BCBSVT Entity.

(b) BCBSVT has made available to BCBSM true and complete copies of the following financial statements (such financial statements, the “SAP Financial Statements”): (i) the SAP audited balance sheets of each SAP Entity as of December 31, 2020, December 31, 2021 and December 31, 2022; (ii) the SAP annual statutory statements of each SAP Entity as of December 31, 2020, December 31, 2021 and December 31, 2022 and the related SAP statements of income, changes in surplus and cash flow for the fiscal years then ended (including the notes, exhibits or schedules thereto and any actuarial opinions, affirmations or certificates filed therewith), as filed with the applicable Insurance Regulator; and (iii) the SAP unaudited balance sheets and annual statutory statements of each SAP Entity as of March 31, 2022, June 30, 2020 and September 30, 2022 and the related SAP unaudited statements of income, changes in surplus and cash flow for the three (3), six (6) and nine (9)-month periods then ended (including the notes, exhibits or schedules thereto and any actuarial opinions, affirmations or certificates filed therewith), as filed with the applicable Insurance Regulator. Each SAP Entity has timely filed, on forms prescribed by the applicable Insurance Regulator, all required annual and statutory financial statements with the applicable Insurance Regulator and all of the SAP Financial Statements. The SAP Financial Statements (A) have been prepared from and are consistent with the Books and Records of the relevant SAP Entity, (B) fairly present, in all material respects, the statutory financial condition of the relevant SAP Entity as and at the respective dates indicated and the income, changes in surplus and cash flow for the respective periods indicated, (C) have been prepared in accordance with SAP consistently applied and in accordance with the past practices of the relevant SAP Entity (except that the unaudited SAP Financial Statements are subject to adjustments customarily performed by the relevant SAP Entity at year-end and subject to estimation corrections) and (D) were prepared in compliance with the internal controls of the relevant SAP Entity. No material deficiencies have been asserted by any Insurance Regulator with respect to any SAP Financial Statement which have not been cured, waived or otherwise resolved to the material satisfaction of the Insurance Regulator.

(c) Each SAP Entity has made available to BCBSM true and complete copies of the Company Information Page (JURAT) Health Risk-Based Capital statement (the

“JURAT Statement”) as of December 31, 2022, December 31, 2021, December 31, 2020 and December 31, 2019. Each SAP Entity has timely filed, as prescribed by the applicable Governmental Entities, all required information with the applicable Governmental Entities in connection with such statement. The JURAT Statement (A) has been prepared from and is consistent with the Books and Records of each SAP Entity, (B) fairly presents, in all material respects, the relevant information of each SAP Entity as and at the respective dates indicated and (C) was prepared in compliance with the internal controls of each SAP Entity. No material deficiencies have been asserted by any Governmental Entity with respect to any JURAT Statement which have not been cured, waived or otherwise resolved to the material satisfaction of the Governmental Entity.

(d) Except for those Liabilities (i) that are specifically reflected or reserved against in the most recent GAAP Financial Statements or SAP Financial Statements or (ii) incurred in the ordinary course of business since December 31, 2022, the BCBSVT Entities do not have any Liabilities that are, or could reasonably be expected to be, individually or in the aggregate, material in amount.

(e) Schedule 4.6(e) of the BCBSVT Disclosure Schedule sets forth a complete and correct list of all accounting practices used by SAP Entities in the preparation of the SAP Financial Statements that depart from the National Association of Insurance Commissioners’ Accounting Practices and Procedures Manual (each such departure, a “Permitted Practice”), if any. All such Permitted Practices have been approved by the respective domiciliary regulator in writing at or prior to the time used by the relevant SAP Entity in connection with the preparation of the applicable SAP Financial Statements. Since December 31, 2019, neither the SAP Entities nor any Person acting on behalf of a SAP Entity has sought approval for a permitted accounting practice that was either (i) not granted by the respective domiciliary regulator or (ii) granted by the domiciliary regulatory, but not used by the SAP Entities in connection with the applicable SAP Financial Statements. The SAP Financial Statements were not prepared on the basis of any permitted accounting practice other than as set forth in Schedule 4.6(e) of the BCBSVT Disclosure Schedule.

(f) Schedule 4.6(f) of the BCBSVT Disclosure Schedule sets forth a complete list of all Indebtedness of the BCBSVT Entities. None of BCBSVT or any Close BCBSVT Subsidiary, nor to BCBSVT’s Knowledge, any other BCBSVT Entity is in violation or breach of, or in default (or an event which, with notice or lapse of time or both, would constitute a default), actual or alleged, under any agreement or other instrument relating to Indebtedness to which it is a party or by which it is bound (nor would it be with the giving of notice or lapse of time or both).

(g) BCBSVT has delivered to BCBSM prior to the date hereof a true and correct copy of the strategic plan and operating budget of BCBSVT adopted by the BCBSVT Board and in effect as of the date hereof.

Section 4.7 Reserves.

(a) The actuarial reserves held in respect of Liabilities with respect to BCBSVT and the BCBSVT Entities set forth in the applicable GAAP Financial Statements and SAP Financial Statements and other insurance department filings:

(i) (A) were determined in accordance with generally accepted actuarial standards consistently applied, (B) were fairly stated in accordance with sound actuarial principles and (C) were based on valid and appropriate actuarial assumptions which produce reserves at least as great as those called for in any contractual provision as to reserve basis and method, and are in any contractual provision as to reserve basis and method, and are in accordance with all other applicable contractual provisions;

(ii) at any date of the applicable financial statements, met the requirements of the applicable insurance laws of the State of Vermont, or any other state having jurisdiction, in all material respects; and

(iii) to the Knowledge of BCBSVT, were adequate as of the date of the applicable financial statement (under accepted actuarial standards consistently applied at such time) to cover the total amount of all the reasonably anticipated matured and unmatured Liabilities of BCBSVT under all outstanding Insurance Contracts pursuant to which BCBSVT or any such BCBSVT Entity has any liability.

Section 4.8 Absence of Certain Developments. Except as contemplated by this Agreement or as set forth on Schedule 4.8 of the BCBSVT Disclosure Schedule, since December 31, 2019: (a) BCBSVT and each Close BCBSVT Subsidiary and to the Knowledge of BCBSVT, each other BCBSVT Entity has conducted its respective businesses only in the ordinary course of business; (b) there has not been any event, change, occurrence or circumstance that has had a Material Adverse Effect; and (c) BCBSVT and each Close BCBSVT Subsidiary has not taken any action that would, if taken after the date hereof, be prohibited (absent the consent of BCBSM) or omitted to take any action that would, if taken after the date hereof, be required, as the case may be (in each case, without regard to whether such act or failure to act might be taken with the consent of BCBSM), pursuant to Section 6.1.

Section 4.9 Taxes. Except as set forth on Schedule 4.9 of the BCBSVT Disclosure Schedule:

(a) Each BCBSVT Entity has timely filed all Tax Returns required to be filed by it (including any consolidated, combined, unitary, or other similar Tax Return that includes such BCBSVT Entity), and such Tax Returns have been prepared in compliance with all applicable Laws and are true, correct and complete in all material respects. All Taxes (whether or not shown on any Tax Return) for which a BCBSVT Entity is liable have been timely paid.

(b) All material Taxes required to be withheld by a BCBSVT Entity have been withheld and have been (or will be) duly and timely paid to the proper Taxing Authority. There are no Liens for Taxes upon any BCBSVT Entity's assets. No Taxing Authority in a jurisdiction in which a BCBSVT Entity has not filed a particular type of Tax Return or paid a

particular type of Tax has asserted that such BCBSVT Entity is required to file such Tax Return or pay such type of Tax in such jurisdiction.

(c) None of the Tax Returns filed by a BCBSVT Entity or Taxes payable by a BCBSVT Entity have been the subject of an audit, action, examination, deficiency or assessment by any Taxing Authority since December 31, 2019, and no such audit, legal action, examination, deficiency or assessment is currently pending or, to the Knowledge of BCBSVT, threatened in writing. All deficiencies asserted or assessments made as a result of any examination of the Tax Returns filed by or on behalf of a BCBSVT Entity have been paid in full or otherwise finally resolved. No BCBSVT Entity has waived any statute of limitation with respect to any Tax or agreed to any extension of time with respect to a Tax assessment or deficiency that remains outstanding.

(d) There are no Tax rulings, requests for rulings, or closing agreements relating to Taxes for which a BCBSVT Entity may be liable that could affect such BCBSVT Entity's Liability for Taxes for any taxable period ending after the Closing Date.

(e) No BCBSVT Entity has any liability for Taxes of another Person (other than a member of a consolidated, combined or unitary group for which BCBSVT is the common parent) under Treasury Regulations Section 1.1502-6 (or any similar provision of Law), under any agreement or arrangement, as a transferee or successor, or by contract (other than a contract entered into in the ordinary course of business and the primary purpose of which does not relate to Taxes).

(f) No BCBSVT Entity has participated in any "listed transaction" within the meaning of Treasury Regulations section 1.6011-4(b)(2).

(g) BCBSVT is an "existing Blue Cross or Blue Shield organization" within the meaning of Section 833(c)(2) of the Code.

(h) From and after August 16, 1986 and through the date of hereof, BCBSVT has not experienced a material change in its operations or in its structure for purposes of Section 833(c)(2) of the Code.

Section 4.10 Intellectual Property.

(a) Except as set forth on Schedule 4.10 of the BCBSVT Disclosure Schedule, all rights, title and interest in and to BCBSVT-owned Intellectual Property is exclusively owned by BCBSVT or a Close BCBSVT Subsidiary. BCBSVT and each Close BCBSVT Subsidiary take commercially reasonable steps to maintain the confidentiality of its trade secrets and other material confidential information.

(b) Subject to any limitations imposed by Health Care Law, BCBSVT and each of the Close BCBSVT Subsidiaries have all necessary rights to use, reproduce, modify, create derivative works of, license, sublicense, distribute and otherwise exposit BCBSVT data, Personal Information and Customer Data in connection with the operation of the business of BCBSVT or the Close BCBSVT Subsidiaries as currently conducted, except, in each case, as

would not reasonably be expected to materially interfere, individually or in the aggregate, with the operation of the business of such entity.

Section 4.11 Material Contracts. Schedule Section 4.11(a) of the BCBSVT Disclosure Schedule sets forth a true, correct and complete list of each Contract falling into any of the following categories of Contracts to which BCBSVT or any Close BCBSVT Subsidiary is a party or by which it is bound as of the date hereof (a “Material Contract”):

(i) Any Contract which purports to limit or otherwise restrict BCBSVT or any of the Close BCBSVT Subsidiaries from engaging or competing in any line of business or in any geographic area;

(ii) Any Contract that grants a right of first refusal or first offer or similar right or materially restricts or limits the freedom of BCBSVT or any Close BCBSVT Subsidiary to compete with any Person or in any geographical area or in any particular medium or to market any product, provides “exclusivity” or any similar requirement or includes a “preferred” or “most favored nation” provision;

(iii) Contracts or a series of related Contracts with the ten largest participating providers based on claims expense for the fiscal year ended December 31, 2022;

(iv) any joint venture, partnership, limited liability company or other similar Contracts, except any of the foregoing arrangements involving BCBSM which relate to Medicare Part D and/or Medicare Advantage;

(v) Contracts relating to third-party medical management administration or claims administration which involve payments by BCBSVT or a Close BCBSVT Subsidiary of more than \$500,000 during any twelve (12) month-period;

(vi) Contracts that contain any provision impeding the transfer of any existing IT functions to BCBSM following the Closing of more than \$500,000;

(vii) lease or other Contract with respect to any tangible property (other than Real Property), owned by any other Person, except for any such Contract under which the aggregate annual rental payments do not exceed \$1,000,000;

(viii) Contract that relates to the future disposition or acquisition (other than sales or purchases of equipment in the ordinary course of business) of assets or properties valued in excess of \$1,000,000 by BCBSVT or a Close BCBSVT Subsidiary, or any merger or business combination with respect to a BCBSVT Entity;

(ix) Real Property Leases (as defined herein) of BCBSVT and the Close BCBSVT Subsidiaries, as applicable;

(x) Contract involving any resolution or settlement of any actual or threatened Proceeding which (A) imposes continuing non-monetary obligation(s) on BCBSVT or a Close BCBSVT Subsidiary, (B) the performance of which shall involve

payments by a BCBSVT Entity after the Closing Date or (C) is with any current or former director, officer or employee of a BCBSVT Entity, and has not been fully satisfied or discharged as of the date hereof;

(xi) Contract that involves the expenditure, payment or receipt by a Close BCBSVT Subsidiary of more than \$1,000,000 in the aggregate during any twelve (12) month-period and is not terminable by BCBSVT on notice of ninety (90) or fewer days without payment of any material penalty, except for purchase and sale orders;

(xii) Contract that involves the capital contribution or investment by BCBSVT of more than \$1,000,000 in the aggregate during any twelve (12) month-period, except for capital contributions or investments;

(xiii) Contract that contains any keep-wells or guarantees made or supported by BCBSVT or a Close BCBSVT Subsidiary or a stand-alone indemnification agreement, which, for the avoidance of doubt, shall not include service contracts with indemnification provisions;

(xiv) Contract pursuant to which any Lien, other than a Permitted Lien, is placed or imposed on any material asset of BCBSVT or a Close BCBSVT Subsidiary;

(xv) Contract related to the investment management functions of BCBSVT that involve the expenditure or payment by BCBSVT or a Close BCBSVT Subsidiary;

(xvi) Contracts with any applicable Governmental Entity;

(xvii) employment, consulting, retention, change in control, and similar agreements with employees or Independent Contractors (which, for the avoidance of doubt, shall not include third party companies providing services as contractors) of BCBSVT or a Close BCBSVT Subsidiary, all of the foregoing providing more than \$250,000 per year in compensation; and all severance agreement under which all payment are made as of the date hereof or will be made as of the Closing;

(xviii) any Collective Bargaining Agreements;

(xix) Intellectual Property Contracts which involve payment or receipt by BCBSVT or a Close BCBSVT Subsidiary of more than \$1,000,000 in the aggregate during any twelve (12) month-period pursuant to which BCBSVT or a Close BCBSVT Subsidiary (A) receives or is granted any license or sublicense to, or covenant not to be sued under, any Intellectual Property (other than licenses to off-the-shelf software and software that is commercially available on non-discriminatory pricing terms) or (B) grants any license or sublicense to, or covenant not to be sued under, with respect to any Intellectual Property (other than immaterial, non-exclusive licenses granted in the ordinary course of business);

(xx) Contracts with BCBSVT or a Close BCBSVT Subsidiary, on the one hand, and one or more of its Affiliates, on the other hand, and;

(xxi) any commitment to enter into any Contract of the type described in the foregoing clauses of this Section 4.11(a).

(b) Each Material Contract is in full force and effect and is a valid and legally binding obligation of the BCBSVT Entity which is a party to such Material Contract, and to BCBSVT's Knowledge, each other party thereto, and enforceable in accordance with its terms against such BCBSVT Entity and, to BCBSVT's Knowledge, against each other party thereto. Except as set forth on Schedule 4.11(b) of the BCBSVT Disclosure Schedule, BCBSVT and the Close BCBSVT Subsidiaries, and, to BCBSVT's Knowledge, all other BCBSVT Entities and each of the other parties to all Material Contracts, have performed all material obligations required to be performed by such party under each Material Contract and is not in material breach or material default under any Material Contract. Neither BCBSVT or a Close BCBSVT Subsidiary nor, to the Knowledge of BCBSVT, any other BCBSVT Entity has received written or oral notice of any alleged material breach or material default under any of the Material Contracts to which such BCBSVT Entity is a party. No event has occurred which, with the giving of notice, the passage of time (or both) would constitute a material default under any of the Material Contracts by BCBSVT or a Close BCBSVT Subsidiary or, to the Knowledge of BCBSVT, by any other BCBSVT Entity. BCBSVT has delivered a true, correct and complete copy of each Material Contract to BCBSM, except for those contracts included on Schedule 4.11(b) of the BCBSVT Disclosure Schedule.

Section 4.12 Compliance with Laws.

(a) Except as set forth on Schedule 4.12(a) of the BCBSVT Disclosure Schedule, BCBSVT and the Close BCBSVT Subsidiaries and, to the Knowledge of BCBSVT, each other BCBSVT Entity (i) is, and at all times since December 31, 2019 has been, in material compliance with all applicable Laws applicable to it or its assets, properties or business (including any such applicable Law regulating the insurance business) and Orders, (ii) has not received, since December 31, 2019, any written notice or, to BCBSVT's Knowledge, oral notice from any Governmental Entity, (iii) since December 31, 2019, has not paid or incurred any penalty or fine imposed by a Governmental Entity, in each case, regarding any actual or alleged violation of, or failure to comply with, any applicable Law or Order and (iv) is not relying on any exemption from or deferral of the application of any applicable Law or on the authorization of any Governmental Entity that, to BCBSVT's Knowledge, would not be available to BCBSVT or the applicable BCBSVT Entity after the Closing.

(b) BCBSVT and each Close BCBSVT Subsidiary and, to the Knowledge of BCBSVT, each other BCBSVT Entity holds and since December 31, 2019 has held and maintained in full force and effect, all material governmental qualifications, registrations, filings, licenses, permits, approvals or authorizations (collectively, the "Permits") required to conduct its business and to own or use its assets and properties, as such business, assets and properties are or were at the time conducted, owned and used by such BCBSVT Entity. All Permits held by BCBSVT and each Close BCBSVT Subsidiary and, to BCBSVT's Knowledge, by each other BCBSVT Entity are valid and in full force and effect. Schedule 4.12(b)(i) of the BCBSVT

Disclosure Schedule sets forth a complete and correct list of all of the Permits of BCBSVT. None of BCBSVT or any Close BCBSVT Subsidiary nor, to BCBSVT's Knowledge, any other BCBSVT Entity is the subject of any pending or, to BCBSVT's Knowledge, threatened, Proceeding seeking, or that would reasonably be expected to lead to, the revocation, cancellation, suspension, limitation, amendment, termination, modification, restriction, impairment or non-renewal of any Permit and, has not, and BCBSVT and its Affiliates have not, since December 31, 2019, received any written or, to BCBSVT's Knowledge, oral notice from any Governmental Entity regarding any actual or proposed revocation, cancellation, suspension, limitation, amendment, termination, modification, restriction, impairment or non-renewal of any Permit. Schedule 4.12(b)(ii) of the BCBSVT Disclosure Schedule sets forth a complete and correct list of each jurisdiction in which each SAP Entity is licensed to write insurance as of the date hereof. Each such license is valid and not suspended.

(c) Except as set forth on Schedule 4.12(c) of the BCBSVT Disclosure Schedule, and except for limitations imposed by applicable Law that are applicable to insurance companies generally, there is no Order outstanding against BCBSVT, any Close BCBSVT Subsidiary or, to BCBSVT's Knowledge, outstanding against any other BCBSVT Entity or threatened against any BCBSVT Entity or any of its assets, properties or businesses that (i) prohibits or restricts the payment of shareholder dividends or other shareholder distributions by a BCBSVT Entity, (ii) restricts the authority of a BCBSVT Entity to conduct its business or would reasonably be expected to adversely impact the operations of a BCBSVT Entity, (iii) requires the maintenance of any employees or physical location, (iv) requires the maintenance of any SAP Entity's surplus, (v) relates to the reserve adequacy or claims practices or policies of the SAP Entities or (vi) enjoins or would reasonably be expected to have the effect of preventing any of the transactions contemplated by this Agreement and the Transaction Agreements.

(d) Except as set forth on Schedule 4.12(d) of the BCBSVT Disclosure Schedule, since December 31, 2019, BCBSVT, each Close BCBSVT Subsidiary and, to the Knowledge of BCBSVT, each other BCBSVT Entity has filed (or has had filed on its behalf) all material reports, statements, documents, registrations, filings and submissions required to be filed by such BCBSVT Entity with any Governmental Entity. All such reports, statements, documents, registrations, filings and submissions made by BCBSVT, a Close BCBSVT Subsidiary and, to the Knowledge of BCBSVT, any other BCBSVT Entity, were in compliance in all material respects with applicable Law when filed or as amended or supplemented, and no material deficiencies have been asserted by any Governmental Entity with respect to such reports, statements, documents, registrations, filings and submissions that have not been satisfied.

Section 4.13 Insurance. Schedule 4.13 of the BCBSVT Disclosure Schedule sets forth a true, correct and complete list of all insurance policies for the current policy year held by, or maintained on behalf of, BCBSVT or a Close BCBSVT Subsidiary, for the benefit of BCBSVT's or its Affiliates' business or any of their officers, directors, employees or operations, indicating for each policy the carrier, the insured, the type of insurance, the amounts of coverage and the expiration date (the "Policies"). All of the Policies are valid and binding obligations of BCBSVT or a Close BCBSVT Subsidiary, as applicable, and, to BCBSVT's Knowledge, the insurers parties thereto and are in full force and effect (and all premiums due and payable thereon have been paid in full on a timely basis). Except as set forth on Schedule 4.13 of the BCBSVT Disclosure Schedule, BCBSVT or any Close BCBSVT Subsidiary is not in material default under

any provision of any of the Policies. Neither BCBSVT nor any Close BCBSVT Subsidiary has received any written notice of a cancellation, termination or revocation or that the carrier of any Policy is not willing or able to perform its obligations thereunder with respect to any of the Policies. Except as set forth on Schedule 4.13 of the BCBSVT Disclosure Schedule, there are no claims by BCBSVT or a Close BCBSVT Subsidiary under any of the Policies (a) for amounts in excess of \$1,000,000 or (b) pending under any such Policy as to which coverage has been denied by the carrier or that, after reviewing the information provided with respect to such claim, the carrier has advised BCBSVT or a Close BCBSVT Subsidiary it intends to deny.

Section 4.14 Privacy and Data Security.

(a) Except as set forth on Schedule 4.14(a) of the BCBSVT Disclosure Schedule, BCBSVT and each Close BCBSVT Subsidiary is and has been in compliance in all material respects with Data Protection Requirements. The consummation of the transactions contemplated by this Agreement will not result in any material violation of any Data Protection Requirement.

(b) To the Knowledge of BCBSVT, BCBSVT and each Close BCBSVT Subsidiary meets in all material respects the rules regarding the security of electronic Protected Health Information (otherwise known as the HIPAA Security Rule) applicable to its respective businesses and operations. BCBSVT and each Close BCBSVT Subsidiary maintains in all material respects: (i) administrative, technical, and physical safeguards reasonably designed to safeguard in all material respects the security, confidentiality, availability and integrity of Personal Information; and (ii) records reflecting applicable security program documents, including an information security policy, disaster recovery and business continuity plan, incident response policy, encryption standards and other computer security protection policies and procedures. BCBSVT and each Close BCBSVT Subsidiary requires third parties that process Personal Information on behalf of BCBSVT or such Close BCBSVT Subsidiary, as applicable, to comply in all material respects with applicable Data Protection Requirements with respect to such Personal Information.

(c) Since December 1, 2019, neither BCBSVT nor any Close BCBSVT Subsidiary has received any written notice from a Governmental Entity that a claim has been filed, investigation has been initiated or Proceeding is pending against BCBSVT or any Close BCBSVT Subsidiary by such Governmental Entity concerning an alleged violation of the Privacy Laws that, in each case, would be material to BCBSVT or any Close BCBSVT Subsidiary and, to the Knowledge of BCBSVT, no such claim, investigation or Proceeding by a Governmental Entity has been threatened concerning an alleged violation of the Privacy Laws that, in each case, would be material to BCBSVT or any Close BCBSVT Subsidiary.

(d) To the Knowledge of BCBSVT, except as set forth on Schedule 4.14(d), since December 31, 2019, none of BCBSVT or any Close BCBSVT Subsidiary, nor any third party processing Personal Information on behalf of BCBSVT or any Close BCBSVT Subsidiary has experienced any failures, crashes, security breaches, unauthorized access, use, acquisition, or disclosure, or other adverse events that have caused any substantial disruption of or interruption in the use of BCBSVT's or any Close BCBSVT Subsidiary's software, equipment or systems, provided that nothing which lasted less than two (2) business days shall constitute a

substantial disposition of or interruption for purposes of the foregoing disclosures. Since December 31, 2019, BCBSVT has not experienced any security breach or disclosure that requires notification to the media or any Governmental Entity other than security breaches or disclosures related to a Blue Cross Blue Shield network. To the Knowledge of BCBSVT, there are no pending or expected complaints, actions, fines, or other penalties facing BCBSVT or any Close BCBSVT Subsidiary in connection with any such failures, crashes, security breaches, unauthorized access, use, or disclosure, or other adverse events or incidents, in each case, that would be material to BCBSVT or any Close BCBSVT Subsidiary.

Section 4.15 Litigation.

(a) Except (i) as set forth on Schedule 4.15(a) of the BCBSVT Disclosure Schedule and (ii) for any matter, or series of related matters, involving individual claims in excess of \$500,000 (that are not class actions and for which no certification of a class has been sought) made against policies of insurance sold, administered or underwritten by BCBSVT or any Close BCBSVT Subsidiary within applicable policy limits occurring in the ordinary course of business not alleging bad faith, there is no suit, litigation, arbitration, claim, action, cause of action, inquiry, hearing, charge, complaint, demand, investigation, notice or proceeding (each, a “Proceeding”) pending or, to BCBSVT’s Knowledge, threatened in writing, against BCBSVT or any Close BCBSVT Subsidiary by or before any Governmental Entity. There is no Proceeding pending against or, to BCBSVT’s Knowledge, threatened against or affecting BCBSVT or any of its Affiliates or any of its or their properties or assets that in any manner challenges or seeks to prevent, enjoin, alter or delay the transactions contemplated by this Agreement or the Transaction Agreements.

(b) Except as set forth on Schedule 4.15(b) of the BCBSVT Disclosure Schedule, neither BCBSVT or any Close BCBSVT Subsidiary nor, to BCBSVT’s Knowledge, any other BCBSVT Entity is a named plaintiff in any Proceeding involving claims by such BCBSVT Entity in an aggregate amount exceeding \$100,000 or seeking any equitable remedy against a third party.

(c) There are no pending or, to BCBSVT’s Knowledge, threatened Proceedings by or against any current or former officer or director of BCBSVT or any Close BCBSVT Subsidiary in his, her, or their capacity as an officer or director of BCBSVT. Neither BCBSVT nor, to the Knowledge of BCBSVT, any of its Affiliates is pursuing or threatening to pursue any Proceeding against any current or former officer or director of a BCBSVT Entity in such former officer’s or director’s capacity as an officer or director of a BCBSVT Entity.

Section 4.16 Employee Benefits Plans.

(a) Schedule 4.16(a) of the BCBSVT Disclosure Schedule contains a true, correct and complete list, as of the date hereof, of each material BCBSVT Benefit Plan. For these purposes, “BCBSVT Benefit Plan” means each “employee benefit plan” (as defined in Section 3(3) of ERISA), whether or not subject to ERISA and whether written or unwritten, and each other employee benefit or compensation plan, program, policy, practice, agreement or arrangement, including any retirement, employment, consulting, compensation, incentive, bonus, profit sharing, pension, stock option, restricted stock, stock appreciation right, phantom equity,

equity or equity-based compensation, deferred compensation, change in control, severance, retention, vacation, sick leave, paid time off, health, life insurance, disability, welfare or fringe-benefit plan, program, policy, practice, agreement or arrangement, in each case, (i) covering one or more employee of BCBSVT or a Close BCBSVT Subsidiary or the beneficiaries or dependents of any such Persons, (ii) that is maintained, sponsored by or contributed to (or required to be contributed to) by BCBSVT or a Close BCBSVT Subsidiary, or (iii) with respect to which BCBSVT or a Close BCBSVT Subsidiary is a party or has any Liabilities. With respect to each material BCBSVT Benefit Plan, BCBSVT has made available to BCBSM true, correct and complete copies of (A) the plan document for each such BCBSVT Benefit Plan (or, in the case of any such BCBSVT Benefit Plan that is unwritten, descriptions of the material terms thereof) and all related trusts, insurance Contracts or other funding vehicles, (B) the three most recent annual reports on Form 5500 required to be filed with the IRS or Department of Labor with respect to each such BCBSVT Benefit Plan (if any such report was required), (C) the most recent summary plan description for each such BCBSVT Benefit Plan for which a summary plan description is required and all summaries of material modifications thereto, (D) the most recent determination, opinion or advisory letter from the IRS with respect to each such BCBSVT Benefit Plan that is intended to be qualified under Section 401(a) of the Code, (E) nondiscrimination and coverage testing for the three most recently completed plan years, and (F) all material, non-routine correspondence with any Governmental Entity related to any such BCBSVT Benefit Plan since December 31, 2019 (including any such correspondence relating to audits, investigations or corrections with respect to a BCBSVT Benefit Plan), except any correspondence which relates to litigation involving Allianz and/or Aon and matters related thereto.

(b) Each BCBSVT Benefit Plan is and has been established, maintained, operated and administered in all material respects in accordance with its terms and the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), the Code and all other applicable Laws. BCBSVT or a Close BCBSVT Subsidiary has complied in all material respects with its obligations under the BCBSVT Benefit Plans, including with respect to all contributions required thereunder. No fiduciary (within the meaning of Section 3(21) of ERISA) of any BCBSVT Benefit Plan subject to Part 4 of Subtitle B of Title I of ERISA has committed a breach of fiduciary duty with respect to that BCBSVT Benefit Plan that could reasonably be expected to subject BCBSVT or a Close BCBSVT Subsidiary to any Liability (including Liability on account of an indemnification obligation). Since December 31, 2019, neither BCBSVT nor a Close BCBSVT Subsidiary has incurred any excise Taxes under Chapter 43 of the Code with respect to any BCBSVT Benefit Plan, and nothing has occurred that could reasonably be expected to subject BCBSVT or a Close BCBSVT Subsidiary to any such Taxes or related Liability (including on account of an indemnification obligation). There is no pending or, to the Knowledge of BCBSVT, threatened Proceeding, claim, audit, or examination relating to any BCBSVT Benefit Plan (other than routine claims for benefits). No BCBSVT Benefit Plan is subject to any Law of any jurisdiction outside of the United States of America.

(c) None of BCBSVT or any Close BCBSVT Subsidiary nor, to BCBSVT’s Knowledge, any other ERISA Affiliate sponsors, has sponsored, contributes to, has contributed to, has or had an obligation to contribute to or has any Liability with respect to: (i) a plan subject to Title IV of ERISA, including any defined benefit plan (as defined in Section 3(35) of ERISA), (ii) a multiemployer plan (as defined in Section 3(37) or 4001(a)(3) of ERISA), (iii) a multiple employer plan subject to Section 4063 or 4064 of ERISA, or (iv) a plan subject to Section

302 of ERISA or Section 412 of the Code. Neither BCBSVT nor any Close BCBSVT Subsidiary sponsors, contributes to, has an obligation to contribute to, or has any Liability with respect to a multiple employer welfare arrangement (as defined in Section 3(40)(A) of ERISA) or a voluntary employees' beneficiary association under Section 501(c)(9) of the Code, nor, since December 2019, has such entity sponsored, contributed to, or had an obligation to contribute to the same. None or BCBSVT or any Close BCBSVT Subsidiary nor, to BCBSVT's Knowledge, any other ERISA Affiliate has any Liability as a result of a violation of COBRA. Neither BCBSVT nor any Close BCBSVT Subsidiary, has any Liability under Section 502(i) or 502(l) of ERISA.

(d) Each BCBSVT Benefit Plan that is intended to be qualified under Section 401(a) of the Code has received a currently effective favorable determination letter from the IRS or can rely on an opinion letter from the IRS to the prototype plan sponsor, to the effect that such BCBSVT Benefit Plan is so qualified and that the plan and the trust related thereto are exempt from federal income Taxes under Sections 401(a) and 501(a), respectively, of the Code, and no event has occurred that would reasonably be expected to cause the revocation of such determination letter from the IRS or the unavailability of reliance on such opinion letter from the IRS.

(e) Except as set forth on Schedule 4.16(e) of the BCBSVT Disclosure Schedule, neither the execution of this Agreement nor the consummation of the transactions contemplated by this Agreement will (whether alone or together with any other event or events) (i) entitle any current or former officer, director, employee or other service provider of any BCBSVT Entity to any increase in any compensation or benefits, including under any BCBSVT Benefit Plan, (ii) accelerate the time at which any compensation, benefits or award may become payable, vested or required to be funded under any BCBSVT Benefit Plan or otherwise in respect of any current or former officer, director, employee or other service provider of any BCBSVT Entity, (iii) entitle any current or former officer, director, employee or other service provider of any BCBSVT Entity to any compensation or benefits, or (iv) limit the ability to terminate or amend any BCBSVT Benefit Plan. Neither the execution of this Agreement nor the consummation of the transactions contemplated by this Agreement (whether alone or together with any other event or events) will result in any individual receiving, or having had received, an "excess parachute payment" within the meaning of Section 280G of the Code. BCBSVT does not have an obligation to provide a "gross-up" or similar payment in respect of any Taxes or penalties under Section 4999 or Section 409A of the Code.

(f) Each BCBSVT Entity has complied and is in compliance in all material respects with the requirements of the Patient Protection and Affordable Care Act, including the Health Care and Education Reconciliation Act of 2010 and including any guidance issued thereunder ("PPACA"). BCBSVT has not incurred, and is not reasonably expected to incur or be subject to, any Tax, penalty, or other Liability that would be imposed under PPACA, including pursuant to 4980D or 4980H of the Code. No BCBSVT Benefit Plan or BCBSVT Entity provides, or has any obligation to provide, current or former employees of the BCBSVT Entities (or any beneficiaries thereof) welfare benefits (including medical and life insurance benefits) after such Person terminates employment with the BCBSVT Entities, except for the coverage continuation requirements of COBRA. Except as disclosed on Schedule 4.16(f) of the BCBSVT Disclosure Schedule, no BCBSVT Benefit Plan or any Close BCBSVT Subsidiary provides, or

has any obligation to provide welfare benefits to any Person who is not a current or former employee of a BCBSVT Entity, or a beneficiary thereof.

Section 4.17 Labor; Company Employees. With respect to the employees of BCBSVT or a Close BCBSVT Subsidiary:

(a) Except as set forth on Schedule 4.17(a) of the BCBSVT Disclosure Schedule, neither BCBSVT nor a Close BCBSVT Subsidiary is a party to or bound by any labor or Collective Bargaining Agreement with a labor organization representing any of the employees of BCBSVT or a Close BCBSVT Subsidiary.

(b) There are no (i) strikes, work stoppages, work slowdowns or lockouts existing or, to the Knowledge of BCBSVT, threatened in writing against or involving the employees of BCBSVT or a Close BCBSVT Subsidiary, (ii) unfair labor practice charges (including but not limited to charges with respect to wages and hours and anti-union activities) and/or grievances or complaints pending or, to the Knowledge of BCBSVT, threatened in writing by or on behalf of any employee of BCBSVT or a Close BCBSVT Subsidiary or group of employees of BCBSVT or a Close BCBSVT Subsidiary with respect thereto, (iii) to the Knowledge of BCBSVT, pending written demands for recognition or any other written requests or demands from a labor organization or other representative for representative status with respect to persons employed by BCBSVT or a Close BCBSVT Subsidiary, or (iv) to the Knowledge of BCBSVT, efforts currently being made by, or on behalf of, any labor organization or other representative to organize any employees of BCBSVT or a Close BCBSVT Subsidiary who are not already covered by a Collective Bargaining Agreement, and there have been no such effort since December 31, 2019.

(c) Except as set forth on Schedule 4.17(c) of the BCBSVT Disclosure Schedule, each Close BCBSVT Subsidiary and other BCBSVT Entity is, and has been since December 31, 2019, in material compliance with all applicable Laws respecting employment and employment practices, terms and conditions of employment, and the employment of labor.

(d) Except as set forth on Schedule 4.17(d) of the BCBSVT Disclosure Schedule, the Close BCBSVT Subsidiaries or any other of the BCBSVT Entities have not, since December 31, 2019, taken any action that would constitute a “Mass Layoff” or “Plant Closing” within the meaning of the Worker Adjustment Retraining and Notification (“WARN”) Act or would otherwise trigger notice requirements or material Liability under any state or local plant closing notice law.

Section 4.18 Real and Personal Property.

(a) Owned Real Property. Schedule 4.18(a) of the BCBSVT Disclosure Schedule sets forth a true and complete list of all real property owned by each BCBSVT Entity and the record owner thereof (collectively, the “Owned Real Property”). None of BCBSVT or any Close BCBSVT Subsidiary nor, to BCBSVT’s Knowledge, any of its other Affiliates is obligated or bound by any options, obligations or rights of first refusal or contractual rights to sell, lease or acquire any real property. BCBSVT, the Close BCBSVT Subsidiaries and, to BCBSVT’s Knowledge, each of its other Affiliates has good, marketable and valid fee simple title to all of the

Owned Real Property, free and clear of all Liens, other than Permitted Liens, and has fulfilled and performed in all material respects all obligations binding upon any Owned Real Property that are required to be performed by each BCBSVT Entity.

(b) Leased Real Property. Schedule 4.18(b) of the BCBSVT Disclosure Schedule sets forth a true and complete list of all leases, subleases, licenses and occupancy agreements (each a “Real Property Lease”) of real property (such real property, the “Leased Real Property”) pursuant to which BCBSVT or a Close BCBSVT Subsidiary is a tenant, licensee or occupant. Except as set forth on Schedule 4.18(b) of the BCBSVT Disclosure Schedule, (i) each Real Property Lease of BCBSVT or a Close BCBSVT Subsidiary is valid and binding on such BCBSVT Entity that is a party thereto, enforceable in accordance with its terms (subject to the availability of equitable remedies, including specific performance, subject to the discretion of the court before which any Proceeding thereof may be brought (the “Enforceability Exceptions”)), (ii) none of BCBSVT or any Close BCBSVT Subsidiary is nor, to BCBSVT’s Knowledge, is any other BCBSVT Entity in breach or default under any Real Property Lease to which it is a party, (iii) there are no written or oral subleases, concessions or other contracts granting to any Person other than BCBSVT or a Close BCBSVT Subsidiary or, to BCBSVT’s knowledge, and other Affiliate that is a party to such Real Property Lease, the right to use or occupy any Leased Real Property and (iv) there are no outstanding obligations, options or rights of first refusal to lease or purchase all or a portion of such Leased Real Property. BCBSVT and any Close BCBSVT Subsidiary and, to BCBSVT’s Knowledge, each of the other BCBSVT Entities to whom a given Real Property Lease applies has the right to use all of the Leased Real Property for the full term of each such Real Property Lease (and any renewal options) relating thereto. BCBSVT, each Close BCBSVT Subsidiary and, to BCBSVT’s Knowledge, the other BCBSVT Entities have valid leasehold interests in all of the Leased Real Property, free and clear of all Liens, other than Permitted Liens. None of BCBSVT or any Close BCBSVT Subsidiary nor, to its Knowledge, any other BCBSVT Entities have assigned, transferred or pledged any interest in any of the Real Property Leases. Neither the whole nor any part of the Owned Real Property nor, to the Knowledge of BCBSVT, of any Leased Real Property, is subject to any pending suit for condemnation or other taking by any Governmental Entity, and, to BCBSVT’s Knowledge, no such condemnation or other taking is threatened or contemplated. The use and occupancy of the Real Property by BCBSVT and each Close BCBSVT Subsidiary and the conduct of its business thereat as presently conducted does not violate in any material respect any applicable Laws (including zoning Laws). To BCBSVT’s Knowledge, all buildings, structures, facilities and improvements located on the Real Property, including buildings, structures, facilities and improvements which are under construction (collectively, “Improvements”) comply in all material respects with valid and current certificates of occupancy or similar Permits to the extent required by Laws for the use thereof, and conform in all material respects with all applicable Laws. The Improvements are in all material respects: (A) in good operating condition and repair (ordinary wear and tear excepted) and (B) suitable and adequate for continued use in the manner in which they are presently being used. True and complete copies of the most recent title policies or commitments (and underlying documents), surveys, property zoning reports, estoppels, subordination, non-disturbance and attornment agreements and appraisals with respect to the Real Property in BCBSVT’s possession have been made available to BCBSM.

(c) Property. BCBSVT, each Close BCBSVT Subsidiary and, to BCBSVT’s Knowledge, the other BCBSVT Entities own or hold under valid leases all of the assets

and properties (whether real, personal, mixed or tangible, but excluding, for the avoidance of doubt, the Intellectual Property rights) necessary and sufficient for the conduct of their respective businesses as currently conducted, including all of the personal property shown to be owned or leased by the BCBSVT Entities on the most recent financial statement (except for such assets and properties sold since the date thereof in the ordinary course of business) free and clear of all Liens except for Permitted Liens.

Section 4.19 Environmental Matters.

(a) (i) None of the Owned Real Property nor, to BCBSVT's Knowledge, the Leased Real Property or Investment Assets is subject to a written notice, request for information or order from or agreement with a Governmental Entity or third party respecting the release or threatened release of a Hazardous Material into the environment; (ii) there has been no release, discharge or disposal of Hazardous Materials on, at or under any Owned Real Property nor, to BCBSVT's Knowledge, the Leased Real Property or Investment Assets, or arising out of the conduct by BCBSVT or any Close BCBSVT Subsidiary, that would reasonably be expected to result in the imposition of any material liability to a BCBSVT Entity under Environmental Law; (iii) none of the Owned Real Properties nor, to BCBSVT's Knowledge, the Leased Property or Investment Assets is subject to any Lien in favor of any Governmental Entity for (A) material liability under any Environmental Laws or (B) material costs incurred by a Governmental Entity in response to a release or threatened release of a Hazardous Material into the environment; (iv) with respect to the Owned Real Property nor, to BCBSVT's Knowledge, the Leased Real Property or, to the Knowledge of BCBSVT, the Investment Assets, or the operation by BCBSVT or a Close BCBSVT Subsidiary of its business thereon, there are no material judicial or administrative proceedings pending or, to BCBSVT's Knowledge, threatened, arising under or relating to an Environmental Law or making any claim based on an Environmental Law for personal injury, wrongful death or property damage against BCBSVT or, to BCBSVT's Knowledge, against the owner(s) of any Leased Real Property; (v) BCBSVT and each Close BCBSVT Subsidiary and, to BCBSVT's Knowledge, each BCBSVT Entity has operated and is operating its business in compliance in all material respects with applicable Environmental Laws; and (vi) BCBSVT and each Close BCBSVT Subsidiary has obtained all material authorizations with respect to environmental matters that are necessary to the operation of business as conducted on the date hereof, all such material authorizations are in good standing and BCBSVT and each Close BCBSVT Subsidiary is in compliance in all material respects with their terms and conditions.

(b) None of the Owned Real Property, Leased Real Property or Investment Assets contains any (i) underground storage tanks; (ii) asbestos in any form; (iii) polychlorinated biphenyls; (iv) underground injection wells; (v) radioactive materials; or (vi) septic tanks or waste disposal pits in which process wastewater or any Hazardous Material have been discharged, disposed or stored.

(c) BCBSVT has made available to BCBSM all material assessments, reports, data, results of investigations, audits or other materials or information in the possession of BCBSVT or a Close BCBSVT Subsidiary regarding environmental matters pertaining to (i) any

Owned Real Property, Leased Real Property or Investment Assets or (ii) compliance (or noncompliance) by any BCBSVT Entity with any Environmental Laws.

Section 4.20 Certain Insurance Matters.

(a) Since December 31, 2019, all benefits claimed by any Person under any Insurance Contract issued by any SAP Entity have in all material respects been paid (or provision for payment thereof has been made) in accordance with the terms of such Insurance Contract and the Laws under which they arose, and except as disclosed on Schedule 4.20(a) of the BCBSVT Disclosure Schedule, such payments were paid (or any such payments now owing shall be paid) without fines or penalties, except for (i) state-mandated interest for late payments and (ii) any such claim for benefits for which a SAP Entity reasonably believes or believed that there is a reasonable basis to contest payment and is taking such action.

(b) Except as disclosed on Schedule 4.20(b) of the BCBSVT Disclosure Schedule, true and complete copies of the underwriting standards and guidelines utilized and rates and rating factors and criteria applied by the applicable issuer with respect to the Insurance Contracts outstanding as of the date hereof have been previously made available to BCBSM and conform in all material respects to the underwriting standards and guidelines and rating factors and criteria required pursuant to the terms of the related reinsurance, coinsurance or other similar Contracts. Each Insurance Contract has been issued in compliance in all material respects with and in accordance with the underwriting standards, guidelines and criteria and the ratings factors and criteria made available to BCBSM.

(c) All policy and contract forms on which each SAP Entity has issued currently effective Insurance Contracts or which are currently being used by the SAP Entities (and all riders, amendments, supplements and applications pertaining thereto) have, to the extent required by applicable Law, been approved by all applicable Governmental Entities or filed with and not objected to by such Governmental Entities within the period provided by applicable Law for objection.

(d) Any rates currently used by a SAP Entity with respect to Insurance Contracts that were required to be filed with or approved by any Governmental Entity have been so filed or approved, and the rates used by a SAP Entity conform thereto in all material respects.

(e) Since December 31, 2018, to BCBSVT's Knowledge, the Insurance Contracts have been marketed, sold and issued in material compliance with all applicable Laws, including applicable Laws relating to (i) suitability of sales and replacement of policies, (ii) the disclosure of the nature of insurance products as policies of insurance, (iii) the use of unfair methods of competition and deceptive acts or practices relating to the advertising, sales and marketing of insurance, (iv) all applicable disclosure, filing and other requirements with respect to any variation in premiums or other charges resulting from time to time at which such premiums or charges are paid and (v) all applicable requirements regulating the underwriting, rating, non-renewal, cancellation or replacement of insurance policies. All marketing materials, brochures, illustrations and certificates pertaining to such Insurance Contracts comply with applicable Law in all material respects.

(f) Except as set forth on Schedule 4.20(f) of the BCBSVT Disclosure Schedule, to BCBSVT's Knowledge, each managing general agent or other Person engaged by a SAP Entity to provide claims management or other administrative services with respect to the Insurance Contracts or other material services was at the time such Person provided such services (or within any permitted grace period), to the extent required by applicable Law, Governmental Entity or Contract, duly licensed to provide each of the services provided by such Person, in each case, in the particular jurisdiction in which such Person performed such services. Except as set forth on Schedule 4.20(f) of the BCBSVT Disclosure Schedule, to BCBSVT's Knowledge, no managing general agent or other Person engaged by a SAP Entity to provide claims management or other administrative services with respect to the Insurance Contracts or other material services to a SAP Entity is in material violation, or has been in material violation, of any Law applicable to such Person or the services provided by such Person.

(g) Prior to the date of this Agreement, BCBSVT has made available to BCBSM true and complete copies of all actuarial reports prepared by actuaries, independent or otherwise, with respect to each SAP Entity since December 31, 2019, and all attachments, opinions, certifications, addenda, supplements and modifications thereto (the "BCBSVT Actuarial Analyses"). No actuary (independent or otherwise) has withdrawn any such BCBSVT Actuarial Analyses, or issued any new report, errata or other update or supplement with respect to BCBSVT Actuarial Analyses nor has any actuary notified a SAP Entity that any BCBSVT Actuarial Analyses are inaccurate or incomplete in any material respect. The BCBSVT Actuarial Analyses are based upon accurate inventories of policies and contracts for each SAP Entity at their respective times of preparation. The information and data furnished by each SAP Entity in connection with the preparation of the BCBSVT Actuarial Analyses (i) was obtained from the Books and Records of the SAP Entities, (ii) was based upon accurate inventories of policies and contracts for the SAP Entities and was complete and accurate in all material respects at their respective times of preparation and (iii) did not contain any material omissions, as of the date so delivered. The BCBSVT Actuarial Analyses were based upon informed judgment and were prepared in all material respects in conformity with sound actuarial principles in effect at such time, consistently applied (except as may be noted therein).

(h) Except for assessments in the ordinary course of business, no material claim or material assessment is pending or, to BCBSVT's Knowledge, threatened in writing against any SAP Entity by any state insurance guaranty association in connection with such association's fund relating to insolvent insurers, and neither BCBSVT nor any of its Affiliates, including any SAP Entity, has, since December 31, 2019, received written notice of any such claim or assessment. Each SAP Entity has timely paid all guaranty fund assessments that are due to any state guaranty fund or association or other applicable Governmental Entity.

(i) BCBSVT has made available to BCBSM true and complete copies of all annual analyses and reports submitted by any SAP Entity to any Insurance Regulator since December 31, 2019 relating to risk-based capital calculations of the relevant SAP Entity (the "Risk-Based Capital Reports"). The Risk-Based Capital Reports are complete and correct in all material respects. None of the SAP Entities has suffered a decrease in its risk-based capital to the "BCBSVT Action Level."

Section 4.21 Insurance Regulatory Filings. Except as set forth on Schedule 4.21 of the BCBSVT Disclosure Schedule, each of BCBSVT and each Close BCBSVT Subsidiary has timely filed, on forms prescribed or permitted by the applicable Governmental Entities, all required annual and quarterly statutory financial statements and Holding Company System Act filings with the applicable Governmental Entities since December 31, 2019. BCBSVT has made available to BCBSM true and complete copies of all examination (including financial, market conduct and similar examinations) reports (or the most recent drafts thereof, to the extent any final reports are not available) and all material inquiries, reports of investigations, communications, filings and other materials (including all material correspondence in connection with such reports and inquiries) relating to any BCBSVT Entity received from or submitted to any Insurance Regulator since December 31, 2019. There are no examinations, investigations or material inquiries by any Insurance Regulators in progress with respect to any BCBSVT Entity (other than normal and customary inquiries from Insurance Regulators), nor, to BCBSVT's Knowledge, are any such examinations, investigations or material inquiries pending or scheduled (other than normal and customary inquiries pending or scheduled) with respect to any BCBSVT Entity. All deficiencies or violations noted in the examination reports, inquiries, investigations, communications, filings and other materials described above have either been resolved or are subject to a plan that has been established to resolve such deficiencies or violations and the applicable BCBSVT Entity is in compliance with any such plan, in each case to the reasonable satisfaction of the Insurance Regulator that noted such deficiencies or violations.

Section 4.22 Reinsurance.

(a) Schedule 4.22(a) of the BCBSVT Disclosure Schedule sets forth a list of all reinsurance, coinsurance or retrocession treaties, contracts, slips, binders, cover notes and similar arrangements in force and to which a SAP Entity is a party (each, a "Reinsurance Agreement"), the effective date of each such Reinsurance Agreement and the name of the parties thereto. For the avoidance of doubt, a Reinsurance Agreement is "in force" if the term of the risk period of such Reinsurance Agreement remains in effect. No risks or liabilities have been ceded by any Person to any SAP Entity pursuant to any Contract. No SAP Entity is in default under any Reinsurance Agreement, nor, to BCBSVT's Knowledge, is any other party to any Reinsurance Agreement in default in any respect thereunder. To BCBSVT's Knowledge, all loss reserve data reported to each reinsurer pursuant to each Reinsurance Agreement whereby a SAP Entity has ceded business is complete and correct in all material respects. There are no pending or, to BCBSVT's Knowledge, threatened Proceedings related to any Reinsurance Agreement. To BCBSVT's Knowledge, no other party to any Reinsurance Agreement is the subject of a rehabilitation, liquidation, conservatorship, receivership, bankruptcy or similar Proceeding. Since December 31, 2019 through the date hereof, neither BCBSVT nor any of its Affiliates has received any written notice to the effect that the financial condition of any other party to any Reinsurance Agreement is impaired with the result that a material default thereunder may reasonably be anticipated, whether or not such default may be cured by the operation of any offset clause in such agreement.

(b) None of the Reinsurance Agreements is or, to BCBSVT's Knowledge, would be deemed to be, finite reinsurance, financial reinsurance or such other form of reinsurance that does not meet the risk transfer requirements under applicable Laws. Each of the Reinsurance Agreements has been properly characterized and accounted for in the SAP

Financial Statements in accordance with SAP and no Governmental Entity has objected to such characterization and accounting.

(c) Each Reinsurance Agreement is valid and binding on the relevant SAP Entity, and enforceable in accordance with its terms against the relevant SAP Entity and, to BCBSVT's Knowledge, each other party thereto (subject to the Enforceability Exceptions). Except as set forth on Schedule 4.22(c) of the BCBSVT Disclosure Schedule, no approval or consent is required to be obtained from, and no notice is required to be provided to, any Person that is a party to any Reinsurance Agreement in connection with the consummation of the transactions contemplated by this Agreement or any Transaction Agreement. No Reinsurance Agreement contains any provision providing that any party thereto may terminate such agreement by reason of the transactions contemplated by this Agreement and the Transaction Agreements.

(d) Except as set forth on Schedule 4.22(d) of the BCBSVT Disclosure Schedule, since December 31, 2019, (i) neither BCBSVT nor any of its Affiliates, including any SAP Entity, has received any written notice from any applicable reinsurer that any amount of reinsurance ceded by a SAP Entity under a Reinsurance Agreement shall be uncollectible or otherwise defaulted upon or that there is a dispute that is unresolved as of the date hereof with respect to any material amounts recoverable by a SAP Entity pursuant to such Reinsurance Agreement and (ii) no such reinsurer has otherwise failed to pay any material amount when due. All reinsurance premiums due under each of the Reinsurance Agreements have been paid in full or were adequately accrued or reserved for by each SAP Entity.

(e) Except as set forth in Schedule 4.22(e) of the BCBSVT Disclosure Schedule, neither BCBSVT nor any SAP Entity has any managing general agency Contracts, third-party administration Contracts or other similar arrangements or commitments under which a third party has authority to make underwriting decisions and issue insurance policies or reinsurance Contracts on behalf of a SAP Entity without prior approval by the relevant SAP Entity or pursuant to which any policy claims settlement authority is delegated to such third party on behalf of a SAP Entity without prior approval by the relevant SAP Entity.

Section 4.23 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other similar fee or commission that could be payable by any BCBSVT Entity in connection with the Affiliation based upon arrangements made by or on behalf of any BCBSVT Entities.

Section 4.24 Sufficiency. Except as set forth in Schedule 4.24 of the BCBSVT Disclosure Schedule, and subject to the receipt of all approvals from Governmental Entities and consents of third parties set forth in Schedule 4.3 of the BCBSVT Disclosure Schedule, the assets, rights, properties and services of BCBSVT and the Close BCBSVT Subsidiaries and, to the Knowledge of BCBSVT, of all other BCBSVT Entities shall, as of the Closing, comprise assets, Permits, rights, properties and services that are sufficient to permit BCBSM to operate the business of each BCBSVT Entity as it is being operated as of the date hereof.

Section 4.25 Books and Records. BCBSVT's and the Close BCBSVT Subsidiaries' Books and Records, all of which have been made available for inspection to BCBSM, have been maintained in accordance with applicable Law. To BCBSVT's Knowledge, BCBSVT's

and the Close BCBSVT Subsidiaries' Books and Records contain complete and correct records of all meetings held by, and actions taken by written consent of, the holders of voting securities, the board of directors or Persons exercising similar authority, and committees of the board of directors or such persons. To BCBSVT's Knowledge, no meeting of any such holders, board of directors, Persons or committee has been held, and no other action has been taken, for which minutes or other evidence of action have not been prepared and are not contained in the Books and Records. At Closing, all of the Books and Records of BCBSVT will be made available to, or delivered, to BCBSM upon request.

Section 4.26 Transactions with Affiliates.

(a) Schedule 4.26(a) of the BCBSVT Disclosure Schedule sets forth all Contracts between BCBSVT or any Close BCBSVT Subsidiary or any employee of such entity, or with respect to any assets of such entity, on the one hand, and Affiliates of BCBSVT or a BCBSVT Entity or any employee, officer or director of such entity on the other hand (other than Contracts in respect of employment and the payment of compensation and benefits in the ordinary course of business or that are otherwise disclosed in the BCBSVT Disclosure Schedule) (collectively, the "Intercompany Agreements").

(b) Schedule 4.26(b) of the BCBSVT Disclosure Schedule sets forth a complete and correct list with a description and amount, as of the date hereof, of all currently outstanding account balances, loans, notes, advances, receivables, payables or other liability or obligation between a BCBSVT Entity, on the one hand, and any of its Affiliates, on the other hand.

Section 4.27 Health Care Regulatory Matters.

(a) Each of the BCBSVT Entities that currently furnishes services or supplies that may be reimbursed in whole or in part under any Health Care Program (defined below) is, and at all times since December 31, 2019 has been, in material compliance with all Health Care Laws and requirements of all Health Care Programs applicable to it, its assets, business, or operations. No circumstances exist which would reasonably be expected to result in a material violation of any Health Care Law or any requirement of any Health Care Program, except as would not individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) None of the BCBSVT Entities that furnishes services or supplies that may be reimbursed in whole or in part under any Health Care Program, is, or since December 31, 2019 has been, excluded, suspended, debarred from participation, or otherwise terminated from or ineligible to participate in any federal or state health care program, including Medicare, Medicaid, TRICARE or CHAMPVA ("Health Care Programs"). There are no Proceedings pending or, to BCBSVT's Knowledge, threatened that would reasonably be expected to result in the revocation, withdrawal, suspension, non-renewal, termination, revocation, or adverse modification or limitation of the BCBSVT Entities' participation in any Health Care Program, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) None of the BCBSVT Entities, to the Knowledge of BCBSVT, is a party to or has any ongoing reporting obligations pursuant to or under any corporate integrity agreements, deferred prosecution agreements, monitoring agreements, consent decrees, settlement orders, or similar agreements with or imposed by any Governmental Entity with respect to any Health Care Law.

(d) None of the BCBSVT Entities, nor, to the Knowledge of BCBSVT, any of the individuals serving on the board of managers of the BCBSVT Entities or as an officer of the BCBSVT Entities, or any individual who is employed or engaged as an independent contractor by the BCBSVT Entities, is, or since December 31, 2019 has been, a party to any arrangement providing for the solicitation, payment or receipt of any remuneration (including any kickback, bribe, or rebate), directly or indirectly, in cash or in kind or offering to pay such remuneration (i) in return for referring an individual to a Person for the furnishing or arranging for the furnishing of any item or service or to induce such referrals or (ii) in return for purchasing, leasing, or ordering or arranging for or recommending the purchasing, leasing, or ordering of any good, facility, service, or item or to induce any such action, in with respect to the business of any of the BCBSVT Entities, in each case where such remuneration would be in violation in any material respect of any applicable Health Care Law.

(e) None of BCBSVT nor any Close BCBSVT Subsidiary nor, to BCBSVT's Knowledge, any of the other BCBSVT Entities has since December 31, 2019 submitted claims for any items or services payable by a federal health care program in violation of the federal Stark Law, 42 U.S.C. §1395nn, or any implementing regulations promulgated thereunder.

(f) (i) Since December 31, 2019, none of BCBSVT or any Close BCBSVT Subsidiary nor, to BCBSVT's Knowledge, any of the other BCBSVT Entities has been charged or sued by any Governmental Entity alleging material noncompliance with any Health Care Laws; (ii) there is, no civil, criminal, administrative, or regulatory Proceeding, other enforcement action by a Governmental Entity or a qui tam whistleblower acting on behalf of a Governmental Entity, or any request for information made to BCBSVT or any Close BCBSVT Subsidiary related to noncompliance with, or otherwise involving, any Health Care Laws pending against the BCBSVT Entities, that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; (iii) there has not been any violation of any Health Care Laws by BCBSVT, any Close BCBSVT Subsidiary or, to BCBSVT's Knowledge, any other BCBSVT Entities in their submissions or reports to any Governmental Entity that has or would reasonably be expected to require self-reporting or enforcement action, that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; and (iv) all material reports, documents, applications, and notices required to be filed, maintained or furnished to any Governmental Entity or any Health Care Program by BCBSVT or a Close BCBSVT Subsidiary and, to BCBSVT's Knowledge, by all other BCBSVT Entities have been so filed, maintained or furnished and all such reports, documents, applications and notices were true, complete and correct in all material respects on the date filed (or were corrected or supplemented by a subsequent filing).

(g) Except for regularly scheduled audits and reviews conducted within the ordinary course of business consistent with past practice and bimonthly audits of Medicare Part D services and offerings, since December 31, 2019, to the Knowledge of BCBSVT, no

Governmental Entity or Health Care Program has conducted any material audits, coding validation review or program integrity review, and no material audits or reviews have been conducted by any Governmental Entity in connection with any Health Care Program.

Section 4.28 Investment Assets. BCBSVT has made available to BCBSM (a) a list of the Investment Assets of the SAP Entities as of December 31, 2022 and (b) information as to the cost of each Investment Asset and the market value thereof as of December 31, 2022, to the extent that determination of the same does not require BCBSVT to obtain a valuation. The SAP Entities hold good, valid and marketable title to all their Investment Assets free and clear of all Liens other than Permitted Liens. There are no material impairments on any Investment Assets other than impairments reflected in the SAP Financial Statements.

Section 4.29 No Other Representations or Warranties. Except for the representations and warranties of BCBSVT contained in this Agreement (as modified by the BCBSVT Disclosure Schedule) and in any certificate delivered pursuant hereto, neither BCBSVT nor any of its Representatives makes any other express or implied representation or warranty with respect to BCBSVT, the BCBSVT Entities or the transactions contemplated by this Agreement and the Transaction Agreements, and BCBSVT disclaims any other representations or warranties, whether made by BCBSVT or any of its Representatives.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF BCBSM ENTITIES

BCBSM, on behalf of itself and the BCBSM Entities, represents and warrants to BCBSVT as of the Execution Date and as of the Closing (except to the extent such representation and warranty expressly relates to an earlier date or period) as follows:

Section 5.1 Due Organization and Good Standing. Each BCBSM Entity is duly organized and validly existing and in good standing under the Laws of the jurisdiction of its incorporation, organization or formation, as applicable, and, except as would not result in a Material Adverse Effect, has all requisite corporate, limited liability company or other power and authority to own, lease, and operate its properties and assets and to conduct its businesses in the manner in which its businesses are currently being conducted. None of the BCBSM Entities are required to be duly qualified or authorized to do business as a foreign corporation, limited liability company or other Person under the Laws of any jurisdiction.

Section 5.2 Authority; Binding Nature of Agreement. Each BCBSM Entity has the requisite power and authority to enter into, and to perform its covenants and agreements under each Transaction Agreement to which it is or contemplated to be a party. The execution, delivery, and performance of the Transaction Agreements by each BCBSM Entity that is or contemplated to be a party thereto and the consummation thereof by each such BCBSM Entity have been duly and validly authorized by all necessary corporate or limited liability company action on the part of BCBSM and each such BCBSM Entity, and no other corporate or limited liability company action or Proceeding on the part of a BCBSM Entity is necessary to authorize the Transaction Agreements, the performance by a BCBSM Entity of its covenants and agreements under the Transaction Agreements to which it is or contemplated to be a party or the consummation thereof.

The Transaction Agreements have been or shall be, as applicable, duly and validly executed and delivered on behalf of each BCBSM Entity that is or contemplated to be a party thereto and, assuming the due authorization, execution, and delivery of the Transaction Agreements by the other Party to such agreement, shall constitute a legal, valid, and binding obligation of such BCBSM Entity, enforceable against such BCBSM Entity in accordance with its terms.

Section 5.3 Noncontravention; Consents. Each BCBSM Entity's execution and delivery of each Transaction Agreement to which such BCBSM Entity is or contemplated to be a party, the performance of such BCBSM Entity's obligations thereunder, and the consummation by each such BCBSM Entity of the Affiliation and the transactions contemplated by each Transaction Agreement to which such BCBSM Entity is or is contemplated to be a party does not (a) contravene, conflict with or result in any violation or breach of any Organizational Document of such BCBSM Entity; (b) subject to making or obtaining, as applicable, the Consents and Filings in Schedule 5.3 of the BCBSM Disclosure Schedule, contravene, conflict with or result in any violation or breach of any Law; or (c) subject to making or obtaining, as applicable, the Consents and Filings in Schedule 5.3 of the BCBSM Disclosure Schedule, (i) require any Consent of or Filing with or to any third party, (ii) result in any breach or violation of or constitute a default (or an event which with or without notice or lapse of time or both would become a default) or result in the loss of a benefit or result in the imposition of an obligation under, (iii) or give rise to any right of termination, cancellation, amendment or acceleration of, or of any right or obligation of such BCBSM Entity, or result in the creation of a Lien on any asset of such BCBSM Entity, under, any (A) Contract to which such BCBSM Entity is a party or by which such BCBSM Entity or its properties or assets is bound; or (B) Permit held by such BCBSM Entity or pursuant to which such BCBSM Entity or its properties or assets is subject, except, in the case of the foregoing clause (c), as would not result in a Material Adverse Effect. Each BCBSM Entity's execution and delivery of this Agreement and of each Transaction Agreement to which any BCBSM Entity is or will be a party, and the performance of such BCBSM Entity of its obligations thereunder, does not, require any BCBSM Entity to make any Filing with or to, or to obtain any Consent from, any Governmental Entity, other than as listed on Schedule 5.3 of the BCBSM Disclosure Schedule.

Section 5.4 Litigation.

(a) Except as set forth on Schedule 5.4(a) of the BCBSM Disclosure Schedule, there are no judicial or administrative actions, Proceedings or investigations pending or, to the Knowledge of BCBSM, threatened, that (i) question the validity of this Agreement or any action taken or to be taken by BCBSM in connection with this Agreement, (ii) seek to prevent the consummation by BCBSM of any of the transactions contemplated by this Agreement or (iii) could be reasonably expected to result in a BCBSM Material Adverse Effect.

Section 5.5 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other similar fee or commission that could be payable by any BCBSM Entity in connection with the Affiliation based upon arrangements made by or on behalf of any BCBSM Entities.

Section 5.6 No Other Representations or Warranties. Except for the representations and warranties of BCBSM contained in this Agreement (as modified by the BCBSM Disclosure Schedule) and in any certificate delivered pursuant hereto, neither BCBSM

nor any of its Representatives makes any other express or implied representation or warranty with respect to BCBSM, the BCBSM Entities or the transactions contemplated by this Agreement and the Transaction Agreements, and BCBSM disclaims any other representations or warranties, whether made by BCBSM or any of its Representatives.

ARTICLE VI

COVENANTS AND AGREEMENTS

Section 6.1 Interim Operations of BCBSVT. Except (A) as otherwise expressly permitted by the provisions of this Agreement, (B) as expressly approved in the strategic plan and operating budget of BCBSVT adopted by the BCBSVT Board and in effect as of the date hereof, but only to the extent that such strategic plan or operating budget item does not impede or delay the achievement of Affiliation Opportunity or Affiliation Value, (C) as required by applicable Law, (D) as set forth in Schedule 6.1 of the BCBSVT Disclosure Schedule or (E) as otherwise consented to by BCBSM in writing, during the period from the Execution Date until the Closing or the earlier termination of this Agreement, BCBSVT shall conduct its business and operations in the ordinary course of business consistent with past practice and in compliance with Law, and preserve intact the business, operations, Permits and existing relationships of BCBSVT with policyholders, subscribers, customers, agents and producers, vendors and Governmental Entities. BCBSM shall appoint a representative to whom all requests for consent from BCBSVT under this Section 6.1 shall be directed and shall notify BCBSVT of any changes to that representative. Without limiting the generality of the foregoing, from the Execution Date until the Closing, except (x) as expressly required or permitted hereby, or as otherwise consented to in writing by BCBSM, (y) as required by applicable Law or (z) as described in Schedule 6.1 of the BCBSVT Disclosure Schedule, BCBSVT shall not and, to the extent to which it has authority to do so, shall cause each BCBSVT Entity not to:

(a) amend, restate, supplement, repeal, revise, adopt changes to or otherwise modify any of the BCBSVT Entities' respective Organizational Documents;

(b) grant any other Person or otherwise enter into any Contract granting any other Person (a) rights related to the issuance, sale, transfer, pledge or other disposition of any Equity Interests (excluding for the avoidance of doubt, the BCBSVT Membership Interest of BCBSM which will be reflected in BCBSVT's Articles as of the Closing); (b) rights to appoint any member of the board of directors or equivalent governing body; or (c) rights to restrict, manage, direct, or otherwise control the operations, strategy, or material expenditures of BCBSVT or any Close BCBSVT Subsidiary;

(c) merge or consolidate any BCBSVT Entity with any other Person or restructure, demutualize, reorganize, recapitalize, redomesticate, or otherwise change the legal form of, or completely or partially liquidate any BCBSVT Entity (or adopt a plan of liquidation);

(d) sell, transfer, lease, sublease or license to any Person (other than its Affiliates), or encumber all or substantially all of the assets or properties of any BCBSVT Entity;

(e) except in the ordinary course of business of its management of its invested assets but in no case greater than a five percent (5%) interest in any Person, (i) acquire or cause successors or Affiliates to acquire (including by merger or consolidation) any Equity Interest in any other Person, or acquire all or substantially all of the assets of another Person, (ii) enter into any membership substitution transaction, or (iii) enter into any exclusive management arrangement or agreement;

(f) except as set forth on Schedule 6.1(f) of the BCBSVT Disclosure Schedule, incur any indebtedness in excess of \$1,000,000 in the aggregate;

(g) settle, release or forgive any Proceeding or waive any right thereto: (i) in a manner that would impose any material, continuing non-monetary obligation on BCBSVT or any Close BCBSVT Subsidiary, (ii) where such Proceeding is a class action or a Proceeding for which certification of a class has been sought, or (iii) where the aggregate amount payable by BCBSVT or any Close BCBSVT Subsidiary after the Closing with respect to such settlement would exceed \$200,000;

(h) amend or terminate any material BCBSVT Benefit Plan, or establish any new arrangement that would (if it were in effect on the date hereof) constitute a material BCBSVT Benefit Plan, or take any action to accelerate vesting, payment or funding of any compensation or benefits under any BCBSVT Benefit Plan or to increase the benefits or compensation of employees or individual service providers to BCBSVT or any Close BCBSVT Subsidiary, except (i) to the extent required under the existing terms of any BCBSVT Benefit Plan or by applicable Law, (ii) making such plans and arrangements available to newly hired or newly eligible employees in the ordinary course of business and in accordance with the terms of such plans and arrangements, (iii) changes to BCBSVT Benefit Plans as a result of customary review and renewals for the next plan year that do not materially increase the cost to BCBSVT or any Close BCBSVT Subsidiary of providing such benefits (other than increases required by existing providers necessary for renewal); (iv) merit-based increases to base salary in the ordinary course of business and consistent with past practice; (v) granting severance packages in the ordinary course of business and which are consistent with past practices and paying amounts due thereunder in accordance with the terms thereof; or (vi) grant any severance, change of control, retention, termination or similar compensation or benefits to any employee of BCBSVT except as included on Schedule 6.1(h) of the BCBSVT Disclosure Schedule and on the BCBSVT balance sheet for the applicable period;

(i) hire, engage or terminate (other than for cause) the employment or engagement of, or promote, any employee or Independent Contractor, except circumstances where hiring an employee or retaining the services of an Independent Contractor is to replace or otherwise fulfill the role of an employee or Independent Contractor whose employment or engagement has terminated with compensation and/or fringe benefits that do not materially differ from those of the employee or Independent Contractor whom they replaced; provided that BCBSVT shall not be permitted to replace any of the position set forth on Schedule 6.1(i) of the BCBSVT Disclosure Schedule without the prior written consent of BCBSM.;

(j) enter into any transaction that would prevent or materially delay the ability for the Parties from consummating the Affiliation as contemplated herein;

(k) materially modify or amend, terminate or cancel any Material Contract or waive, release or assign any material rights or claims thereunder or enter into any Contract that would, if entered into prior to the date hereof, have been a Material Contract;

(l) materially change any of its actuarial, underwriting, reinsurance, claims administration, pricing, reserving (including asset adequacy reserving), investment or policy retention and conservation practices or principles or accounting practices or policies, except as required by GAAP or SAP;

(m) prepare or file any Tax Return inconsistent with past practice or, on any Tax Return, take any position, make any election, or adopt any method that is inconsistent with positions taken, elections made or methods used in preparing or filing similar Tax Returns in prior periods (including positions, elections or methods that would have the effect of deferring income to periods ending after the Closing Date or accelerating deductions to periods ending on or before the Closing Date), file any amended Tax Return, settle or otherwise compromise any claim relating to Taxes, enter into any closing agreement or similar agreement relating to Taxes, otherwise settle any dispute relating to Taxes, surrender any right to claim a Tax refund, offset or other reduction or request any ruling or similar guidance with respect to Taxes;

(n) terminate, cancel or amend, or cause the termination, cancellation or amendment of, any material insurance coverage (and any surety bonds, letters of credit, cash collateral or other deposits related thereto required to be maintained with respect to such coverage) maintained by or for the benefit of a BCBSVT Entity that is not replaced by comparable insurance coverage at comparable cost;

(o) enter into a Contract that would require the consent of BCBSM under the BCBSVT Articles and BCBSVT Bylaws as if the BCBSVT Articles and BCBSVT Bylaws were in effect as of the date hereof; or

(p) enter into a Contract to take any of the actions described in this Section 6.1.

Section 6.2 Consents, Approvals and Filings; Other Actions. Subject to the terms and conditions hereof, each Party shall use its reasonable best efforts to cause the conditions to the Closing in Article VII to be satisfied as promptly as reasonably practicable after the Execution Date, provided that the Parties agree that no notification shall be made to third parties besides DFR prior to submitting all required consent requests and filings to DFR; provided further, that BCBSVT and BCBSM shall not be required to agree to a take or refrain from taking or agree to it or any of its Affiliates taking or refraining from taking, any action or to suffer to exist any condition, limitation, restriction or requirement that, individually or in the aggregate with any other actions, conditions, limitations, restrictions or requirements, would or would reasonably be likely to result in a Burdensome Condition (other than, with respect to BCBSVT, clauses (7) and (8) of the definition of Burdensome Condition).

(a) In furtherance and without limiting the generality of this Section 6.2:

(i) each Party shall make or cause to be made a premerger notification and report filing under the HSR Act related to the Affiliation as promptly as reasonably practicable after the Execution Date; provided, however, that the filing fee related to such premerger notification shall be borne equally between BCBSM and BCBSVT, and both BCBSM and BCBSVT shall coordinate and provide such assistance as is reasonably necessary or advisable with respect to preparing such premerger notification;

(ii) each Party shall comply at the earliest reasonably practicable date with any request (x) under the HSR Act for additional information, documents or other materials received by such Party from the Federal Trade Commission or the Antitrust Division of the DOJ during the HSR Act waiting period and any extensions thereof or (y) by any other Governmental Entity in respect of any specified Filings or specified Consents or otherwise with respect to the Affiliation and other transactions contemplated under the Transaction Agreements;

(iii) each applicable BCBSVT Entity and BCBSM Entity shall file, or cause to be filed with the Vermont Department of Financial Regulation, as promptly as reasonably practicable after the Execution Date, (A) all Insurance Holding Company Act (including “Form A” and Form “D”) and similar filings required to be made with respect to the Affiliation and other transactions contemplated under the Transaction Agreements, together with all exhibits, affidavits, and certificates applicable thereto; (B) all filings and notices required pursuant to the Vermont Nonprofit Hospital Service Corporations Act and the Vermont Nonprofit Medical Service Corporations Act with respect to the Affiliation and other transactions contemplated under the Transaction Agreements; and (C) all filings and notices required pursuant to 8 V.S.A. § 5107a with respect to the Affiliation and other transactions contemplated under the Transaction Agreements; and

(iv) the Parties shall each file, or cause to be filed, as promptly as reasonably practicable after the Execution Date, all other Filings with Governmental Entities that are necessary, proper or advisable to consummate the Affiliation or the other transactions contemplated by the Transaction Agreements.

(b) To the extent not prohibited by applicable Law, each Party shall use its reasonable best efforts to furnish to the other Party all information required for any Filing, including those listed in this Section 6.2, to be made with a Governmental Entity pursuant to applicable Law in connection with the Affiliation and the other transactions contemplated under the Transaction Agreements. Each Party shall (i) give the other Party reasonable prior written notice of any communication with, and any proposed understanding, undertaking or agreement with, any Governmental Entity regarding any Filing or Consent and (ii) work with the other Party to establish a communication plan for any communication with any Governmental Entity with respect to Filings and Consents. Each Party shall keep the other Party apprised of any intended or scheduled substantive meeting, conversation, discussion or negotiation with any Governmental Entity in respect of any such Filing or Consent, or in respect of any potential claims by such Governmental Entity, in either case in respect of the Affiliation or any other transaction contemplated under the Transaction Agreements, and, to the extent the Parties and the

Governmental Entity agree, shall provide the other Party with the opportunity to attend or participate therein. After the occurrence of the same, each Party shall timely update the other Party on the substance of any such meetings, conversations, discussions or negotiations with any Governmental Entity, whether the same were scheduled or initiated by a Governmental Entity without prior scheduling thereof. Subject to applicable Law, each Party shall consult and cooperate with the other Party in good faith in connection with any analyses, appearances, presentations, memoranda, briefs, arguments, opinions, proposals made and other information reasonably requested by the other Party or submitted by or on behalf of any Party in connection with Proceedings under or related to such Filing or Consent.

(c) Nothing contained in this Section 6.2 shall require any Party or any of their respective Affiliates to (i) comply with any of the provisions of this Section 6.2 to the extent that such compliance would be prohibited by applicable Law or (ii) disclose to the other Parties (A) confidential personal or financial information of any of its directors, officers, partners or Affiliates, (B) information that in the reasonable judgment of such Party would result in the disclosure of any trade secrets of third parties or violate any of its contractual obligations or obligations with respect to confidentiality, (C) any information that would violate any Law relating to the sharing of information between competitors or (D) any privileged information or confidential competitive information.

Section 6.3 Access. Upon reasonable prior written notice, BCBSVT shall provide BCBSM and its representatives with reasonable access, during normal business hours throughout the period prior to the Closing, to BCBSVT and its Affiliates' properties, books, records, and personnel, and during such period, BCBSVT shall cause to be furnished promptly to BCBSM and its representatives all readily available information concerning its and its Affiliates' businesses as BCBSM may reasonably request; provided, however, that BCBSVT shall not be required to permit any inspection, or to disclose any information, that in the reasonable, good-faith judgment of BCBSVT would (i) result in the disclosure of any trade secrets of third parties or violate any obligation with respect to confidentiality; provided, further, that BCBSVT shall use its reasonable best efforts to obtain the required consent of the applicable third party to provide such access or disclosure; (ii) jeopardize protections afforded BCBSVT or any of its Affiliates under the attorney-client privilege or the attorney work product doctrine; provided, further, that BCBSVT shall use its reasonable best efforts to allow for such access or disclosure to the maximum extent that does not result in a loss of attorney-client privilege, including through entry into a common interest agreement; or (iii) include confidential information with respect to any specific customer relationship to the extent such disclosure is prohibited by applicable Laws; provided, further, that, if any such access or disclosure is limited for the reasons described in the foregoing clauses (i)–(iii), the Parties shall use their reasonable best efforts to establish a process that (through use of steps such as targeted redactions, provision of information to counsel to review and summaries for BCBSM or use of a “clean room” environment for analysis and review of information by the Parties in coordination with counsel, the Parties and their respective Affiliates, as applicable) shall provide BCBSM with timely access to the fullest extent possible to the substance of the information described in this Section 6.3. All information obtained by BCBSM pursuant to this Section 6.3 shall be treated as “Confidential Information” for purposes of the Confidentiality Agreement.

Section 6.4 Third-Party Consents. Prior to the Closing, except as otherwise agreed by the Parties, BCBSVT shall cooperate with BCBSM and use reasonable best efforts to obtain all Consents required from third parties for the consummation of the transactions contemplated by the Transaction Agreements. The out-of-pocket fees, costs and expenses (including any license or other fees and expenses) associated with obtaining such Consents shall be borne by BCBSVT.

Section 6.5 BCBSA Matters. Prior to the Closing, BCBSVT shall cooperate with BCBSM and use reasonable best efforts to take all actions reasonably required by BCBSA to allow BCBSVT to become a controlled Affiliate of BCBSM.

Section 6.6 No Political Contributions. The Parties covenant and agree that at no time, prior to or from and after the Closing, will BCBSVT make contributions to political candidates or political parties.

Section 6.7 Confidentiality.

(a) Each of the Parties acknowledges that the information provided to it in connection with this Agreement and the transactions contemplated hereby is subject to the terms of the Confidentiality Agreement, the terms of which are incorporated herein by reference. Effective upon, and only upon, the Closing, the Confidentiality Agreement shall terminate. If for any reason the transactions contemplated by this Agreement are not consummated, the Confidentiality Agreement shall continue in full force and effect in accordance with its terms.

(b) From and after the Closing, each of the Parties shall cause each of its Affiliates to, and shall instruct its respective representatives to, maintain in confidence any written, oral or other information relating to BCBSM or BCBSVT obtained prior to the Closing Date.

(c) The requirements of Section 6.7(b) shall not apply to the extent that (i) any such information is or becomes generally available to the public other than as the result of disclosure by the Party that received the confidential information from the other Party, or any of the Affiliates or representatives of such Party, (ii) any such information is required by applicable Law, Order or a Governmental Entity to be disclosed after prior notice has been given to the other Party, (iii) any such information was known by either Party prior to disclosure by the other Party, (iv) any such information was or becomes available to such Party on a non-confidential basis and from a source (other than a Party or any Affiliate or representative of such Party) that is not bound by a confidentiality agreement with respect to such information or (v) any such information was independently developed by BCBSM or BCBSVT without the use of any confidential information. Each of the Parties shall inform its Affiliate and representatives that have access to such information of such confidentiality obligations and require them to abide by the same.

Section 6.8 Employee Matters.

(a) For a period of one (1) year following the Closing (the “Retention Period”), BCBSM shall not, directly or indirectly, take any action that would prevent substantially all employees of the BCBSVT Entities who are employed by the BCBSVT Entities as of the Closing (such employees, the “Retained Employees”) to be maintained as employees of the

BCBSVT Entities, subject to each such Retained Employee meeting reasonable performance expectations and subject to any voluntary terminations of employment by Retained Employees following the Closing. BCBSM acknowledges and agrees that for the duration of the Retention Period, each Retained Employee shall receive (i) base salary or hourly wage rate and target cash incentive compensation opportunities that, in the aggregate, are not less than the aggregate base salary or hourly wage rate and target cash incentive compensation opportunities provided to such Retained Employee immediately prior to the Closing Date, and (ii) employee benefits that are no less favorable, in the aggregate, than the employee benefits provided to such Retained Employee immediately prior to the Closing Date. If the Integration Office (as defined below), in its sole discretion, determines that the role of any Retained Employee is materially diminished or otherwise adversely impacted by the Affiliation (each such employee, an “Impacted Employee”), the Parties agree that the compensation and benefit guaranties described in the immediately preceding sentence shall continue to apply to such Retained Employees for the remainder of the Retention Period, but that the Integration Office shall use reasonable best efforts to provide any such Impacted Employees with alternative opportunities as appropriate, including but not limited to transferring or rebadging the employee to BCBSM or any of its Affiliates, consistent with the Affiliation Value objective, with ultimate determinations to be made jointly by the President of BCBSVT and BCBSM, as its sole member.

(b) The Parties acknowledge and agree that: (i) during the Integration Period, the Integration Office shall oversee and evaluate the employment, responsibilities and reporting obligations of each function of the BCBSVT Entities; provided, that the Parties intend for the staffing levels of the BCBSVT Entities to be maintained during the Integration Period, subject to the Parties’ mutual determinations with respect to appropriate business integration adjustments, adjustments related to business size or mix, as well as technology, digitization and automation enhancements; (ii) the Parties’ current plans for achieving the expected Affiliation Value do not contemplate any reductions in force of employees of the BCBSVT Entities; and (iii) the Integration Office may recommend the transfer of any Retained Employee to BCBSM or one of its Affiliates to the extent that such transfer is necessary or advisable in order to achieve Affiliation Value (a “Transferring Employee”); provided, that (1) all employees of the BCBSVT Entities who are located in the State of Vermont as of Closing shall be permitted to continue working in the State of Vermont and all employees of the BCBSVT Entities who are located outside of the State of Vermont as of the Closing shall be permitted to continue working in the same such locations (but excluding any employee of a BCBSVT Entity who voluntarily applies for a position at BCBSM, regardless of whether such position would be focused on or providing services to BCBSVT, BCBSM or any of their respective Affiliates) and (2) any such transfer shall require the mutual agreement of the president of BCBSVT and BCBSM.

(c) Nothing in this Agreement shall be construed to confer on any Person, other than the Parties, their successors and permitted assigns, any right to enforce the provisions of this Section 6.8 or be construed as an amendment of any BCBSVT Benefit Plan or any employee benefit plan offered by BCBSM or any of its Affiliates. In addition, nothing expressed or implied in this Section 6.8 shall confer upon any of the employees of BCBSVT or any other Person any additional rights or remedies, including any additional right to employment, or continued employment for any specified period, or any nature or kind whatsoever under or by reason of this Agreement. Without limitation to the foregoing, nothing in this Agreement shall require BCBSM to make available to any Person employed by any BCBSVT Entity any specific

or specific level of health insurance or other insurance, severance, vacation, pension, compensation, or other benefits provided to Persons employed by BCBSM or any BCBSM Entity; provided that it otherwise complies with its obligations pursuant to Section 6.8(a) and Section 6.8(b).

Section 6.9 Integration Plan. The Parties shall, among other things, undertake the following actions:

(a) Following the Execution Date, the Parties shall establish a committee consisting of representatives from BCBSM and BCBSVT (the “Integration Committee”) that will be charged with developing the Integration Plan and overseeing the Integration Office and the progress of the efforts towards achieving Affiliation Value. The Integration Plan shall include, among other things, processes by which the Parties shall (i) work towards seeking to achieve Affiliation Value by integrating technology, operations and vendors, reducing administrative costs, improving the customer experience including customer facing technologies, reducing health care benefit costs, improving pricing and product capabilities, improving sales and marketing activities and account retention strategies, and (ii) establish an integration office no later than the Closing Date (the “Integration Office”) that will oversee the means by which the Parties shall seek to execute the Integration Plan to seek to achieve Affiliation Value within three (3) years following the Closing, subject to third-party contractual obligations and limitations with respect thereto.

(b) Each Party agrees that it will dedicate sufficient staffing resources to the Integration Office at all times while the Integration Office remains in place, including by providing executive-level oversight and accountability in order to facilitate the execution of the Integration Plan. In furtherance of the foregoing, each Party acknowledges and agrees that the Integration Office shall remain active and supplied with the resources described in this Section 6.9(b) until the earlier of (i) three (3) years after the Closing or (ii) the completion of the Integration Plan. The Integration Office shall provide each Party with quarterly reporting on the status of the implementation of the Integration Plan and estimated Benchmark Measurement of Value Realized as of the applicable calendar quarter.

Section 6.10 Value Realized. Following the Execution Date, the Parties shall use their reasonable best efforts to develop a Joint Operating Model to govern the interrelationships between the BCBSM Entities and the BCBSVT Entities with respect to tax (subject to Section 8.4), governing operations, business line and employee reporting functions, regulatory and other shared services following the Closing. During the three (3) year period following the Closing (the “Measurement Period”), if BCBSVT and the BCBSVT Entities do not realize at least ten (10) million dollars in Benchmark Measurement of Value Realized attributable to the Affiliation, then, within one hundred twenty (120) days following the expiration of the Measurement Period, BCBSM shall pay to BCBSVT an amount equal to ten (10) million dollars *minus* Benchmark Measurement of Value Realized actually realized by BCBSVT during the Measurement Period. The Chief Financial Officer of BCBSVT and the Chief Actuary of BCBSM shall be responsible for calculating Benchmark Measurement of Value Realized after the end of the Measurement Period. BCBSM agrees to use commercially reasonable efforts to reduce net transition costs through the creation of scale efficiencies with existing BCBSM vendors and shared services within the broader BCBSM enterprise.

Section 6.11 Transition Costs and Enhancement Costs.

(a) Within sixty (60) days following each anniversary of the Closing Date, BCBSVT shall pay to BCBSM, by wire transfer immediately available funds, an amount equal to the aggregate Enhancement Costs incurred by BCBSM during the immediately preceding twelve (12) month period.

(b) BCBSM shall bear all Transition Costs. For the avoidance of doubt, fees and expenses charged by BCBSM to BCBSVT for the ongoing provision of services shall not be deemed Transition Costs and shall be charged to BCBSVT at appropriate market rates, subject to requirements of applicable Law.

Section 6.12 Directors. Following the Execution Date, BCBSM and BCBSVT shall discuss in good faith the individuals who will be nominated by BCBSVT to serve on the BCBSVT Board following the Closing. If BCBSM does not approve any such individual, BCBSVT shall propose alternative individuals, taking into consideration any suggestions by BCBSM, until each such member is approved by BCBSM.

Article VII

CONDITIONS TO CLOSING

Section 7.1 Conditions to Each Party's Obligation to Close. The respective obligations of each of BCBSM and BCBSVT to consummate the Closing and all transactions contemplated in the Transaction Agreements shall be subject to the satisfaction (or waiver by BCBSM and BCBSVT, if permissible under applicable Laws) on or prior to the Closing Date of the following conditions:

(a) Governmental Clearances. (i) The waiting period (and any extension of such period) under the HSR Act applicable to the transactions contemplated hereby shall have expired or otherwise been terminated (the "HSR Act Termination"); and (ii) all Filings with or to, and all Consents of any Governmental Entity listed in Schedule 4.3 of the BCBSVT Disclosure Schedule or Schedule 5.3 of the BCBSM Disclosure Schedule shall have been made or obtained, respectively, and shall be in full force and effect, in each case, without the imposition of a Burdensome Condition (other than, with respect to BCBSVT, a Burdensome Condition set forth in clause (7) of the definition thereof).

(b) Legal Restraints. No Law, whether preliminary, temporary or permanent, shall be in effect that prevents, makes illegal, or prohibits, and no claim by any Governmental Entity shall be pending or threatened in writing that seeks to prevent, make illegal or prohibit, the consummation of the Affiliation (any such Law or claim, a "Legal Restraint").

(c) Consummation of the Transaction Agreements. The Parties shall have taken all actions necessary to execute on the Closing Date each of the Transaction Agreements subject to the terms and conditions set forth herein.

(d) Consummation of the Affiliation. The Parties shall have taken all actions necessary to implement on the Closing Date the provisions of Section 2.1 subject to the terms and conditions set forth herein.

(e) BCBSM Tax Opinion. BCBSM shall have received an opinion from a nationally recognized law or accounting firm that the transactions contemplated by this Agreement will not result in a material change in the operations or structure of BCBSM for purposes of Section 833(c)(2)(C) of the Code.

Section 7.2 Conditions to Obligation of BCBSM. The obligation of BCBSM to consummate the Closing and all transactions contemplated in the Transaction Agreements is further subject to the satisfaction (or waiver by BCBSM, if permissible under applicable Law) at or prior to the Closing of the following conditions:

(a) Representations and Warranties. Each of the representations and warranties in Article IV shall be true and correct in all material respects as of the Execution Date and as of the Closing Date as if made as of the Closing Date (except to the extent any such representation or warranty expressly speaks as of the Execution Date or any other specific date, in which case such representation or warranty shall have been accurate in all respects as of such date).

(b) Performance of Covenants of BCBSVT. BCBSVT shall have performed or complied in all material respects with each covenant or agreement required to be performed or complied with by it under the Transaction Agreements at or prior to the Closing.

(c) No Material Adverse Effect. No Material Adverse Effect shall have occurred.

(d) Officers' Certificate. BCBSM shall have received a certificate, dated as of the Closing Date and duly executed by an executive officer of BCBSVT, certifying as to the matters in Section 7.2(a) and Section 7.2(b).

(e) Third-Party Consents. BCBSVT shall have (i) obtained Consents to the consummation of the transactions contemplated hereby pursuant to the Contracts in Schedule 7.2(e) of the BCBSVT Disclosure Schedule (the "BCBSVT Required Contractual Consents"); and (ii) delivered to BCBSM evidence, reasonably acceptable thereto, of the obtainment of the BCBSVT Required Contractual Consents.

(f) BCBSVT Tax Opinion. BCBSVT shall have received an opinion from a nationally recognized law or accounting firm that the transactions contemplated by this Agreement will not result in a material change in the operations or structure of BCBSVT for purposes of Section 833(c)(2)(C) of the Code.

Section 7.3 Conditions to Obligation of BCBSVT. The obligation of BCBSVT to consummate the Closing and all transactions contemplated in the Transaction Agreements is further subject to the satisfaction (or waiver by BCBSVT, if permissible under applicable Law) at or prior to the Closing of the following conditions:

(a) Representations and Warranties. Each of the representations and warranties of BCBSM in Article V shall be true and correct in all material respects as of the Execution Date and as of the Closing Date as if made as of the Closing Date (except to the extent any such representation or warranty expressly speaks as of the Execution Date or any other specific date, in which case such representation or warranty shall have been accurate in all respects as of such date).

(b) Performance of Covenants of BCBSM. BCBSM shall have performed or complied with in all material respects each covenant or agreement required to be performed or complied with by it under the Transaction Agreements at or prior to the Closing.

(c) No Material Adverse Effect. No Material Adverse Effect shall have occurred that would prevent BCBSM from performing its obligations under this Agreement and the Transaction Agreements.

(d) Officers' Certificate. BCBSVT shall have received a certificate dated as of the Closing Date and duly executed by an executive officer of BCBSM certifying as to the matters in Section 7.3(a) and Section 7.3(b).

ARTICLE VIII

TAX MATTERS

Section 8.1 Private Letter Ruling. From and after the Execution Date, each Party shall use reasonable best efforts to obtain a private letter ruling from the IRS that the transactions contemplated by this Agreement do not result in the realization of income by either Party (the "PLR"). In furtherance of the foregoing, to the extent not prohibited by applicable Law, each Party shall use reasonable best efforts to cooperate upon the other Party's reasonable request in obtaining the PLR, including (a) consulting with the other Party in good faith to prepare any analyses, memoranda, certifications and other documentation accompanying a submission necessary to obtain the PLR, (b) furnishing the other Party with any information reasonably requested for purposes of preparing any item described in clause (a) of this Section 8.1, and (c) (i) keeping the other Party apprised of any intended or scheduled meeting or discussion with the IRS in respect of the PLR, (ii) to the extent that the IRS agrees, providing the other Party with the opportunity to attend or participate in any meeting or discussion with the IRS and (iii) after the occurrence of any such meeting or discussion, promptly updating the other Party on the substance of any such meetings or discussions with the IRS, whether the same were scheduled or initiated by the IRS without prior scheduling thereof. The provisions of Section 6.2(c) and Section 6.3 regarding limitations on disclosure and access to competitive, confidential or privileged information shall apply for purposes of this Section 8.1 mutatis mutandis. The Parties acknowledge and agree that the obligations set forth in this Section 8.1 shall survive the Closing and remain in effect until the PLR has been obtained or the Parties have withdrawn the PLR request or agreed in writing to terminate the PLR process.

Section 8.2 Responsibility for Taxes. From and after the Closing Date, each Party shall continue to remain responsible for the payment of its own Taxes. In the event that any

Tax of one Party is assessed against or collected from the other Party, the first Party shall indemnify and hold the other Party harmless from such Taxes.

Section 8.3 Tax Contests. Each Party shall promptly inform the other Party in writing upon receipt of any written assessment, notice of pending or threatened assessment, audit, examination or other Proceeding reasonably expected to give rise to a claim for indemnification under Section 8.2 (collectively, a “Tax Contest”); provided, however, that the failure to provide prompt written notice shall not relieve the indemnifying Party of its obligations under Section 8.2 except to the extent it is actually and materially prejudiced by such failure. The indemnifying Party may elect to control any Tax Contest and to employ counsel of its choice at its own expense; provided, that (a) the indemnifying Party shall have first notified the indemnified Party in writing of its intention to control such Tax Contest, (b) the indemnified Party shall cooperate fully in preparing for and defending against such Tax Contest (including providing the indemnifying Party copies of any Tax Returns and other information reasonably requested by the indemnifying Party relevant to the Tax Contest, as well as copies of any correspondence, notices or other written materials received from any Taxing Authority regarding such Tax Contest), (c) the indemnified Party and its representatives shall be permitted, at the indemnified Party’s own expense, to be present at, and participate in, any material meetings or conversations with a Taxing Authority regarding such Tax Contest, and (d) the indemnifying Party shall use reasonable best efforts to provide drafts of any material written filings with respect to such Tax Contest for the indemnified Party’s review and comment prior to submission. The indemnified Party shall not be permitted to settle, either administratively or after the commencement of litigation, any Tax Contest without the indemnifying Party’s prior written consent (not to be unreasonably withheld, conditioned or delayed) unless the indemnified Party shall have first agreed in writing to forego any rights to indemnification under this Agreement with respect to such Tax Contest.

Section 8.4 Tax Returns. From and after the Closing Date, each Party shall continue to maintain its separate federal, state and local Tax Return filing obligations. In the event there is a change in applicable Law, facts or circumstances that results in both Parties being included in a consolidated or combined Tax Return, the Parties shall enter into a customary tax-sharing agreement covering such Tax Return.

ARTICLE IX

TERMINATION

Section 9.1 Termination Rights.

(a) Termination by Mutual Consent. BCBSVT and BCBSM shall have the right to terminate this Agreement at any time prior to the Closing by mutual written consent.

(b) Termination by BCBSVT. BCBSVT shall have the right to terminate this Agreement, at any time prior to Closing, if there has been a violation or breach by BCBSM of any covenant, representation or warranty contained in this Agreement which if not cured, would cause a condition to the obligations of BCBSVT at Closing to not be satisfied, and such violation or breach has not been waived by BCBSVT or cured in all material respects by BCBSM by the Outside Date; provided, however, that no cure period shall be required for any

such breach that by its nature cannot be cured or if, as a result of such breach and notwithstanding the timely cure thereof, one or more of the conditions to the obligations of BCBSVT to consummate the transactions contemplated hereby would not be satisfied at or prior to Outside Date.

(c) Termination by BCBSM. BCBSM shall have the right to terminate this Agreement, at any time prior to Closing, if there has been a violation or breach by BCBSVT of any covenant, representation or warranty contained in this Agreement which if not cured, would cause a condition to the obligations of BCBSM at Closing to not be satisfied, and such violation or breach has not been waived by BCBSM or cured in all material respects by BCBSVT by the Outside Date; provided, however, that no cure period shall be required for any such breach that by its nature cannot be cured or if, as a result of such breach and notwithstanding the timely cure thereof, one or more of the conditions to the obligations of BCBSM to consummate the transactions contemplated hereby would not be satisfied at or prior to the Outside Date.

(d) Termination by Either BCBSVT or BCBSM. Each of BCBSVT and BCBSM shall have the right to terminate this Agreement at any time prior to the Closing, if:

(i) the Closing does not occur on or prior to the Outside Date; provided, however, that the right to terminate this Agreement under this Section 9.1(d)(i) shall not be available to any Party who has materially breached or failed to perform any of its representations, warranties, covenants, or agreements contained in this Agreement, which material breach or failure to perform has been the cause of or has resulted in the failure of the Closing to occur on or prior to the Outside Date; or

(ii) a Legal Restraint remains in effect.

Section 9.2 Effect of Termination; Procedure for Termination.

(a) If this Agreement is terminated prior to Closing pursuant to Section 9.1, this Agreement shall be void and of no force or effect, without any liability or obligation on the part of any Party, whether arising prior to or after such termination, based on or related to this Agreement or the negotiation, execution, performance or subject matter hereof (whether in contract or in or otherwise, or whether at Law (including at common law or by statute) or in equity); provided, however, that (i) the last sentence of Section 6.3, Section 6.7, this Section 9.2 and Article X shall survive any such termination and shall remain in full force and effect; and (ii) no such termination or this Section 9.2(a) shall relieve any Party of any liability for any fraud or willful breach of its covenants or agreement hereunder occurring prior to such termination.

(b) This Agreement may be terminated only pursuant to Section 9.1. In order to terminate this Agreement under Section 9.1, the Party desiring to terminate this Agreement shall give written notice of such termination to the other Party in accordance with Section 10.7, specifying the provision hereof pursuant to which such termination is effectuated.

(c) In the event of a termination of this Agreement, each Party shall, at the option of such Party, promptly destroy or return all confidential information of the other Party

currently in such Party's possession pursuant to and in accordance with the terms and conditions of the Confidentiality Agreement.

Section 9.3 Dissolution of Affiliation. If the Parties mutually agree to unwind the transactions contemplated hereby such that BCBSVT will no longer be a controlled Affiliate of BCBSM, then the Parties shall reasonably cooperate and take such reasonable actions as required by applicable BCBSA guidelines and applicable Law to unwind the transactions contemplated by this Agreement and by the Transaction Agreements.

ARTICLE X

MISCELLANEOUS PROVISIONS

Section 10.1 Press Releases and Communications. No Party shall issue any press release or make any public announcement relating to the subject matter of this Agreement prior to the Closing without the prior approval of BCBSVT and BCBSM (which approval shall not be unreasonably withheld, delayed or conditioned); provided, however, that any Party or any Affiliate of any Party may make any public disclosure it believes in good faith is required by applicable Law (in which case the disclosing Party shall use its reasonably best efforts to advise and connect with the other Party prior to making the disclosure).

Section 10.2 Expenses. Except as otherwise expressly set forth herein, including this Section 10.2, whether or not the transactions contemplated hereby are consummated, all costs and expenses (including attorneys' and accountants' fees and expenses) incurred in connection with the negotiation and execution of this Agreement and each other agreement, document and instrument contemplated hereby and the consummation of the transactions contemplated hereby and thereby shall be paid by the Party incurring such expenses.

Section 10.3 Submission to Exclusive Jurisdiction; Consent to Service of Process; Waiver of Jury Trial.

(a) The Parties hereby irrevocably submit to the exclusive jurisdiction of the State of Vermont, or to the extent such court declines jurisdiction, first to any federal court located in Vermont, or second to any state court, located in Washington County Vermont, over any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby and each Party hereby irrevocably agrees that all claims in respect of such dispute or any Proceeding related thereto may be heard and determined in such courts. The Parties hereby irrevocably waive, to the fullest extent permitted by applicable Law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the Parties agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

(b) Each of the Parties hereby consents to process being served by any Party to this Agreement in any Proceeding by delivery of a copy thereof in accordance with the provisions of Section 10.7.

(c) TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, EACH PARTY HEREBY WAIVES, AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING IN WHOLE OR IN PART UNDER, RELATED TO, BASED ON OR IN CONNECTION WITH THIS AGREEMENT OR THE SUBJECT MATTER HEREOF, WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER SOUNDING IN TORT OR CONTRACT OR OTHERWISE. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 10.3 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

Section 10.4 Entire Agreement; Amendments and Waivers. This Agreement (including the Schedules and any Exhibits hereto) represents the entire understanding and agreement between the Parties with respect to the subject matter hereof. Any provision of this Agreement may be amended or waived only in a writing signed by BCBSVT and BCBSM. No waiver of any provision hereunder or any breach or default thereof shall extend to or affect in any way any other provision or prior or subsequent breach or default. No action taken pursuant to this Agreement, including any investigation by or on behalf of any Party, shall be deemed to constitute a waiver by the Party taking such action of compliance with any representation, warranty, covenant or agreement contained herein. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any Party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such Party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. Furthermore, the Parties each hereby acknowledge that this Agreement embodies the justifiable expectations of sophisticated parties derived from arm's-length negotiations; all Parties specifically acknowledge that no Party has any special relationship with another Party that would justify any expectation beyond that of an ordinary buyer and an ordinary company in an arm's-length transaction.

Section 10.5 No Third Party Beneficiaries. Except as expressly set forth in this Agreement, this Agreement shall not confer any legal or equitable rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

Section 10.6 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Vermont, without giving effect to its principles or rules of conflicts of laws.

Section 10.7 Notices. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (a) when personally delivered, (b) when transmitted (except if not a Business Day then the next Business Day) via electronic mail to the email address set out below (provided that no "error" message or other notification of non-delivery is generated), (c) the day following the day (except if not a Business Day then the next Business Day) on which the same has been delivered prepaid to a reputable national overnight air courier service or (d) the third Business Day following the day on which the same is sent by certified or registered mail,

postage prepaid. Notices, demands and communications, in each case to the respective Parties, shall be sent to the applicable address set forth below, unless another address has been previously specified in writing by such Party:

Notices to BCBSM:

Blue Cross Blue Shield of Michigan
600 E. Lafayette Boulevard
Detroit, MI 48226
Attention: Lynda Rossi; Laurine Parmely
Email: lrossi@bcbsm.com; lparmely@bcbsm.com

with a copy (which shall not constitute notice) to:

Sidley Austin LLP
One South Dearborn Street
Chicago, IL 60603
Attention: Michael P. Goldman; Sean Keyvan
Email: mgoldman@sidley.com; skeyvan@sidley.com

Notices to BCBSVT:

Blue Cross and Blue Shield of Vermont
445 Industrial Lane
Berlin, Vermont 05602
Attention: Don George, President and Chief Executive Officer
Rebecca Heintz, Esq., General Counsel and Compliance Officer

Email: georged@bcbsvt.com; heintzr@bcbsvt.com

with a copy (which shall not constitute notice) to:

Gravel & Shea PC
76 St. Paul Street, 7th Floor
Burlington, VT 05401
Attention: William A. Mason, Esq.
Email: cmason@gravelshea.com

Section 10.8 Severability. Whenever possible, each provision or portion of any provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable Law, but if any term or provision of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, illegal or unenforceable in any situation in any jurisdiction, such holding shall not affect the validity or enforceability of the remaining terms and provisions hereof, and this Agreement shall be reformed, construed and enforced as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

Section 10.9 Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. When reference is made in this Agreement to an Article, a Section, a clause, an Exhibit, an Annex or a Schedule, that reference is to an Article, a Section or a clause of, or an Exhibit, Annex or Schedule to, this Agreement unless otherwise indicated. Any reference to any federal, state, local, or non-U.S. statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word “including” shall mean “including without limitation.” References to any section of any statute, listing rule, rule, standard, regulation or other Law will be deemed to include any successor to such section. References to “\$” or “dollars” are references to United States Dollars.

Section 10.10 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign or delegate either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of BCBSM and BCBSVT, and any such assignment that is not consented to shall be null and void.

Section 10.11 Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

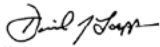
Section 10.12 Counterparts. This Agreement may be executed in one or more counterparts, including by facsimile or PDF file, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

Section 10.13 Specific Performance. Except as otherwise expressly provided herein, any and all remedies provided herein shall be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by Law or equity upon such Party, and the exercise by a Party of any one remedy shall not preclude the exercise of any other remedy. The Parties agree that irreparable damage for which monetary damages, even if available, would not be an adequate remedy, would occur in the event that the Parties do not perform their respective obligations under the provisions of this Agreement in accordance with their specific terms or otherwise breach such provisions. It is accordingly agreed that the Parties shall be entitled to an injunction or injunctions, specific performance and other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, in each case without posting a bond or undertaking, this being in addition to any other remedy to which they are entitled at law or in equity. Each Party agrees that it shall not oppose the granting of an injunction, specific performance and/or other equitable relief when expressly available pursuant to the terms of this Agreement on the basis that the other Party has an adequate remedy at law or an award of specific performance is not an appropriate remedy for any reason at law or equity.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above.

BLUE CROSS BLUE SHIELD OF
MICHIGAN MUTUAL INSURANCE
COMPANY

By: 
Name: Daniel J. Loepf
Title: President and CEO

BLUE CROSS AND BLUE SHIELD OF
VERMONT

By: Don C. George
Name: Don George
Title: President and CEO

EXHIBIT A

INTEGRATION PLAN PRIORITIZATION

The Integration Plan will focus on the following subset of the Affiliation Opportunity in support of the Benchmark Measurement of Value Realized and maximizing affiliation benefit for subscribers, subject to further development by the Integration Office, in accordance with the timeline and prioritization to be developed by the Integration Committee and set forth in the Integration Plan: administrative cost savings targeted through the Joint Operating Model, technology improvements (e.g. improved data management strategies and consumer engagement tools), pharmacy benefit efficiencies, increased retention of group administrative service contracts, additional product lines (e.g. stop loss), improved pricing competitiveness, scaling of operations, enhanced investment portfolio management (e.g. potential for increased investment yield and lower investment costs), and improved risk based capital levels, in each case, with respect to BCBSVT.

EXHIBIT B

AMENDED BCBSVT ARTICLES OF INCORPORATION

[TO BE ATTACHED]

AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
BLUE CROSS AND BLUE SHIELD OF VERMONT

ARTICLE I

NAME

The name of the Corporation is Blue Cross and Blue Shield of Vermont.

ARTICLE II

DURATION AND FISCAL YEAR END

The period of its duration is perpetual. The fiscal year end of the Corporation shall be December 31 of each year.

ARTICLE III

PRINCIPAL PLACE OF BUSINESS

The street address of the principal place of business of the Corporation in the State of Vermont is 445 Industrial Lane, Berlin, VT 05602.

ARTICLE IV

STATUTORY AGENT

The name and address of the registered agent of the Corporation is Angelina Buzzi, Blue Cross and Blue Shield of Vermont, 445 Industrial Lane, Berlin, VT 05602.

ARTICLE V

MEMBER

Blue Cross Blue Shield of Michigan (“BCBSM” and in its capacity as sole member of the Corporation, the “Sole Member”) shall be the sole member of the Corporation with all rights, privileges and obligations under Chapter 6, Title 11B, Vermont Statutes Annotated or as otherwise provided in these Amended and Restated Articles of Incorporation (the “Articles”) or the Bylaws of the Corporation (the “Bylaws”). BCBSM’s status as the Sole Member will not entitle BCBSM to any economic rights in the Corporation and will not give rise to any liability to pay assessments or similar amounts, except as required by the BCBSA licensee agreement, to or on behalf of the Corporation. Neither BCBSM nor the Corporation shall have access to the capital or surplus of the other party as a result of BCBSM’s status as sole member of the Corporation.

ARTICLE VI

PURPOSES

The Corporation is organized as a mutual benefit corporation for the purposes of establishing, maintaining and operating, pursuant to Chapter 123, Title 8, Vermont Statutes Annotated, a non-profit hospital service plan operated for the benefit of subscribers and, pursuant to Chapter 125, Title 8, Vermont Statutes Annotated, a medical service plan in the State of Vermont and to do all the things authorized by, and have the privileges and be subject to the provisions of, Chapters 123 and 125 of Title 8 and Title 11B of Vermont Statutes Annotated.

The Corporation shall have no capital stock. Voting power of the Corporation shall be vested exclusively in the Sole Member as set forth in the Bylaws. The Corporation is not organized for profit and shall operate exclusively for the benefit of the subscribers and participants of the Corporation's plans.

ARTICLE VII

DIRECTORS

The governing body of the Corporation is the Board of Directors, which shall be elected annually by the existing directors, and shall be composed of not fewer than three (3) natural persons who are at least 18 years of age, provided that the makeup of the Board of Directors shall, at all times, satisfy all statutory requirements and requirements of the Bylaws related thereto. The exact number of directors shall be fixed by the Bylaws. Their terms and the manner of their election shall be as provided in the Bylaws, and each director shall serve until said director's successor is elected and qualified or until said director's earlier resignation or removal as provided in the Corporation's Bylaws. The Board of Directors may make and amend the Bylaws of the Corporation in accordance with the terms and conditions therein, subject to the approval of the Sole Member.

ARTICLE VIII

DISSOLUTION

In the event of dissolution or liquidation of the Corporation, its assets, after provision for payment of debts and satisfaction of its obligations to subscribers and third parties, shall be distributed in an equitable manner for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, or the corresponding section of any future federal tax code, or to the federal government or a state government for a public purpose, as approved by its Board of Directors, subject to approval of the Commissioner of the Department of Financial Regulation and/or a court of competent jurisdiction and in accordance with the laws of the State of Vermont. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the Corporation is then located, exclusively for such exempt purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such exempt purposes. In no event shall any proceeds be distributed to the Sole Member.

ARTICLE IX

AMENDMENT

These Articles may be amended at any meeting of the Board of Directors by the affirmative vote of a majority of the Directors present, in person or by proxy, at a meeting at which a quorum of Directors is present, subject to the approval of the Sole Member.

ARTICLE X

SPECIAL PROVISIONS

1. Actions required or permitted by Vermont law to be taken at a meeting of the Board of Directors may be taken without a meeting if the action is taken by all of the board seats entitled to vote on the action. Each action so approved must be evidenced by one or more written consents describing the action taken for inclusion in minutes or filing with corporate records.

2. No director or officer of the Corporation shall be liable to the Corporation for money damages for any action taken or any failure to take any action, solely as a director or officer, based on a failure to discharge such director's or officer's duties in accordance with the provisions of Section 8.51 of Title 11B, Vermont Statutes Annotated, except liability for:

- (a) improper personal benefit to a director or officer to which such director or officer is not entitled;
- (b) an intentional or reckless infliction of harm on the Corporation;
- (c) a violation of Section 8.33, Title 11B, Vermont Statutes Annotated; or
- (d) an intentional or reckless criminal act.

[Signature Page Follows]

Executed this [●] day of [●], 2023.

Duly Authorized Agent

CERTIFICATE TO ACCOMPANY THE AMENDED AND RESTATED ARTICLES OF INCORPORATION OF BLUE CROSS AND BLUE SHIELD OF VERMONT

Pursuant to Section 10.06, Title 11B, Vermont Statutes Annotated, Blue Cross and Blue Shield of Vermont hereby presents the attached Amended and Restated Articles of Incorporation and certifies as follows:

ARTICLE I

The name of the corporation is Blue Cross and Blue Shield of Vermont.

ARTICLE II

The Amended and Restated Articles of Incorporation attached hereto contain amendments to the Articles of Association of the Corporation, as amended, which require approval by the Corporation's Board of Directors. The Board of Directors adopted the Amended and Restated Articles of Incorporation by unanimous written consent in lieu of meeting dated as of [●] date of [●], 2023, which was sufficient for approval. The amendments are set forth in full in the attached Amended and Restated Articles of Incorporation.

ARTICLE III

The Amended and Restated Articles of Incorporation do not require approval by any other person.

ARTICLE IV

The Amended and Restated Articles of Incorporation shall take effect upon their filings with the Vermont Secretary of State.

Dated as of this [●] date of [●], 2023.

Secretary, Blue Cross and Blue
Shield of Vermont

EXHIBIT C
AMENDED BCBSVT BYLAWS

[TO BE ATTACHED]

AMENDED AND RESTATED BYLAWS OF

BLUE CROSS AND BLUE SHIELD OF VERMONT

EFFECTIVE AS OF [DATE]

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Chapter 1

DEFINITIONS

“**Articles of Incorporation**” means the Amended and Restated Articles of Incorporation of the Corporation, as the same may be amended from time to time.

“**BCBSA**” means Blue Cross Blue Shield Association.

“**BCBSM**” means Blue Cross Blue Shield of Michigan Mutual Insurance Company, and its successor, the sole member of the Corporation (as defined below).

“**Board**” means the Board of Directors of the Corporation.

“**Bylaws**” means this governing document of the Corporation, as they may be amended from time to time.

“**Corporation**” means Blue Cross and Blue Shield of Vermont.

“**Director**” means any individually authorized to and seated on the Board.

“**Effective Date**” means [DATE].

“**Member Board Appointees**” shall have the meaning specified in Section 302.

“**Participating Provider**” means a Provider under contract with the Corporation to provide health care, drugs, medical supplies, services and/or devices to a Subscriber.

“**Provider**” means (a) any person who is or has been licensed to practice healing arts, (b) hospitals and like health care facilities, (c) any supplier of drugs, medical supplies, services and/or devices and (d) any person who is an owner of five percent (5%) or more of any of the foregoing, as well as a director, officer, trustee or employee of a of any of the foregoing, or of any professional or trade association comprised of providers of any of the foregoing.

“**Provider Director**” means any person who is a Director of this Corporation and who is a Provider.

“**Public Director**” means a Director of this Corporation who is a member of the public. A “member of the public” shall mean, without any further limitations, any individual who is not: (a) a Provider or the spouse of a Provider; (b) an ex officio Director; or (c) a member of management of either BCBSVT or BCBSM.

“**Sole Member**” shall have the meaning specified in Section 201.

“**Subscriber**” means any person enrolled as a subscriber or a member in a health service plan of the Corporation or one of its subsidiaries.

Chapter 2

SOLE MEMBER

201. Sole Member Defined.

BCBSM shall be the sole member of the Corporation (the “Sole Member”), thereby affording BCBSM with all rights, privileges and obligations of a member under Chapter 6, Title 11B, Vermont Statutes Annotated or otherwise provided for herein.

202. Reserve Rights of the Member.

Notwithstanding anything in these Bylaws to the contrary, subject to requirements of applicable law, the following actions relating to the Corporation and its business shall not be taken without the prior written approval of the Sole Member:

(a) Entering into, or agreeing to enter into any transaction or series of transactions that would constitute (i) a change of control of the Corporation, (ii) a sale or acquisitions of any subsidiaries of the Corporation, (iii) a merger, consolidation or other reorganization transaction involving the Corporation, (iv) a sale of all or substantially all of the assets of (A) the Corporation or (B) any of its subsidiaries, (v) an acquisition of any material business whether by purchase of stock, assets or otherwise or (vi) a transaction or series of transactions that are substantially similar to the foregoing, including any other transaction that may impact the Corporation’s risk based capital;

(b) Entering into, or agreeing to enter into, any transactions that require any joint investment or other obligation on the part of BCBSM;

(c) Initiating or resolving any material disputes or entering into any agreement with governmental authorities or regulators that would have a material adverse impact on the Corporation or BCBSM or their affiliates or their respective businesses or that could limit or impose requirements on the manner in which any of the foregoing is permitted or able to conduct its business;

(d) Initiating or resolving any material disputes or agreements with the BCBSA;

(e) Adopting any changes to the mission, strategy, organizational documents, organizational form, nonprofit status, governance, membership or board size, structure, or composition of the Corporation or any of its subsidiaries;

(f) Dissolving, liquidating or voluntarily entering into any bankruptcy, rehabilitation or similar proceedings with respect to the Corporation or any of its subsidiaries;

(g) Entering into any material financial transactions for which amounts are paid or payable by any person in excess of ten percent (10%) of the Corporation’s surplus;

(h) Exiting from or entering into any new line of business;

- (i) Issuing any membership interest or other voting or economic rights of the Corporation;
- (j) Adopting annual budgets and five-year capital plans of the Corporation; and
- (k) Engaging in any other matters with respect to which approval rights are afforded to members by BCBSA rules or applicable law.

203. Annual Meeting of Sole Member.

The annual meeting of the Sole Member shall be held annually on [●] or on such other date specifically set forth in the notice of meeting with the change in time being duly noted. The annual meeting may be held within or outside of the State of Vermont.

204. Informal Action by Sole Member.

Any action required or permitted to be taken by the Sole Member may be taken without a meeting (including the annual meeting), without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by an authorized officer of the Sole Member and delivered to the Secretary of the Corporation.

Chapter 3

BOARD OF DIRECTORS

301. Duties and Authority.

Except as otherwise expressly provided in this Agreement, the powers of the Corporation shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of the Board. The Board shall have the exclusive right to manage and control the business and affairs of the Corporation, subject to any provision of the Title 8, Chapters 123 and 125 and Title 11B, Vermont Statutes Annotated, the Articles of Incorporation, or other provisions contained herein specifically requiring the approval of the Sole Member (including Section 202). The Board shall have the right to perform all actions necessary, convenient or incidental to the accomplishment of the purposes and authorized acts of the Corporation, and the Board, acting as a body pursuant to these Bylaws; provided, however, that no individual Director shall have the authority or right to act for or bind the Company without the requisite consent of the Board and, if required hereunder, the Sole Member.

302. Number and Qualifications.

The Corporation shall have twelve (12) Directors, or such other number as may be determined by the Board and BCBSM, as sole member of the Corporation, from time to time. For so long as BCBSM is the Sole Member of the Corporation, the Board shall be comprised as follows:

(a) At least five (5) Directors shall be individuals who are appointed by the Sole Member (the “Member Board Appointees”), each of whom shall be considered an appointed director for purposes of Section 8.04, Title 11B, Vermont Nonprofit Corporation Act;

(b) At least seven (7) Directors shall be individuals each of whom is any of (i) a Public Director, (ii) a Subscriber or (iii) the Chief Executive Officer or President of the Corporation.

(c) Notwithstanding the foregoing, (i) at least three quarters (3/4) of the Board shall be composed of individuals who are Subscribers or Public Directors; and (ii) a majority of the Directors shall be Subscribers. The remainder may (but need not) be Providers.

(d) Except for the Chief Executive Officer or President of the Corporation, as applicable, and the Member Board Appointees, all Directors shall be elected from those nominated by the Governance and Nominating Committee constituted pursuant to Section 312 of these Bylaws, subject to approval of BCBSM. The Chief Executive Officer or President of the Corporation, as applicable, shall be a Director ex officio with voting powers and all such other powers as granted to Directors.

(e) If any Director, other than for a Member Board Appointee:

(i) becomes disqualified for no longer meeting the qualifications listed in this Section 302, or

(ii) fails, in any twelve (12) month period, to attend the lesser of at least six (6) or seventy-five percent (75%) of the meetings of the Board,

then that person shall automatically cease to be a Director.

Any Director may resign, at any time, by giving notice in writing to the Chairperson of the Board, if any, or the Chief Executive Officer or President, as applicable. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the occurrence of some other event, and, unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective. For the avoidance of doubt, any act taken by such Director prior to resignation or declaration of vacancy shall be valid.

Any Provider Director shall be a Participating Provider at the time of such Provider Director’s initial election to the Board. In the event such Provider Director ceases to be a Participating Provider, he/she/they shall be disqualified as a Director, unless the Board consents to such individual’s continued service as a Director.

The Board may remove any Director from office at any time and for any reason upon a three-fourths (3/4) vote of the Board, subject to the consent of the Sole Member.

303. Election and Term of Directors.

(a) Except for the Chief Executive Officer or President of the Corporation, as applicable, and the Member Board Appointees, Directors of the Corporation shall be elected by the Sole Member from a list of candidates nominated by the Governance and Nominating

Committee and submitted to the Sole Member by the Board, and shall serve until their successors are elected and qualified. The initial terms of all Directors, other than the Member Board Appointees that are Public Directors, shall be for a term as set forth on Schedule A. In the event of a vacancy on the Board (whether due to termination, resignation or otherwise) prior to the expiration of the term applicable to such Director, then such vacancy shall be filled in accordance with Section 305 for the remainder of the applicable term. The persons who are Directors as of the Effective Date, their initial term length and the number of remaining terms, as applicable, are set forth on Schedule A.

(b) Following the initial terms, as set forth above, all Directors, other than the Member Board Appointees and the Chief Executive Officer or President, as applicable, shall be elected for three (3) year terms unless a shorter term is specified at the time of election. No Director shall be eligible for election or service for more than four (4) terms. Notwithstanding the foregoing, the Directors serving immediately prior to the Effective Date shall be eligible for election or service for five (5) terms. Unless otherwise approved by the Board and the Sole Member, the term limits as set forth above shall remain in effect indefinitely, but in any event for a period of no less than five (5) years following the Effective Date. The terms and years served by any individual who was a Director at or prior to the Effective Date shall count toward the limitations of this section.

304. Voting.

Each Director shall have one (1) vote. An affirmative vote of a majority of the Board shall be required for all actions except as otherwise provided for herein.

305. Vacancies.

Any vacancy on the Board (whether due to termination, resignation, expiration of term, death or otherwise) shall be filled by BCBSM; provided, that with respect to a vacancy of a Director other than a Member Board Appointee, the Board, based on the recommendation of the Governance and Nominating Committee, shall nominate one or more individuals to fill such vacancy, which nominees shall be submitted to the Sole Member for approval.

306. Meetings; Chairpersons and Vice Chairpersons.

(a) Meetings of the Board shall be upon the call of the Chairperson, the Chief Executive Officer or President, as applicable, or a majority of the Directors. Regular meetings of the Board shall be held according to a schedule established by the Board.

(b) Meetings of any committee shall be called by the Chairperson of the Board, the Chief Executive Officer or President, as applicable, the Chairperson of that committee or by a majority of the members of such committee.

(c) Notice of the time, place and purposes of all meetings of the Board or committees shall be given at least five (5) days before the meeting to each member of the Board or applicable committees either in person, by mail, by electronic mail or by telephone by the Secretary at the Director's last known mailing or electronic mail address or telephone number, as applicable as kept by the Secretary, except as provided herein. In the case of any meeting called

by the Chief Executive Officer or President, as applicable, or Chairperson, notice of the meeting may be given by that person, who shall be deemed to be secretary for that purpose, in which case notice shall be simultaneously filed with the Secretary. If a meeting is called by the majority of the Directors, they shall file notice of the meeting with the Secretary at least five (5) days before the meeting, and the Secretary shall provide at least three (3) days' notice to the entire Board or the committee as provided herein. Meetings may be within or without the State of Vermont.

(d) When in attendance, the Chairperson shall preside at all meetings of the Board and its Executive Committee. When the Chairperson is not present, the Vice-Chairperson shall serve. If neither the Chairperson nor Vice-Chairperson is present, a moderator shall be chosen from among those present.

(e) The Chairperson and Vice-Chairperson shall be elected from among the Public Directors at the annual meeting of Directors, subject to the consent of the Sole Member.

307. Waiver of Notice.

A Director may waive in writing notice of any meeting of the Board or of one of its committees, either before or after the meeting. Attendance of a Director at a meeting shall constitute waiver of notice of that meeting unless such Director attends for the express purpose of objecting to the transaction of business because the meeting was not lawfully called or convened, and the Director voices such objection at the meeting, and does not vote in or otherwise participate in the meeting.

308. Quorum.

(a) Board of Directors Meetings.

A quorum for the transaction of business by the Board shall consist of a majority of Directors then holding office, including at least two (2) Member Board Appointees, at least one of whom is an officer of BCBSM (to the extent that an officer of BCBSM is serving on the Board at such time), exclusive of recused or disqualified Directors. If such BCBSM officer is not present at the meeting of the Board, then the applicable meeting will be postponed; provided that if such BCBSM officer fails to be present at the next meeting of the Board notwithstanding delivery of notice in accordance with Section 306(c), then such BCBSM officer will be deemed to be present for the purposes of determining whether the quorum requirements are satisfied.

(b) Committee Meetings.

A quorum for the transaction of business by the committees shall consist of a majority of Directors on such committee, exclusive of recused or disqualified Directors.

309. Committees.

(a) Standing Committees.

The standing committees shall include the following committees, and such other committees as are established by the Board from time to time:

- (1) **Executive and Compensation Committee**
- (2) **Audit Committee**
- (3) **Governance and Nominating Committee**
- (4) **Finance Committee**

To the extent consistent with these Bylaws, the members of the standing committees, and their Chairpersons, shall be nominated from among the current Directors and appointed by the Chairperson of the Board, subject to the prior written approval of the Sole Member. In addition to the approval of the Sole Member as described in the immediately preceding sentence, all committee appointees shall be subject to approval by the Board. In making such appointments, the Chairperson shall give due consideration to the interests, education, experience and expertise of appointees. Each committee shall include at least one (1) Member Board Appointee. The Chairperson shall appoint such committee members, and their Chairpersons, as soon as practicable after the annual meeting of the Board. Standing committees may make their own rules, consistent with these Bylaws, for the holding and conduct of their meetings. Vacancies shall be filled by the Chairperson of the Board, subject to approval by the Sole Member.

(b) **Other Committees.**

The Chairperson of the Board may, from time to time, with the approval of the Board, form other committees with such responsibilities and authority as may be delegated by the Board and appoint current Directors as members and Chairpersons thereof, subject to the prior written approval of the Sole Member.

(c) The committees shall keep and maintain minutes of their meetings and shall, from time to time but in any event no less than annually, submit such minutes to the Board along with such other materials or reports requested by the Board.

310. **Executive and Compensation Committee.**

(a) **Number and qualifications.**

The Executive and Compensation Committee shall consist of no fewer than four (4) Directors including the Chairperson or Vice-Chairperson of the Board. Provider Directors shall not comprise a majority of the Executive Committee. The Chairperson of the Board shall serve as Chairperson of the Executive and Compensation Committee.

(b) **Powers and duties.**

The Executive and Compensation Committee may, between regular meetings of the Board, act in the stead of the Board if circumstances arise which must be resolved prior to the next regularly scheduled Board meeting and with respect to which it is not reasonable to attempt to schedule a special Board meeting either in person or through remote telecommunications. The foregoing authority shall be exercised in rare circumstances, and only when the Chairperson or Vice-Chairperson of the Board reasonably determines that it will be impossible to obtain a quorum

of the Board in a timely manner. Said authority shall include general authority to manage the affairs of the Corporation including authority to authorize purchases, sales, offers, conveyances, transfers, bank deposits, and negotiable instruments; and to settle claims for and against the Corporation. Excepted from this authority are the following: any transaction involving all or substantially all of the assets of the Corporation; amendment of the Articles of Incorporation or these Bylaws; election of officers or Directors; and any other matter expressly reserved to the full Board by law or Board resolution.

The Executive and Compensation Committee shall have the authority to review compensation for all officers and Directors and to recommend for approval to the Board compensation of Directors and all officers, including the Chief Executive Officer or President, as applicable. The Executive and Compensation Committee shall: conduct periodic performance evaluations of the Chief Executive Officer or President, as applicable; review and approve the incentive compensation plan for the Corporation; and periodically review the performance of the qualified pension plans of the Corporation.

The Executive and Compensation Committee shall report its actions at the next meeting of the Board.

311. Audit Committee.

(a) Number and qualifications.

The Audit Directors shall consist of no less than three (3) members. At least one (1) member of the Audit Committee must have relevant financial experience. Provider Directors shall not comprise a majority of the Audit Committee.

(b) Powers and duties.

The Audit Committee shall assist the Board in fulfilling its responsibility to oversee management's conduct of the financial reporting process. In so doing it shall evaluate and recommend the retention, compensation, and if necessary, replacement of the independent financial audit firm, and shall review the annual independent audit. It shall review the internal audit work plan, and shall monitor results of the plan and corrective actions, if any. It shall also oversee legal compliance and ethics programs of the Corporation.

312. Governance and Nominating Committee.

(a) Number and Qualifications.

The Governance and Nominating Committee shall consist of not more than six (6) nor fewer than four (4) members. Provider Directors shall not comprise a majority of the Governance and Nominating Committee.

(b) **Powers and duties.**

Annually or as otherwise directed by the Board, the Governance and Nominating Committee shall nominate one or more qualified persons for the positions of Chairperson and Vice-Chairperson, and for each vacancy on the Board to be approved by the Sole Member. The Governance and Nominating Committee shall also nominate qualified persons to represent the Corporation on the boards of other entities that may be affiliated with the Corporation. The Governance and Nominating Committee shall have the power to consider, and to propose to the Board for its approval, amendments or revisions to the Bylaws. Each nomination or recommendation by the Governance and Nominating Committee shall be subject to approval by Board and the Sole Member to the extent required herein.

313. **Finance Committee.**

(a) **Number and Qualifications.**

The Finance Committee shall consist of a minimum of three (3) members. The Chairperson of the Audit Committee, or another Director designated by said Chairperson, shall be included as a member of the Finance Committee.

(b) **Powers and duties.**

The Finance Committee shall advise and assist the Board with respect to the financial and investment policies and objectives of the Corporation. The Finance Committee's primary duties and responsibilities are to: (i) monitor the Corporation's investment policies and performance; (ii) review and evaluate proposed capital projects and other major investments; (iii) review the annual financial forecast and administrative expense budget, and any subsequent changes proposed by management, and (iv) periodically review the Corporation's financial results to date compared with the results forecasted in the approved business plan.

314. **Advisory Committees.**

The Chairperson, Chief Executive Officer or President, as applicable, or Chairperson of a standing committee may, from time to time, with the approval of the Board, form one or more Advisory Committees, which shall be distinct from the Board committees authorized by Sections 309 to 313 of these Bylaws and shall be charged with advising the Corporation on matters of concern to it. Members of the Board may sit on Advisory Committees, but members of the Advisory Committees need not be Directors. Upon invitation, Advisory Committees or members thereof may attend meetings of the Board but will not be entitled to vote at such meetings. The voting prohibition will not apply to a Director who is a member of the Advisory Committee.

315. **Informal Action.**

If all of the Directors, or all the members of any committee thereof, consent in writing to any action taken or to be taken by the Corporation and the written consent is inserted in the minute book of the Corporation, the action shall be as valid as though it had been authorized at a meeting of the Board.

316. Telephonic Meetings.

The Board or any committee thereof, may hold a meeting by means of video, telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at such meeting. Any Director may request participation in any meeting (including any meeting scheduled as an in person meeting) by remote attendance.

317. Conflict of Interest.

(a) Conflict of Interest Policy.

Each Director shall comply with the Conflict of Interest Policy of the Corporation in effect from time to time. Each Director shall file a signed Conflict of Interest Statement, in the form last approved by the Board, with the Corporate Secretary concurrent with being seated on the Board and prior to May 1 of each year.

(b) Recusal by Director.

At any time that it becomes apparent to a Director that a matter is coming, or is likely to come, under consideration by the Board in which she/he/they has an interest which is, or may be, or may create the appearance of a conflict with the interests of the Corporation, such Director will disclose such actual or potential conflict to the Board and provide all information reasonably requested by the Board in connection with such actual or potential conflict and will absent her/him/themself during any Board consideration or take such other actions as are appropriate given the nature of the actual or potential conflict and the potential Board action.

A Director shall also recuse him/her/themself at any point when a conflict of interest exists with respect to such Director in accordance with the terms of the Conflict of Interest Policy.

(c) Recusal of Director by Chairperson.

If it becomes apparent that a matter is coming, or is likely to come, under consideration by the Board in which a Director has an interest which is, or may be, in conflict with the interests of the Corporation and the Director fails or refuses to act consistently with subsection (b) above, then the Chairperson or acting Chairperson may require such Director to absent her/him/themself or to take other appropriate action.

Chapter 4

OFFICERS

401. Officers.

The officers of the Corporation shall be the Chief Executive Officer or President, as applicable, one or more Vice-Presidents, a Treasurer, a Secretary, and an Assistant Secretary.

402. Qualifications of Officers.

Officers of the Corporation need not be members of the Board.

403. Chief Executive Officer or President.

The Chief Executive Officer of the Corporation as of the Effective Date shall be the President and Chief Executive Officer until his retirement, resignation or termination. From and after such retirement, resignation or termination, as applicable, the Corporation shall no longer have a Chief Executive Officer. The Corporation's principal officer shall thereafter be its President. The Board may remove the Chief Executive Officer or President, as applicable, by the affirmative vote of a majority of Directors then in office, subject to the written consent of the Sole Member. The Sole Member may remove the Chief Executive Officer or President as applicable, by delivering written notice thereof to the Board with concurrent notice to the Chief Executive Officer or President. The Sole Member and the Board shall cooperate to determine the appropriate process for determining the requirements of any candidate to become the President and identifying candidates for President. Once determined, the Board will nominate a candidate to become the President, which candidate will be subject to the approval of the Sole Member.

The Chief Executive Officer or President, as applicable, shall be responsible for the Corporation's general management with the power to make and execute contracts in the ordinary course of business and to delegate such authority. In the name of the Corporation, and as and when authorized by the Board, the Chief Executive Officer or President, as applicable, shall execute all deeds, mortgages, bonds, and other similar obligations or instruments. The Chief Executive Officer or President, as applicable, shall report to the Chief Executive Officer of BCBSM or his or her or their designee and to the Board.

404. Vice-Presidents.

From time to time, the Chief Executive Officer or President, as applicable, may appoint "Acting Vice-Presidents" who shall be confirmed by the Board as "Vice-Presidents." They shall exercise the powers delegated to them by the Chief Executive Officer or President, as applicable, or by the Board at the pleasure of the Chief Executive Officer or President, as applicable. They shall serve at the pleasure of the Chief Executive Officer or President, as applicable, and may be removed with or without cause.

405. Treasurer.

The Treasurer shall have the general supervision over the care and custody of the funds and securities of the Corporation and shall deposit the same or cause the same to be deposited in the name of the Corporation in such banks, trust companies, investment accounts, and safe deposit companies as the Board designates; shall keep or cause to be kept full and accurate accounts of all receipts and disbursements of the Corporation; and shall render or cause to render financial statements of the Corporation requested by the Board.

406. **Secretary and Assistant Secretary.**

The Secretary shall be responsible for the keeping of minutes of all meetings and the notice thereof; and shall be responsible for the custody of the corporate records and seal, as applicable. When neither the Secretary nor the Assistant Secretary is present at any meeting, a Secretary pro tem shall keep minutes of the meeting and promptly forward those minutes to the Secretary who shall insert them in the corporate record book. The Secretary shall keep a record of all Directors of the Corporation, designate therein whether they are Public Directors, keep their current mailing addresses and record the date of their election. The Secretary shall make the records of the Corporation available for inspection to Directors. The Secretary and Assistant Secretary will be responsible for the performance of all duties usually incident to the office of Secretary and such duties as may, from time to time, be assigned by the Board or the Chief Executive Officer or President, as applicable. The Assistant Secretary will be responsible for the performance of such duties as may, from time to time, be assigned by the Chief Executive Officer or President, as applicable, or the Secretary, and shall have full power to act as the Secretary in the event that the Secretary is absent or unavailable.

Chapter 5

GENERAL PROVISIONS

501. **Bonds.**

The Board, at the expense of the Corporation, shall require the Treasurer and may require any other officer or employee to provide the Corporation with fidelity bonds in an amount, in such form, and with such surety as the Board demands.

502. **Negotiable Instruments.**

All checks, drafts, bills of exchange, notes or other obligations or orders for the payment of monies shall be signed by signature (including electronic signature or facsimile thereof) in the name of the Corporation by such officer or officers, person or persons as the Board may designate.

503. **Seal.**

The Corporation may, but shall not be required to have an use a corporate seal bearing the name of the Corporation and any such other information which the Corporation may, from time to time, decide to include in the same.

504. **Fiscal Year.**

The fiscal year of the Corporation shall end on December 31 unless otherwise ordered by the Board.

505. **Principal Place of Business.**

The principal office of the Corporation shall be located in the Town of Berlin, Vermont or in such other place as the Board shall determine.

506. Indemnification of Directors, Officers.

Each Director and officer serving as such shall be indemnified by the Corporation against any and all claims and liabilities, including all legal fees in defense thereof, resulting because of (a) service as a Director or officer, (b) by reason of any action taken or alleged to have been taken, omitted, or neglected in the role of Director or officer, (c) service as a director or officer of another entity at the request or direction of the Corporation, or (d) by reason of any action taken or alleged to have been taken, omitted, or neglected in the role as director or officer of another entity pursuant to Section 506(c), in each case, except those arising out of willful misconduct or gross negligence; provided, however, that in any dispute between the Corporation and its Directors or its officers in which an officer or Director was or is a party defendant or is threatened to be made a party defendant to any threatened, pending or completed action, suit, or proceeding, by reason of the fact that such individual is or was a Director or officer or is or was a director or officer of another entity at the request or direction of the Corporation, the Corporation shall indemnify him/her/them against expenses (including legal fees) incurred in defense only if such officer or Director ultimately prevails in such action, suit, or proceeding.

507. Amendments.

Subject to the prior written approval of the Sole Member, these Bylaws may be amended at any meeting of the Board by a two-thirds (2/3) vote of those present at any meeting duly warned, by fifteen (15) days written notice, for that purpose, or by unanimous written consent of the Board.

These Amended and Restated Bylaws were adopted by the Board of Directors of the Corporation at a duly warned meeting held on and [●], at which the Board agreed and approved of these Bylaws replacing all prior Bylaws of the Corporation in their entirety.

BLUE CROSS AND BLUE SHIELD OF
VERMONT

By: _____
Name:
Title:

SCHEDULE A

Schedule of Staggered Terms

[SEE ATTACHED].

SCHEDULE A

BCBSVT DISCLOSURE SCHEDULE

[SEE ATTACHED]

**BCBSVT DISCLOSURE SCHEDULE TO THE
PRINCIPAL TRANSACTION AGREEMENT**

by and between

BLUE CROSS AND BLUE SHIELD OF VERMONT

and

BLUE CROSS BLUE SHIELD OF MICHIGAN MUTUAL INSURANCE COMPANY

Dated as of April 28, 2023

This BCBSVT Disclosure Schedule is referred to in, and is a part of the Principal Transaction Agreement (the “Agreement”) entered into as of April 28, 2023, by and between Blue Cross and Blue Shield of Vermont (“BCBSVT”) and Blue Cross Blue Shield of Michigan Mutual Insurance Company (“BCBSM”). BCBSVT and BCBSM may each be referred to individually as a “Party” and collectively as the “Parties.”

Any information disclosed in this BCBSVT Disclosure Schedule under any section number shall be deemed to be disclosed and incorporated in the BCBSVT Disclosure Schedule under any other section to the extent the relevance of such information to such other section would be reasonably apparent to a reader of such information.

The disclosures made herein are in response to the representations and warranties of the BCBSVT contained in the Agreement. No disclosure made herein shall be deemed to modify in any respect the standard of materiality set forth in any representation, warranty, covenant, obligation, or agreement contained in the Agreement.

Unless the context otherwise requires, all capitalized terms not defined in this Disclosure Schedule shall have the meaning assigned to them in the Agreement.

All references to and summaries of documents herein are qualified in their entirety by the complete text of the documents described.

LIST OF DISCLOSURE SCHEDULE SECTIONS

Schedule 4.3	Consents and Filings
Schedule 4.5(a)	BCBSVT Entity Capitalization
Schedule 4.5(c)	Equities and Convertible Interests
Schedule 4.5(d)	Membership, Partnerships and Joint Ventures
Schedule 4.6(e)	SAP Accounting Practices
Schedule 4.6(f)	Indebtedness
Schedule 4.8	Pre-Closing Business Developments
Schedule 4.9	Taxes
Schedule 4.10	Intellectual Property Rights
Schedule 4.11(a)	Material Contracts
Schedule 4.11(b)	Breaches or Defaults; Contracts Not Provided
Schedule 4.12(a)	Compliance with Law
Schedule 4.12(b)(i)	Permits
Schedule 4.12(b)(ii)	SAP Jurisdictions
Schedule 4.12(c)	Restrictive Orders
Schedule 4.12(d)	Government Filings
Schedule 4.13	Insurance Policies
Schedule 4.14(a)	Compliance with Data Protection Requirements
Schedule 4.14(d)	Software and Equipment Crashes and Failures
Schedule 4.15(a)	Legal and Regulatory Proceedings
Schedule 4.15(b)	Named Plaintiff Proceedings
Schedule 4.16(a)	Employee Benefit Plans
Schedule 4.16(e)	Acceleration of Benefits, Parachute Payments, and Termination of Benefit Plans
Schedule 4.16(f)	Welfare Benefits to Former Employees
Schedule 4.17(a)	Collective Bargaining Agreements
Schedule 4.17(c)	Compliance with Employment Law
Schedule 4.17(d)	Mass Layoffs
Schedule 4.18(a)	Owned Real Property
Schedule 4.18(b)	Leased Real Property
Schedule 4.20(a)	Payment of Claims
Schedule 4.20(b)	Underwriting Standards
Schedule 4.20(f)	Agent Licenses and Good Standing
Schedule 4.21	Insurance Regulatory Filings
Schedule 4.22(a)	Reinsurance Agreements
Schedule 4.22(c)	Reinsurance Notices and Consents
Schedule 4.22(d)	Uncollectible Reinsurance
Schedule 4.22(e)	Third-Party Authority
Schedule 4.24	Sufficiency of Property, Rights, Assets, and Services
Schedule 4.26(a)	Intercompany Agreements
Schedule 4.26(b)	Loan Balances and Debt
Schedule 6.1	Interim Operations
Schedule 6.1(f)	Incurrence of Debt

Schedule 6.1(h)	Severance, Retention, and Similar Awards
Schedule 6.1(i)	Executive Positions
Schedule 7.2(e)	Required Contractual Consents

Schedule 4.3

CONSENTS AND FILINGS

Blue Cross Blue Shield Association
State of Vermont, Department of Financial Regulation
United States Department of Justice, Hart-Scott-Rodino filing

Schedule 4.5(a)

BCBSVT ENTITY CAPITALIZATION

See attached organizational chart.

Schedule 4.5(c)

EQUITIES AND CONVERTIBLE INTERESTS

None.

Schedule 4.5(d)

MEMBERSHIP, PARTNERSHIPS AND JOINT VENTURES

BCBSVT is a forty-nine percent (49%) owner of Vermont Blue Advantage, Inc.

BCBSVT is one of four (4) Blue Plans participating in the New England Joint Enterprise (NEJE) which is a partnership created to offer Medicare Part D to beneficiaries in the region as defined by CMS; Blue Plan states include CT (Anthem), MA, RI, VT.

BCBSVT participates in the Synergie Medication Collective which is a new medication contracting organization founded by a group of Blue Cross and Blue Shield-affiliated companies to serve both Blues and select independent health plans. BCBSVT is an “owner-participant”.

BCBSVT is a co-founder of CivicaScript, LLC which was co-founded in 2020 by Civica Inc., the Blue Cross Blue Shield Association (BCBSA) and 18 independent and locally operated Blue Cross and Blue Shield (BCBS) companies.

BCBSVT owns 3,511 shares of common stock in BCS Financial Corp. which delivers a wide range of insurance and financial solutions for Blue Cross and Blue Shield organizations nationwide.

BCS owns a Vermont captive insurance company named BCS Re Inc.

BCBSVT owns the Health & Wellness Partners Incorporated Cell company which is within the BCS Re Inc. to provide stop/loss coverage to its Blue Edge group clients.

Catamount Insurance Services, LLC is a fifty percent (50%) owner of Vermont Collaborative Care, LLC.

BCBSVT is the sole member of the nonprofit corporation Blue Cross and Blue Shield of Vermont Caring for Children Foundation, Inc.

Schedule 4.6(e)

SAP ACCOUNTING PRACTICES

See page 26 Note (1) (A) included in the Annual Statement for the Year 2022 for BCBSVT which outlines the permitted practice approved by the Department of Financial Regulation in 2017 relating to the treatment of the alternative minimum tax (AMT) credits.

Schedule 4.6(f)

INDEBTEDNESS

Line of credit up to Twenty-Five Million and 00/100 Dollars (\$25,000,000.00) (the "Line of Credit") from [REDACTED], under that certain Business Loan Agreement dated July 14, 2021 between BCBSVT and [REDACTED]

Schedule 4.8

PRE-CLOSING BUSINESS DEVELOPMENTS

None.

Schedule 4.9

TAXES

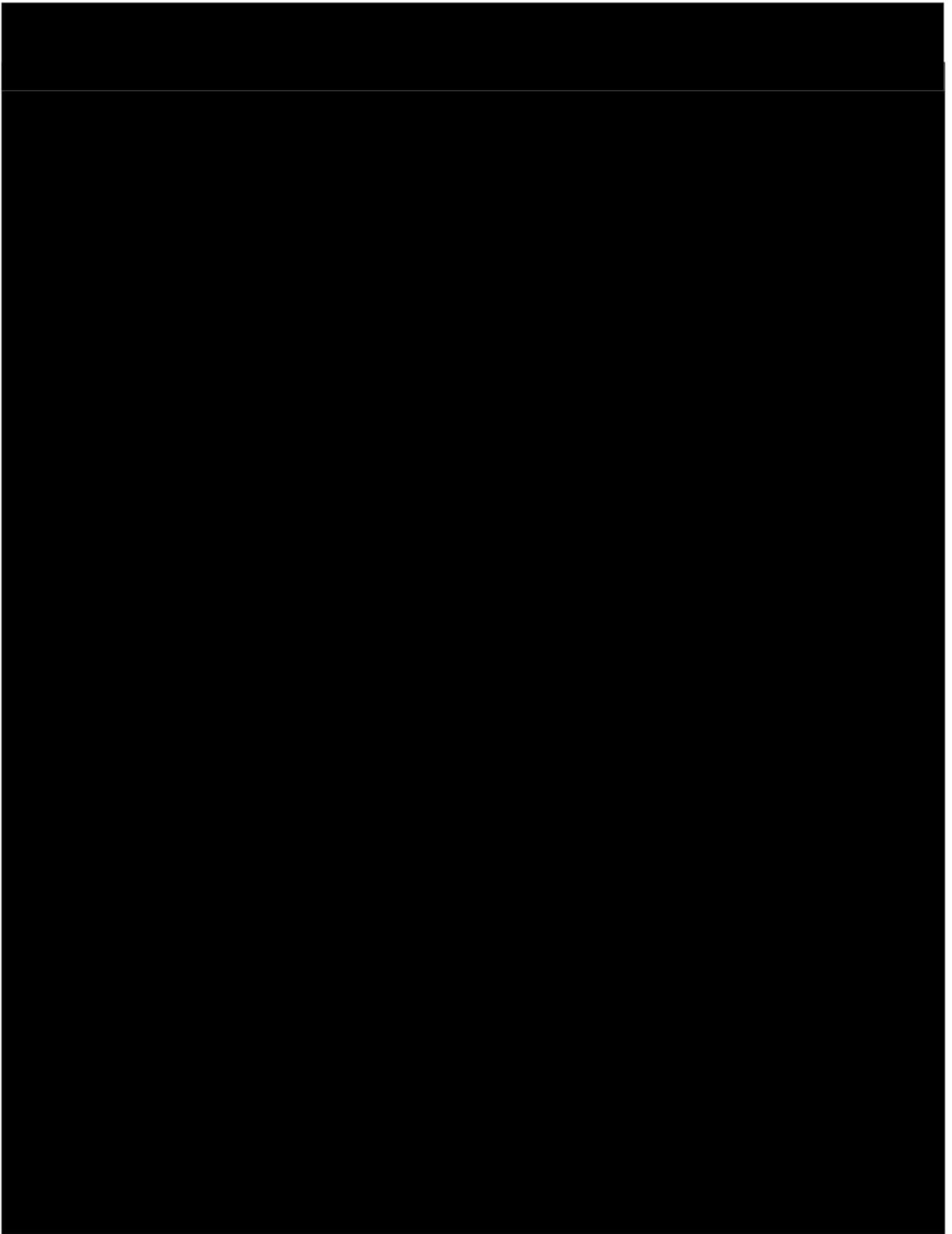
(a) There are a number of states where we believe BCBSVT could potentially be subject to a tax filing requirement based on either (1) where its remote workers reside or (2) where business is reported on the NASCO partnership return, but management has made the decision not to file returns. As of the 2021 tax year, those states were AL, AZ, CO, CT, FL, GA, IA, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NJ, NY, OH, OK, OR, SC, TN, TX, UT, and VA. Management believes the tax liability in those states is very minimal or in many cases zero, and the cost to the organization of preparing the returns is not justified from a risk perspective. Note that BCBSVT has not received correspondence from any of those states asserting that a return is required or tax is due.

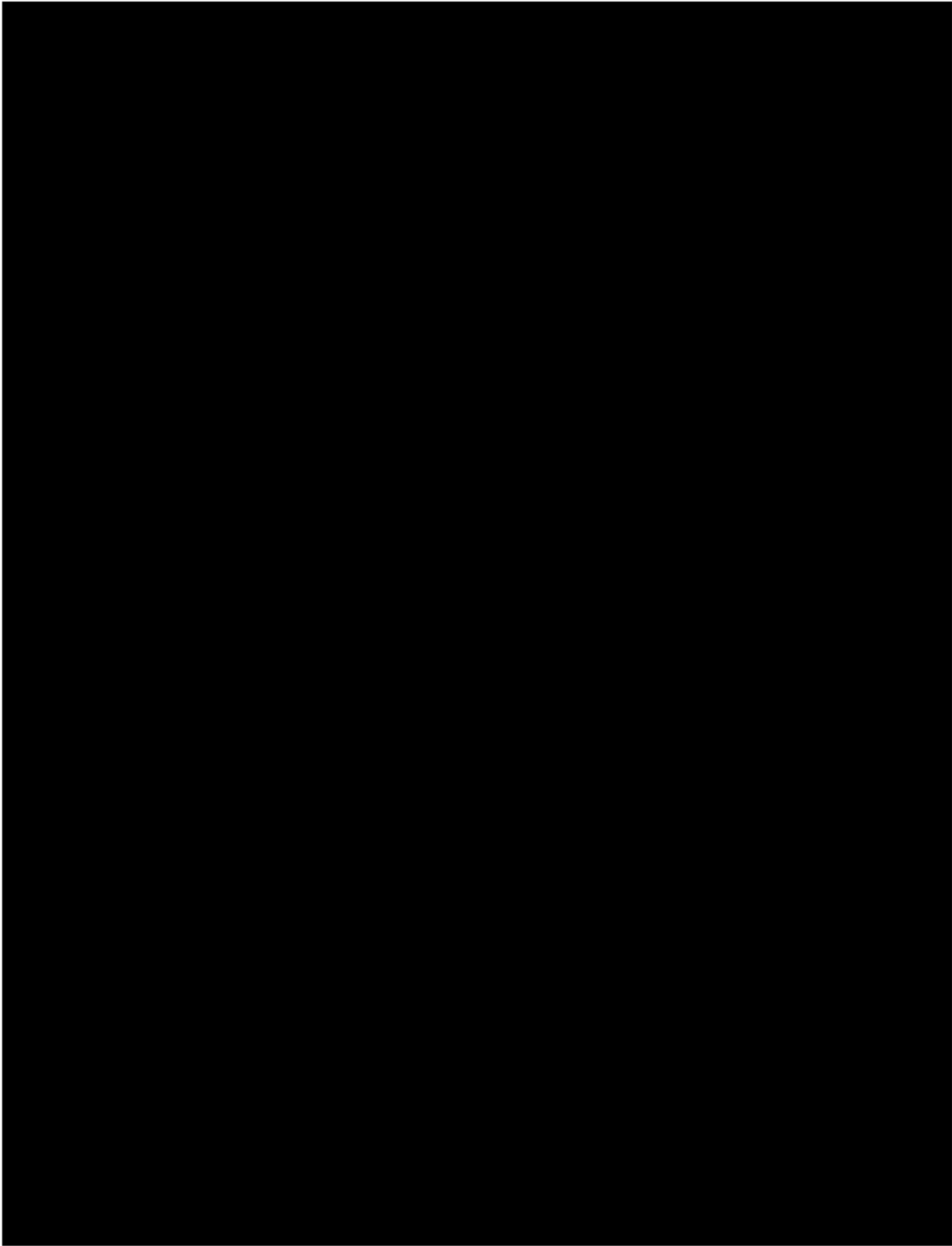
(h) BCBSVT does not believe that there has been a material change under section 833(c)(2) from and after August 16, 1986. We do not have information on transactions such as the NH/VT demerger but do not have reason to believe that there was a material change.

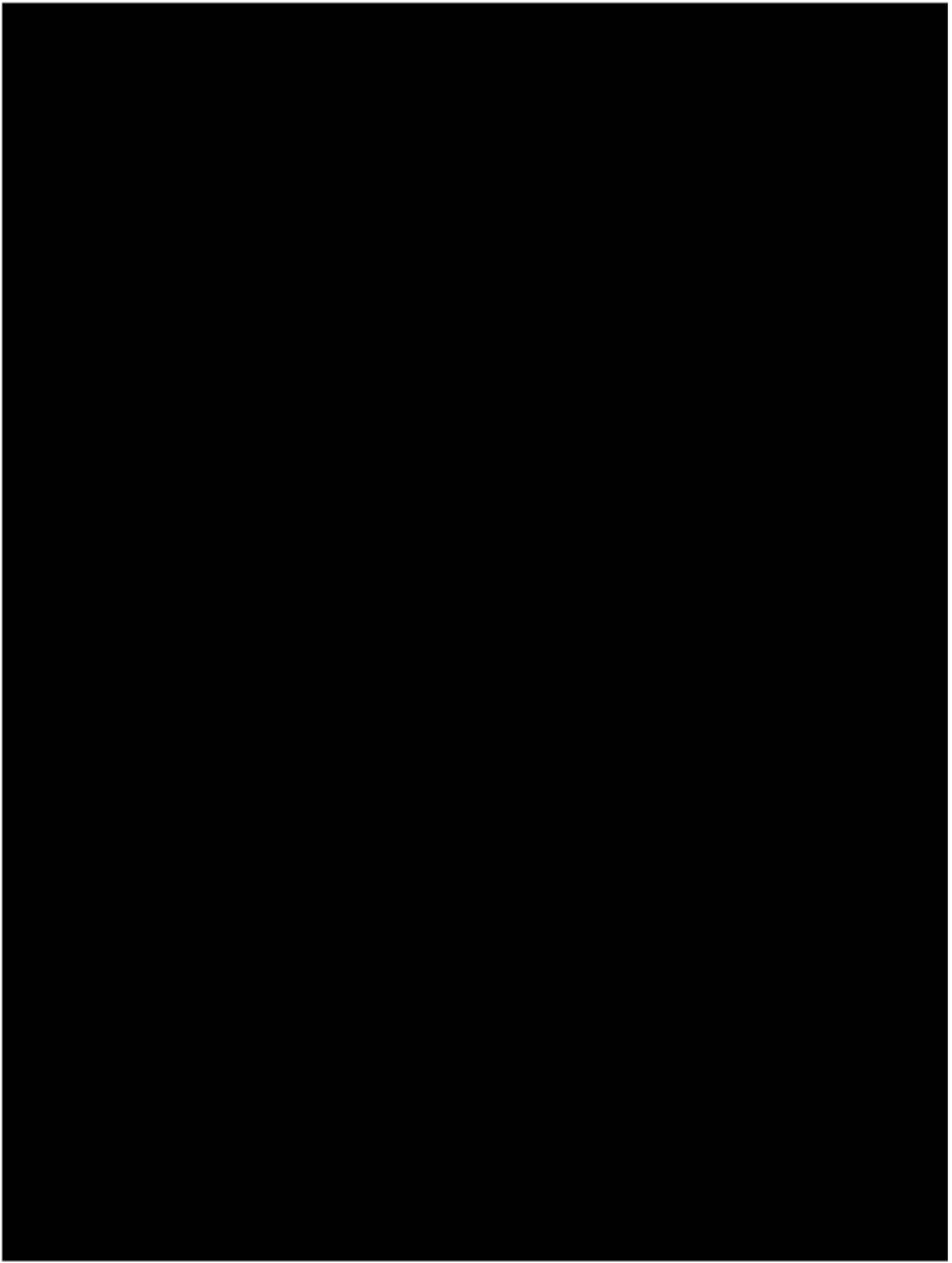
Schedule 4.10

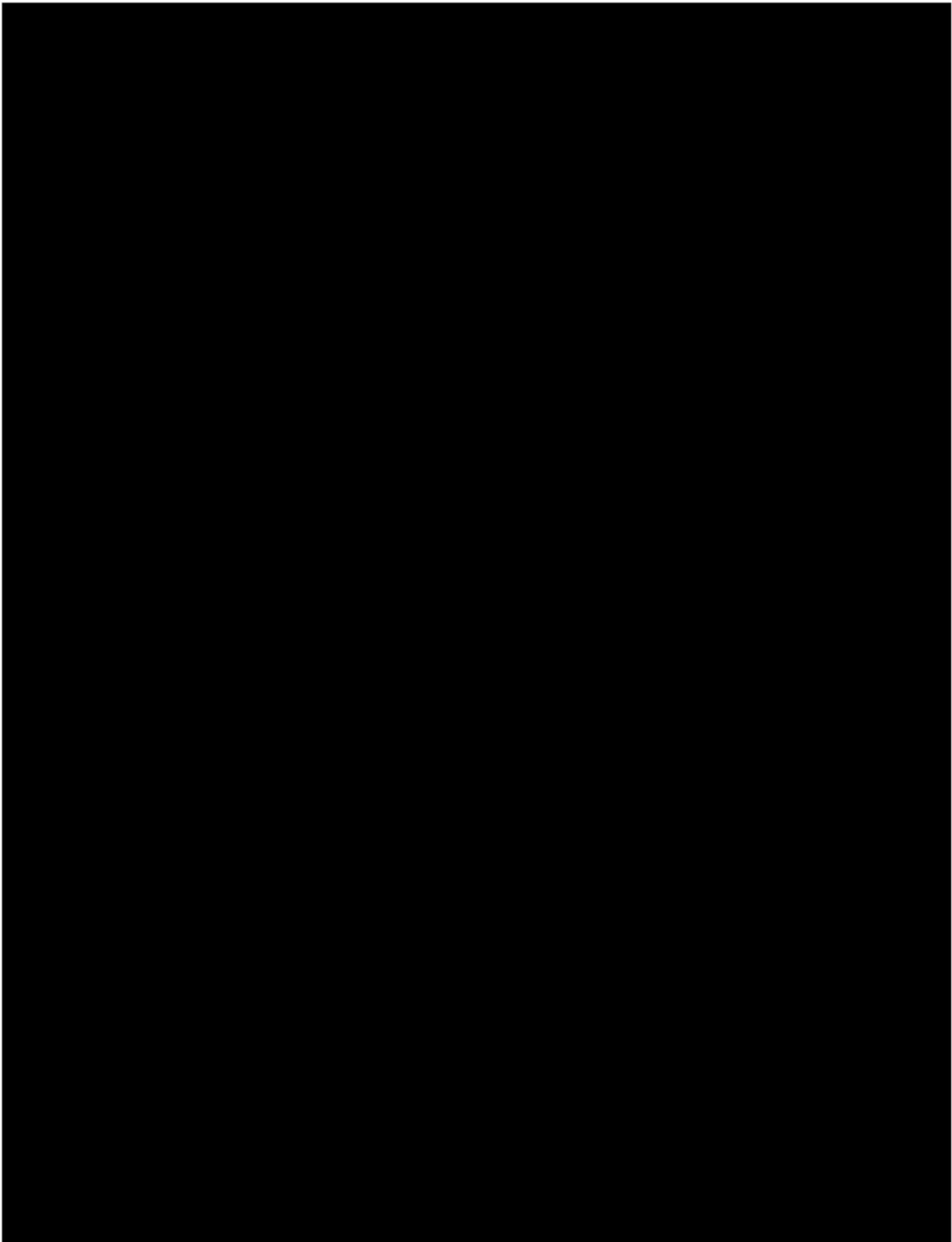
INTELLECTUAL PROPERTY RIGHTS

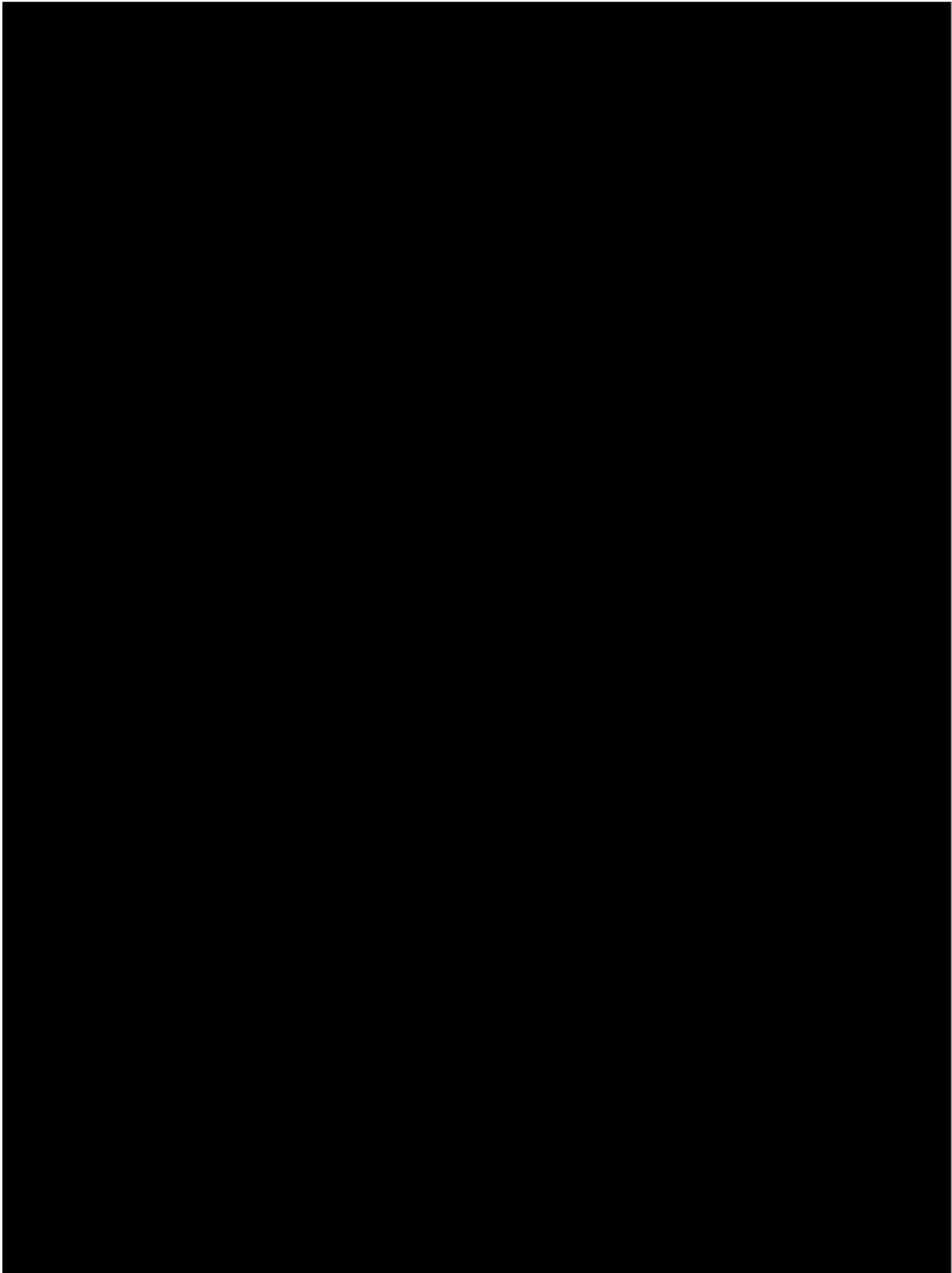
BCBSVT licenses the right to use the Blue Cross and Blue Shield Name, logo, and various other intellectual property from the Blue Cross Blue Shield Association

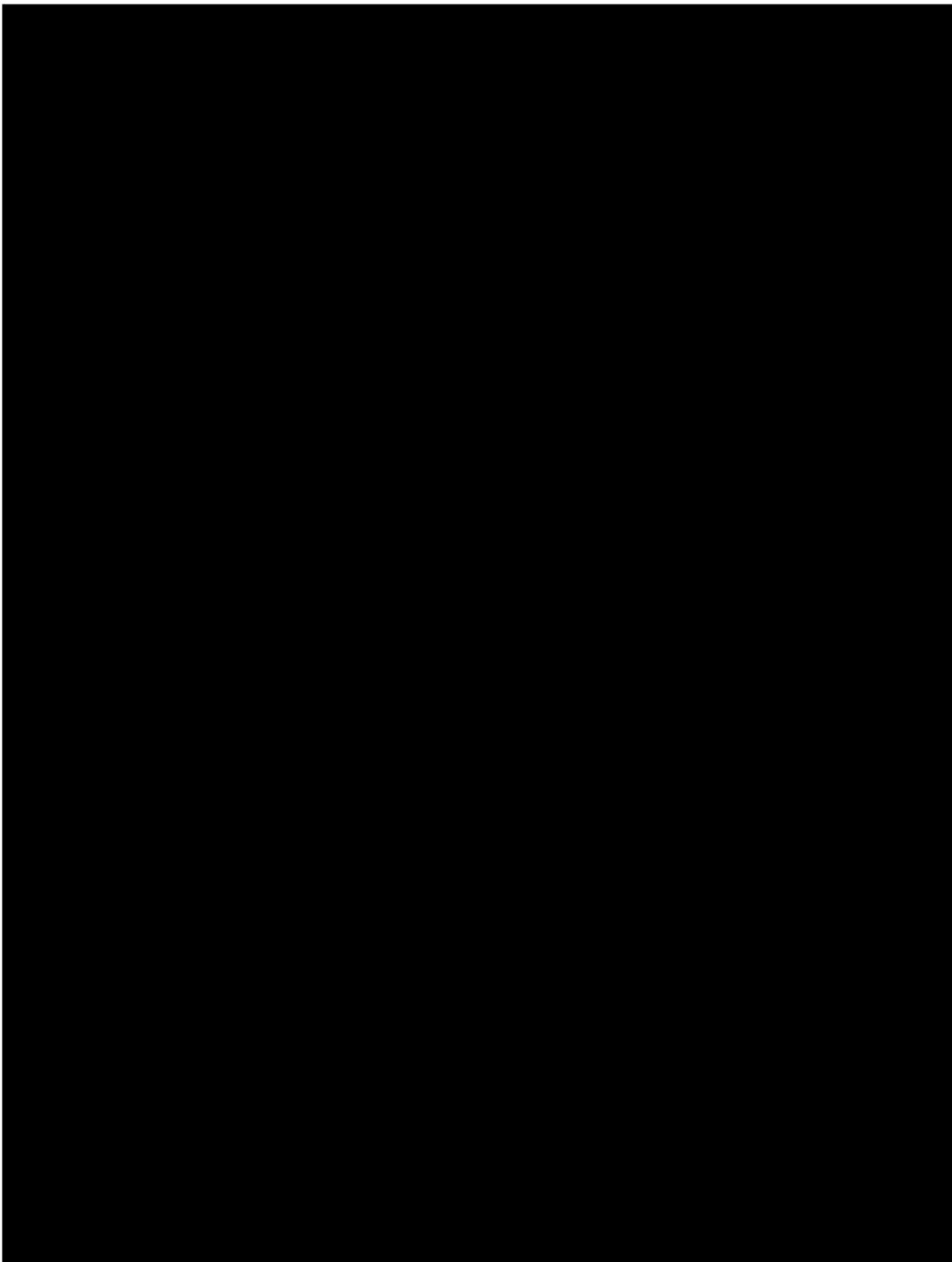


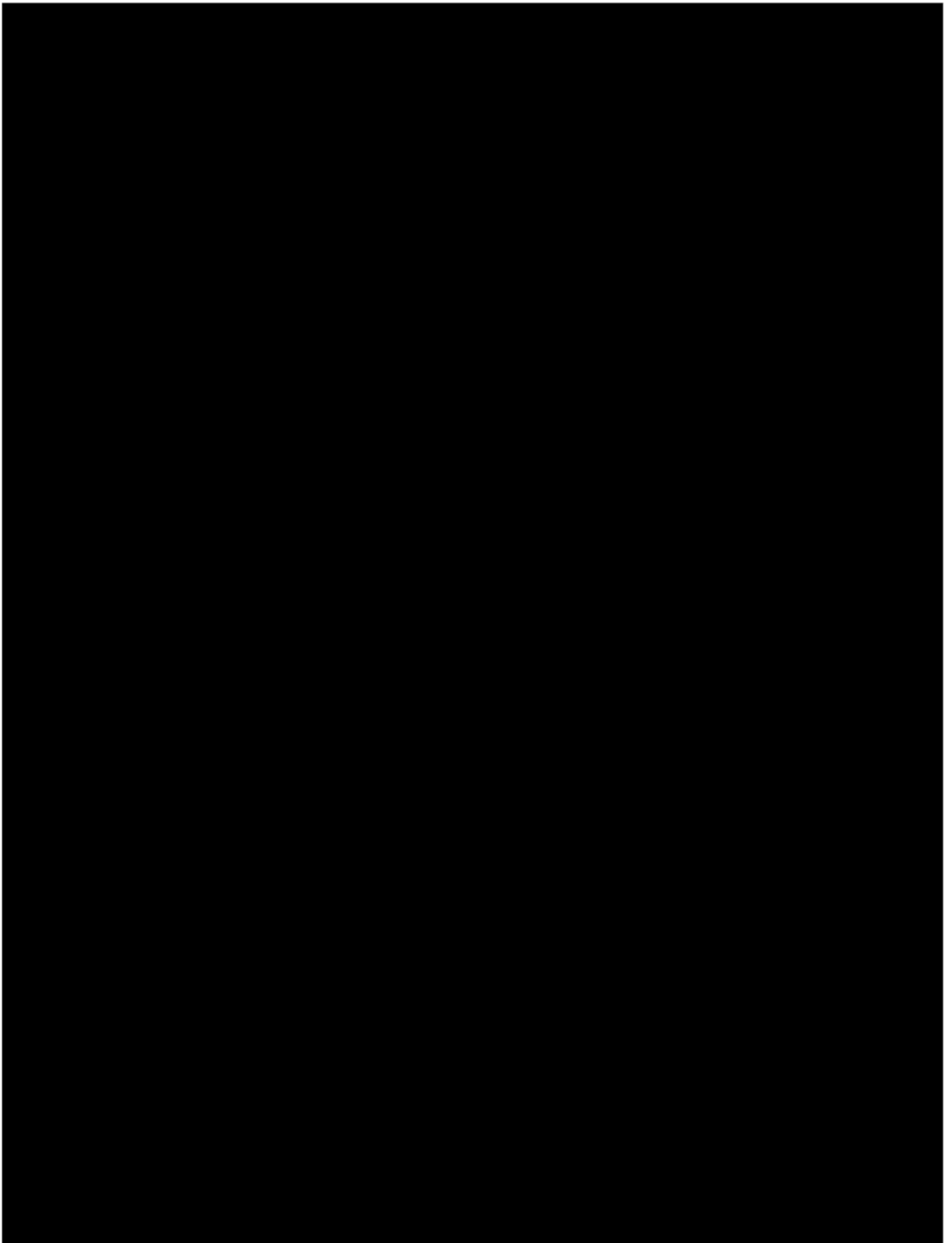












Retention Incentives:

Includes payments made in 2023 and payments scheduled for 2024. Documentation up to date as of March 21, 2023. Additional details provided about payments as part of due diligence.

- Payments scheduled for 2024:
 - Current President and CEO
 - Current Vice President of Client Relations & External Affairs
 - Current Vice President, Treasurer, and Chief Financial Officer
 - Current General Counsel and Compliance Officer
 - Current Chief Information Officer and Vice President, Business Technology
 - Current Corporate Director, Government, Public, and Media Relations

- Payments made in 2023:
 - Current President & CEO
 - Current Vice President of Client Relations & External Affairs
 - Former Vice President and Chief Operating Officer
 - Current Vice President, Treasurer, and Chief Financial Officer
 - Current General Counsel and Compliance Officer
 - Current Chief Information Officer and Vice President, Business Technology





Schedule 4.11(b)

MATERIAL CONTRACT DEFAULT; CONTRACTS NOT PROVIDED

Material Contract Default

1. BCBSVT is in discussions with the Department of Vermont Health Access (DVHA) for final resolution of accounts receivable balances and Vermont Cost-Share Reduction (VCSR) liabilities for years 2017-2021 relating to individual policy coverage through Vermont Health Connect (VHC). BCBSVT is withholding \$1.2M in VCSR liability payments until the State remits payment for \$1.2M owed to BCBSVT. On March 17, 2023, the parties reached a settlement to resolve this longstanding dispute. In exchange for DVHA paying to BCBSVT \$375,000 plus \$118,369.28 in reserve monies, BCBSVT will release \$1,171,088.55 in withheld VCSR payments. The parties are currently working through a settlement agreement.
2. The Electronic Provider Access (EPA) Mandate allows out of state Blue Card providers to submit prior authorizations electronically in the same way that in state providers can. BCBSVT has completed this EPA mandate for Home providers but not the Host providers. BCBSVT had an extension of this mandate (dating back to before the Operating Platform Transition implementation of NASCO) that was extended through January 1, 2023. BCBSVT is expected to be in compliance by May of 2023. BCBSVT has notified BCBSA of the anticipated timeline for completion. In the meantime, the BCBSA is expected to send a non-compliance letter. As of March 29, 2023, no formal notice or an estimate of any fines have been received.

Contracts Not Provided

Pharmacy Benefit Management contract effective as of July 1, 2021, as amended, by and between Optum RX, Inc. and BCBSVT on behalf of itself and as agent for The Vermont Health Plan, LLC.

Master Services Agreement dated October 14, 2021 between 213 Management, LLC (Sandbox) and BCBSVT and associated Statements of Work.

Limited Liability Company Operating Agreement of CivicaScript, LLC, by and among Civica Inc., the Blue Cross Blue Shield Association (BCBSA), BCBSVT, and seventeen (17) other independent and locally operated Blue Cross and Blue Shield (BCBS) companies. BCBSVT has not been able to locate this contract.

Limited Liability Company Operating Agreement of Vermont Blue Advantage, LLC dated on or about January 20, 2020, by and among Vermont Blue Advantage, LLC, Covantage Health Partners, Inc., and Blue Cross and Blue Shield of Vermont.

Any and all contracts between BCBSVT and/or the BCBSVT Entities and The Centers for Medicare & Medicaid Services and/or Blue Cross Blue Shield of Massachusetts with respect to Medicare Part D business.

Lease Agreement for real property located at 37 Industrial Drive, Suite E, Exeter, New Hampshire 03833 by Cobalt Benefits Group, LLC.

Schedule 4.12(a)

COMPLIANCE WITH LAW

None.

Schedule 4.12(b)(i)

PERMITS

None.

Schedule 4.12(b)(ii)

SAP JURISDICTIONS

Vermont

Schedule 4.12(c)

RESTRICTIVE ORDERS

(iv)

The Vermont Department of Financial Regulation Order issued on February 7, 2019, requires the maintenance of BCBSVT's surplus to a level resulting in and RBC between 590% and 745%. *See In re Matter of Blue Cross and Blue Shield of Vermont Risk-Based Capital Range Study*, Order dated February 7, 2019, Vermont Department of Financial Regulation, No. 19-007-I.

Schedule 4.12(d)

GOVERNMENT FILINGS

See disclosures on Schedule 4.21.

Schedule 4.13

INSURANCE POLICIES

BCBSVT has submitted claims to its E&O and D&O insurers for costs and settlement payments related to the subscriber settlement in the MDL litigation. Both insurers dispute these claims.

Schedule 4.14(a)

COMPLIANCE WITH DATA PROTECTION REQUIREMENTS

None.

Schedule 4.14(d)

SOFTWARE AND EQUIPMENT CRASHES AND FAILURES

A multiple day event occurred during the middle of September 2022 which affected the stability of inbound calls to the BCBSVT Call Center via the onsite telephony system (Cisco). Cisco was contacted to troubleshoot the disruption and determined that we needed to change the session transport configuration from UDP to TCP for SIP calls from the provider. This subsequently restored services to normal.

Schedule 4.15(a)

LEGAL AND REGULATORY PROCEEDINGS

Blue Cross and Blue Shield of Vermont and The Vermont Health Plan v. Teva Pharmaceutical Industries, Ltd., Teva Pharmaceuticals USA, Inc., Teva Sales and Marketing, Inc., and Teva Neuroscience, Inc., Dkt. No. 5:22-CV-159 (D. Vt.), filed on August 22, 2022.

Blue Cross Blue Shield Antitrust Litigation (MDL-2406) (2:13-cv-20000) (N.D. Al.)

Alaska Air, et al. v. Anthem, Inc., et al., No. 2:21-cv-01209 (N.D. Al)

Metropolitan Transportation Authority et al. v. Blue Cross Blue Shield of Alabama, et al., 2:22-cv-00265 (N.D. Ala.)

VHS Liquidating Trust et al. v. Blue Cross of California et al., No. RG21106600 (Cal. Super. Ct.).

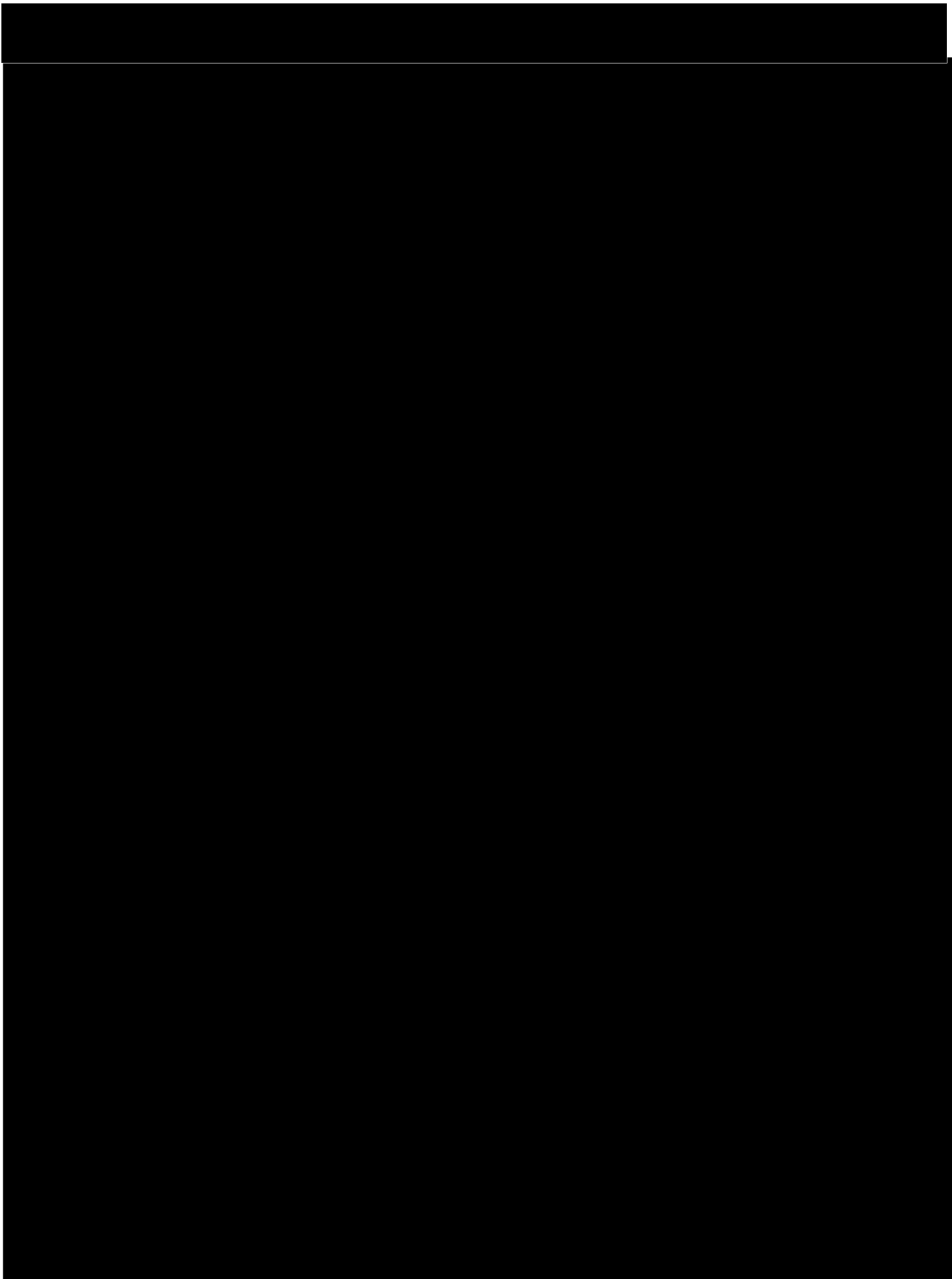
Bed Bath & Beyond Inc., et al. v. Anthem, Inc., et al., No. 2:22-cv-01256 (N.D. Ala.)

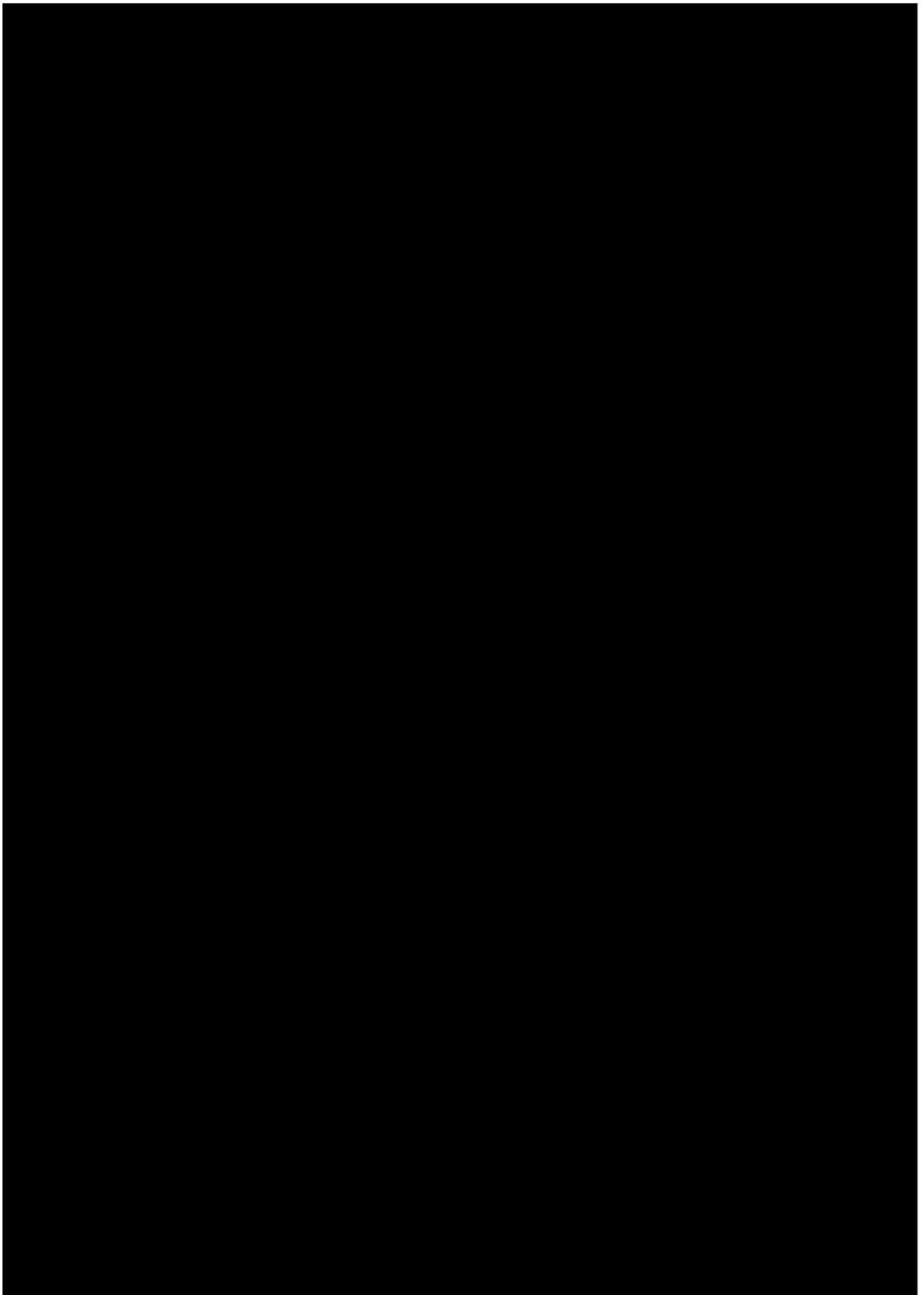
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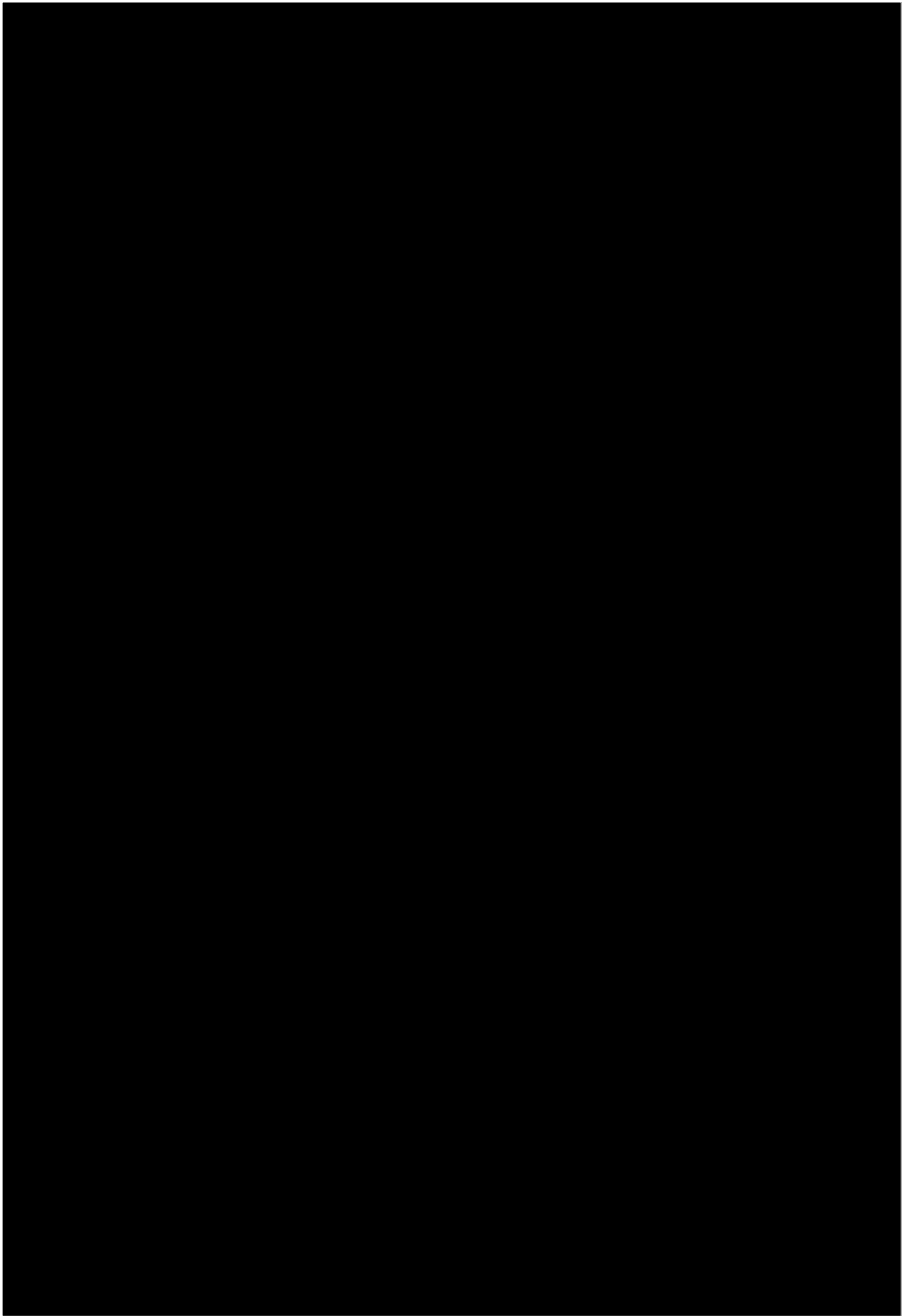
Schedule 4.15(b)

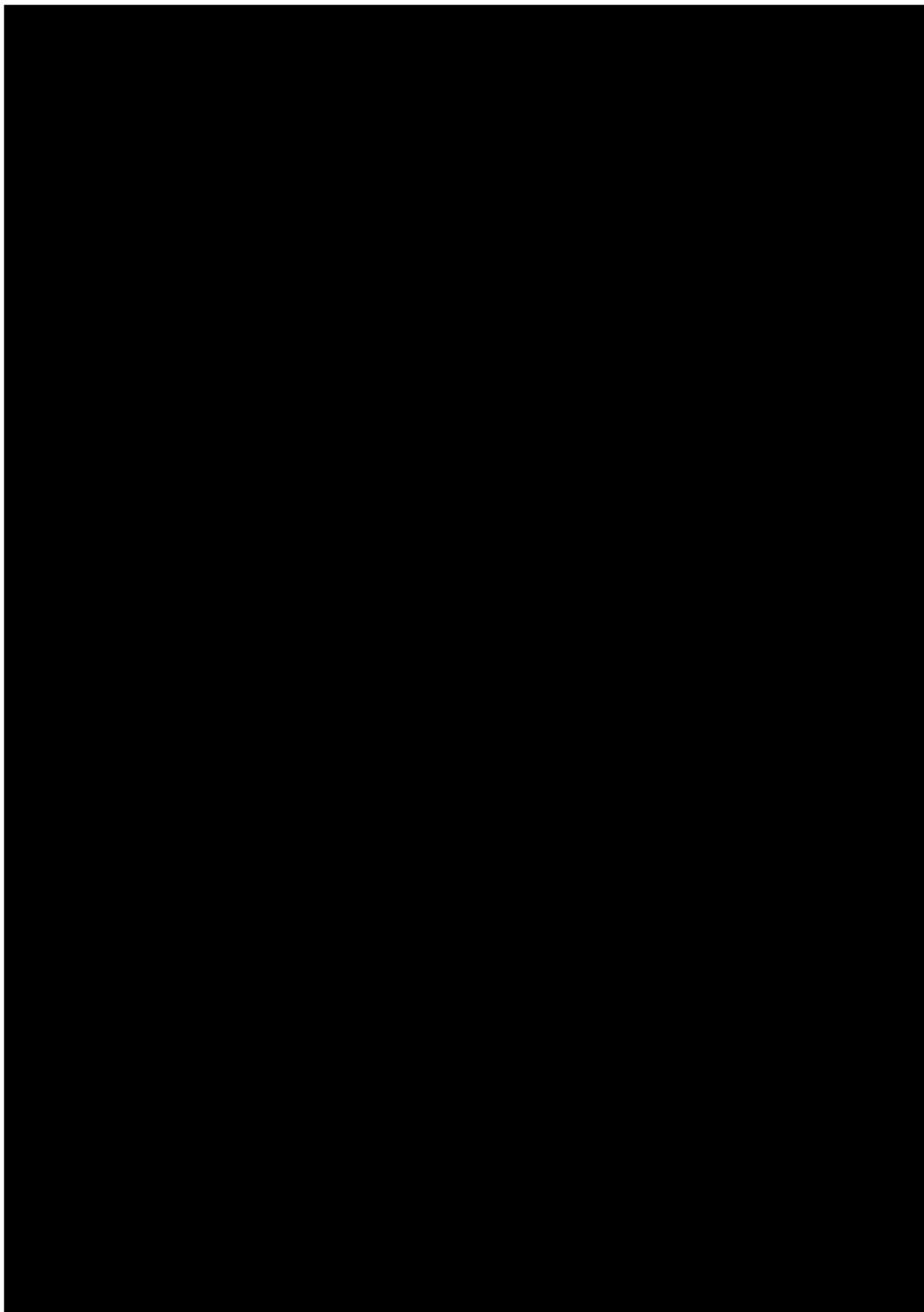
NAMED PLAINTIFF PROCEEDINGS

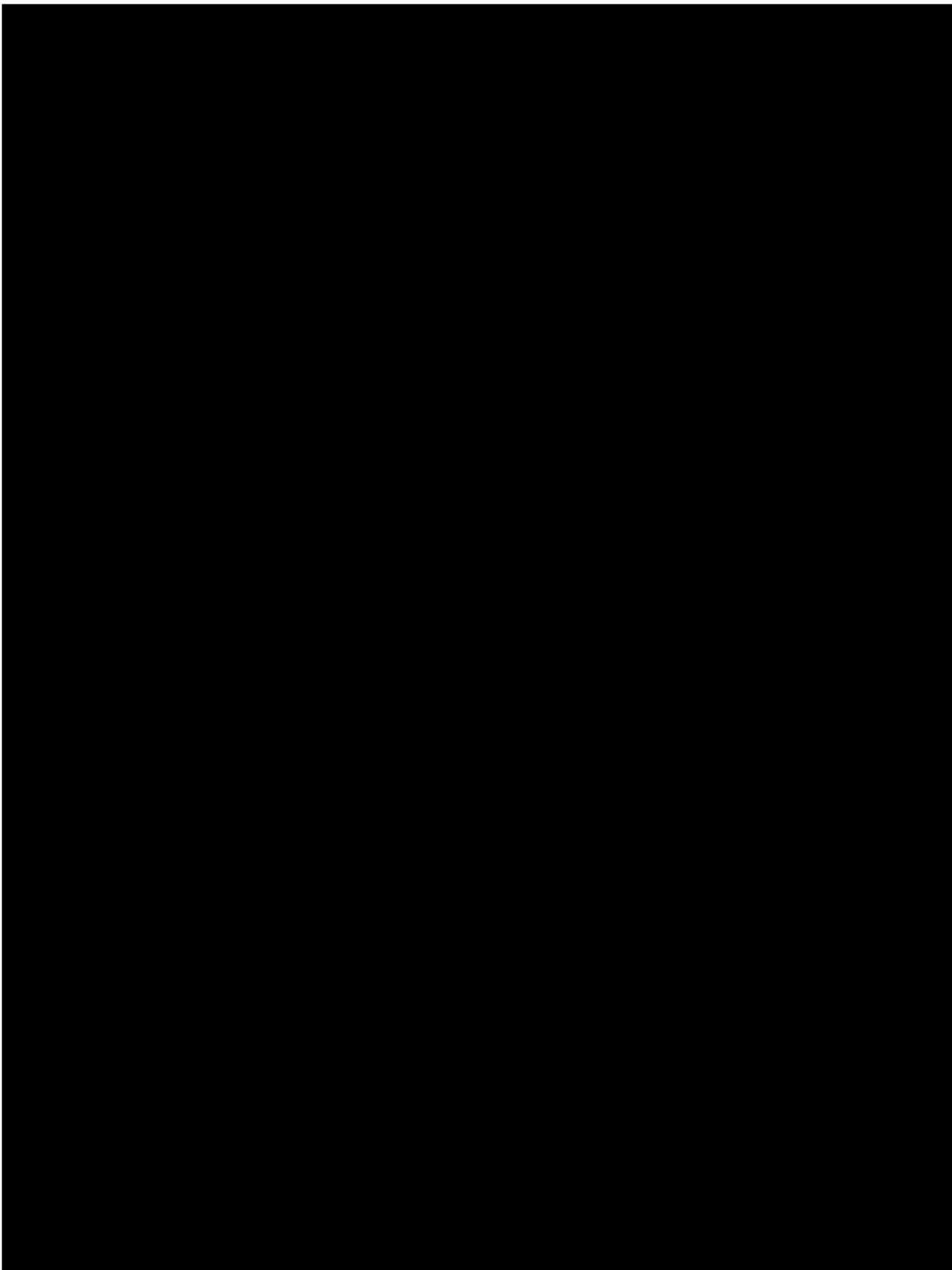
Blue Cross and Blue Shield of Vermont and The Vermont Health Plan v. Teva Pharmaceutical Industries, Ltd., Teva Pharmaceuticals USA, Inc., Teva Sales and Marketing, Inc., and Teva Neuroscience, Inc., Dkt. No. 5:22-CV-159 (D. Vt.), filed on August 22, 2022.













Schedule 4.16(e)

**ACCELERATION OF BENEFITS, PARACHUTE PAYMENTS, AND TERMINATION
OF BENEFIT PLANS**

None.

Schedule 4.16(f)

WELFARE BENEFITS TO FORMER EMPLOYEES

- *Grandfathered Retiree Medical Benefit*
 - Summary of Benefits and Coverage, Plan J, 1/1/2023
 - Summary of Benefits and Coverage, Vermont Freedom Plan, 1/1/2023
 - Summary Plan Description, Plan J, 1/1/2023
 - Summary Plan Description, Vermont Freedom Plan, 1/1/2023
 - BCBSVT Post Retirement Health Benefits Policy, Effective April 2004
- *Grandfathered Retiree Life Insurance Benefit*
 - BCBSVT Group Retiree Life Insurance Policy, B10, Revised April 2013
- Employees who retire, and meet vesting criteria, are eligible for pension benefits based on the provisions outlined in plan documents. Pension was frozen to new participants on 12/31/2021.

Schedule 4.17(a)

COLLECTIVE BARGAINING AGREEMENTS

None.

Schedule 4.17(c)

COMPLIANCE WITH EMPLOYMENT LAW

None.

Schedule 4.17(d)

MASS LAYOFFS

None.

Schedule 4.18(a)

OWNED REAL PROPERTY

The Real Property located at 445 Industrial Lane, Berlin, Vermont 05602 is owned by BCBSVT.

Schedule 4.18(b)

LEASED REAL PROPERTY

Lease of real property known as Lot 4 of Meadowlands Business Park, South Burlington, Vermont 05403 by Cobalt Benefits Group, LLC and sublease of a portion of the same by BCBSVT pursuant to the following lease and sublease documents:

- Lease dated April 8, 2018 between Chase Properties & Development, LTD, and Cobalt Benefits Group, LLC. Sublease dated March 1, 2010 between Cobalt Benefits Group LLC and BCBSVT.
- Sublease Amendment No. 1 dated March 1, 2010 between Cobalt Benefits Group, LLC and BCBSVT.
- Sublease Amendment No. 2 dated March 1, 2020 between Cobalt Benefits Group, LLC and BCBSVT.

Lease of real property located at 37 Industrial Drive, Suite E, Exeter, New Hampshire 03833 by Cobalt Benefits Group, LLC.

Schedule 4.20(a)

PAYMENT OF CLAIMS

Nothing to disclose at this time.

Schedule 4.20(b)

UNDERWRITING STANDARDS

None.

Schedule 4.20(f)

AGENT LICENSES AND GOOD STANDING

None. BCBSVT engages no managing general agents.

Schedule 4.21

Insurance Regulatory Filings

On or about March 8, 2023 it was discovered that VBA had not filed certain interparty agreements with the Department of Financial Regulation, as required by Vermont's Holding Company Act. The extent of the agreements that need to be filed and the strategy for corrective action is still under development.

Though there has not been a formal investigation, we have discovered that a number of claims related to contraception have inappropriately charged cost share. We are currently collaborating with the Vermont Department of Financial Regulation to reimburse members for the portion of cost share that they were inadvertently billed. We expect that this matter will be fully resolved by the end of this calendar year.

RESPONSIVE DOCUMENTS

2020

3/16/2020 BCBSVT Holding Company Filing

1. 3/16/2020 Letter to J. Lussier
2. 3/16/2020 From B
3. Exhibit A-1
4. Exhibit A-2
5. 2019 Annual Statement
6. Form C
7. Form F
8. 2020-2022 Strategic Plan

4/15/2020 BCBSVT Holding Company Filing – Amendment #1

4/15/20 E-mail to J. Lussier, with attached:

1. 4/15/2020 Letter to J. Lussier
2. 4/15/2020 Form B – Amendment #1
3. Exhibit A-1
4. 2019 Annual Report

4/28/2020 BCBSVT Holding Company Filing – R.T. Bio

4/28/2020 – E-mail to J. Lussier, with attached:

1. 4/28/2020 – Letter to J. Lussier
2. Biographical Affidavit for R.T.

5/22/2020 – Form D – VBA, LLC

5/22/2020 E-mail to J. Lussier, with attached:

1. 5/22/2020 Letter to J. Lussier
2. 5/22/2020 Form D
3. Attachment #1 – Guarantee Agreement

7/1/2020 VBA BCBSVT ASA Form D Filing

7/1/20 E-mail to J. Lussier, with attached:

1. 7/1/20 Letter to J. Lussier
2. 7/1/2020 Form D
3. Exhibit 1 – ASA Agreement – Signed
4. Exhibit 2 – ASA Agreement – Redline

2/24/2021 – BCBSVT Holding Company Filing – Amendment #2

2/24/21 E-mail to J. Lussier, with attached:

1. 2/24/21 Letter to J. Lussier
2. Form B Exhibit A-2 – Amendment #2 – Redline
3. Form B Exhibit A-2 – Amendment #2 – Final

2021

3/15/2021 – BCBSVT Holding Company Filing

3/15/2021 E-mail to J. Lussier, with attached:

1. 3/15/2021 Letter to J. Lussier
2. 3/15/2021 Form B Filing
3. Form B – Exhibit A-1
4. Form B- Exhibit A-2
5. Form B – Exhibit B – 2020 BCBSVT Annual Statement
6. 3/15/2021 Form C
7. 3/15/2021 Form F
8. Form F – Exhibit A – 2021-2023 Business Plan

5/7/2021 – BCBSVT Holding Company Filing – K.C. & R.A. Bio

5/7/21 E-mail to J. Lussier, with attached:

1. 5/7/21 Letter to J. Lussier
2. 4/23/21 Biographical Affidavit for K.C.
3. 5/7/21 Biographical Affidavit for R.A.

5/14/2021 – BCBSVT Holding Company Filing

5/14/2021 E-mail to J. Lussier, with attached:

1. 5/14/2021 Letter to J. Lussier
2. 5/14/2021 2020 Annual Report

10/15/2021 – BCBSVT Holding Company Filing – Amendment

10/15/2021 E-mail to J. Lussier, with attached:

1. 10/15/2021 Letter to J. Lussier
2. Exhibit A-1 (Redline)
3. Exhibit A-1 (Clean)

11/22/2021 – BCBSVT Holding Company Filing – Amendment

11/22/2021 E-mail to J. Lussier, with attached:

1. 11/22/2021 Letter to J. Lussier
2. 11/22/2021 Exhibit A-2 (Redline)
3. 11/22/2021 Exhibit A-2 (Clean)

1/18/2022 – BCBSVT Holding Company Filing – DY Bio

1/18/2022 E-mail to J. Lussier, with attached:

1. 1/18/2021 Letter to J. Lussier
2. Biographical Affidavit for DY

2022

3/15/2022 – BCBSVT Holding Company Filing

3/15/2022 E-mail to J. Lussier, with attached:

1. 3/15/2022 Letter to J. Lussier
2. 3/15/2022 Form B
3. 3/15/2022 Form B Exhibit A-1
4. 3/15/2022 Form B Exhibit A-2
5. Form B Exhibit B – BCBSVT Annual Statement – 2021
6. 3/15/2022 Form C
7. 3/15/2022 Form C Exhibit C-1
8. 3/15/22 Form F
9. Form F Exhibit A – 2022-2024 Strategic Plan

4/15/2022 – BCBSVT Holding Company Filing – Amendment

4/15/2022 E-mail to J. Lussier, with attached:

1. 4/15/2022 Letter to J. Lussier
2. Exhibit A-1 (Redline)
3. Exhibit A-1 (clean)

4/27/2022 – BCBSVT Holding Company Filing – T.J Whalen

4/27/2022 E-mail to J. Lussier, with attached:

1. 4/27/2022 Letter to J. Lussier
1. 4/27/2022 – Biographical Affidavit

4/29/2022 – BCBSVT Holding Company Filing – VCC Filing

4/29/2022 E-mail to J. Lussier, with attached:

1. 4/29/2022 Letter to J. Lussier
2. 4/29/2022 Form D
3. Exhibit A
4. Exhibit B
5. Exhibit C

5/05/2022 – BCBSVT Holding Company Filing – Caroline Foster

5/5/2022 E-mail to J. Lussier, with attached:

1. 5/5/2022 Letter to J. Lussier
2. 5/5/2022 Biographical Affidavit

5/23/2022 – BCBSVT-VCC Filing – DFR Approval

6/07/2022 – TVHP – Form D – Extraordinary Distribution

6/7/2022 E-mail to J. Lussier, with attached:

1. 6/7/2022 Form D

10/18/2022 – BCBSVT Holding Company Filing

10/18/2022 E-mail to J. Lussier, with attached:

1. 10/18/2022 Letter to J. Lussier
2. Form B – Exhibit A-2

11/30/2022 – BCBSVT/TVHP – Interparty Agreement Filing

11/30/2022 E-mail to J. Lussier, with attached:

1. 11/30/2022 – Letter to J. Lussier
2. 11/30/2022 Form D – TVHP Operating Agreement – signed
3. 11/28/2022 – Form D Filing with Exhibits A & B (TVHP A&R Operating Agreement – Redline)
4. 11/28/2022 – Form D Filing with Exhibits A & B (TVHP A&R Operating Agreement – Clean)

2023

1/25/2023 BCBSVT Holding Company Filing – Amendment (MPW)

2. 1/25/2023 Letter to J. Lussier
3. 1/25/2023 Form B with Exhibit A-2.

3/08/2023 BCBSVT Holding Company Filing – CBA Interparty Agreement Filing

1. 3/8/2023 Letter to J. Lussier
2. 3/8/2023 Dental Network Agreement BCBSVT/CBA
3. 3/8/2023 – Form D – Exhibits A & B

3/15/2023 BCBSVT Holding Company Filing

1. 3/15/2023 Letter to J. Lussier
2. Form B with Exhibits A & B
3. Form C

Schedule 4.22(a)

REINSURANCE AGREEMENTS

See Schedule S – Part 2 of annual statutory filing to the Vermont Department of Financial Regulation and the National Association of Insurance Commissioners, Reinsurance Recoverable and Paid and Unpaid Losses listed by Reinsuring Company as of December 31, Current Year (Lists all of BCBSVT's reinsurance agreements and includes the paid losses and unpaid losses)

Schedule S-Part 1 - Section 2 of annual statutory filing to the Vermont Department of Financial Regulation and the National Association of Insurance Commissioners, Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, 2022 (Lists all of TVHP's reinsurance agreements and includes the premium payments for the insurance)

Schedule 4.22(c)

REINSURANCE NOTICES AND CONSENTS

Specific Excess of Loss Reinsurance Agreement PA-50 dated January 1, 2023 between Blue Cross and Blue Shield of Vermont and [REDACTED] (Article 22 requires written consent of [REDACTED] in order for BCBSVT to assign the agreement to BCBS Michigan).

Excess Reinsurance Agreement by and among The Vermont Health Plan, LLC, Blue Cross and Blue Shield of Vermont, and [REDACTED] dated December 14, 2022 (Article 24 requires written consent of [REDACTED] in order for BCBSVT to assign the agreement to BCBS Michigan)

Schedule 4.22(d)

UNCOLLECTIBLE REINSURANCE

None.

Schedule 4.22(e)

THIRD-PARTY AUTHORITY

None.

Schedule 4.24

SUFFICIENCY OF PROPERTY, RIGHTS, ASSETS, AND SERVICES

None.

Schedule 4.26(a)

INTERCOMPANY AGREEMENTS

- Catamount, Administrative Services Agreement dated September 29, 2005 by and between Catamount Insurance Services, Inc. and BCBSVT.
- Catamount, Commission Reimbursement Agreement dated January 1, 2008 by and between Catamount Insurance Services, Inc. and BCBSVT.
- Catamount, Amendment to Commission Reimbursement Agreement dated June 28, 2012 by and between Catamount Insurance Services, Inc. and BCBSVT.
- Catamount, Amendment to Tax Sharing Agreement dated December 28, 2007 by and between Catamount Insurance Services, Inc. and BCBSVT.
- CBA, Administrative Services Agreement dated November 28, 2005 by and between Comprehensive Benefits Administrator, Inc. and BCBSVT.
- CBA, Conservation Services Agreement dated July 3, 2007 by and between Comprehensive Benefits Administrator, Inc. and BCBSVT.
- CBA, CBA Tax Sharing Agreement dated December 28, 2007 by and between Catamount Insurance Services, Inc., Comprehensive Benefits Administrator, Inc. and BCBSVT.
- CBA, Network Access Agreement - Amended & Restated, dated January 1, 2008 by and between Comprehensive Benefits Administrator, Inc. and BCBSVT.
- CBA, Network Access Agreement dated January 1, 2008 by and between Comprehensive Benefits Administrator, Inc. and BCBSVT.
- CBA, BCBSVT & CBA Dental Care Agreement dated January 1, 2014 by and between Comprehensive Benefits Administrator, Inc. and BCBSVT.
- CBA, Amendment to Tax Sharing Agreement dated December 30, 2016 by and between Catamount Insurance Services, Inc., Comprehensive Benefits Administrator, Inc., Health & Wellness Partners, Incorporated Cell and BCBSVT.
- CBA, CIS & CBA LLC Conversion Agreements dated December 31, 2019 by and between Catamount Insurance Services, Inc. and BCBSVT.
- Cobalt Sublease dated March 1, 2010 by and between Cobalt Benefits Group LLC and BCBSVT.
- Cobalt Sublease Amendment #1 dated March 1, 2010 by and between Cobalt Benefits Group LLC and BCBSVT.

- Cobalt Sublease Amendment #2 dated March 1, 2020 by and between Cobalt Benefits Group LLC and BCBSVT.
- Health and Wellness Partners, Amendment to Tax Sharing Agreement with BCBSVT.
- Health and Wellness Partners, Administrative Services Agreement with BCBSVT.
- TVHP, Conversion Service Agreement dated January 6, 2005 by and between The Vermont Health Plan and BCBSVT.
- TVHP, BCBSVT_TVHP Services Agreement dated February 17, 2023 by and between The Vermont Health Plan, LLC and BCBSVT.
- TVHP, TVHP Amended & Restated Operating Agreement dated February 22, 2023 by and between The Vermont Health Plan, LLC and BCBSVT.
- VCC, Operating Agreement 2, dated on or about February 15, 2023 by and between Vermont Collaborative Care LLC and BCBSVT.⁴
- VCC, Services Agreement Retreat and VCC dated June, 2013 by and between The Brattleboro Retreat and Vermont Collaborative Care LLC.
- VCC, Services Agreement BCBSVT and VCC dated June 21, 2013 by and between Vermont Collaborative Care LLC and BCBSVT.
- VCC, Integrated Health Management Agreement dated June 21, 2013 by and between Vermont Collaborative Care LLC and BCBSVT.
- VCC, Employee Co-Location Agreement dated June 21, 2013 by and between Brattleboro Retreat and BCBSVT.
- Vermont Blue Advantage, Inc., Administrative Services Agreement dated March 20, 2020 by and between Vermont Blue Advantage, Inc. and BCBSVT.
- Vermont Blue Advantage, Inc., Amended Administrative Services Agreement dated September 29, 2020 by and between Vermont Blue Advantage, Inc. and BCBSVT.
- Vermont Caring Foundation, BCBSVT_VCF Administrative Services Agreement 2005-04-01 dated April 1, 2005 by and between Vermont Caring Foundation and BCBSVT.

⁴ This contract remains under consideration by the Vermont Department of Financial Regulation. It will not be executed unless and until DFR approves or its permitted review period ends.

Schedule 4.26(b)

LOAN BALANCES AND DEBT

Blue Cross and Blue Shield of Vermont

Intercompany Balances

As of 02/28/2023

Receivable Due From:

CBA, LLC	504,804
TVHP, LLC	4,941,045
VCC, LLC	173,297
HWP, IC	1,782,759
CIS, LLC	35,547
VBA, LLC	252,355
Total Due From Subs & Affiliates	<u>\$ 7,689,807</u>

Liability Due To:

TVHP, LLC	4,012,186
HWP, IC	2,283,519
Cobalt	18,548
Total Due To Subs & Affiliates	<u>\$ 6,314,253</u>

The above numbers are current as of March 20, 2023.

Schedule 6.1

INTERIM OPERATIONS

None.

Schedule 6.1(f)

INCURRENCE OF DEBT

BCBSVT may make regular draws on its Line of Credit up to the limit and in accordance with the terms thereof.

Schedule 6.1(h)

SEVERANCE, RETENTION, AND SIMILAR AWARDS

None.

Schedule 6.1(i)

EXECUTIVE POSITIONS

1. President and Chief Executive Officer
2. Vice President of Client Relations and External Affairs
3. Treasurer and Chief Financial Officer
4. Vice President of Consumer Services and Planning
5. General Counsel and Compliance Officer
6. Chief Medical Officer
7. Chief Information Officer and Vice President of Business Technology

Schedule 7.2(e)

REQUIRED CONTRACTUAL CONSENTS

None.

SCHEDULE B

BCBSM DISCLOSURE SCHEDULE

[SEE ATTACHED]

**BCBSM DISCLOSURE SCHEDULE TO THE
PRINCIPAL TRANSACTION AGREEMENT**

by and between

BLUE CROSS AND BLUE SHIELD OF VERMONT

and

BLUE CROSS BLUE SHIELD OF MICHIGAN MUTUAL INSURANCE COMPANY

Dated as of April 28, 2023

This BCBSM Disclosure Schedule is referred to in, and is a part of the Principal Transaction Agreement (the “Agreement”) entered into as of April 28, 2023, by and between Blue Cross and Blue Shield of Vermont (“BCBSVT”) and Blue Cross Blue Shield of Michigan Mutual Insurance Company (“BCBSM”). BCBSVT and BCBSM may each be referred to individually as a “Party” and collectively as the “Parties.”

Any information disclosed in this BCBSM Disclosure Schedule under any section number shall be deemed to be disclosed and incorporated in the BCBSM Disclosure Schedule under any other section to the extent the relevance of such information to such other section would be reasonably apparent to a reader of such information.

The disclosures made herein are in response to the representations and warranties of the BCBSM contained in the Agreement. No disclosure made herein shall be deemed to modify in any respect the standard of materiality set forth in any representation, warranty, covenant, obligation, or agreement contained in the Agreement.

Unless the context otherwise requires, all capitalized terms not defined in this Disclosure Schedule shall have the meaning assigned to them in the Agreement.

All references to and summaries of documents herein are qualified in their entirety by the complete text of the documents described.

LIST OF DISCLOSURE SCHEDULE SECTIONS

Schedule 5.3	Consents and Filings
Schedule 5.4(a)	Litigation

Schedule 5.3

CONSENTS AND FILINGS

Controlled Affiliate License

State of Vermont, Department of Financial Regulation

United States Department of Justice, Hart-Scott-Rodino filing

Schedule 5.4(a)

LITIGATION

None.