Execution Copy

MASTER AFFILIATION AGREEMENT

BY

AND

AMONG

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

AND

RUTGERS HEALTH GROUP, INC.

AND

RWJ BARNABAS HEALTH, INC.,

dated as of July 1, 2018

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MASTER AFFILIATION AGREEMENT

This Master Affiliation Agreement is entered into by and among Rutgers, The State University of New Jersey, a body corporate and politic and an instrumentality of the State of New Jersey, for itself and on behalf of the Rutgers Robert Wood Johnson Medical School ("**RWJMS**"), New Jersey Medical School ("**NJMS**"), and other unincorporated schools, centers, and institutes within the Rutgers Biomedical and Health Sciences organizational unit ("**RBHS**") (collectively, the "**University**"), Rutgers Health Group, Inc., a New Jersey nonprofit corporation ("**RHG**") and a controlled affiliate of the University, and RWJ Barnabas Health, Inc., a New Jersey nonprofit corporation, for itself and on behalf of its constituent hospitals and affiliates ("**RWJBH**"). The University, RHG, and RWJBH shall each be referred to herein as a "**Party**," and collectively as the "**Parties**."

WHEREAS, RBHS aspires to be recognized as one of the best academic health centers in the United States, known for its education, research, clinical care, and commitment to improving access to health care and reducing health care disparities, all of which will be achieved through dedication to elevated standards of excellence and innovation, inter-professional collaboration and integration, and deep engagement with the community;

WHEREAS, to help achieve this aspiration, and in light of the changing landscape and cognizant of the evolving forces at play, the University's Board of Governors approved the creation of RHG, a nonprofit corporation organized exclusively for charitable, scientific, and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States internal revenue law, to support RBHS and its faculty in achieving the fulfillment of their teaching, research, and patient care missions, and to serve as the entity through which the University intended to operate a clinically integrated enterprise;

WHEREAS, RWJBH is an integrated, comprehensive health system that seeks to advance the overall health of the populations it serves throughout New Jersey; continuously improve the quality of care; collaborate with physicians for a closely coordinated continuum of care; contribute to the local, regional, and state economies by remaining a major employer in its communities; focus on the well-being of the diverse communities it serves with a continued commitment to high-quality, culturally competent care; and foster and support a mission of academic excellence, including a commitment to leading-edge research and clinical trials and teaching the next generation of health care workers;

WHEREAS, the Parties entered into a non-binding Letter of Intent dated as of June 30, 2017 (the "**Letter of Intent**") reflecting their shared objective of creating a world-class academic health center that is nationally recognized for its education, research, clinical care, and commitment to improving access to healthcare for and reducing health care disparities among the residents of the State of New Jersey;

WHEREAS, the Parties seek, pursuant to this Agreement and those other agreements entered into between or among the Parties hereto, to establish structures, arrangements, and commitments that will facilitate the alignment of their respective clinical, teaching, and research missions and will provide for coordinated growth and investment in all areas; and

WHEREAS, each Party considers it to be in its best interest and in furtherance of its statutory and corporate purposes, and of the shared objectives described above, to enter into this Agreement;

NOW, THEREFORE, the Parties agree as follows.

ARTICLE I.

DEFINITIONS

For purposes of this Agreement, capitalized words used in this Agreement shall have the meanings set forth below unless otherwise specified or required by the context in which the word appears.

1.1. "ACGME" means Accreditation Council for Graduate Medical Education.

1.2. "Academic Programs" means UME, GME, and the Health Professional Programs, collectively.

1.3. "Adjusted Operating Margin" has the meaning set forth in Section 10.4.2.

1.4. "Agreement" means this Master Affiliation Agreement.

1.5. "Aligned Clinical Enterprise" has the meaning set forth in Section 9.1.1.

1.6. "Baseline GME Amount" has the meaning set forth in Section 7.2.2(i).

1.7. "Billing Agreement" has the meaning set forth in Section 9.2.1(a)(ii).

1.8. "Chairs" has the meaning set forth in Section 2.1.4.

1.9. "Chancellor" means the person from time to time holding the position titled "Chancellor," or any subsequent equivalent title, of RBHS.

1.10. "Change of Control" has the meaning set forth in Section 15.1(f).

1.11. "Chief(s)" has the meaning set forth in Section 9.1.2(c).

1.12. "Clinical Gain" has the meaning set forth in Section 10.2.1(a).

1.13. "Clinical Integration Agreements" has the meaning set forth in Section 9.2.1.

1.14. "Clinical Loss" has the meaning set forth in Section 10.2.1(a).

1.15. "Clinical Programs" means those clinical programs and services conducted by the University, RHG, or RWJBH, directly or indirectly (including through an accountable care organization or other legal entity), for the purpose of providing diagnostic, therapeutic, wellness,

health maintenance, and surgical services to individuals requesting such services on an inpatient, outpatient, or ambulatory care basis.

1.16. "Clinically Focused Faculty" means physicians who are primarily clinical (*i.e.*, physicians with a "Professional Practice Track," as described in RBHS's Policies and Guidelines Governing Appointments, Promotions, and Professional Activities of the Faculty, or equivalent faculty appointment to RWJMS or NJMS).

1.17. "Controversy" has the meaning set forth in Section 15.2.

1.18. "Deans" has the meaning set forth in Section 2.1.4.

1.19. "DIO" has the meaning set forth in Section 7.3.1.

1.20. "Effective Date" has the meaning set forth in Section 14.1.

1.21. "Existing UME Affiliations" has the meaning set forth in Section 6.2.2(a).

1.22. "Financial Exigency" means: (a) a debt service ratio that is below 2.75 for more than one calendar quarter; or (b) days cash on hand falling below 90 days at any time.

1.23. "Fixed Mission Support" has the meaning set forth in Section 10.2.1(a).

1.24. "GME" has the meaning set forth in Section 5.1.1.

1.25. "GMEC" has the meaning set forth in Section 7.1.2(c).

1.26. "GME Program Plan" has the meaning set forth in Section 7.1.1.

1.27. "Grandfathered Arrangements" has the meaning set forth in Section 5.4.2.

1.28. "Grandfathered Clinical Programs" has the meaning set forth in Section 9.4.1(g).

1.29. "Health Professional Programs" has the meaning set forth in Section 5.1.2.

1.30. "Incentive Compensation" has the meaning set forth in Section 9.2.3(e).

1.31. "Individual Affiliation Agreements" has the meaning set forth in Section 3.1.1, and specifically includes the RWJMS-RWJUH AA.

1.32. "Inflation Adjustment" has the meaning set forth in Section 7.2.2(ii).

1.33. "Initial Funding Term" has the meaning set forth in Section 10.6.

1.34. "Initial Term" has the meaning set forth in Section 14.2.

1.35. "Integrated AHS" has the meaning set forth in Section 2.2.

1.36. "Integrated Practice" has the meaning set forth in Section 9.1.1.

1.37. "Integrated Practice CEO" means the person selected by RWJBH after consultation with the Chancellor and employed by RWJBH or an affiliate to manage, and reporting directly to the RWJBH CEO, with a "dotted-line" reporting relationship to the Chancellor with regard to management of, the Integrated Practice.

1.38. "Integration Dates" has the meaning set forth in Section 9.2.2(a).

1.39. "Joint Committee" has the meaning set forth in Section 4.1. For purposes of this Agreement, references to the Joint Committee shall include references to any subcommittee established by the Joint Committee through which it has chosen to act.

1.40. "Joint Fundraising Activities" has the meaning set forth in Section 13.1.

1.41. "Joint Fundraising Agreement" has the meaning set forth in Section 13.1.

1.42. "LCME" means the Liaison Committee on Medical Education.

1.43. "Legacy Agreements" has the meaning set forth in Section 3.2.2.

1.44. "Letter of Intent" has the meaning set forth in the Preamble.

1.45. "Major Decisions" has the meaning set forth in Section 4.1.4(b).

1.46. "Major Recruitment Packages" and "Existing Major Recruitment Packages" have the meanings set forth in Section 10.5.1 and Section 10.5.3, respectively.

1.47. "Mission Support Budget" has the meaning set forth in Section 10.8.1.

1.48. "Mission Support General Fund" has the meaning set forth in Section 10.3.

1.49. "NJMS" means the New Jersey Medical School, an unincorporated entity within RBHS.

1.50. "Non-Voting Participant" has the meaning set forth in Section 4.1.6.

1.51. "Other Agreements" has the meaning set forth in Section 9.2.1(a)(iii).

1.52. "Party" and "Parties" mean, individually or collectively as the context requires, RWJBH, the University, and RHG. For purposes of this Agreement (including, but not limited to ARTICLE XV), the University and RHG together shall be considered to be a "Party" and RWJBH shall be considered to be the other "Party," unless the Agreement specifically provides otherwise.

1.53. "Person" or "Groups of Persons" has the meaning set forth in Section 15.1(f)(i).

1.54. "Professional Services Compensation" has the meaning set forth in Section 9.2.3(d).

1.55. "PSA" has the meaning set forth in Section 9.2.1(a).

1.56. "RBHS" means Rutgers Biomedical and Health Sciences, an unincorporated organizational unit of the University.

1.57. "RCINJ" has the meaning set forth in Section 3.2.1(b).

1.58. "Recruitment Plan" has the meaning set forth in Section 4.1.8.

1.59. "RHG" means Rutgers Health Group, Inc.

1.60. "RSDM" means the Rutgers School of Dental Medicine.

1.61. "RWJBH" means RWJ Barnabas Health, Inc.

1.62. "RWJBH Board Designee" has the meaning set forth in Section 4.2.2(b).

1.63. "RWJBH CEO" means the person holding from time to time the position titled "President and Chief Executive Officer," or any subsequent equivalent title, of RWJBH.

1.64. "RWJBH Practice" has the meaning set forth in Section 9.2.1(a).

1.65. "RWJBH-Sponsored GME Programs" has the meaning set forth in Section 7.3.2.

1.66. "RWJBH Teaching Facilities" means all RWJBH-owned, -operated, or -controlled locations where teaching of the University's residents, fellows, or undergraduate, graduate, or post-graduate medical or other health professional students occurs by agreement of the Parties from time to time in accordance with this Agreement.

1.67. "RWJMS" means the Robert Wood Johnson Medical School, an unincorporated entity within RBHS.

1.68. "RWJMS-RWJUH AA" means the Affiliation Agreement dated as of June 1, 2015 between the University, on behalf of itself and RWJMS, and RWJUH, including the supplemental agreements attached thereto.

1.69. "RWJUH" means Robert Wood Johnson University Hospital, Inc., a New Jersey nonprofit corporation.

1.70. "SAD-CA" has the meaning set forth in Section 9.1.2(f).

1.71. "Services Agreement" has the meaning set forth in Section 9.2.1(a)(i).

1.72. "Sponsorship Transition Plan" has the meaning set forth in Section 7.1.2(c).

1.73. "Subsequent Funding Term" has the meaning set forth in Section 10.6.

1.74. "Subsequent Terms" has the meaning set forth in Section 14.3.

1.75. "Supplemental Agreements" means the agreements which are entered into by the Parties contemporaneously with this Agreement and attached hereto or expressly incorporated

herein by reference, existing agreements between the Parties that are incorporated herein by reference, and agreements subsequently entered into by the Parties and expressly made subject to this Agreement. The Supplemental Agreements are incorporated herein by reference and are subject to the terms of this Agreement unless otherwise explicitly stated therein or in this Agreement.

1.76. "Surviving Agreements" has the meaning set forth in Section 3.2.2.

1.77. "SVC-CA" means the person from time to time holding the position titled "Senior Vice Chancellor for Clinical Affairs," or any subsequent equivalent title, of RBHS.

1.78. "Total Fixed Mission Support" has the meaning set forth in Section 10.2.1.

1.79. "Total GME Funding" has the meaning set forth in Section 7.2.2.

1.80. "Trademark License" has the meaning set forth in Section 12.1.

1.81. "UBHC" has the meaning set forth in Section 9.1.1.

1.82. "UME" has the meaning set forth in Section 5.1.1.

1.83. "UME Program Agreements" has the meaning set forth in Section 6.3.

1.84. "UME Transition Period" has the meaning set forth in Section 6.2.2(a)(i).

1.85. "University" has the meaning set forth in the preamble.

1.86. "University Board" means the University's Board of Governors.

1.87. "University Board Designees" has the meaning set forth in Section 4.2.1(a).

1.88. "University Practitioners" has the meaning set forth in Section 9.2.1(a).

1.89. "Variable Mission Support" has the meaning set forth in Section 10.4.1.

1.90. "Wind-Down Plan" has the meaning set forth in Section 15.3.1.

ARTICLE II.

GOALS AND GOVERNING PRINCIPLES

2.1. Goals of Affiliation. The mutual goals of the Parties in developing a world-class academic health system, as described in the Recitals of this Agreement and in the Letter of Intent, include the following:

2.1.1. The recruitment of leading academic, research, and clinical practitioners in their fields of concentration in an efficient and effective platform;

2.1.2. The advancement of health science innovation;

2.1.3. The development of centers of excellence across a wide spectrum of clinical specialties, and the alignment and optimization of clinical services across the Parties;

2.1.4. The consolidation of clinical services under the leadership of RWJBH, in coordination with, and respecting, the University's academic reporting structures, including the Deans of RWJMS, NJMS, and other RBHS schools (collectively, the "**Deans**"); RBHS Department Chairs, Vice-Chairs, and Division Chiefs (collectively, "**Chairs**"); and other faculty leadership as appropriate;

2.1.5. The consolidation of educational and research activities under the leadership of the University, in coordination with RWJBH through the Joint Committee and as otherwise set forth in this Agreement;

2.1.6. The enhancement of the delivery of, and the accessibility to, advanced, evidence-based health care;

2.1.7. The dedication of the Parties' collective resources to educating health professionals, innovating, and delivering patient care to improve health;

2.1.8. The Parties' commitment to investing in innovation across a wide spectrum of areas that support clinical, academic, and research strategy;

2.1.9. The Parties' commitment to operate in a coordinated manner, with meaningful and active participation across entities and fully aligned strategic plans;

2.1.10. The shared commitment of the Parties to health improvement through community and patient outreach and the prevention and treatment of disease.

2.2. Governing Principles. Achievement of the shared objectives described in Section 2.1 will require reciprocal commitments and the alignment of the Parties' respective strategic, operational, and financial interests and activities as part of a coordinated and mutually supportive academic health system (the "**Integrated AHS**"). Through this Agreement, the Parties will strive to function as a single Integrated AHS to the mutual benefit of the Parties and the communities they each serve.

2.3. Effect on Existing Affiliations of the University. The Parties acknowledge and agree that nothing in this Agreement impacts the status of University Hospital as the principal teaching hospital of NJMS, RSDM, the School of Health Professions, the School of Nursing, the Public Health Research Institute, and all Newark-based schools of the University as required under N.J.S.A. 18A:65-101, N.J.S.A. 18A:65-94, and N.J.S.A. 18A:64G-6.1a. The Parties further acknowledge and agree that any school, institute, or center transferred to the University under the New Jersey Medical and Health Sciences Education Restructuring Act, P.L. 2012, c. 45, will remain in the City of Newark as required by N.J.S.A. 18A:65-94.

ARTICLE III.

INDIVIDUAL AFFILIATION AGREEMENTS

3.1. In General.

3.1.1. Because the nature of the relationship between the University and individual RWJBH facilities within the Integrated AHS may vary, it is anticipated that the University will from time to time maintain (in the case of existing agreements, such as the RWJMS-RWJUH AA) or enter into Supplemental Agreements in the form of site-specific affiliation agreements with RWJBH Teaching Facilities (collectively, the "**Individual Affiliation Agreements**").

3.1.2. Except as otherwise agreed, these Individual Affiliation Agreements will be consistent with this Agreement (including the term and termination provisions set forth in ARTICLE XIV and ARTICLE XV hereof) and will include provisions reflecting the importance of the University's academic mission within the Integrated AHS and the parties' mutual commitments to high-quality clinical care, health sciences education, and research. Without limiting the generality of the foregoing, it is the expectation of the Parties that such Individual Affiliation Agreements may include site-specific provisions addressing Academic Programs, including program sizing; support and administration of research; clinical leadership; standards for medical staff membership; and matters relating to local governance or operations, to the extent applicable.

3.2. Primacy.

3.2.1. To the extent that the provisions of this Agreement conflict with the provisions of any Individual Affiliation Agreement (or any other Supplemental Agreement establishing a relationship between the University and an individual RWJBH hospital or other facility) entered into by the Parties after the Effective Date hereof, the provisions of this Agreement will control unless the Parties agree explicitly otherwise in such Supplemental Agreement. With respect to the following agreements in effect as of the Effective Date, the Parties agree that:

(a) the RWJMS-RWJUH AA is a Supplemental Agreement and shall remain in effect as of the Effective Date; provided, however, that those sections of the RWJMS-RWJUH AA identified in Exhibit 3.2.1-A shall be superseded by this Agreement as of the dates or occurrences set forth in such Exhibit; provided further, that the Parties agree that approximately $23 million of the academic enrichment fund as defined in Attachment E to the RWJMS-RWJUH AA remains unspent and uncommitted and any future obligations relative to this unspent and uncommitted balance are included in the Mission Support payments contemplated by this Agreement; provided further, it is the expectation of the Parties that the University and RWJUH will enter into an Individual Affiliation Agreement, consistent with and subject to the terms and conditions of this Agreement, that, once entered into, will replace the RWJMS-RWJUH AA in its entirety and will serve as a template for Individual Affiliation Agreements for other RWJBH Teaching Facilities; and

(b) the agreements related to the Rutgers Cancer Institute of New Jersey ("**RCINJ**") identified in Exhibit 3.2.1-B shall remain in effect as of the Effective Date, but shall be superseded in their entirety on that date that the clinical services associated with RCINJ are integrated into the Aligned Clinical Enterprise in accordance with Section 9.2.2.

3.2.2. As soon as practicable following the execution of this Agreement, the Parties will engage in a deliberate, collaborative process to evaluate all other existing agreements between the University and RWJBH and will identify which (if any) agreements, or specific sections of such agreements, shall survive in accordance with their terms (the "**Surviving Agreements**"), and which (if any) agreements, or specific sections of such agreements, shall be superseded by this Agreement (the "**Legacy Agreements**"). The agreed list of Surviving Agreements and Legacy Agreements, when completed, will be attached hereto as Exhibit 3.2.2. Until such time as Exhibit 3.2.2 is completed and attached hereto, the Parties acknowledge and agree that all existing agreements between the University and RWJBH remain in full force and effect, except to the extent that such agreements are inconsistent with this Agreement or any Supplemental Agreement (*e.g.*, if an existing agreement contemplates mission support payments), in which case this Agreement or the Supplemental Agreement, as applicable, will control, unless the Joint Committee determines otherwise.

ARTICLE IV.

GOVERNANCE AND OVERSIGHT

4.1. Joint Committee.

4.1.1. RWJBH and the University will establish and maintain a Joint Committee to facilitate aligned strategic planning and coordinated oversight of all aspects of the Integrated AHS and the affiliation set forth in this Agreement and the Supplemental Agreements (the "**Joint Committee**").

4.1.2. The Joint Committee will be comprised of an equal number of representatives from each of the University and RWJBH, which representatives shall include: (a) the Chancellor and up to three (3) additional representatives designated by the University after consultation with RWJBH; and (b) the RWJBH CEO, and up to three (3) additional representatives designated by RWJBH after consultation with the University. RWJBH and the University may agree at any time to change the size or composition of the Joint Committee.

4.1.3. The Parties recognize that material changes undertaken in each of the teaching, research, and patient care missions and activities by either Party, can affect the other Party. Through the Joint Committee, the Parties agree to collaborate with each other regarding changes in programs, operations, and/or facilities controlled by them that may reasonably be expected to result in operational or financial effects material to the other Party.

4.1.4. The Joint Committee shall act in an advisory capacity to the Parties except as otherwise specifically provided herein. Not in limitation of the foregoing, and consistent with applicable laws, the Joint Committee shall:

(a) Facilitate the development of aligned strategic planning for the Integrated AHS, which the Parties anticipate will include a formal process for development of a joint strategic plan that will begin promptly after the Effective Date and will continue for the term of this Agreement.

(b) Advise the Parties with respect to major business, operational, and strategic decisions under consideration by any of the Parties that are anticipated to have a material effect on the teaching, research, or patient care activities of the Integrated AHS, including Clinical Programs ("**Major Decisions**").

(c) Establish and maintain subcommittees to facilitate collaborative planning and oversight of key functional areas, as set forth in Section 4.1.8 below.

(d) Identify opportunities for the development and expansion of the Integrated AHS, including co-branding and marketing arrangements pursuant to ARTICLE XII.

(e) Undertake such other advisory functions as the Chancellor and RWJBH CEO determine from time to time, and perform such other responsibilities as RWJBH and the University determine from time to time by mutual written agreement, subject to this Agreement.

4.1.5. The Joint Committee will meet at least monthly during the six-month period following the Effective Date, and at least quarterly thereafter. In addition, either the RWJBH CEO or the Chancellor may call a special meeting of the Joint Committee to consider and advise the respective Parties with respect to any Major Decision that is expected to be made by either Party prior to the next regularly scheduled meeting of the Joint Committee.

4.1.6. RWJBH and the University each may identify: (a) items to be considered by the Joint Committee consistent with the scope of its authority as set forth in Section 4.1.3; and (b) one or more individuals with knowledge, experience, or authority relevant to any proposed agenda item to attend and participate, on a non-voting basis, in a meeting of the Joint Committee (a "**Non-Voting Participant**"); provided, that Non-Voting Participants must agree to maintain the confidentiality of any information disclosed at a meeting of the Joint Committee.

4.1.7. A quorum for any meeting of the Joint Committee will be a majority of the duly appointed members; provided, the Chancellor and RWJBH CEO each may, by written notice to the other, designate a particular meeting for which a quorum shall require a majority of duly appointed members, including the presence of the Chancellor and RWJBH CEO. Any action taken by the Joint Committee will require the affirmative vote of a majority of the members in attendance at a meeting at which a quorum is present, including the vote of at least one (1) University representative and one (1) RWJBH representative.

4.1.8. The Joint Committee may establish such committees or subcommittees, standing or *ad hoc*, as it deems appropriate from time to time. In all cases, the specific membership and charge of such committees and subcommittees shall be subject to the approval of the Joint Committee, with equal representation from each Party except as otherwise provided in this Agreement (including any exhibits attached hereto). To facilitate the integration contemplated by

this Agreement, the Parties agree that the Joint Committee shall establish, and, unless changed by the Joint Committee, the Parties shall maintain and participate in:

(a) A Clinical Management and Operations Committee to provide advice and recommendations regarding clinical matters. The Clinical Management and Operations Committee shall be chaired by the Integrated Practice CEO, and shall include the RHG President (or the SVC-CA, in the Chancellor's determination), *ex officio*, with vote, and such number and type of physicians who are University Practitioners and RWJBH physicians as is appropriate to ensure that University faculty and RWJBH physicians both have a meaningful and ongoing opportunity to provide input into clinical matters and to provide advice and recommendations related to such matters.

(b) A Health Education Executive Council to make determinations regarding GME matters as set forth in Section 5.3 and Section 7.1 below, and to provide advice and recommendations regarding other health education matters. Notwithstanding any other provision of this Agreement to the contrary, no vote or action of the Health Education Executive Council shall be valid and binding unless at least one (1) representative from each Party votes in favor of such vote or action. In the event that a Health Education Executive Council vote is split by Party representatives, either Party may refer the matter to the Joint Committee.

(c) A Research Committee to provide advice and recommendations regarding research matters.

Based on advice and input from the Clinical Management and Operations Committee, Health Education Executive Council, and Research Committee, and subject to applicable law, the Joint Committee will establish an annual physician recruitment plan for physicians to be employed by each of the University and RWJBH ("**Recruitment Plan**"). The Recruitment Plan will take into consideration the Parties' respective clinical, teaching, and research needs, including the needs of individual departments, sites, and schools, and of the Integrated AHS as a whole.

The initial charters for the Clinical Management and Operations Committee, the Health Education Executive Council, and the Research Committee are attached hereto as Exhibit 4.1.8(a), Exhibit 4.1.8(b), and Exhibit 4.1.8(c), respectively; these charters may be amended from time to time as set forth therein and with the approval of the Joint Committee.

4.2. Board Appointments. In addition to the activities of the Joint Committee, the Parties will facilitate collaboration through appointments to the governing boards and committees of the University and RWJBH, as set forth in this Section 4.2.

4.2.1. RWJBH Boards and Committees.

(a) The University will, as set forth below, appoint up to four (4) persons to voting seats on the RWJBH Board of Trustees ("**University Board Designees**"), as described below. The University's appointees will be the Chancellor, *ex officio*, and

three (3) individuals nominated by the Chancellor, subject to the approval of the RWJBH Board of Trustees with respect to the Chancellor's nominees.

(i) There shall be a minimum of three (3) University Board Designees during the term of this Agreement.

(ii) There shall be a fourth University Board Designee during any such time as there is an individual serving as a RWJBH Board Designee pursuant to Section 4.2.2(b).

(iii) RWJBH will provide for participation by one (1) or more University Board Designees on the Strategic Planning/Academic Affairs, Nominating and Governance, and Quality Committees of the RWJBH Board of Trustees, subject to the usual qualification and selection process for members of such committees.

(b) The University will continue to have appointees on the RWJUH Board of Directors, subject to the terms of the governing documents of RWJUH. In addition, it is expected that, during any such time as there is an individual serving as a RWJBH Board Designee pursuant to Section 4.2.2(b), the University will have an appointee on each of the governing boards of other RWJBH Teaching Facilities at which significant teaching activities occur as mutually determined by the Parties.

(c) If any RWJBH Practice has a board of directors consisting of individuals other than the sole shareholder (or shareholders) of such RWJBH Practice, then an appointee of the Chancellor shall serve with vote on the board of directors of each such RWJBH Practice.

4.2.2. University/RHG Boards and Committees.

(a) RHG will appoint three (3) RWJBH representatives to voting seats on the RHG Board of Trustees. RWJBH's appointees will be the Integrated Practice CEO, *ex officio*, and two (2) individuals nominated by the Integrated Practice CEO, subject to the approval of the RHG Board of Trustees with respect to the Integrated Practice CEO's nominees.

(b) The University will be supportive, within the scope of its authority and ability under the laws of the State of New Jersey, of the appointment of one (1) RWJBH representative on the University Board of Governors (the "**RWJBH Board Designee**"). At any time that there is a RWJBH Board Designee, and subject to the usual qualification and selection process for members of such committee, that person shall have a seat with full membership rights on the Health Affairs Committee of the University Board. At all times, in accordance with University policy, the University will provide for participation by two (2) RWJBH appointees in matters of the Health Affairs Committee of the University Board (which shall include the RWJBH Board Designee, if serving); such individuals shall, as invited guests (with the exception of the RWJBH Designee, if serving, who shall be appointed to serve on the committee), be invited to all meetings, receive all committee materials, and be permitted to speak at committee meetings.

4.2.3. Individuals appointed to governing boards, or committees of such boards, pursuant to this Section 4.2 or otherwise pursuant to this Agreement, will have a fiduciary duty to the organization identical to other members of such bodies. Such individuals shall be subject to applicable law and policies (including conflict of interest policies) of either Party, including, with respect to University Board Designees, the applicable provisions of the New Jersey Conflicts of Interest Law. It is the intent of the Parties that the establishment of a coordinated and mutually supportive academic health system, as set forth in this Agreement, will be in furtherance of the Parties' respective charitable, scientific, clinical, and educational purposes, and of the University's legislatively assigned teaching, research, and patient care missions. Accordingly, and in light of the shared objectives, reciprocal commitments, and aligned strategic, operational, and financial interests as set forth in this Agreement, the participation by University officers and employees on RWJBH boards and committees pursuant to this Section 4.2, and the performance of duties by University officers and employees in clinical service, division, section chief, or similar positions within RWJBH Teaching Facilities (as may be set forth in this Agreement or any applicable Supplemental Agreements), is not, as a general matter, expected to present a material conflict with the proper discharge of such University employees' duties in the public interest, and is not reasonably expected to impair such University employees' objectivity or independence of judgment in the exercise of their official duties for the University; provided, the Parties acknowledge and agree that applicable law and/or the policies of either Party may preclude their participation in particular discussions and votes.

4.3. Management of Aligned Clinical Enterprise. The Parties intend to have a collaborative relationship among the Deans, Chairs, other faculty leadership, the Integrated Practice CEO, and other leadership of the Integrated Practice with regard to the management of the clinical practice and environment of the University Practitioners, all under the leadership and management of the Integrated Practice CEO.

4.4. Consultation in Appointment of Officers. Through the Joint Committee, the Parties will consult with each other with respect to the appointment of an agreed-upon list of senior executives and officers as determined by the Joint Committee from time to time. Without limiting the generality of the foregoing, the University will consult with RWJBH in the appointment of the Chancellor; the Chancellor will consult with RWJBH in the appointment of the SAD-CAs, the President of RHG, the Dean of NJMS, the Dean of RWJMS, and all other University Deans of Health Professional Programs; and RWJBH will consult with the University in the appointment of the RWJBH CEO, the Integrated Practice CEO, and the Presidents or Chief Executive Officers of RWJBH Teaching Facilities.

ARTICLE V.

ACADEMIC PROGRAMS: GENERAL PRINCIPLES AND COMMITMENTS

5.1. In General.

5.1.1. The University and RWJBH maintain a shared commitment to health sciences education, including undergraduate medical education ("**UME**") and graduate medical education ("**GME**"), as key elements in fostering a rigorous academic and scientific environment, and will be each other's primary affiliate, as more specifically described in Section 6.2 and

Section 7.4 below, with respect to all UME and GME programs sponsored or maintained by the Parties. The financial implementation of this shared commitment will be carried out in a manner consistent with the provisions of ARTICLE X and Section 7.2.2. For the avoidance of doubt with regard to such financial implementation, the Parties acknowledge and agree that: (a) nothing in this Agreement authorizes the University to require RWJBH to incur costs in support of UME or GME programs, apart from the provisions of ARTICLE X and Section 7.2.2, in each case only to the degree, and subject to the limitations, therein; (b) any expenditures incurred by RWJBH of its own accord shall not be charged against Fixed Mission Support payments; and (c) nothing in this Agreement precludes the University and RWJBH from mutually agreeing in the future that RWJBH will incur specific expenditures that may be charged against Fixed Mission Support payments.

5.1.2. The Parties acknowledge the importance of other health professional education programs (collectively, "**Health Professional Programs**") of the University, including programs within the School of Nursing, the School of Dental Medicine, the School of Health Professions, the School of Public Health, and the Ernest Mario School of Pharmacy. It is the desire and expectation of the Parties that the aligned strategic planning directed by the Joint Committee in accordance with Sections 4.1.3 and 4.1.4 will identify potential efficiencies and other areas for collaboration with respect to the University's Health Professional Programs and other Academic Programs. Without limiting the generality of the foregoing, it is anticipated that the Parties may enter into Individual Affiliation Agreements and other Supplemental Agreements, as appropriate, implementing the alignment of Health Professional Programs throughout the Integrated AHS, pursuant to which the University will have preferential opportunities to conduct training in fields relating to such Health Professional Programs at RWJBH facilities, and RWJBH will have preferential opportunities to be the host site for such Health Professional Programs.

5.2. Access to RWJBH Facilities. As provided below, subject to ARTICLE X and applicable Individual Affiliation Agreements or another Supplemental Agreement between the Parties, RWJBH will provide access to available space, equipment, staff, patients, and patient records for the University to carry out its Academic Programs in accordance with requirements of applicable law, accreditation organizations, and regulatory agencies. Within RWJBH Teaching Facilities:

5.2.1. In support of the Academic Programs, and in accordance with Individual Affiliation Agreements, space, equipment, and programs related to the treatment and care of patients, including but not limited to hospitalization rooms, intensive care units, treatment rooms, preparation and waiting areas, examination rooms, consultation rooms, patient support services, patient-oriented information retrieval systems, and appropriate equipment, will be available for use by appropriately credentialed University students, residents, and fellows, and appropriately credentialed University Practitioners, for the clinical instruction of University students, residents, and fellows.

5.2.2. RWJBH will not discontinue or materially modify or alter any of its programs or facilities in a manner that would have a significant, adverse effect on any Academic Program located at a RWJBH Teaching Facility except after consultation with the University (through the Joint Committee), and will make commercially reasonable efforts to accommodate the transition of University students, residents, fellows, and faculty from Academic Programs

located at other clinical affiliates of the University following the Effective Date, as may be necessary.

5.2.3. The University will require its students, residents, and fellows to abide by applicable RWJBH policies, procedures, and professional standards of conduct.

5.3. Program Design and Curriculum. The University will control the medical direction, quality, and content of all Academic Programs, including the type, level, assignment, and supervision of students, residents, and fellows participating in the Academic Programs at RWJBH facilities. The aggregate number of residents to rotate at RWJBH facilities at any given time will be determined by the Health Education Executive Council; provided, the number will not be changed in any manner that would affect any resident who has on the date of such change applied to (provided that the change has occurred on or after the program quota change deadline established by the National Resident Matching Program), or matriculated into, an Academic Program of the University or RWJBH.

5.4. General Exceptions to Exclusivity. The exclusivity provisions set forth in Section 6.2, Section 7.4, and Section 9.4 of this Agreement apply only to medical education programs of the University, whether or not conducted by or through RWJMS or NJMS (or any additional or successor medical schools within the University). Notwithstanding such exclusivity provisions or anything to the contrary in this Agreement, the University may conduct, and University Practitioners, students, residents, and fellows may participate in, Academic Programs at other clinical sites pursuant to the following types of arrangements entered into by the University from time to time:

5.4.1. Affiliations or arrangements between the University and any local, state, or federal governmental entity (including the U.S. Department of Veterans Affairs).

5.4.2. Arrangements necessary to satisfy existing commitments of the University, including the University's historic and statutorily mandated affiliation with University Hospital in Newark and such other arrangements as are in existence as of the Effective Date and set forth in Schedule 5.4.2 (collectively, "**Grandfathered Arrangements**").

5.4.3. International programs or partnerships.

5.4.4. Arrangements for the performance of research.

5.4.5. Arrangements that individually (i) involve not more than five (5) students, residents, or fellows; (ii) last not longer than eight (8) weeks; or (iii) occur entirely outside the state of New Jersey.

5.4.6. Other arrangements reasonably acceptable to RWJBH.

In addition, as part of its administration of Academic Programs in accordance with this Agreement, the University may arrange for third- and fourth-year medical students to rotate to non-RWJBH facilities in connection with residency program pre-match "audition" assignments. Likewise, medical students from outside of the University may rotate to RWJBH Teaching Facilities for residency program pre-match "audition" assignments, in coordination with the

University; provided, any such rotations to RWJBH Teaching Facilities may not materially limit access of University medical students, residents, or fellows to appropriate clinical experiences or compromise accreditation in any manner.

5.5. Accreditations. The University, in consultation with RWJBH, shall be responsible for satisfying the requirements of applicable accreditation organizations and regulatory agencies necessary to operate the Academic Programs, including without limitation applicable ACGME, LCME, and Commission on Dental Accreditation requirements. However, the Parties recognize that accreditation of Academic Programs often involves satisfaction by clinical affiliates of certain requirements. Accordingly, consistent with the goals and governing principles of this Agreement, and recognizing the general, and mutual, objectives of locating Academic Programs within RWJBH generally, RWJBH shall be responsible (subject to Sections 5.1 and 7.2) for its applicable affiliates' satisfaction of those requirements of applicable accreditation organizations and regulatory agencies that are applicable to clinical affiliates and necessary to operate the Academic Programs; provided, the University acknowledges and agrees that nothing in this Section shall require RWJBH to incur substantial and unreasonable expenditures or investments.

5.6. Faculty Appointments. All RWJBH physicians and other clinicians who are sufficiently involved in teaching activities for the University and meet applicable University requirements shall be eligible to receive appropriate faculty appointments, subject to their satisfying generally applicable University procedures necessary to be awarded such appointments.

5.7. RWJBH Chief Academic Officer. RBHS's Senior Vice Chancellor for Academic Affairs will be designated as the Chief Academic Officer of RWJBH, and will have a "dotted-line" reporting relationship to the RWJBH CEO. The University will consult with the RWJBH CEO with respect to the development of and evaluation of performance under the incentive compensation plan for such Senior Vice Chancellor for Academic Affairs.

5.8. Collaboration and Coordination. In furtherance of the shared objectives described in this Agreement, including ARTICLE II hereof, the Parties will seek to leverage potential efficiencies and to identify areas for collaboration, and will seek to avoid duplicative operations where appropriate. For example, the Parties will explore options to streamline activities related to the management of library resources, will seek to standardize across RWJBH facilities the screening (including medical screening and background checks, if any) and training requirements applicable to University students, residents, and fellows, and may discuss opportunities for the coordination of continuing education programs.

ARTICLE VI.

UNDERGRADUATE MEDICAL EDUCATION

6.1. In General. The Parties' shared commitment to health sciences education, including UME, shall be implemented in a manner consistent with the provisions of ARTICLE X and the provisions set forth below.

6.2. Exclusivity.

6.2.1. Except as otherwise provided in this Agreement, including under Section 5.4 above and Section 9.4, RWJBH will be the University's exclusive clinical affiliate for UME programs; provided, the University may enter into arrangements with other clinical facilities, or may conduct clinical activities on its own, for UME programs as set forth below:

(a) Upon a reasonable determination by the Chancellor, following consultation with RWJBH through the Joint Committee, that existing facilities or programs within RWJBH Teaching Facilities are not sufficient for the needs of the University, the University will first offer RWJBH the opportunity to develop or provide the facilities or programs to satisfy the University's identified need by providing written notice to RWJBH, and the Parties will use their good-faith efforts to establish a mutually agreeable arrangement. If the Parties are unable, notwithstanding their good-faith efforts, to finalize the terms of such an arrangement during the one-hundred-eighty (180) day period following the University's notice (or such shorter period as may be required if the need arises from a risk that the University will fail to satisfy applicable requirements of an accreditation organization or other outside agency with jurisdiction), then the University may conduct the necessary clinical activities on its own or enter into arrangements with another clinical organization.

(b) The University may enter into arrangements with another clinical organization to provide UME programs as otherwise may be approved in advance and in writing from time to time by the RWJBH CEO.

6.2.2. Except as otherwise provided in this Agreement, including under this Section 6.2.2, the University will be RWJBH's exclusive academic affiliate for UME programs; provided:

(a) The University acknowledges that RWJBH has traditionally maintained a significant teaching relationship with the medical school(s) set forth in Schedule 6.2.2 (the "**Existing UME Affiliations**"), and agrees that RWJBH may continue to affiliate with such other medical school(s) in accordance with this Section 6.2.2(a), subject to the advice of the Joint Committee and approval of the Chancellor, which approval shall not be unreasonably withheld. However, upon a determination by the Chancellor, following an examination by the Joint Committee of the programmatic impact of any Existing UME Affiliations on the University's academic mission and clinical teaching needs, that an Existing UME Affiliation materially interferes with the fulfillment of the University's academic mission or dilutes the academic excellence of the University's Academic Programs, RWJBH will wind down such Existing UME Affiliation in an orderly manner and in accordance with RWJBH's contractual commitments.

(i) It is the expectation of the Parties that the students participating in the Existing UME Affiliations will not rotate to RWJBH facilities that host University medical students. Students participating in the Existing UME Affiliations may participate in the same or overlapping rotations with the University's UME programs within a given RWJBH facility only within a time-

limited transitional period, not to exceed three (3) years (unless otherwise agreed by the Health Education Executive Committee) (the "**UME Transition Period**"), to facilitate the orderly wind down of the Existing UME Affiliation(s), consistent with LCME standards, only if University medical students are not supervised by residents or fellows of any other academic institution participating in the Existing UME Affiliations. Medical students of any other academic institution participating in the Existing UME Affiliations generally are expected to be supervised by residents of RWJBH-Sponsored GME Programs (as defined in Section 7.3.2 below); however, the University acknowledges and agrees that University residents may supervise such medical students from time to time during the UME Transition Period.

(ii) Participation by RWJBH physicians in the Existing UME Affiliations will not constitute involvement in teaching activities of the University for purposes of Section 5.6 of this Agreement, and such physicians will not be eligible for University faculty appointments unless they also teach or supervise University students and so qualify pursuant to Section 5.6.

6.3. UME Program Agreements. Recognizing that the specific nature and requirements of UME programs may vary, and consistent with the requirements of applicable accrediting organizations, it is anticipated that, following the Effective Date of this Agreement, the University will enter into (or maintain, in the case of existing agreements) Supplemental Agreements in the form of individual UME program agreements ("**UME Program Agreements**") with specific RWJBH facilities as appropriate. Such UME Program Agreements will conform to the requirements of the LCME or, as applicable, any other accrediting organization, and may be incorporated as part of or otherwise addressed within applicable Individual Affiliation Agreements.

ARTICLE VII.

GRADUATE MEDICAL EDUCATION

7.1. GME Program Plan.

7.1.1. Through the Health Education Executive Council, the Parties will update from time to time a GME program strategic development plan ("**GME Program Plan**"). The initial GME Program Plan, when completed, will be consistent with the provisions of ARTICLE X and will be attached hereto as Exhibit 7.1.1.

7.1.2. The initial GME Program Plan will set forth recommendations for the administrative and financial coordination of all GME programs within the Integrated AHS, including with respect to the matters set forth in this Section 7.1.2:

(a) The number, composition, and sizing of GME programs at RWJBH facilities, and the number of resident rotations that will occur at RWJBH facilities;

(b) The optimal mix of residents and fellows;

(c) A plan to achieve the Parties' agreement that the University will be the exclusive ACGME-designated Sponsoring Institution of all GME programs, including GME programs currently sponsored by RWJBH or RWJBH facilities (the "**Sponsorship Transition Plan**"). The Sponsorship Transition Plan will provide for representation by each Party on the other Party's Graduate Medical Education Committee ("**GMEC**"). Under the Sponsorship Transition Plan, recommendations regarding the merger or consolidation of GME programs will be made by the Health Education Executive Council; and

(d) Any other recommendations to achieve the Parties' mutual goals of developing highly ranked and competitive programs, improving retention of residents and fellows, and optimizing overall program costs (including through avoidance of duplication where appropriate).

7.1.3. Notwithstanding the foregoing, the Parties acknowledge and agree that nothing in this Agreement shall be construed to grant the Health Education Executive Council authority that is reserved to the University as the ACGME-designated Sponsoring Institution (or, with respect to RWJBH-Sponsored GME Programs (as defined below), to RWJBH in the same capacity), including the applicable Party's GMEC, pursuant to applicable accreditation standards, including as set forth in Section 7.3 below.

7.2. RWJBH Support.

7.2.1. RWJBH will provide adequate and appropriate space and accommodations at RWJBH Teaching Facilities for use by University faculty, residents, and fellows in accordance with the GME Program Plans and any applicable Individual Affiliation Agreements.

7.2.2. In addition to funding provided under ARTICLE X, and consistent with other applicable provisions of this Agreement, RWJBH will provide funding for GME programs within the Integrated AHS in an amount equal to the sum of:

(i) the total GME expenses paid or incurred by RWJBH as of the Effective Date, inclusive of (A) compensation and related expenses for residents and fellows, (B) costs associated with teaching and clinical supervision, and (C) program and all other administration costs (the "**Baseline GME Amount**"); and

(ii) an inflation adjustment to be mutually agreed by the Parties, which may take into account the benchmarks published by the Association of American Medical Colleges (or, if it does not publish benchmarks, a similarly focused benchmark selected by the Parties), actual inflationary increases experienced by the Parties, and any other factors as the Parties deem appropriate (the "**Inflation Adjustment**").

The sum of the Baseline GME Funding and the Inflation Adjustment is the "**Total GME Funding**."

The Total GME Funding may be incurred by RWJBH directly, or paid to the University in accordance with the funds flow and reconciliation process established in connection with ARTICLE X, as determined by the Health Education Executive Council. Incremental financial support by RWJBH for GME in excess of the Total GME Funding amount in a given year shall be subject to the mutual agreement of the Parties and funded from Fixed Mission Support.

7.3. Sponsorship, Accreditation, and Program Direction.

7.3.1. Except as otherwise specified herein (including, but not limited to, pursuant to Section 7.3.2 with respect to RWJBH-Sponsored GME Programs (as defined therein)), the University, through its Designated Institutional Official ("**DIO**") and the Deans of RWJMS and NJMS, will exercise full management control and responsibility for all aspects of the organization, accreditation, and operation of the GME programs, including with respect to: (a) the appointment, rotation, and scheduling of all residents and fellows (subject, in the case of rotations at RWJBH facilities, to determinations of the Health Education Executive Council with respect to the aggregate number of rotations occurring at such facilities, as described in Section 5.3); (b) the selection of all program directors, coordinators, and teaching faculty; (c) assuring compliance with requirements of appropriate accrediting agencies; and (d) organizing the academic curriculum and evaluations of University faculty, residents, and fellows in each of the GME programs, with appropriate input and consultation from RWJBH.

7.3.2. Notwithstanding the foregoing provisions of Section 7.3.1, the Parties agree that RWJBH will maintain, consistent with applicable ACGME requirements, responsibility for and control over the GME programs sponsored by RWJBH as of the Effective Date (the "**RWJBH-Sponsored GME Programs**"), until such time as the sponsorship of such RWJBH-Sponsored GME Programs is transferred to the University in accordance with the Sponsorship Transition Plan described in Section 7.1.2(c) above; provided, neither Party will materially enlarge their GME programs absent the agreement of the Health Education Executive Council, except in accordance with the GME Program Plan. The University and RWJBH will work collaboratively with the ACGME and take all other actions reasonably necessary in order to complete the transfer of such RWJBH-Sponsored GME Programs to the University in accordance with the Sponsorship Transition Plan.

7.4. Exclusivity.

7.4.1. Except as may be otherwise agreed among the Parties, including as part of the integration and transition plans set forth in the GME Program Plan, the University will be the exclusive academic affiliate for all GME programs occurring at RWJBH facilities; provided, RWJBH may enter into arrangements with other academic affiliates for GME programs as may be otherwise approved in advance and in writing from time to time by the Chancellor.

7.4.2. Except as otherwise provided in this Agreement, including under Section 5.4 and Section 9.4 hereof, RWJBH will be the University's exclusive clinical affiliate for all GME programs sponsored or maintained by the University; provided, the University may enter into arrangements with other clinical facilities, or may conduct clinical activities on its own, for GME programs:

(a) Upon a reasonable determination by the Chancellor, following consultation with RWJBH through the Joint Committee, that existing facilities or programs within RWJBH Teaching Facilities are not sufficient for the needs of the University, the University will first offer RWJBH the opportunity to develop or provide the facilities or programs to satisfy the University's identified need by providing written notice to RWJBH, and the Parties will use their good-faith efforts to establish a mutually agreeable arrangement. If the Parties are unable, notwithstanding their good-faith efforts, to finalize the terms of such an arrangement during the one-hundred-eighty (180) day period following the University's notice (or such shorter period as may be required if the need arises from a risk that the University will fail to satisfy applicable requirements of an accreditation organization or other outside agency with jurisdiction), then the University may enter into arrangements with another clinical organization or may conduct clinical activities on its own as necessary to satisfy such identified need.

(b) The University may enter into arrangements with another clinical organization to provide GME programs as may be otherwise approved in advance and in writing from time to time by the RWJBH CEO.

7.4.3. Consistent with the exclusivity commitments set forth above, the University agrees to gradually decrease its GME presence in other hospitals and health systems (other than University Hospital and other sites of Grandfathered Arrangements), pursuant to and in accordance with the GME Program Plan and subject to the availability of space at RWJBH facilities.

ARTICLE VIII.

RESEARCH

8.1. Collaboration.

8.1.1. The Parties recognize that robust research activity is a hallmark of leading academic health systems, and seek to establish the Integrated AHS as a nationally recognized leader in health science discovery and innovations that translate into better care for patients and patient populations across a broad spectrum of medical specialties. Accordingly, the Parties wish to increase research activities at the University and throughout the Integrated AHS, and will, through the Joint Committee, coordinate planning and investment in furtherance of the Parties' shared research objectives as described in this Section, in a manner consistent with the provisions of ARTICLE X.

8.1.2. The Joint Committee will: (a) develop, for approval by the Parties, strategic and business plans to inform mutual investments (consistent with ARTICLE X) in research, including with respect to recruitment of principal investigators and metrics to gauge the effectiveness of the RWJBH investments (*e.g.*, the grants or grant types targeted using the funds provided by RWJBH); (b) provide recommendations for streamlining the IRB approval process and for the development of any other synergies in conducting and expanding clinical trials across the University and RWJBH (including with respect to the administration of commercially sponsored clinical trials or other research conducted by non-faculty at RWJBH sites; the ability of

the University to negotiate site agreements on behalf of RWJBH facilities; enhancements to electronic health records or other health information technology to facilitate shared research activities and appropriate access to data; coordinated research policies such as those relating to scientific misconduct, conflicts of interest, and intellectual property; and billing of clinical items and services provided by RWJBH facilities in the course of clinical research activities); (c) provide recommendations regarding other funding sources that can be sought to support the research of newly recruited principal investigators and existing University faculty research; (d) provide recommendations with respect to non-financial support to be provided by RWJBH to facilitate the performance of research activities within RWJBH facilities (*e.g.*, through the provision of space, data, patient consents); and (e) perform such other activities as may be agreed by the Parties.

8.2. RWJBH Support of Research. Consistent with the Parties' shared research objectives described in Section 8.1.1 and with the recommendations of the Joint Committee pursuant to Section 8.1.2:

8.2.1. Pursuant to and subject to the provisions of ARTICLE X below, the Parties will seek to recruit, over a period of ten (10) years or less, approximately 100 new high-caliber principal investigators to be employed by the University.

8.2.2. RWJBH will provide such non-financial support as may be agreed by the Parties in any Individual Affiliation Agreements or other Supplemental Agreements as the Parties may agree from time to time.

8.2.3. Initial areas of focus will include the planned strategic centers of excellence (cardiac, neurosciences, cancer, internal medicine, surgery, and pediatrics), as well as clinical and translational research and organization of health care delivery. The areas of focus are subject to modification by the Joint Committee after the Effective Date, upon the recommendation of the Research Committee.

8.3. Conduct and Administration of Research. Research activities occurring within the Integrated AHS, including research grant applications and contracts for research, will be under the management and financial control of the University, except as may otherwise be agreed by the Parties from time to time.

ARTICLE IX.

CLINICAL INTEGRATION AND CLINICAL PROGRAMS

9.1. Aligned Clinical Enterprise.

9.1.1. A primary objective of the Parties is to build, in a financially sustainable manner within an academic health system environment, an aligned clinical enterprise that will be operated by RWJBH, in coordination with the Chairs, Deans, and other faculty leadership, so as to advance the Parties' shared clinical, academic, and research missions, and facilitate the recruitment, retention, and performance of personnel ("**Aligned Clinical Enterprise**"). Through the Aligned Clinical Enterprise, the Parties will seek to align the clinical operations of the health-related schools and centers/institutes of Rutgers, including but not limited to RCINJ and, subject to Section 9.2.4, Rutgers University Behavioral Health Care ("**UBHC**"), to the greatest degree

practicable and consistent with the terms set forth herein, with the management and integrated with the clinical operations of RWJBH. In addition to the Parties' facility-based operations (subject to Section 9.2.4 with respect to UBHC), the Aligned Clinical Enterprise will be comprised of the University's and RHG's professional practices covered by the PSA, and RWJBH's physician and other health professional practices, which will be consolidated as an integrated practice operated by RWJBH, which may operate under such other name as the Parties agree upon, pursuant to and in accordance with the Trademark License ("**Integrated Practice**"). The Integrated Practice will be led by the Integrated Practice CEO, who shall be appointed by the RWJBH CEO, after consultation with the Joint Committee, and will after such appointment report to the RWJBH CEO or his/her designee, with a "dotted-line" reporting relationship to the Chancellor. RWJBH will consult with the Chancellor with respect to the development of the Integrated Practice CEO's incentive compensation plan and the evaluation of the Integrated Practice CEO's performance thereunder.

9.1.2. Coordination between RWJBH, as manager of the Integrated Practice, and the Chairs, Deans, and other faculty leadership, as provided above, will be consistent with and subject to the following principles:

(a) RWJBH will be responsible for the management of the Integrated Practice, which management responsibility will include the usual incidents of practice management, including, consistent with the PSA (as defined below), establishing applicable policies and procedures, developing criteria for clinical performance and evaluating such performance, having responsibility for clinical quality, and setting clinical schedules and office time.

(b) The Chairs will remain responsible (with input from and in collaboration with the Integrated Practice CEO) for all hiring, firing, and evaluation decisions with respect to University Practitioners (as defined below) who are employed faculty members of the University.

(c) The Chairs will serve as the clinical service chief, division chief, or similar position (each a "**Chief**" and collectively the "**Chiefs**") for the corresponding service at RWJUH, except as otherwise agreed by the Parties. Removal and replacement of such Chiefs will be consistent with the terms and conditions of the RWJMS-RWJUH AA.

(d) University faculty will continue to report to their Chairs.

(e) As directed by, and in collaboration with, the Integrated Practice CEO, the Chairs will facilitate, with University Practitioners, execution of the clinical practice strategy developed and implemented by the Integrated Practice CEO.

(f) In recognition of the Parties' desire to preserve flexibility for the Integrated Practice CEO to develop such management and reporting structures as he or she deems are appropriate, the Deans, the Chairs, the Senior Associate Dean for Clinical Affairs ("**SAD-CA**") of each school, or the SVC-CA will be accountable to the Integrated Practice CEO for the management of the clinical practices of their respective faculty and

will have a "dotted-line" reporting relationship to the Integrated Practice CEO with respect to activities they undertake relating to the Aligned Clinical Enterprise, such as with respect to University Practitioner assignment and allocation under the PSA and performance metrics and evaluations. The Integrated Practice CEO will have input into the performance reviews of the Deans and Chairs with respect to any duties they have in support of the Aligned Clinical Enterprise.

9.2. Creation of Aligned Clinical Practice.

9.2.1. To achieve the vision of an Integrated Practice, where an RWJBH affiliate is the billing provider for all of the Integrated Practice's clinical services, the Parties shall:

(a) as soon as practical, but not later than the time frames set forth in the Clinical Integration Agreements, work together to integrate the clinical time of the University-employed faculty physicians and any licensed independent practitioners associated with NJMS or RWJMS (the "**University Practitioners**") into the Integrated Practice, which will be operated by RWJBH pursuant to the terms and conditions of a Professional Services Agreement entered into by and between the University and RWJBH on behalf of its controlled group practice affiliate(s) (the "**PSA**"), through which such University Practitioners will render professional services, and which will be an entity organized and controlled by RWJBH (the "**RWJBH Practice**"). In addition to the PSA, the Parties will:

(i) integrate into the Integrated Practice operated by RWJBH the services of the other clinical and non-clinical support staff who support the University Practitioners and other applicable assets associated with the clinical practice of the University Practitioners (including, but not limited to, through the lease, license, or transfer of applicable equipment, and space) pursuant to a services agreement (the "**Services Agreement**") entered into contemporaneously with the PSA;

(ii) work in good faith to integrate into the Integrated Practice, effective January 1, 2019, all billing and collection activities involving University Practitioners of RWJMS (including those of University Practitioners not yet integrated into the Integrated Practice) pursuant to a billing and collection personnel and services agreement (the "**Billing Agreement**") that, among other terms, (A) provides to RWJBH the services of all billing personnel employed by the University who are involved in billing and collection for University Practitioners; and (B) reimburses the University for the expenses associated with such personnel and for any extraordinary expenses associated with the transition of the billing and collection activities to RWJBH; and

(iii) negotiate in good faith any other agreements or other arrangements necessary or convenient to achieve the vision of an Integrated Practice as set forth herein (the "**Other Agreements**").

The Parties agree that the PSA, the Services Agreement, the Billing Agreement, and the Other Agreements (collectively, the "**Clinical Integration Agreements**") shall be Supplemental Agreements and shall be negotiated by the Parties in good faith consistent with the terms and conditions of this Agreement and on a schedule consistent with the provisions of Section 9.2.2.

9.2.2. Timing of Integration

(a) The Parties shall work to integrate the University Practitioners into the Integrated Practice in a coordinated and efficient manner that minimizes the disruption experienced by the Parties and their respective personnel, in accordance with the following schedule (the respective target integration dates are referred to herein as the "**Integration Dates**"):

Faculty Groups	Effective Date of Integration
RCINJ	By 1/1/2019
RWJMS	
Division of Cardiology	By 1/1/2019
All other divisions	On a mutually agreeable schedule, but not later than 12/31/2019
NJMS	By 7/1/2020 (the termination date of the UPA contract, or such sooner date as the parties can negotiate with UPA)
RSDM	By 7/1/2020
All other divisions of RBHS with clinical activities, subject to Section 9.2.4	By 7/1/2020

(b) Interim Arrangements. Until such time as such clinical operations are consolidated pursuant to this Section, the Parties, shall, subject to applicable law, collaborate with respect to planning for and implementing on the schedule set forth above the integration of the University Practitioners into the Integrated Practice.

9.2.3. Process for Integration Planning. The Parties will work together to establish a process to facilitate the efficient integration of the Integrated Practice. This process will be adjusted as needed to ensure success and contemplates the following:

(a) The University will produce the initial pro-forma financial statement indicating actual results for the prior fiscal year and budgeted results for the current fiscal year. This financial statement will be supported by detailed reports including collection totals and RVU production by physician, schedule of other clinical revenues by source (such as call pay, directorships, clinical trial revenue and other similar payments for clinical coverage), clinical FTE totals and salary amounts for all providers, FTE totals and salary for support staff, a schedule summarizing other expenses and calculations supporting

any allocated or indirect costs. The University will provide information on the owned and leased physical space and equipment used in the University Practitioners' clinical practice operations, and the Parties will work together to determine a fair market value-based rental agreement for this space and equipment that will be a component of the pro forma financial statement; provided, RWJBH may elect to enter into direct leases with third party lessors of space and/or equipment where appropriate.

(b) RWJBH and the University will work together to validate the financial statement totals, including touring the physical space, interviewing University Practitioners and staff, and other steps as necessary to understand the operations and trends, and to validate the projected financial results.

(c) To facilitate integration planning, the University will provide quality, outcomes, and other performance data regarding University Practitioners.

(d) Using the information obtained and validated, the Parties will develop a rate per RVU and alternative compensation methodologies as appropriate ("**Professional Services Compensation,**" which generally will be addressed under the PSA) 9.2.3(a)and proposed cost-based reimbursement for other practice expenses (which generally will be addressed under the Services Agreement and other applicable Clinical Integration Agreements). The intent is that the funds flow under the Clinical Integration Agreements (excluding any incremental payments of Incentive Compensation made by RWJBH (as defined below)) will replicate the baseline financial results agreed to by the Parties. Specifically, the Parties agree that the Professional Services Compensation during the first three (3) years the PSA is in effect will be based on existing faculty salaries and historic productivity, with appropriate adjustments as described in Section 9.2.3(a), subject to annual increases that will be based on the lower of (i) historic salary increase pools (which have averaged a 2.1% increase on the academic portion of the faculty salary), and (ii) newly negotiated salary increase pools. Such Professional Services Compensation (with annual increases) will remain in effect for the fourth and subsequent years of the PSA unless and until the Parties agree on an appropriate adjustment.

(e) In addition to base Professional Services Compensation, the University will be eligible to receive agreed incentive compensation, including productivity alignment payments (*i.e.*, payments to match compensation to individual Practitioner productivity) ("**Incentive Compensation**"), if the University Practitioners meet established performance metrics and provided that, pursuant to the compensation plan then in place at the University, the University directs such Incentive Compensation to support compensation of the University Practitioners to whose services such Incentive Compensation is attributable. The Parties will use good-faith efforts to align metrics used by the University for compensation and evaluation with metrics established by RWJBH for clinical performance, while respecting the University's obligations under any Collective Negotiations Agreements that may be in effect and applicable to the University Practitioners; provided, for purposes of the payment of Incentive Compensation: (i) for the University fiscal year beginning July 1, 2018, the Parties have agreed to funding pursuant to the metrics set forth in the incentive compensation plan in place at the University as of the Effective Date; and (ii) for University fiscal years beginning July 1, 2019 and thereafter,

the University recognizes that RWJBH will not make Incentive Compensation payments to the University unless the Parties have mutually agreed on appropriate metrics.

(f) The Parties will group clinical practices in a manner designed to optimize the performance of the Integrated Practice and develop individual PSA and other cost-based agreements aggregated in a logical manner that balances efficient reporting, current structure, and natural alignment of physicians in similar specialties. In the event an individual specialty does not produce revenues that are easily translated to a payment per RVU, the Parties will agree on an appropriate measure of clinical productivity or other methodology, as appropriate, as a basis for payments.

(g) The Parties will agree on the timing of the integration date and work together on an appropriate communication plan to the impacted University Practitioners, support staff, patients, insurers, and other parties as appropriate.

(h) The Parties will execute agreements in mutually agreeable form to accomplish the integration as contemplated herein.

(i) After execution of documents the Parties will continue to work together to monitor performance and address transition issues.

(j) The Parties agree that the Clinical Integration Agreements will include compensation for University Practitioner and staff employment and associated overhead expenses consistent with the following terms:

(i) RWJBH shall reimburse the University for its provision of fringe benefits at the lesser of (A) the University's "Effective Rate," defined as the actual amount paid by the University to the State for fringe benefits for all benefits-eligible RBHS employees, divided by the total salary of all benefits-eligible RBHS employees; and (B) twenty-three percent (23%);

(ii) RWJBH shall reimburse the University for overhead expenses at the lesser of (A) the applicable rate under the University's Responsibility Center Management methodology; and (B) RWJBH's comparable overhead rate; provided, RWJBH shall provide such information as is reasonably requested by the University to permit the University to evaluate and validate RWJBH's overhead expenses and its methodology for calculating the overhead rate under this Section.

9.2.4. UBHC. The Parties will negotiate in good faith an agreement or agreements to facilitate alignment of the University's behavioral health service line with the clinical operations of RWJBH no later than December 31, 2019. Notwithstanding the foregoing or anything to the contrary in this Agreement, the Parties acknowledge and agree that this Agreement alone is not intended to, and shall not be deemed to, constitute or effectuate the purchase, lease, exchange, conversion, restructuring, merger, division, consolidation, transfer of control, or other disposition of a substantial amount of assets or operations of the UBHC licensed inpatient psychiatric hospital, nor to assign or otherwise transfer to RWJBH contracts held by the University with respect to services provided by UBHC to the State of New Jersey.

9.2.5. RSDM, and other RBHS Schools and Institutes. With respect to RSDM and other health professional schools and institutes within RBHS, the Parties shall work in good faith to integrate, to the greatest degree practicable, the clinical services of the University Practitioners within such schools and institutes into the Integrated Practice in a coordinated and efficient manner that minimizes the disruption experienced by the Parties and their respective personnel.

9.3. Practitioner Recruitment. Subject to applicable law, the Parties agree that achievement of their shared objective of developing a world-class academic health system depends on their ability successfully to recruit and retain leading academic, research, and clinical practitioners in their fields of concentration. The Parties further agree that the development of shared guidelines for determining the most appropriate entity for employment of such professionals—taking into account factors such as the allocation of clinical and non-clinical effort, compensation and related costs, and primary site of practice—will enhance the Parties' ability to recruit leading candidates successfully, and is consistent with the broader goals and governing principles set forth in this Agreement, including the alignment of the Parties' respective strategic, operational, and financial interests and activities as part of a coordinated and mutually supportive academic health system. Accordingly, the Parties intend that employment of new physicians and other new health professionals will be guided by the following principles, subject at all times to applicable law and candidate preference:

9.3.1. All tenure-track or tenured faculty, and all non–tenure track clinical scholars and research track faculty will be employed by the University.

9.3.2. All non–tenure track clinical educators and teaching track faculty will be employed by the University, except as specifically approved by the Chancellor.

9.3.3. All Clinically Focused Faculty may be employed by either Party based on the best interests of the Integrated AHS and taking into account the wishes of the affected faculty. The University agrees that RWJBH-employed clinically focused faculty will be eligible for unmodified Professional Practice Track (or equivalent) titles from the University consistent with University policy in effect at the time.

In no case shall any support by RWJBH in the recruitment, retention, and employment of physicians and other personnel be at a cost to RWJBH for fringe benefits or other indirect costs beyond the comparable fringe or indirect cost rate, as applicable, for RWJBH (except, to the degree as may be applicable, as set forth in Section 9.2.3(j)(i)).

9.4. Clinical Programs. Neither the University nor RHG, nor any other controlled affiliate of the University, directly or indirectly, shall initiate any new Clinical Programs in medicine, or materially expand any Clinical Program in medicine that has not been consolidated with RWJBH pursuant to this ARTICLE IX, without the prior written approval of RWJBH, except as provided in this Section.

9.4.1. The restrictions set forth in Section 9.4 shall not prohibit:

(a) Activities related to activities undertaken by the University pursuant to one of the exceptions set forth in Section 5.4, Section 6.2, or Section 7.4.

(b) Activities or programs with the U.S. Department of Veterans Affairs, with federally qualified health centers affiliated with the University as of the Effective Date, or with University Hospital pursuant to its historic and statutorily mandated affiliation with the University.

(c) Activities or programs with, or requested or initiated by, any other local, state, or federal governmental entity (including New Jersey State agencies under contracts with UBHC, either directly or indirectly through the University), subject to the right of first opportunity set forth in Section 9.4.2.

(d) Public health activities funded by a private foundation or any other non-governmental entity, subject to the right of first opportunity set forth in Section 9.4.2.

(e) The University's operation of licensed UBHC facilities.

(f) Activities incident to commercialization of intellectual property developed by University Practitioners.

(g) Clinical activities occurring under any Clinical Programs that are in existence as of the Effective Date and set forth in Schedule 9.4.1(g) ("**Grandfathered Clinical Programs**").

9.4.2. With respect to new programs and activities described in Section 9.4.1(c) and Section 9.4.1(d), the University will first offer RWJBH, whenever reasonably feasible, in an exercise of good faith, under the applicable statutes or regulations or the terms of the request or funding, as applicable, the opportunity to partner with the University for such activities or programs by providing notice to RWJBH, and the Parties will use their good-faith efforts to establish a mutually agreeable arrangement. If the Parties are unable, notwithstanding their good-faith efforts, to finalize the terms of such an arrangement during the one-hundred-eighty (180) day period following the University's notice (or such shorter period as may be reasonably required), then the University may conduct such activities or programs alone or with another clinical organization.

ARTICLE X.

AFFILIATION FINANCIAL MATTERS AND FUNDS FLOW

10.1. RWJBH Financial Support. The Parties recognize their programmatic and financial interdependence, and are committed to maintaining a world-class academic health system as described in this Agreement. As consideration for the academic and research affiliation for which this Agreement provides, and in recognition of the costs the University incurs to grow the academic and research enterprises from which RWJBH will benefit, RWJBH agrees to provide the funding described below to fund, in the aggregate, incremental investments in the education and research missions of the Integrated AHS.

10.2. Annual Fixed Mission Support.

10.2.1. Subject to the terms and conditions of this ARTICLE X, fixed mission support shall be $50 million per year for each University Fiscal Year (*i.e.*, July 1 through June 30), commencing on the Effective Date through June 30, 2028 ("**Total Fixed Mission Support**"). Notwithstanding the foregoing, Fixed Mission Support shall be adjusted in accordance with Section 10.2.1(a), and disbursed in accordance with Section 10.2.1(b):

(a) Clinical Loss Assumption and Clinical Gain Realization. Prior to the respective Integration Date(s) for each practice, the Parties shall agree on the amount of annualized losses incurred (the "**Clinical Loss**") or gains realized (the "**Clinical Gain**") by the University with respect to the applicable University Practitioners based on the financial performance of the applicable practice at the time of transition (and informed by the financial performance for the one (1)-year period preceding the time of transition), with appropriate adjustments as mutually agreed by the Parties. The Clinical Loss and Clinical Gain will be determined pursuant to a mutually agreeable methodology that is consistent with the terms and conditions of the Clinical Integration Agreements, and that recognizes only those funds remaining at the University that can be reallocated to the education or research missions. Total Fixed Mission Support plus or minus, during the first ten (10) years hereof, the Clinical Gain or Clinical Loss, respectively, associated with the University Practitioners who have been integrated into the Aligned Clinical Enterprise pursuant to Section 9.2.2 (prorated with respect to any University Practitioners who were integrated into the Aligned Clinical Enterprise during such year) shall equal the "**Fixed Mission Support**" available for use by the University in that respective year (*i.e.*, Total Fixed Mission Support shall be increased or reduced in each year of the first ten (10) years hereunder by the net Clinical Gain or Clinical Loss, as applicable). For the avoidance of doubt, any failure by the Parties to reach agreement on the Clinical Loss or Clinical Gain for a practice shall be considered a "Controversy" for purposes of Section 15.2 of this Agreement and shall be resolved in accordance with the dispute resolution procedures established thereunder.

(b) Disbursement of Fixed Mission Support. Fixed Mission Support funds shall be disbursed on an expense-reimbursement basis in accordance with Section 10.8; provided, in the event that eligible expenses incurred by the University in a given Fiscal Year are below twenty-five million dollars ($25,000,000), RWJBH shall transfer to the University an amount equal to the difference between such incurred expenses and twenty-five million dollars ($25,000,000). The remaining balance will carry over to future years in accordance with Section 10.2.3.

10.2.2. Notwithstanding any other provision of this Agreement to the contrary, in the event of Financial Exigency with respect to RWJBH, the annual Fixed Mission Support amounts set forth in Section 10.2.1 may be temporarily adjusted downward by RWJBH for the duration of the Financial Exigency; provided, (a) such downward adjustment shall be proportional to other cost savings measures implemented by RWJBH to address the Financial Exigency; and (b) in the event that such downward adjustment causes Fixed Mission Support to drop below twenty-five million dollars ($25,000,000) for a given year, one of the following shall occur, at RWJBH's sole discretion: (1) the Trademark License (as defined in Section 12.1) shall be

suspended, with such suspension to become effective over a timetable consistent with the termination provisions of the Trademark License and to continue so long as Fixed Mission Support is adjusted downward; or (2) an amount equal to the difference between twenty-five million dollars ($25,000,000) and the downward-adjusted Fixed Mission Support for such year shall be accrued by the University and be added to Fixed Mission Support for the first University Fiscal Year following RWJBH's emergence from the condition of Financial Exigency.

10.2.3. Amounts of Fixed Mission Support not expended in a University Fiscal Year shall carry over to each succeeding University Fiscal Year until expended, so long as this Agreement is in effect.

10.3. Mission Support General Fund. RWJBH shall contribute an additional $100 million to support the academic and research mission of the Integrated AHS (the "**Mission Support General Fund**"). RWJBH shall make four (4) equal payments of $25 million to the Mission Support General Fund. The first payment shall be made by September 30, 2018, and the subsequent three (3) payments shall be due by December 31, 2018, March 31, 2019, and June 30, 2019, respectively. The Mission Support General Fund shall be held by the University; provided: (a) income generated from investment of the Mission Support General Fund shall be added to the fund and may be expended subject to the same restrictions; and (b) all funds in the Mission Support General Fund shall be restricted exclusively to the purpose of incremental investment in the education and research missions of the Integrated AHS. Notwithstanding the preceding, $10 million of the Mission Support General Fund shall be used for the retention of top students who remain within the Aligned Clinical Enterprise post-residency, through a fund administered by the University and designed to incentivize students to work in the Aligned Clinical Enterprise after completing their residency.

10.4. Variable Mission Support.

10.4.1. In each fiscal year during the term of this Agreement, in recognition of the Parties' shared desire to make greater investments in the Integrated AHS to the extent that RWJBH financial resources permit, RWJBH shall pay variable mission support to the University as follows ("**Variable Mission Support**"):

RWJBH Adjusted Operating Margin	University's Share of Incremental Margin
3% or less	0%
Greater than 3%, but less than or equal to 3.60%	5%
Greater than 3.6%, but less than or equal to 4.25%	12.5%
Greater than 4.25%, but less than or equal to 4.75%	22.5%
Greater than 4.75%, but less than or equal to 5.25%	25%
Greater than 5.25%, but less than or equal to 6.25%	40%
Greater than 6.25%, but less than or equal to 7.25%	45%
Greater than 7.25%	50%

10.4.2. RWJBH will calculate its "**Adjusted Operating Margin**" annually based on its audited financial statements and in a manner consistent with rating agency standards, including the exclusion of investment gains and losses. Adjusted Operating Margin will exclude

revenues and expenses from non-consolidated joint ventures as well as material non-recurring out-of-period revenues and expenses. For purposes of illustration, an example of such adjustments, based on RWJBH's audited financial statements for the fiscal year ended December 31, 2017, is attached as Exhibit 10.4.2.

10.4.3. Variable Mission Support will be calculated based on the RWJBH fiscal year (*i.e.*, the calendar year). For each RWJBH fiscal year, RWJBH will provide an estimate of Variable Mission Support by February 15th of the next succeeding fiscal year and will calculate and pay final Variable Mission Support for each RWJBH fiscal year prior to July 1 of the succeeding year.

10.4.4. Variable Mission Support shall be used by the University in a manner designed to further the goals of the Integrated AHS in the same fashion as the Fixed Mission Support, as described above and in Section 10.8. Amounts of Variable Mission Support not expended in a University Fiscal Year shall carry over to each succeeding University Fiscal Year until expended, so long as this Agreement is in effect.

10.5. Major Recruitment Packages.

10.5.1. The Parties are committed to identifying, recruiting, and retaining high-caliber leaders, including Chairs and directors of RBHS centers and institutes, to lead high-performing programs and excellence in medical education, research, and patient care ("**Major Recruitment Packages**"). Subject to the oversight of the Joint Committee, the Parties will work in good faith to develop fiscally responsible yet competitive multi-year Major Recruitment Packages for mutually acceptable recruits for key leadership positions based on agreed-upon multi-year budgets. It is expected that Major Recruitment Packages (agreed portions of which will be charged against Mission Support in accordance with Section 10.8.4) will include a combination of:

(a) financial commitments from RWJBH to the relevant Clinical Program within RWJBH (*e.g.*, investments in non-physician staffing, technology, or space); and

(b) start-up clinical and academic/research funding in support of the chair/director's faculty recruitment plan.

10.5.2. The Parties intend that the Major Recruitment Packages will focus on areas of strategic priority, as determined from time to time by the Parties through the Joint Committee in accordance with Sections 4.1.3 and 4.1.4; provided, the Parties acknowledge and agree that the initial areas of strategic priority include strategic centers of excellence of cardiac, neurosciences, cancer, internal medicine, surgery, and pediatrics, as well as clinical and translational research and organization of health care delivery.

10.5.3. Attached hereto as Exhibit 10.5.3 is an inventory of all major recruitment packages existing as of the Effective Date ("**Existing Major Recruitment Packages**"). With respect to the Existing Major Recruitment Packages, the Parties agree that the RWJBH funding commitments are as set forth in the applicable documents, as reasonably interpreted by the Parties.

10.6. Term of Mission Support. The terms and conditions of this ARTICLE X shall govern mission support payments for the ten (10)-year period from July 1, 2018 through June 30, 2028 (the "**Initial Funding Term**"). No later than July 1, 2027, the Parties shall negotiate the terms for mission support for the ten (10)-year period commencing July 1, 2028 (the "**Subsequent Funding Term**"), subject to the following parameters:

10.6.1. Fixed Mission Support payments to the University shall be no less than $25 million per year during the Subsequent Funding Term.

10.6.2. Adjustments to Fixed Mission Support for Clinical Loss or Clinical Gain pursuant to Section 10.2.1(a) shall not apply during the Subsequent Funding Term.

10.6.3. Aggregate mission support payments for the Subsequent Funding Term shall be comparable to aggregate mission support payments over the Initial Funding Term. In application of the foregoing, the Parties acknowledge and agree that their jointly developed strategic plans, and the corresponding funding needs and expenses of the University, will differ between the Initial Funding Term (when funds will be required for, among other things, the recruitment and start-up of research-intensive faculty) and the Subsequent Funding Term (when funds will be required for, among other things, the maintenance of the research enterprise, including turnover with respect to recruited research-intensive faculty); it is expected that negotiated mission support amounts for the Subsequent Funding Term will reflect such differences.

10.7. Timing of Creation of Aligned Clinical Enterprise. In the event that the University Practitioners are not integrated into the Aligned Clinical Enterprise in accordance with the applicable Integration Dates set forth in Section 9.2 (including, but not limited to, Sections 9.2.2 and 9.2.4) RWJBH may, beginning January 1, 2019 (or such later date as the Parties agree will be the Transition Date for the applicable cohort) and until such time as the applicable practice(s) are fully integrated in accordance with Section 9.2, accrue, but delay payment of, Variable Mission Support payments under Section 10.4; provided, the right of RWJBH to delay payment of Variable Mission Support payments pursuant to this Section shall not apply where the failure to meet the applicable Integration Date(s) set forth in Section 9.2 is the result of operational obstacles outside the reasonable control of the University, which would include (but not be limited to) delays in obtaining needed regulatory approvals and the inability to get necessary third-party consents, approvals, or agreements on acceptable terms.

10.8. Planning of Expenditures and Annual Reporting to Joint Committee.

10.8.1. As set forth in more detail below, with respect to Fixed Mission Support and Variable Mission Support, the Parties will establish a process for jointly developed annual budgets that set forth, for planning purposes, total amounts anticipated to be spent by each Party in the upcoming budget year and broad categories of anticipated expenditures (the "**Mission Support Budget**"), as well as funds flow processes (*e.g.*, invoicing, auditing, etc.). In addition, as set forth below, with respect to all Mission Support expenditures, the Parties will establish an annual reporting process so that the Parties can help ensure that Mission Support expenditures further the combined interests of the Integrated AHS.

10.8.2. With respect to all expenditures funded under this ARTICLE X (*i.e.*, with respect to expenditures of Fixed Mission Support under Section 10.2, expenditures from the Mission Support General Fund under Section 10.3, expenditures of Variable Mission Support under Section 10.4, and expenditures related to Major Recruitment Packages under Section 10.5), the Parties agree that proposed expenditures that do not align with (i) the areas of strategic priority identified in Section 10.5.2, or (ii) a then-current joint strategic plan developed pursuant to Section 4.1.4(a), shall require approval of the Joint Committee.

10.8.3. With respect to expenditures of Fixed Mission Support under Section 10.2 and expenditures of Variable Mission Support under Section 10.4 (including expenditures under Major Recruitment Packages), the Parties agree that:

(a) through the Joint Committee, they shall, before the beginning of each University fiscal year, develop the Mission Support Budget for such fiscal year, with the understanding that any expenditures inconsistent with the total amounts or broad categories in the Mission Support Budget established pursuant to this Section 10.8 (*e.g.*, utilizing funds earmarked for recruitment for capital expenditures) shall not be reimbursed unless otherwise agreed by the Parties; and

(b) the University shall provide invoices, and applicable back-up documentation, throughout the course of the year to RWJBH, in form and substance reasonably acceptable to the Parties, and the Parties shall mutually agree on a funds flow and reconciliation process (including applicable audit rights) for the disbursement of such funds.

10.8.4. With respect to expenditures related to Major Recruitment Packages under Section 10.5:

(a) Funds will be disbursed or deployed each year by RWJBH pursuant to the Mission Support Budget.

(b) Agreed expenses incurred by RWJBH under Existing Major Recruitment Packages will be charged against Fixed Mission Support for the year in which they are incurred by RWJBH. For the avoidance of doubt, the Parties acknowledge and agree that capital costs associated with the Major Recruitment Package for RCINJ will not be charged against Fixed Mission Support.

(c) The Parties will establish a process for all future Major Recruitment Packages developed after the Effective Date. This process will set forth the proposed expenditures and the Party to whom such expenditures will be charged, with the understanding that RWJBH-incurred expenditures under any such Major Recruitment Package will not be required unless RWJBH agrees in writing to incur such expenditures, and will not be charged against Mission Support unless RWJBH and the University agree in writing to such charge. Commitments under Major Recruitment Packages made solely by the University, if to be funded by Mission Support, will be funded only in accordance with a Mission Support Budget developed in accordance with this Section 10.8.

10.8.5. With respect to all expenditures under this ARTICLE X, the University and RWJBH, as applicable, shall make regular reports (no less often than annually) to the Joint Committee, in form and substance reasonably acceptable to the Joint Committee, with respect to such expenditures.

ARTICLE XI.

ADMINISTRATION AND COORDINATION

11.1. Further Cooperation. The Parties acknowledge that the development and operation of the affiliation established hereunder, including the development of, transition to, and operation of the Integrated Practice, will involve continuing attention and cooperation. The Parties agree to cooperate diligently with respect to such matters, and the administration and coordination thereof, including without limitation developing appropriate arrangements, subject to applicable law, with respect to appropriate sharing of information, information technology, facilities and space use, and attention to employment- and compliance-related matters. With regard to information systems, the Parties will develop appropriate processes to address topics such as appropriate roles, data ownership, access rights, and governance over such systems across the Integrated AHS.

ARTICLE XII.

CO-BRANDING, TRADEMARKS, AND MARKETING

12.1. Trademark Rights. This Parties' rights with respect to use of their respective names, trade, and service marks are set forth in the Trademark License attached hereto as Exhibit 12.1 ("**Trademark License**"). RWJBH payment for the rights granted by the University under the Trademark License shall be included within the payments under Section 10.3.

12.2. Strategy. The Joint Committee will lead the Parties in developing, and modifying from time to time, a co-branding and marketing strategy for the Integrated AHS consistent with the Trademark License.

ARTICLE XIII.

FUNDRAISING/DEVELOPMENT

13.1. Joint Fundraising. The Parties seek to encourage and coordinate charitable giving to the Integrated AHS, including through joint fundraising activities ("**Joint Fundraising Activities**") to be conducted pursuant to and in accordance with a Supplemental Agreement entered into by the Parties after the Effective Date (the "**Joint Fundraising Agreement**") and other applicable agreements, including the Trademark License. It is anticipated that the Joint Fundraising Agreement will establish structures, arrangements, and protocols to guide such Joint Fundraising Activities, including with respect to: (a) management of the Joint Fundraising Activities and allocation of responsibilities between the Parties; (b) development and distribution of communication materials relating to the Joint Fundraising Activities, including gift acknowledgements; (c) protocols for donor requests (including general and individual written solicitations) and donor visits; (d) branding issues, including possible co-branding; (e) allocation

of fundraising costs and expenses between the Parties; (f) gift distribution parameters, including the entities to which gifts may be made and whether and in what circumstances gifts may be made to multiple entities; (g) parameters around approval of specific Joint Fundraising Activities by the Parties' respective governing boards; and (h) other matters of importance to the Parties.

13.2. Individual Fundraising. Nothing in this Agreement (subject to compliance with the Trademark License and the Joint Fundraising Agreement), or any other agreement, shall prohibit or limit individual fundraising efforts and initiatives by either Party.

ARTICLE XIV.

TERM

14.1. Effective Date. This Agreement was signed on the date indicated on the signature page hereto, effective as of July 1, 2018 ("**Effective Date**").

14.2. Term. The initial term of this Agreement is twenty (20) years from the Effective Date ("**Initial Term**"), subject, however, to ARTICLE XV below.

14.3. Automatic Extension. Subject to ARTICLE XV below, this Agreement will automatically extend for ten (10)-year terms ("**Subsequent Terms**") unless one of the Parties provides to the other Party or Parties a written notice of termination at the expiration of the Initial Term or Subsequent Term, as applicable. Such written notice of termination shall provide one (1) year's notice of termination.

ARTICLE XV.

TERMINATION, DISPUTE RESOLUTION, AND WIND DOWN

15.1. Termination. This Agreement may be terminated as follows:

(a) by mutual written agreement of the Parties;

(b) by either Party in the event of uncured material breach of the other Party, subject to a notice and reasonable cure period of at least sixty (60) days and not to exceed one (1) year; provided, neither Party may initiate termination under this subsection without first pursuing the dispute resolution procedures set forth in Section 15.2 below;

(c) by either Party, if the Parties do not reach a mutually agreeable funding formula for Fixed Mission Support and Variable Mission Support prior to the start of the eleventh (11^{th}) year of the Initial Term;

(d) by either Party if the other Party permanently ceases operations or is dissolved;

(e) by a Party if: (i) a petition for relief under the laws of the United States related to bankruptcy shall be filed by or against the other Party and such action is not dismissed within 90 days after filing; (ii) all or substantially all of the assets of the other

Party are assumed by or taken under the control of any trustee or any other person pursuant to any judicial proceedings; or (iii) the other Party becomes insolvent or makes a general assignment for the benefit of its creditors; and

(f) by either Party upon a "Change of Control" of the other Party occurring after the Effective Date. For purposes of this Agreement, a "**Change of Control**" shall be defined as follows:

(i) the direct or indirect sale, lease, exchange, pledge, transfer, or other disposition of all or substantially all of the assets of the Party to any non-affiliated individual, corporation, partnership, limited liability company, trust, or other non-affiliated entity or organization (a "**Person**") or group of Persons acting in concert as a partnership or other group (a "**Group of Persons**"); or

(ii) the merger, consolidation, or other business combination of the Party with or into another Person, with the effect that the Board of Directors/Trustees and/or member(s) (collectively or individually, as the case may be) of that Party as it exists immediately prior to the consummation of such transaction has the authority after the consummation of the transaction to appoint 50% or less of the directors of the resulting party without obtaining the approval of any other Person; or

(iii) the conversion of a Party into a business corporation or the other loss of its federal or state tax-exempt status; or

(iv) with respect to RWJBH, the direct or indirect disposition of RWJUH, whether by sale, lease, exchange, pledge, transfer, or other disposition of all or substantially all of the assets, merger, consolidation, or other business combination, change of control transaction, or entry into a management services contract for the operation of such hospital with any third party unaffiliated with RWJBH.

15.2. Dispute Resolution. This Section applies to any issue, controversy, claim, or dispute that arises with regard to the interpretation or application of this Agreement (each, a "**Controversy**"), and the provisions of this Section shall survive the termination of this Agreement for any reason. All Controversies arising under an agreement attached to this Affiliation Agreement shall be submitted first to the Joint Committee, which shall use its best efforts to resolve such Controversy within thirty (30) days of such submission. If the Joint Committee is unable to resolve such Controversy within thirty (30) days of such submission, it shall be submitted to the Chancellor of the University and the RWJBH CEO. If the Chancellor and RWJBH CEO are unable to resolve such Controversy within thirty (30) days of the date on which the Controversy was submitted to them, the Parties will try in good faith to settle the Controversy by non-binding mediation. In such event, the Parties will choose a mutually agreeable neutral third party, who shall mediate the Controversy pursuant to the Commercial Mediation Rules of the American Arbitration Association, the Alternative Dispute Resolution Service Rules of Procedure for Mediation of the American Health Lawyers Association, JAMS rules and procedures, or such other mutually agreeable rules and procedures as the Parties may decide. In the event that such mediation

efforts are unsuccessful, either Party may pursue legal or equitable remedies in accordance with Section 16.1.

15.3. Wind-Down.

15.3.1. Notwithstanding any other provisions of this Agreement, except as set forth in this Section 15.3, in the event of termination of this Agreement for any reason, the Parties shall cooperate in good faith for a mutually agreeable period of time to develop and implement a plan for the orderly wind-down of their collaboration with respect to Academic Programs, Clinical Programs, and other programs or activities jointly conducted by the Parties pursuant to this Agreement, including the Clinical Integration Agreements and other Supplemental Agreements incorporated herein (the "**Wind-Down Plan**"), with sensitivity to exigencies presented by obligations of the Parties with respect to third parties, including students, residents, employees, and patients.

15.3.2. The Wind-Down Plan will be developed and implemented in a manner minimally disruptive to the Parties' respective programs, patients, and personnel and in compliance with all applicable laws, regulations, and accreditation requirements. Without limiting the generality of the foregoing, the Wind-Down Plan shall generally be designed to return each Party to a position that is, as near as practical, comparable to the position it was in prior to this Agreement, including with respect to the Party's programs and operations. For example, consistent with this principle, the Wind-Down Plan shall ensure the orderly continuation and transition of rotations under existing UME programs so that the University can meet its obligations to its matriculated medical students, and the orderly transition of GME programs so that RWJBH can continue to provide clinical services in a seamless manner.

ARTICLE XVI.

MISCELLANEOUS

16.1. Governing Law. This Agreement and each of the Supplemental Agreements shall be deemed to have been executed in the State of New Jersey, and shall be governed by and construed in accordance with the Constitution and laws of the State of New Jersey without giving effect to the principles of conflict of laws, including without limitation the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq. The Parties further agree that any and all claims arising under this Agreement or any of the Supplemental Agreements, or related thereto, shall be heard and determined either in the courts of the United States with venue in New Jersey, or in the courts of the State of New Jersey.

16.2. Further Assurances. Each of the Parties shall execute and deliver such further instruments and take such other action as reasonably may be necessary to further effectuate the purposes and goals of this Agreement and each of the Supplemental Agreements, including correction of errata therein.

16.3. Compliance. In the performance of their obligations under this Agreement and each of the Supplemental Agreements, the Parties will comply with all applicable laws and regulations, and will cooperate with each other to assess and assure such compliance. Without limiting the

generality of the foregoing, the Parties will observe and comply with the federal anti-kickback statute, set forth at 42 U.S.C. § 1320a-7b(b), and the federal prohibition against physician self-referrals, set forth at 42 U.S.C. § 1395nn. Notwithstanding anything to the contrary herein, all payments associated with this Agreement are intended to comply with the requirements of applicable New Jersey state laws, such as the Codey Law, N.J.S.A. § 45:9-22.4 et seq. (as it may be amended from time to time) and the regulations promulgated thereunder.

16.4. Notices. All notices, requests, approvals, demands, and other communications required or permitted to be given under this Agreement or any of the Supplemental Agreements will be in writing and will be deemed to have been duly given and to be effective when delivered personally (including delivery by express or courier service) or, if mailed, upon receipt demonstrated by a signed delivery receipt or a tracking report. Notices shall be addressed as follows or to such other address as either Party may designate by notice to the other Parties:

If to the University:

Office of the Chancellor
Rutgers Biomedical and Health Sciences
Rutgers, The State University of New Jersey
Stanley S. Bergen Building
65 Bergen Street
Newark, NJ 07103

With copy to:

Office of the Senior Vice President and General Counsel
Rutgers, The State University of New Jersey
Liberty Plaza, Suite 2160
335 George Street
New Brunswick, NJ 08901

If to RWJBH:

RWJBarnabas Health
95 Old Short Hills Road
West Orange, NJ 07052
Attn: President and Chief Executive Officer

With copy to:

RWJBarnabas Health
95 Old Short Hills Road
West Orange, NJ 07052
Attn: General Counsel

If to RHG:

Rutgers Health Group
89 French Street, Suite 4100
New Brunswick, NJ 08901
Attn: President

16.5. Independent Contractor Relationship. The relationship between the RWJBH (and its personnel), on the one hand, and the University (and its personnel), on the other hand, will at all times be that of independent contracting Parties. Each Party, and each Party's respective personnel, will therefore be liable for their own respective debts, obligations, acts, and omissions, including the payment of all required withholding, social security, and other taxes. All salaries, wages, benefits, taxes, and other expenses of any kind relating to each Party's personnel will remain the sole responsibility of that Party.

16.6. Amendments. This Agreement and each of the Supplemental Agreements may be modified or amended only by the express written consent of the Parties.

16.7. Counterparts. This Agreement and any amendments hereto, and each of the Supplemental Agreements and any amendments thereto, may be executed in any number of counterparts, each of which will be deemed an original, and all of which will together constitute one and the same instrument.

16.8. Survival. The termination or expiration of this Agreement or any of the Supplemental Agreements for any reason will not affect the accrued rights or obligations of any Party under this Agreement or a Supplemental Agreement that by their terms are intended to survive such termination or expiration.

16.9. Severability. If any provision of this Agreement or a Supplemental Agreement will for any reason be held to be invalid or unenforceable, such invalidity or unenforceability will not affect any other provision of this Agreement or such Supplemental Agreement, and this Agreement or such Supplemental Agreement will be construed as if such invalid or unenforceable provision were omitted.

16.10. Captions. The captions to this Agreement and to the Supplemental Agreements are for convenience of reference only and in no way define, limit, or describe the scope or intent of, or otherwise affect, this Agreement or any part hereof nor any of the Supplemental Agreements or any parts thereof.

16.11. Assignment. This Agreement and each of the Supplemental Agreements will be assignable by a Party only upon the prior written consent of the other Parties. If assigned, this Agreement or such Supplemental Agreement will inure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns.

16.12. Third-Party Beneficiaries. Neither this Agreement nor any of the Supplemental Agreements is intended, and will not be deemed or construed, to confer upon any person or entity, other than the Parties thereto, any right or interest, including without limiting the generality of the

foregoing, any third-party beneficiary status or any right to enforce any provision of this Agreement or a Supplemental Agreement.

16.13. Entire Agreement. This Agreement, including all attachments or appendices, and each of the Supplemental Agreements, including all attachments or appendices thereto, represents the entire agreement of the Parties with respect to the subject matter thereof and supersedes any previous agreements relating to the same subject matter.

16.14. Strict Compliance. No failure by any Party to insist upon the strict performance of any obligation under this Agreement or any of the Supplemental Agreements will constitute a waiver of any breach thereof. No waiver of any breach will affect or alter this Agreement or any of the Supplemental Agreements, and every term of this Agreement and the Supplemental Agreements will continue in full force and effect.

16.15. Authority. Each Party represents to the other that there is no limitation on its ability to enter into this Agreement or any of the Supplemental Agreements and carry out their respective obligations.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

Robert L. Barchi, M.D., Ph.D.
President

Brian L. Strom, M.D., M.P.H.
Chancellor
Rutgers Biomedical and Health Sciences

RUTGERS HEALTH GROUP, INC.

Vicente H. Gracias, M.D.
President

RWJ BARNABAS HEALTH, INC.

Jack Morris
Chair of the Board of Trustees

Barry H. Ostrowsky
President and Chief Executive Officer