

UNDERTAKINGS

Aetna Inc. (“Aetna”), Echo Merger Sub, Inc. (“Merger Sub 1”), Echo Merger Sub, LLC (“Merger Sub 2”), and Humana, Inc. (“Humana”) have entered into an Agreement and Plan of Merger, pursuant to which Humana will become a direct subsidiary of Aetna, and Humana’s subsidiaries, including Humana Health Plan of California, Inc. (“HHPC”), and Arcadian Health Plan, Inc. (“Arcadian”) will become indirect subsidiaries of Aetna (the “Merger”).

HHPC and Arcadian have filed documents related to this transaction in Notices of Material Modification Nos. 20151948 and 20151947. In addition, Aetna’s subsidiaries, Aetna Health of California, Inc. (“AHC”), Aetna Dental of California Inc. (“ADC”), and Health and Human Resource Center, Inc. (“HHRC”) have filed documents related to this transaction in Amendment Nos. 20151984, 20151985 and 20151986.

To demonstrate continued compliance with the Knox-Keene Health Care Service Plan Act of 1975, California Health and Safety Code section 1340 et seq. (the “Act”) and the Act’s corresponding regulations at Title 28, California Code of Regulations (the “Rules”), Aetna, Humana, Merger Sub 1, Merger Sub 2, HHPC, Arcadian, AHC, ADC and HHRC agree to the following Undertakings and acknowledge that any Orders issued by the Department of Managed Health Care (“Department”) approving Material Modification Nos. 20151948, and 20151947 and Transmittal approving Amendment Nos. 20151984, 20151985, and 20151986 incorporate and are conditioned upon the Undertakings set forth below, and that the Undertakings are enforceable as Orders of the Department. By so doing, Aetna, Humana, Merger Sub 1, Merger Sub 2, HHPC, Arcadian, AHC, ADC and HHRC agree to fully and completely comply with these Undertakings and agree that they will not violate these Undertakings.

References to “Undertakings Tracking” in these Undertakings means a submission through the “Online Forms” Section of the Department’s Filing Web Portal.

Filing Requirements

Undertaking 1

Within 30 days after the closing of the first merger (involving Merger Sub 1), HHPC, Arcadian, AHC, ADC and HHRC shall submit the following as an Amendment filing in accordance with the standards set forth in Section 1352 of the Act and Rule 1300.52.4:

- (a) An update regarding the status of the second merger (involving Merger Sub 2);
- (b) An update to Exhibit D2 regarding the status of the filings with governmental authorities not previously provided to the Department; and
- (c) Any press releases or media statements issued by Aetna or Humana related to the Merger not previously provided to the Department.

Undertaking 2

HHPC, Arcadian, AHC, ADC and HHRC shall submit a filing in accordance with the standards set forth in Section 1352 of the Act and Rule 1300.52.4 if any changes are made to the proposed Merger filed and approved as of the date of issuance of the Order of Approval.

Financial Requirements

Undertaking 3

Aetna promises the following:

- (a) All of the executive compensation by reason of the Merger, including change in control payments, acceleration of outstanding equity incentives, and signing/retention bonuses (together “CIC Benefit”) will be the sole responsibility of Aetna regardless of which entity has the legal obligation;
- (b) Aetna will have on hand cash and committed borrowing facilities at the time of the closing of the Merger that are adequate to timely discharge all obligations relating to the CIC Benefit;
- (c) When the long-term indebtedness for borrowed money of Humana becomes due, Aetna will either refinance such debt or have on hand cash and committed borrowing facilities that are adequate to timely discharge such debt. Such long-term indebtedness for Humana, Inc. was \$3.8 billion as of June 30, 2015;
- (d) No amounts relating, directly or indirectly, to the CIC Benefit will be the obligation of HHPC or Arcadian;
- (e) No amounts relating, directly or indirectly, to the CIC Benefit will be charged to or made the responsibility of HHPC or Arcadian, directly or indirectly, under any reimbursement or cost allocation arrangement; and,
- (f) Aetna further represents and warrants that there are no CIC Benefit payments owed by Aetna by reason of the Merger to any of Aetna's officers, directors, or key management.

Undertaking 4

HHPC or Arcadian will not declare or pay dividends, make other distributions of cash or property or in any other way upstream any funds or property to its shareholders or any of HHPC or Arcadian's affiliates (Affiliate Company Distributions) if such actions would cause any of the following:

- (a) Cause HHPC or Arcadian to fail to maintain at all times the greater of the following:

- (1) 200% of the minimum tangible net equity (which annualized amount shall be calculated by multiplying the applicable current quarter revenues and expenditures by four) currently required by section 1374.64(b)(1) of the Act; or
 - (2) 100% of minimum tangible net equity as may be required following any future amendment to section 1374.64 of the Act or Rule 1300.76, or any successor statute or regulation; or
- (b) Result in insufficient working capital or insufficient cash flows necessary to provide for the retirement of existing or proposed indebtedness of the Plans, as required by Rule 1300.75.1(a); or
- (c) Adversely affect the ability of the Plans to provide health care services.

For purposes of these Undertakings, “Affiliate Company Distributions” shall not be deemed to refer to payments made under the terms of any administrative service agreement or tax sharing agreement, which has been filed with and received prior approval from the Department.

Undertaking 5

HHPC and Arcadian will not take any of the following actions prior to the submission of a Notice of Material Modification and the receipt of the Department’s Order of Approval of the Notice:

- (a) Cosign or guarantee any portion of any current or future loans and/or credit facilities entered into by HHPC’s or Arcadian’s shareholders, HHPC’s or Arcadian’s affiliates, or any of HHPC’s or Arcadian’s affiliate shareholders; or
- (b) Permit any portion of loans obtained by HHPC’s or Arcadian’s shareholders, HHPC’s or Arcadian’s affiliates, or any of HHPC’s or Arcadian’s affiliate shareholders to be assumed by HHPC or Arcadian unless HHPC or Arcadian are currently a party to a loan; or
- (c) Allow a pledge or hypothecation of HHPC’s or Arcadian’s assets in any way connected with any current or future loans of HHPC’s or Arcadian’s shareholders, HHPC’s or HHPC’s affiliates or any HHPC’s or Arcadian’s affiliated shareholders; or
- (d) Borrow any funds or otherwise incur any indebtedness for the purpose of making any Affiliate Company Distribution, except any Affiliate Company Distribution that is made in compliance with Undertaking No. 6 herein, or a payment made pursuant to any written administrative services agreement or tax sharing agreement between or among HHPC’s or Arcadian’s shareholders, HHPC’s or Arcadian’s affiliates or HHPC’s or Arcadian’s affiliate shareholders.

Notwithstanding the above, these undertakings do not supersede HHPC's or Arcadian's requirement to file a notice of Material Modification when required by section 1352(b) of the Act, Rule 1300.52.4(d), or as otherwise required by the Act.

Undertaking 6

HHPC and Arcadian will ensure that written disclosure of Undertakings 4 and 5 is provided to any and all future holders of any loans and/or credit facilities of HHPC's or Arcadian's affiliates, to the extent that HHPC or Arcadian assets are involved in such loans and/or credit facilities, to ensure that the holder of such instrument(s) has written notice that the satisfaction of any obligations under such instrument(s) is subordinated to HHPC's or Arcadian's obligations under the Act and Rules thereunder.

Undertaking 7

In connection with each Quarterly Financial Report filed with the Department by HHPC and Arcadian during the three-year period following the close of the Merger, HHPC and Arcadian shall file with the Department, on a confidential basis, a schedule that reports the estimated range of claims payable, reported or unreported medical liability at the end of each such quarter, and the amount of the claims payable reported on lines 3 through 6 of Report #1 – Part B: Liabilities and Net Worth, of the Quarterly Financial Report filed with the Department by HHPC and Arcadian for such calendar quarter.

The estimated range of unreported medical liability (incurred-but-not-reported claim liability) at the end of each such quarter shall be prepared by HHPC and Arcadian and by HHPC's and Arcadian's or Aetna's chief actuary, chief financial officer, or other appropriate financial officer, ensuring the unreported medical liability is in accordance with the actuarial standards of practice which generally require that the unreported medical liability estimates be adequate to cover obligations under moderately adverse conditions. With respect to HHPC's and Arcadian's year-end financial statements, such range shall be reviewed by HHPC's and Arcadian's independent public accounting firm as part of such firm's audit of HHPC's and Arcadian's year-end financial statements.

In the event that HHPC's and Arcadian's independent public accounting firm does not agree to provide the Department with such review with respect to HHPC's and Arcadian's year-end financial statements, then HHPC and Arcadian shall obtain, provide, and include as part of its required financial filings, an estimated range reviewed by an independent actuarial or accounting firm acceptable to the Department.

The Department will grant confidential treatment, to the extent permitted by law, to the information filed pursuant to this Undertaking 8 and will provide HHPC and Arcadian with appropriate prior notice of any judicial or other effort to compel the Department to disclose this confidential information in accordance with California Code of Regulations, title 28, section 1007.

Undertaking 8

After the effective date of the close of the Merger, and provided the Merger is consummated, if HHPC and Arcadian desire to amend, change, terminate or replace their tax sharing agreements, as previously filed with and approved by, the Department, HHPC and Arcadian will file any changes to those tax sharing agreements with the Department in a Notice of Material Modification in accordance with the requirements of the Act, and will not implement such changes until the Department has issued an Order of Approval for such changes.

Undertaking 9

HHPC and Arcadian shall promptly pay for the costs arising from activities of the Department, including any necessary out-of-state travel, incurred in the course of verifying and auditing compliance by HHPC and Arcadian with each of the undertakings set forth herein. Such activity will be conducted, at the Department's discretion, in addition to any of the surveys, audits, examinations, or inquiries required or permissible under the Act.

Undertaking 10

Aetna shall not use any form of push-down accounting methods that result in the transfer or allocation of any of Aetna's and Humana's goodwill, including goodwill related to this Merger, to HHPC, Arcadian, AHC, ADC and HHRC.

Undertaking 11

AHC agrees that controlling health care costs is of the utmost importance. This means AHC will commit to keeping HMO Small Group premium rate increases to a minimum. For a period of two years following the closing date of the Merger:

- (a) AHC and the Department will meet approximately 30 days prior to the submissions of each HMO Small Group quarterly rate filing to review the upcoming filing;
- (b) AHC will file HMO Small Group rates with the Department no later than 90 days in advance of the effective date. The rate filings will be held as confidential until the normal public release dates of similarly situated small group rate filers;
- (c) AHC will provide the Department with annual income statements specific to Small Group HMO for calendar years 2015 through 2018. Statements as of 2015 will be submitted with the first Small Group quarterly rate filing at least 90 days from the close of the Merger and statements for 2016 through 2018 will be filed by April 15th of the following year. With each quarterly rate filing submitted, AHC will include (1) a two year forecast of medical cost trend and profit margin; and (2) a two year historic summary of medical cost trend and profit margin;
- (d) In the event that a forecast varies more than 2% from the amount of the forecast 12 months previously, AHC will provide such additional information as may be requested by the

Department to explain the variance. Information provided may include but not be limited to data and models used in Aetna's trend development;

- (e) AHC shall use commercially reasonable best efforts to provide information requested by the Department to support its review of a filing within five business days;
- (f) In the event AHC implements a quarterly rate filing that has been found unreasonable or unjustified by the Department ("Rate Filing"), AHC will not file a rate increase for the quarterly rating period immediately following; and
- (g) The Department will grant confidential treatment, to the extent permitted by law, to the information filed pursuant to this Undertaking 11 and will provide AHC with appropriate prior notice of any judicial or other effort to compel the Department to disclose this confidential information in accordance with California Code of Regulations, title 28, section 1007.

Key Functions, Management and Books/Records Based in California

Undertaking 12

After the Merger, AHC, ADC, and HHRC will maintain the following functions in California consistent with their past practices prior to the Merger:

- (a) Clinical decision-making and California medical policy development, including a Medical Director and other persons responsible for, and having discretion with respect to health plan medical matters under the Act; and the clinical personnel responsible for California medical decision-making and California medical policy, including prescription drug formularies;
- (b) Prior authorization and referral functions;
- (c) Enrollee grievance and appeals systems;
- (d) Network management;
- (e) Provider services, including membership accounting and provider directories;
- (f) Clinical decision making in connection with the Independent Medical Review process;
- (g) Underwriting functions;
- (h) Provider Dispute Resolution Mechanism process;
- (i) Oversight of claims processing functions;
- (j) Key management personnel;

- (k) Oversight of accounting and finance personnel, and activities performed by such personnel; and
- (l) Key regulatory, legal, financial and compliance officers and other personnel performing state and federal compliance functions, including personnel knowledgeable with the Act and Rules as well as any other applicable law.

These aforementioned functions shall be conducted in conformity with California standards, including timeframes, as required by the Act. AHC, ADC and HHRC will maintain offices in California from which to perform these functions (recognizing that those operations are also performed at other locations).

After the Merger, Arcadian will maintain the following functions in California consistent with their practices in effect prior to the Merger, unless the Department otherwise grants prior approval in writing:

- (a) Chief Executive Officer located in California and serving as a member of the Arcadian Board of Directors;
- (b) Chief Financial Officer located in California; and
- (c) Medical Director located in California.

These aforementioned functions shall be conducted in conformity with federal Medicare laws and regulations and, to the extent not preempted, California laws and regulations, including timeframes, as required by the Act and the Rules.

Undertaking 13

HHPC and Arcadian agree that they shall not remove, or require, permit, or cause the removal of any of their books and records, as defined in the Act, from California before filing a Notice of Material Modification and receiving the written approval from the Department, in accordance with the Act. Further, notwithstanding any failure or omission on the part of HHPC or Arcadian to maintain such records in California, HHPC and Arcadian agree that they shall return to California, as may be required by the Department, within the timeframe specified by the Department, any such books and records that have been removed from California without the express written permission of the Department. This Undertaking 13 shall not restrict HHPC and Arcadian from maintaining books and records in an electronic format, as long as electronic books and records are contemporaneously available in California.

HHPC and Arcadian shall make all records available to the Department Director, or the Department Director's delegate, at any time to ensure compliance with the Act, Rules and these Undertakings.

Undertaking 14

In the event of any Change(s), as defined below, to an administrative services agreement (ASA) to which Arcadian and HHPC are a party with any Arcadian and HHPC affiliate, or through which Arcadian and HHPC receive any of the services substantively related to the functions specifically listed in Undertakings 12, Arcadian and HHPC will file notice of the Change(s) with the Department in a Notice of Material Modification or Amendment in accordance with the requirements of the Act, and not implement such Change(s) until after, if a Material Modification, the Department has issued an Order of Approval for such Change(s).

"Change" is defined for purposes of this Undertaking 14 to be an amendment, modification, termination, or replacement of an ASA, which involves any of the following:

- (a) The addition of new services or a change in the scope of services;
- (b) Change to reimbursement terms or method for reimbursement for services performed on behalf of Arcadian and HHPC;
- (c) Change to the location of books and records documenting performance of the services performed on behalf of Arcadian and HHPC pursuant to an ASA, resulting in removal of the ASA provider's books and records outside of California;
- (d) Change to the location of performance of any of the functions specifically listed in Undertakings 12A or 12B from California to another state or country, or from a state other than California to another state or country; or
- (e) Change to the legal identity of the entity performing functions on behalf of Arcadian and HHPC pursuant to an ASA, unless the entity is an affiliate of these companies.

Notwithstanding the above, this Undertaking 14 does not supersede the requirement that Arcadian and HHPC file a Notice of Material Modification when required by section 1352(b) of the Act, Rule 1300.52.4(d), or as otherwise required by the Act.

Undertaking 15

Aetna has acknowledged an understanding of the important and vigorous role AHC plays in the California commercial market. Accordingly:

- (a) AHC shall continue to make all commercially reasonable efforts in good faith to operate as an ongoing, economically viable and active competitor in the commercial market in California, including but not limited to the small and large group markets;
- (b) AHC shall take all reasonable steps in good faith to preserve and maintain the value and goodwill of AHC and their products in California, including continuing to strive to grow in the California health care market. As part of this commitment, AHC shall use commercially reasonable efforts to develop and offer product offerings that support the California growth

strategy. AHC shall refrain from deliberately disparaging any product offering in the marketing or sales of that product. This Undertaking 16 does not preclude AHC from employing growth strategies that emphasize certain geographic regions over others; and

- (c) AHC shall annually file a report to the Director via Undertaking Tracking, on the date and in the manner described in Undertaking 26, as to its plans for expansion or exit from any market segment or geographic area, including any action that is likely to result in a 50% or more decrease in covered lives in a market segment. AHC shall provide reasonable detail as to the nature and scope of any planned product offerings and a summary of actions they took in the previous year to expand in any market segment and the outcomes of such actions. Upon a Request for Confidentiality, the Department shall grant confidential treatment, to the extent permitted by law, to confidential and proprietary information submitted pursuant to this Undertaking and shall provide AHC with appropriate notice of any judicial or other effort to compel the Department to disclose confidential information, in accordance with Rule 1007.

Plan Performance

Undertaking 16

Among the major health plans in California, in 2015 AHC scored lowest on 7 out of 8 HEDIS measures related to hypertension, diabetes care and prevention of heart attacks and strokes. AHC agrees to improve its performance on HEDIS measures by increased focus on these conditions through the Aetna Quality Management, with a goal of reaching, at a minimum, the national 90th percentile performance by no later than the performance measurement period ending December 31, 2018 and reported in June 2019.

AHC is NCQA qualified and collects HEDIS data on all measures required by NCQA. HEDIS measures include antidepressant medication, breast cancer screening, cervical cancer screening, colon cancer screening, well-child visits including immunization schedule and diabetes: retinal eye exam, A1c screening, and Nephropathy.

AHC will take steps to identify and eliminate barriers to obtaining appropriate care, provide member education in plain language regarding the importance of needed care, provide physicians with resources to support optimal clinical outcomes, promote coordination across business areas, provide consistent and complimentary messaging where there are existing programs, and support new activities at the appropriate business level or integrate into the appropriate business area.

Measures selected for improvement will be prioritized based on current performance, NCQA accreditation scoring, regulatory reporting requirements, customer expectations and star rating status.

AHC shall report to the Department via Undertakings Tracking its action plans and progress on this Undertaking every six months with the first report due six months after the closing date of Merger, ending with the 2018 performance measure period. Within 60 days following the end of

the 2018 performance measure period, AHC shall file a final report with the Department which includes a summary of the actions taken and outcomes. In the event that AHC fails to achieve measured improvement toward a goal to reach the national 90th percentile performance rate within 60 days following the end of the 2018 performance period, AHC shall submit a written corrective action plan acceptable to the Department for improving outcomes for these patients by June 1, 2019.

Undertaking 17

AHC agrees to improve any star rating on the 2015-16 Office of the Patient Advocate Quality Report Card that is two stars or below with a goal of reaching a minimum of three stars (on a four star scale) or four stars (on a five star scale), including, but not limited to, Behavioral and Mental Health Care, Heart Care, Maternity Care, Asthma and Lung Disease Care, Diabetes Care, Checking for Cancer and Chlamydia Screening and Patient Experience scores, by no later than the performance measurement period ending December 31, 2018, with the measurement done in 2019. Specifically AHC will develop additional targeted interventions to address any conditions that do not achieved a three star or above rating. AHC will also take steps to make its data collection activities more robust.

AHC shall report to the Department its action plan and progress on this Undertaking every six months with the first report due six months after the closing date of the Merger via Undertakings tracking. Within 60 days following the issuance of the 2018 performance measurements, AHC shall file a final report with the Department which includes a summary of the actions taken and outcomes.

Undertaking 18

For a period of no less than three years following the closing date of the Merger, AHC agrees to participate in programs, in addition to already established programs, designed to educate high risk patients and their support teams regarding prevention of heart attacks, strokes and diabetes.

No later than 90 days following the closing date of the issuance of the Merger, AHC shall file via Undertakings Tracking, a plan with the Department specifying the programs identified above, including a description of the program and its methods and goals, for the Department to evaluate and approve prior to the plans initiating their participation.

Thereafter, AHC shall file via Undertakings Tracking an annual report describing the progress of these programs as part of the annual report described in Undertaking 26.

Undertaking 19

For a period of three years following the closing date of the issuance of the Merger and so long as an Aetna affiliated entity is seeking or administering a Medi-Cal contract, Aetna agrees to attend and actively and constructively participate in the Healthy San Diego Collaborative.

No later than 90 days following the closing date of the issuance of the Merger, AHC shall file via Undertakings Tracking, a plan with the Department specifying Aetna commitments to this program. Thereafter, AHC shall file via Undertakings Tracking, as part of the annual report described in Undertaking 26, a description of the progress of these programs for a period of time specified by the Department.

Undertaking 20

Within 90 days of issuance of the Order of Approval, AHC will correct the deficiencies listed in the most recent follow-up Medical Survey Report issued on August 11, 2015 and submit a response to the deficiencies which outlines its compliance efforts within the Undertakings tracking system. Specifically, AHC shall correct the deficiencies cited regarding its inadequate grievance information on its internet web site.

Undertaking 21

AHC, ADC, and HHRC agree that accurate, complete, and accessible provider directories reflecting adequate networks of contracted providers are essential to enrollees. AHC, ADC, and HHRC will publish and maintain printed and online provider directories in compliance with Section 1367.27 and will correct any deficiencies in provider network adequacy identified by the Department within applicable regulatory timelines.

Community Investment

Undertaking 22

Following the closing date of the Merger, and subject to preapproval by the Department Director, AHC and Aetna agree to make community investments as follows:

- (a) Contributions equaling \$6 million over three years to establish a grant program to support non-profit organizations that provide direct consumer assistance to seniors and persons with disabilities and Medi-Cal/Medicare dual eligible individuals enrolled in managed care health plans, including Medicare Advantage plans and Cal MediConnect plans. The non-profit organizations that seek grant funding shall develop and provide health literacy educational materials at a 6th grade reading level, designed to help seniors and persons with disabilities enrolled in managed health care plans understand their health care rights including but not limited to: their right to timely access to care, their right to file a grievance with their health plan, their right to receive a second opinion, and their right to request an independent medical review when health care services are delayed, denied or modified;
- (b) Contributions equaling \$3 million over three years to the California Dental Association Foundation to support community dental services for low-income and/or underserved communities through the CDA Cares program and to provide scholarships for training

dentists through the Pediatric Oral Health Access Program (POHAP). Scholarships will be targeted to dentists practicing in low income and/or underserved areas of California;

- (c) Spending equaling \$23 million over two years supporting the California health care industry in the economically distressed community of Fresno, California. To satisfy this commitment, within six (6) months following the closing date of the Merger, Aetna shall submit to the Department a detailed plan for build out of the Fresno Facility (the “Service Center”). The investments made under this section shall include investments in leasehold construction cost, operating costs, and cost of employee wages and benefits that will at a minimum be based on Aetna’s living wage of \$16 per hour and subsidization of health care benefits for employees whose household income is less than 300 percent of the federal poverty level;
- (d) Spending equaling \$1 million over three years in telehealth services to increase access to selected network provider sites in California. For new business renewals beginning by 2018, AHC will offer telehealth services that include telephonic and video consults for routine illnesses, such as respiratory infections and allergies, to all large groups unless a group declines to participate. Additionally AHC will offer telehealth services for behavioral health services and mental health services as available and appropriate for the patient’s health needs. The intent of this program is to improve access and reduce the number of visits to the emergency rooms and urgent care centers when a member’s primary care provider (“PCP”) is unavailable. AHC will promote the service, not as a replacement for the patient’s PCP, but rather as a 24/7 access program; and
- (e) Spending equaling \$16.5 million in California health care infrastructure (the “Infrastructure Investment”) to include:
 - (1) Minimum \$7.5 million Infrastructure Investment over three years designed to facilitate the business transformation necessary to support accountable care organizations and provider practices using data analytics to inform their analysis and clinical insight in the delivery of highly coordinated, quality care. The investment will include tools for the population health management, care coordination and patient engagement.
 - (2) Minimum \$9 million financial commitment over three years to participate in the Integrated Healthcare Association’s Pay for Performance program.
 - (3) Participation in the Integrated Healthcare Association’s program to standardize encounter data submissions across all lines of business and a statewide standardized Provider Directory Project approved by the Department Director.

Miscellaneous

Undertaking 23

HHPC, Arcadian, AHC, ADC and HHRC agree to cooperate fully, in compliance with the Act and Rules to the reasonable satisfaction of the Department, with any and all requests for information from the Department and its contractors, including but not limited to requests for information generated by the Department's Help Center, Office of Plan Licensing, Office of Financial Review, Office of Plan Monitoring and Office of Enforcement. This includes, but is not limited to, compliance with requests for health plan information and financial information.

Undertaking 24

Notwithstanding the above, these Undertakings do not supersede a requirement for HHPC, Arcadian, AHC, ADC and HHRC to file a Notice of Material Modification in accordance with the standards set forth in Section 1352 of the Act and Rule 1300.52.4 and the receipt of the Department's Order of Approval of the Notice

Undertaking 25

In addition the Undertakings executed above, HHPC, Arcadian, AHC, ADC and HHRC reassert and reaffirm each and every Undertaking in existence prior to execution of this document, and agree to abide by and confirm to each and every prohibition and condition.

Undertaking 26

For a period of three years after the closing date of the Merger, AHC shall annually file, via Undertakings tracking, a report outlining the status of each Undertaking. This report will be prepared in a format deemed acceptable by the Department and shall be submitted within sixty (60) days following the end of each calendar year beginning with the 2016 calendar year and ending with the 2018 calendar year.

General Terms and Conditions

The Undertakings set forth herein shall be enforceable to the fullest extent of the authority and power of the Director of the Department under the provisions of the Act, including all civil, criminal, and administrative remedies (such as Cease and Desist Orders, freezing enrollment, and assessment of fines and penalties). The Undertakings shall act as an Order of the Director. Aetna, Humana, Merger Sub I, Merger Sub 2, HHPC, Arcadian, AHC, ADC and HHRC acknowledge that the Act's enforcement remedies are not exclusive, and may be sought and employed in any combination deemed advisable by the Department to enforce these Undertakings.

The Undertakings set forth herein shall be subject to the following terms and conditions:

- (a) **Binding Effect.** The Undertakings set forth herein shall be binding on the Plan and its respective successors and permitted assigns. If Aetna, Humana, Merger Sub I, Merger Sub 2, HHPC, Arcadian, AHC, ADC and HHRC fail to fulfill its obligations to the Department as provided under the Undertakings set forth herein, Aetna, Humana, Merger Sub I, Merger Sub 2, HHPC, Arcadian, AHC, ADC and HHRC stipulate and agree that the Department shall have the authority to enforce the provisions of these Undertakings in a California court of competent jurisdiction or an Administrative Hearing.
- (b) **Governing Law.** The Undertakings set forth herein and their validity, enforcement, and interpretation, shall for all purposes be governed by and construed in accordance with the laws of the State of California.
- (c) **Venue.** The proper venue of any dispute arising from the Undertakings set forth herein shall be Sacramento, California.
- (d) **Invalidity.** In the event that any Undertakings or any portion of any Undertaking set forth herein shall be declared invalid or unenforceable for any reason by a court of competent jurisdiction, the validity or enforceability of any other Undertakings or any portion of any Undertaking shall not affect the validity or enforceability of any other Undertakings, and such other Undertakings shall remain in full force and effect and shall be enforceable to the maximum extent permitted by applicable law.
- (e) **Duration.** The Undertakings set forth herein shall become effective upon the closing date of the Merger, and except as to those provisions of the Undertakings that contain separate termination provisions, shall remain in full force and effect for three years, ending on the anniversary of the closing date of the Merger, unless terminated sooner by Aetna, Humana, Merger Sub I, Merger Sub 2, HHPC, Arcadian, AHC, ADC and HHRC with the written consent of the Department.
- (f) **Third Party Rights.** Nothing in the Undertakings set forth herein is intended to provide any person other than Aetna, Humana, Merger Sub I, Merger Sub 2, HHPC, Arcadian, AHC, ADC and HHRC and the Department, and their respective successors and permitted assigns, with any legal or equitable right or remedy with respect to any provision of any Undertaking set forth herein.
- (g) **Amendment.** The Undertakings set forth herein may be amended only by written agreement executed by Aetna, Humana, Merger Sub I, Merger Sub 2, HHPC, Arcadian, AHC, ADC and HHRC and the Department.
- (h) **Assignment.** No Undertaking set forth herein may be assigned by Aetna, Humana, Merger Sub I, Merger Sub 2, HHPC, Arcadian, AHC, ADC or HHRC, in whole or in part, without the prior written consent of the Department.
- (i) **Specific Performance.** In the event of any breach of these Undertakings, Aetna, Humana, Merger Sub I, Merger Sub 2, HHPC, Arcadian, AHC, ADC and HHRC acknowledge that the State of California would be irreparably harmed and could not be made whole by

monetary damages. It is accordingly agreed that Aetna, Humana, Merger Sub I, Merger Sub 2, HHPC, Arcadian, AHC, ADC and HHRC shall waive the defense in any action brought by the Department for specific performance that a remedy at law would be adequate, and the Department should be entitled to seek an injunction or injunctions to prevent breaches of the provisions of these Undertakings and to seek to specifically enforce the terms and provisions stated herein. The Department's right to seek an injunction does not supersede the remedies available to the Director described in subsection (a) of this Undertaking.

Aetna Inc.

Signature: Karen S. Lynch

Date: June 17, 2016

Print Name: Karen S. Lynch

Print Title: President

Aetna Health of California, Inc.

Signature: _____

Date: _____

Print Name: _____

Print Title: _____

Aetna Dental of California Inc.

Signature: _____

Date: _____

Print Name: _____

Print Title: _____

- (j) monetary damages. It is accordingly agreed that Aetna, Humana, Merger Sub I, Merger Sub 2, HHPC, Arcadian, AHC, ADC and HHRC shall waive the defense in any action brought by the Department for specific performance that a remedy at law would be adequate, and the Department should be entitled to seek an injunction or injunctions to prevent breaches of the provisions of these Undertakings and to seek to specifically enforce the terms and provisions stated herein. The Department's right to seek an injunction does not supersede the remedies available to the Director described in subsection (a) of this Undertaking.

Aetna Inc.

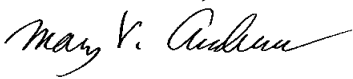
Signature: _____

Date: _____

Print Name: _____

Print Title: _____

Aetna Health of California, Inc.

Signature: 

Date: June 17, 2016

Print Name: Mary V. Anderson

Print Title: Assistant Secretary and Regional General Counsel, West Region

Aetna Dental of California Inc.

Signature: 

Date: June 17, 2016

Print Name: Mary V. Anderson

Print Title: Assistant Secretary and Regional General Counsel, West Region

Health and Human Resource Center, Inc.

Signature: Mary V. Anderson

Date: June 17, 2016

Print Name: Mary V. Anderson

Print Title: Assistant Secretary and Regional General Counsel, West Region

Humana, Inc.

Signature: _____

Date: _____

Print Name: _____

Print Title: _____

Humana Health Plan of California, Inc.

Signature: _____

Date: _____

Print Name: _____

Print Title: _____

Arcadian Health Plan, Inc.

Signature: _____

Date: _____

Print Name: _____

Print Title: _____

Health and Human Resource Center, Inc.

Signature: _____

Date: _____

Print Name: _____

Print Title: _____

Humana Inc.

Signature: Heidi S. Margulis

Date: 6.17.2016

Print Name: HEIDI S. MARGULIS

Print Title: SR. VICE PRESIDENT - CORPORATE AFFAIRS

Humana Health Plan of California, Inc.

Signature: Heidi S. Margulis

Date: 6.17.2016

Print Name: HEIDI S. MARGULIS

Print Title: SR. VICE PRESIDENT - CORPORATE AFFAIRS

Arcadian Health Plan, Inc.

Signature: Heidi S. Margulis

Date: 6.17.2016

Print Name: HEIDI S. MARGULIS

Print Title: SR. VICE PRESIDENT - CORPORATE AFFAIRS