EXHIBIT A

Revised Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
	:	
	:	Case No. 20-10290 (LSS)
VALERITAS HOLDINGS, INC., *et al.*,[1]	:	
	:	(Jointly Administered)
Debtors.	:	
	:	**Re: D.I. 42 and 193**
	:	

ORDER GRANTING MOTION OF THE DEBTORS TO APPROVE AMENDED SETTLEMENT AGREEMENT AMONG THE DEBTORS, CRG SERVICING LLC AS AGENT FOR THE PREPETITION LENDERS, THE PREPETITION LENDERS, AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS

Upon the *Motion of the Debtors to Approve Settlement Agreement Among the Debtors, CRG Servicing LLC as Agent for the Prepetition Lenders and the Prepetition Lenders* [D.I. 42] (the "Motion") (as supplemented by the *Supplement to the Motion of the Debtors to Approve Amended Settlement Agreement Among the Debtors, CRG Servicing LLC, as Control Agent for the Prepetition Lenders, and the Prepetition Lenders* (the "Supplement"),[2] filed by the above-captioned debtors and debtors in possession (collectively, the "Debtors"); and the Court having reviewed the Motion and the Supplement and any objections thereto; and the Court having found that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012, (ii) venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409, (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b), (iv) service and notice

[1] The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number, are: Valeritas Holdings, Inc. (8907); Valeritas, Inc. (1056); Valeritas Security Corporation (9654); Valeritas US, LLC (0007). The corporate headquarters and the mailing address for the debtors is 750 Route 202 South, Suite 600, Bridgewater, New Jersey 08807.

[2] Capitalized terms not otherwise defined herein shall have the meaning given to them in the Supplement.

of the Motion and the Supplement was sufficient under the circumstances, and (v) good and sufficient cause having been shown; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion, as supplemented by the Supplement, is GRANTED, as set forth herein.

2. The Amended Settlement Agreement is APPROVED.

3. The Debtors are authorized and empowered to take any and all actions they deem necessary to implement the terms of the Amended Settlement Agreement and this Order.

4. Following entry of this Order, notwithstanding anything in the Motion, the Supplement or the Amended Settlement Agreement, the Debtors shall not pursue a dismissal, wind-down or other exit from chapter 11 other than through a chapter 11 plan or conversion of the cases to chapter 7, as appropriate.

5. This Court shall retain jurisdiction over any and all matters arising from the interpretation or implementation of the Amended Settlement Agreement and this Order.

6. This Order shall be immediately effective and enforceable upon its entry.

AMENDED SETTLEMENT AGREEMENT

This AMENDED SETTLEMENTAGREEMENT (this "Amended Settlement Agreement") is made as of March 6, 2020 by and among VALERITAS, INC., a Delaware corporation (the "Borrower"), VALERITAS HOLDINGS, INC., a Delaware limited liability company ("Parent"), as a Guarantor (as such term is defined in the Credit Agreement), VALERITAS SECURITY CORPORATION, a Delaware corporation, as Guarantor (collectively with Parent, Borrower and each of the other Guarantors party thereto, the "Company"), CRG SERVICING LLC, a Delaware limited liability corporation, as agent for the Lenders (the "Control Agent"), the undersigned Lenders (collectively with the Control Agent, the "Prepetition Lenders"), and the Official Committee of Unsecured Creditors appointed in the Company's chapter 11 case (the "Committee").

RECITALS

WHEREAS, the Company and the Control Agent and the other Lenders signatory thereto have entered into that certain Second Amended and Restated Term Loan Agreement dated as of May 3, 2016 (as amended from time to time, the "Credit Agreement"). All capitalized terms used herein and not otherwise defined shall have the meaning assigned to such terms in the Credit Agreement; and

WHEREAS, on February 9, 2020 (the "Petition Date"), the Company filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), under jointly administered Case No.20-10290 et al. (the "Chapter 11 Cases"); and

WHEREAS, prior to the Petition Date, the Prepetition Lenders alleged that certain Events of Default identified on Exhibit A hereto have occurred and were continuing (collectively, the "Designated Defaults"); and

WHEREAS, the Company disputed the occurrence and continuation of the Designated Defaults; and

WHEREAS, the Prepetition Lenders also have alleged that they possess certain claims and causes of action against the Company related to a transaction (the "Conversion Transaction") that, among other things, converted $25 million of then existing secured debt to Series B Convertible Preferred Stock of the Company, as evidenced by the Series B Stock Purchase Agreement dated September 30, 2019; and

WHEREAS, the Company disputes that the Prepetition Lenders have any colorable claims or causes of action related to the Conversion Transaction; and

WHEREAS, the Company has informed the Prepetition Lenders that it has reached an agreement in principle to sell substantially all of its business to Zealand Pharma A/S ("Zealand"), a Denmark-based biotechnology company that plans to retain the Company's workforce and continue the Company's operations as a going concern for a cash purchase price of $23,000,000 plus additional consideration (the "Stalking Horse Bid") pursuant to a proposed Asset Purchase Agreement between the Company and Zealand (the "Stalking Horse APA") and that this sale represents, to the best of the Company's knowledge, at this time, the best means of maximizing the value of the Company and its assets under the current circumstances; and

WHEREAS, the Company intends to effectuate this sale by conducting a sale process under section 363 of the Bankruptcy Code, pursuant to which Zealand would serve as the "stalking horse" bidder (the "Stalking Horse Bidder"); and

WHEREAS, the Company seeks to use the Prepetition Lenders' Cash Collateral during the Chapter 11 Cases, as well as to supplement the Company's existing cash with liquidity afforded by entering into a Senior Secured Superpriority Debtor-in-Possession Credit Facility (the "DIP Facility") with HB Fund LLC (the "DIP Lender"); and

WHEREAS, the Prepetition Lenders have informed the Company that they will not consent and would object to the Company's proposed use of Cash Collateral and entry into the DIP Facility; and

WHEREAS, the DIP Lender will not provide funding under the DIP Facility unless the Prepetition Lenders consent to the priming DIP Facility and the Company's use of Cash Collateral during the Chapter 11 Cases; and

WHEREAS, prior to the Petition Date, pursuant to a Settlement Agreement, dated as of February 9, 2020 (the "Original Settlement Agreement"), the Company and the Prepetition Lenders settled, subject to Bankruptcy Court approval, their disputes and issues in good faith and on an arm's-length basis; and

WHEREAS, on February 11, 2020, the Company filed a *Motion of the Debtors to Approve Settlement Agreement Among the Debtors, CRG Servicing LLC, as Control Agent for the Prepetition Lenders, and the Prepetition Lenders* [D.I. 42] (the "CRG Settlement Motion") seeking approval of the Original Settlement Agreement; and

WHEREAS, on February 21, 2020, pursuant to section 1102(a)(1) of the Bankruptcy Code, the United States Trustee appointed the Committee in these Chapter 11 Cases; and

WHEREAS, the Committee informed the Company that it would object to the CRG Settlement Motion based on certain issues and disputes it had with the terms of the Original Settlement Agreement, including, without limitation, the sharing provisions contained therein; and

WHEREAS, at a hearing held before the Bankruptcy Court on March 6, 2020, the Company represented on the record that the Stalking Horse Bidder had consented to exclude certain causes of actions (the "Retained Actions") from the assets it has offered to purchase under the Stalking Horse Asset Purchase Agreement; and

WHEREAS, the Company, the Prepetition Lenders and the Committee have determined, in good faith and on an arm's-length basis, to settle their disputes and issues related to the Original Settlement Agreement on the terms set forth in this Amended Settlement Agreement (which terms reflect and now supersede the Term Sheet, dated as of March 6, 2020, executed by the Company, the Prepetition Lenders and the Committee (the "Committee Term Sheet"));

NOW, THEREFORE, IN CONSIDERATION OF THE RECITALS STATED ABOVE AND FOR THE AGREEMENTS AND PROMISES SET FORTH BELOW AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, IT IS HEREBY STIPULATED, CONSENTED TO AND AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

1. **Allowed Claims**. The Prepetition Lenders shall have (A) an allowed secured claim against each of the Credit Parties in an aggregate principal amount equal to $20,000,000 (representing the

outstanding principal amount of the Obligations as of December 31, 2019, exclusive of the Back-End Facility Fee, plus a portion on account of the settlement of any claims and causes of action related to the Conversion Transaction) plus accruing post-petition PIK interest and accrued and unpaid expenses as of the Petition Date (the "CRG Secured Claim"); and (B) an allowed general unsecured claim against each of the Credit Parties in an amount equal to $18,825,000 (representing the settlement of any claims and causes of action related to the Conversion Transaction) (the "CRG Unsecured Claim" and, together with the CRG Secured Claim, the "Allowed Claims"), which claim shall be classified with all other general unsecured claims in any chapter 11 plan of reorganization or liquidation.

2. **Interim DIP Facility**. Upon execution of the Original Settlement Agreement, and subject to entry of an Interim DIP Order that includes a DIP credit agreement or DIP term sheet executed by the DIP Lender, all of which is reasonably satisfactory to the Prepetition Lenders, the Prepetition Lenders hereby consent to the DIP Facility on an interim basis. The Interim DIP Facility shall be (A) in an amount no greater than $5,500,000, (B) subject to an approved budget to which the Prepetition Lenders have consented (such consent not to be unreasonably withheld, and any modification of which shall be subject to the consent of the Prepetition Lenders, not to be unreasonably withheld), and (C) approved by order of the Bankruptcy Court on or before February 14, 2020. Following the parties' execution of this Agreement and subject to section 6 of this Agreement, the Prepetition Lenders shall release and withdraw their existing Deposit Account Control Agreements (DACAs) with Silicon Valley Bank.

3. **Interim Cash Collateral Order**. Upon execution of the Original Settlement Agreement, and subject to entry of an Interim Cash Collateral Order that is reasonably satisfactory to the Prepetition Lenders, including an approved budget to which the Prepetition Lenders have consented (such consent not to be unreasonably withheld, and any modification of which shall be subject to the consent of the Prepetition Lenders, not to be unreasonably withheld), the Prepetition Lenders hereby consent to the use of the Prepetition Lenders' Cash Collateral on an interim basis. The Interim Cash Collateral Order shall have been entered by the Bankruptcy Court not later than February 14, 2020.

4. **Final DIP/Cash Collateral Orders/Bidding Procedures/9019 Orders**.

(a) Upon entry of (i) a Final DIP Order (including any definitive documentation executed or to be executed in connection therewith) reasonably satisfactory to the Prepetition Lenders on or before April 3, 2020 approving a final DIP Facility in an aggregate amount (together with the Interim DIP Facility) not greater than $17,000,000, (ii) a Final Cash Collateral Order reasonably satisfactory to the Prepetition Lenders, and (iii) a bid procedures order reasonably satisfactory to the Prepetition Lenders that, among other things, approves Zealand as the Stalking Horse Bidder and grants consultation rights to the Prepetition Lenders, on or before April 3, 2020, the Prepetition Lenders hereby consent to the DIP Facility on a final basis and the use of the Prepetition Lenders' Cash Collateral on a final basis.

(b) [RESERVED]

(c) Neither the Company, the Prepetition Lenders nor the Committee shall object to, cause any third party to object to, or take any other action inconsistent with, entry of an order approving this Amended Settlement Agreement pursuant to Federal Bankruptcy Rule 9019 (the "9019 Order").

5. **Adequate Protection**. As adequate protection for the use of the Prepetition Lenders' Cash Collateral and for their consent to being primed by the DIP Facility, (i) the Company shall pay (A) monthly interest on the outstanding principal amount of the Loans, calculated at the Post-Default Rate, by adding such monthly interest amount to the aggregate principal amount of the Loans (i.e., the CRG Secured Claim) on the last day of each month (a "PIK Loan"), the principal amount of each of which PIK Loan shall accrue

interest at the Post-Default Rate, and (B) reasonable and documented (by summary description) costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by the Control Agent and/or the Lenders on a monthly basis for participation in the Chapter 11 Cases and/or in connection with the Credit Agreement or the Obligations up to the amount in the Approved Budget (as defined in the DIP Facility); (ii) the Prepetition Lenders shall have a superpriority administrative expense claim, junior only to DIP Claims, payable out of the Revised Administrative Escrow (as hereinafter defined), for an additional $200,000 of expenses they incur (including attorneys' fees) in excess of the $250,000 budgeted amount; and (iii) the Credit Parties shall grant replacement liens, subordinate only to the DIP Facility loans, to the Prepetition Lenders on all DIP Facility collateral. The Prepetition Lenders shall not assert any other superpriority administrative expense arising out of the diminution in the value of their collateral.

6. **9019 Motion**. No later than March 16, 2020, the Company shall have filed a motion supplementing the CRG Settlement Motion seeking approval of this Amended Settlement Agreement pursuant to Federal Bankruptcy Rule 9019 (the "9019 Supplemental Motion"). Failure to timely file the 9019 Supplemental Motion in accordance with this provision shall cause the Prepetition Lenders' consent to the provisions of the Committee Term Sheet to be deemed terminated. Upon the 9019 Order becoming a final order, the Prepetition Lenders shall be deemed to have waived the Back-End Facility Fee, and the Series B Convertible Preferred Stock issued to the Lenders on September 30, 2019 as part of the Conversion Transaction shall be cancelled.

7. **Sale Process**. The Prepetition Lenders shall have consultation rights with respect to any bidding procedures and sale (the "Sale") approved by the Bankruptcy Court, provided that the Company shall not accept any bids that contemplate non-cash consideration as part of the purchase price (other than assumption of liabilities and/or cure costs) without the consent of the Prepetition Lenders (which consent shall not be unreasonably withheld), and the Company shall deliver to the Prepetition Lenders, promptly upon receipt by the Company thereof, all draft term sheets and other documentation in connection with such bid procedures and/or sale transaction, in exchange for which the Prepetition Lenders shall waive their credit bidding rights under the Loan Documents. The order approving the Sale (the "Sale Order") shall be reasonably acceptable to the Prepetition Lenders.

8. **Use of Sale Proceeds/Reserves**. (a) Upon and at the closing of a Sale transaction, if, after payment in full of the DIP Facility, any transaction fee allowed by order of the Bankruptcy Court owed to the Company's investment banker, Lincoln International (the "Transaction Fee"), allowed cure costs in excess of $1,500,000 and accrued payroll, and after funding of the Revised Administrative Escrow (as defined below), the remaining proceeds of the Sale ("Net Sale Proceeds") are (i) equal to or greater than $6,000,000, then eighty-five (85%) percent of such Net Sale Proceeds shall be paid to the Prepetition Lenders on account of the CRG Secured Claim by wire transfer of immediately available funds and the remaining fifteen (15%) percent of such Net Sale Proceeds shall be placed in escrow with the Company, subject to the Prepetition Lenders' continuing liens and security interests, for the benefit of holders of allowed unsecured claims under a plan (or alternative wind down process approved by the Company, the Prepetition Lenders and the Committee) (the "Plan Escrow"), *provided that* any plan includes the Proposed Plan Terms (as defined below) as such Proposed Plan Terms may be modified by the Bankruptcy Court or (ii) less than $6,000,000, then ninety (90%) percent of such Net Sale Proceeds shall be paid to the Prepetition Lenders on account of the CRG Secured Claim by wire transfer of immediately available funds and the remaining ten (10%) percent of such Net Sale Proceeds shall be placed in the Plan Escrow (collectively, the "Amended Sale Proceeds Treatment"). Nothing in this section 8(a) shall affect funding and use of the Professional Reserves (as defined below).

(b) [RESERVED]

(c) The term "Revised Administrative Escrow" shall mean an escrow, in the currently estimated aggregate amount of $4,586,000, to be funded by gross Sale proceeds after payment in full of the DIP Obligations (as defined in the Final DIP Order), the Transaction Fee, allowed cure costs in excess of $1,500,000 and accrued payroll, and to be allocated for the payment of the following: (i) up to $2,200,000 for incurred but unpaid post-petition administrative expenses, (ii) $950,000 for wind down costs, (iii) remaining KEIP/KERP payments consistent with the Bankruptcy Court order approving such programs, currently anticipated to be $436,000, (iv) allowed administrative claims (including section 503(b)(9) claims) in the amount of $500,000, and (v) $500,000 to be allocated as the Committee and the Prepetition Lenders agree, which Revised Administrative Escrow remains subject to the Prepetition Lenders' continuing liens and security interests. The Revised Administrative Escrow shall be deemed separate from the Professional Reserves (as defined below).

(d) The term "Proposed Plan Terms" means the following:

(i) Upon the effective date of a plan or alternative wind down process approved by the Company, the Prepetition Lenders and the Committee, the Prepetition Lenders' lien on, and security interests in, the Plan Escrow, Professional Reserves and the Revised Administrative Escrow shall be released;

(ii) The plan or order approving an alternative wind down process shall provide for the establishment of a creditors' trust or process for prosecuting any Retained Action (the "Creditors' Trust") to be managed by a person or persons selected by the Committee;

(iii) The Committee shall have the right to determine the structure and governance of the Creditors' Trust (e.g., the trustee and any potential oversight board);

(iv) Of the $950,000 wind down reserve contained in the Revised Administrative Escrow, $150,000 shall be set aside to fund the Creditors' Trust and the remaining $800,000 shall be subject to a budget for the purpose of confirming a plan (or winding down the Company's estates after the closing of the Sale pursuant to an alternative process approved by the Company, the Prepetition Lenders and the Committee) which shall be shared with the Committee prior to the finalization of such budget;

(v) The Prepetition Lenders shall subordinate their right to any distributions on account of its claims from the Creditors' Trust (with respect to recoveries from causes of action) and the Plan Escrow until holders of allowed general unsecured claims other than the CRG Unsecured Claim have received distributions from the Creditors' Trust and the Plan Escrow equal to 75% of their allowed general unsecured claims. Thereafter, (A) the Prepetition Lenders shall be entitled to receive the next $2,000,000 of distributions from the Creditors' Trust with respect to recoveries of causes of action on account of the unpaid portion of the CRG Secured Claim and (B) any balance of distributions from the Creditors' Trust with respect to recoveries of causes of action shall be shared pro rata among all holders of allowed general unsecured claims, including the Prepetition Lenders on account of the CRG Unsecured Claim; and

(vi) The plan shall include a standard release by the Debtors and the Committee of any claims or causes of action they may have against the Prepetition Lenders or any director, whether former or current, of the Company that was nominated by the Prepetition Lenders substantially similar to the release contained in Section 10(a) hereof.

(e) The term "Professional Reserves" means cash held by the company in escrow pursuant to the Final DIP Order and Final Cash Collateral Order for the purpose of paying court approved professional fees, all of which Professional Reserves remain subject to the Prepetition Lenders' continuing liens and security interests and the carve-out provisions contained in the Interim and Final Cash Collateral Orders.

(f) Any portion of the Revised Administrative Escrow not required for the payment of the expenses set forth in subsection (c) of this Section 8 or of the Professional Reserves not required for the payment of the expenses set forth in subsection (e) of this Section 8 shall be shared equally between the Prepetition Lenders, on account of the remaining balance of the CRG Secured Claim, and the Plan Escrow for the benefit of holders of allowed general unsecured claims (other than the Prepetition Lenders on account of the CRG Unsecured Claim).

9. **Conditions**.

(a) The Prepetition Lenders consented to the Company's use of Cash Collateral and entry into the DIP Facility on an interim basis on the terms and conditions set forth in sections 2, 3, 5, 6 and 7 hereof.

(b) Except as provided in sections 9(a) and 9(d) of this Amended Settlement Agreement, the effectiveness of this Amended Settlement Agreement is conditioned, as applicable, on the occurrence of the following:

(i) The entry of an Interim DIP Order reasonably satisfactory to the Prepetition Lenders on or before February 14, 2020;

(ii) The entry of an Interim Cash Collateral Order reasonably satisfactory to the Prepetition Lenders on or before February 14, 2020 that includes, among other things, (i) standard Company stipulations regarding outstanding amounts due under the Credit Agreement, the validity and perfection of the Prepetition Lenders' liens and security interests, (ii) Section 506(c) and 552(b) waivers (effective as of entry of a final order), and (iii) no marshalling provisions (effective as of entry of a final order);

(iii) The entry of a bidding procedures order reasonably satisfactory to the Prepetition Lenders on or before March 6, 2020, which order approves the Stalking Horse APA and grants consultation right in the bidding process to the Prepetition Lenders and consent rights for any bids that contemplate non-cash consideration (other than assumption of liabilities and/or cure costs) as part of the purchase price (which consent shall not be unreasonably withheld);

(iv) The entry of a Final DIP Order reasonably satisfactory to the Prepetition Lenders on or before April 3, 2020;

(v) [Reserved];

(vi) The entry of the 9019 Order reasonably satisfactory to the Prepetition Lenders, that has not been stayed, on or before March 24, 2020; and

(vii) The Prepetition Lenders have received reimbursement in full of all invoiced prepetition costs and expenses incurred by them in connection with the Credit Agreement or in responding to the Company's requests in contemplation of its Chapter 11 Cases (the "Lenders' Costs").

(c) [RESERVED]

(d) The agreement of each of the Debtors, the Committee and the Prepetition Lenders to the relief and rights contained and granted in this Amended Settlement Agreement is subject to entry of the 9019 Order; *provided, however*, that the enforceability and effectiveness of the Original Settlement Agreement as between the Debtors and the Prepetition Lenders is not subject to, and does not depend upon,

entry of the 9019 Order. For the avoidance of doubt, the Original Settlement Agreement remains in effect as between the Debtors and the Prepetition Lenders until entry of the 9019 Order, at which time it shall be superseded by this Amended Settlement Agreement.

10. **Releases**.

(a) Subject to entry of the 9019 Order, and in exchange for the consideration provided hereunder, each Credit Party, its Affiliates, and the Committee hereby absolutely and unconditionally releases and forever discharges the Control Agent and each other Prepetition Lender, and any and all participants, parent corporations, subsidiary corporations, affiliated corporations, insurers, indemnitors, successors and assigns thereof, together with all of the present and former directors, officers, agents, attorneys, consultants, representatives and employees of any of the foregoing, including any individual that has previously served as director of Parent at the nomination or request of the Prepetition Lenders (each, a "Lender Released Party"), from any and all claims, demands, defenses or causes of action of any kind, nature or description relating to or arising out of or in connection with or as a result of any of the Obligations, the Credit Agreement, any other Loan Documents, the Conversion Transaction, any agreement related to any of the foregoing or any equity security, whether arising in law or equity or upon contract or tort or under any state or federal law or otherwise, which any Credit Party or the Committee has had, now has or has made claim to have against any such person for or by reason of any act, omission, matter, cause or thing whatsoever arising from the beginning of time to and including the date of this Amended Settlement Agreement, whether such claims, demands, defenses, and causes of action are matured or unmatured, known or unknown, contingent, liquidated, or otherwise, other than the Prepetition Lenders' obligations set forth in this Amended Settlement Agreement. It is the intention of each Credit Party and each of its Affiliates, and the Committee in providing this release that the same shall be effective as a bar to each and every claim, demand and cause of action specified. Each Credit Party and its Affiliates and the Committee acknowledges that it may subsequently discover facts different from or in addition to those now known or believed to be true with respect to such claims, demands, defenses, or causes of action and agree that this instrument shall be and remain effective in all respects notwithstanding any such differences or additional facts. Each Credit Party and its Affiliates and the Committee understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release. Each Credit Party and its Affiliates and the Committee, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably, covenants and agrees with and in favor of each Lender Released Party above that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Lender Released Party on the basis of any claim released, remised and discharged by any Credit Party or the Committee pursuant to the above release.

(b) Subject to entry of the 9019 Order, and in exchange for the consideration provided hereunder, the Control Agent and each other Prepetition Lender and each of their Affiliates (collectively, the "Lender Releasors") and the Committee, hereby absolutely and unconditionally releases and forever discharges the Company, and any and all participants, parent corporations, subsidiary corporations, affiliated corporations, insurers, indemnitors, successors and assigns thereof, together with all of the present and former directors, officers, agents, attorneys, consultants, representatives and employees of any of the foregoing (each, a "Company Released Party" and collectively, "Company Released Parties"), from any and all claims, demands, defenses or causes of action of any kind, nature or description relating to or arising out of or in connection with or as a result of any of the Obligations, the Credit Agreement, any other Loan Documents, the Conversion Transaction, any agreement related to any of the foregoing or any equity security, whether arising in law or equity or upon contract or tort or under any state or federal law or otherwise, which the Committee or any Lender Releasor has had, now has or has made claim to have against any such person for or by reason of any act, omission, matter, cause or thing whatsoever arising from the

beginning of time to and including the date of this Amended Settlement Agreement, whether such claims, demands, defenses, and causes of action are matured or unmatured, known or unknown, contingent, liquidated, or otherwise, other than (i) the Allowed Claims and the Company's obligations set forth in this Amended Settlement Agreement and (ii) the Retained Actions. It is the intention of each of the Lender Releasors and the Committee in providing this release that the same shall be effective as a bar to each and every claim, demand and cause of action specified. Each of the Lender Releasors and the Committee acknowledges that it may subsequently discover facts different from or in addition to those now known or believed to be true with respect to such claims, demands, defenses, or causes of action and agree that this instrument shall be and remain effective in all respects notwithstanding any such differences or additional facts. Each of the Lender Releasors and the Committee understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release. Each of the Lender Releasors and the Committee, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably, covenants and agrees with and in favor of each Company Released Party above that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Company Released Party on the basis of any claim released, remised and discharged by the Lender Releasors and the Committee pursuant to the above release. Notwithstanding anything to the contrary in the foregoing, and in accordance with the amended Stalking Horse APA, the releases of the Company Released Parties by the Committee hereunder apply only to the "Purchased Avoidance Claims" as such term is defined in section 1.1.(y) of the amended Stalking Horse APA. In no event do such releases extend to the Retained Actions against the Company Released Parties including (i) any causes of action that are not Purchased Avoidance Claims, and (ii) Purchase Avoidance Claims to the extent of available insurance coverage. The Retained Actions are expressly preserved for the benefit of the Debtors' estates and not released hereunder.

(c) Subject to entry of the 9019 Order, and in exchange for the consideration provided hereunder, Lender Releasors and each Credit Party and its Affiliates hereby absolutely and unconditionally releases and forever discharges the Committee, together with all of the present and former agents, attorneys, consultants and representatives (each, a "Committee Released Party"), from any and all claims, demands, defenses or causes of action of any kind, nature or description relating to or arising out of or in connection with or as a result of any action or inaction by the Committee which any Lender Releasor or Credit Party and/or its Affiliates has had, now has or has made claim to have against any such person for or by reason of any act, omission, matter, cause or thing whatsoever arising from the beginning of time to and including the date of this Amended Settlement Agreement, whether such claims, demands, defenses, and causes of action are matured or unmatured, known or unknown, contingent, liquidated, or otherwise, other than the Committee's obligations set forth in this Amended Settlement Agreement. It is the intention of each of the Lender Releasors and each of the Credit Parties and their Affiliates in providing this release that the same shall be effective as a bar to each and every claim, demand and cause of action specified. Each of the Lender Releasors and each of the Credit Parties and their Affiliates acknowledges that it may subsequently discover facts different from or in addition to those now known or believed to be true with respect to such claims, demands, defenses, or causes of action and agree that this instrument shall be and remain effective in all respects notwithstanding any such differences or additional facts. Each of the Lender Releasors and each of the Credit Parties and its Affiliates understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release. Each of the Lender Releasors and each of the Credit Parties and its Affiliates on behalf of themselves and their successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably, covenants and agrees with and in favor of each Committee Released Party above that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Committee Released Party on the basis of any claim released, remised and discharged by the Lender Releasors and each of the Credit Parties and its Affiliates pursuant to the above release.

11. Deliverables. The Credit Parties shall provide to the Control Agent:

(a) weekly, on the same schedule and as set forth in the DIP Facility, a copy of the updated Borrowing Base Certificate (as defined in the DIP Facility) delivered to the DIP Lender; and

(b) timely delivery of copies of the Approved Budget and the Approved Variance Reports (as defined in the DIP Facility), and all other financial reports, budgets, forecasts and legal and financial documentation, delivered to the DIP Lender (or their respective legal advisors) in accordance with the provisions set forth in the DIP Facility.

12. **Miscellaneous.**

(a) Successors and Assigns. This Amended Settlement Agreement shall be binding on and shall inure to the benefit of the Company, Committee and the Prepetition Lenders and each of their respective successors and assigns, except as otherwise provided herein. No party hereto may assign, delegate, transfer, hypothecate or otherwise convey any of its rights, benefits, obligations or duties hereunder without the prior written consent of the other parties hereto. The terms and provisions of this Amended Settlement Agreement are for the purpose of defining the relative rights and obligations of the Company and the Prepetition Lenders with respect to the transactions contemplated hereby and there shall be no third party beneficiaries (other than the Lender Released Parties, the Committee Released Parties and the Company Released Parties) of any of the terms and provisions of this Amended Settlement Agreement.

(b) Entire Agreement. This Amended Settlement Agreement constitutes the entire agreement of the signing parties with respect to the subject matter hereof and supersedes all other understandings, oral or written, with respect to the subject matter hereof including the Committee Term Sheet; *provided, however*, that prior to entry of the 9019 Order, the Original Settlement Agreement shall remain in effect as between the Debtors and the Prepetition Lenders and shall not be superseded by this Amended Settlement Agreement.

(c) Headings. Section headings in this Amended Settlement Agreement are included herein for convenience of reference only and shall not constitute a part of this Amended Settlement Agreement for any other purpose.

(d) Severability. Wherever possible, each provision of this Amended Settlement Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Amended Settlement Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Amended Settlement Agreement.

(e) Conflict of Terms. Except as otherwise provided in this Amended Settlement Agreement, if any provision contained in this Amended Settlement Agreement is in conflict with, or inconsistent with, any provision in any of the Loan Documents, the provision contained in this Amended Settlement Agreement shall govern and control.

(f) Time of the Essence. With regard to all dates and time periods set forth or referred to in this Amended Settlement Agreement, time is of the essence.

(g) Counterparts. This Amended Settlement Agreement may be executed in any number of separate counterparts, each of which shall collectively and separately constitute one agreement. Delivery of an executed signature page to this Amended Settlement Agreement by facsimile or electronic

transmission shall be effective as delivery of a manually executed signature page to this Amended Settlement Agreement.

(h) Representation by Counsel. Each party hereto acknowledges that it understands fully the terms of this Amended Settlement Agreement and the consequences of the execution and delivery of this Agreement and that it had an opportunity to consult with counsel prior to executing this Amended Settlement Agreement. The parties hereto acknowledge and agree that neither this Amended Settlement Agreement nor any of the other documents executed pursuant hereto shall be construed more favorably in favor of one party over the other based upon which party drafted the same, it being acknowledged that all parties hereto contributed substantially to the negotiation and preparation of this Amended Settlement Agreement and the other documents executed pursuant hereto or in connection herewith.

(i) Further Assurances. Each party hereto agrees to take all further actions and execute all further documents as may reasonably be necessary to carry out the transactions contemplated by this Amended Settlement Agreement and all other agreements executed and delivered in connection herewith.

(j) Governing Law. This Amended Settlement Agreement shall be governed by the laws of the State of New York, without regard to principles of conflicts of laws that would result in the application of the laws of any other jurisdiction.

[signature pages follow]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Amended Settlement Agreement to be duly executed and delivered as of the date first above written.

BORROWER:

VALERITAS, INC.

By: _____
Name: John E. Timberlake
Title: President and Chief Executive Officer

GUARANTORS:

VALERITAS HOLDINGS, LLC.

By: _____
Name: John E. Timberlake
Title: President and Chief Executive Officer

VALERITAS SECURITY CORPORATION

By: _____
Name: John E. Timberlake
Title: President and Chief Executive Officer

LENDERS:

CAPITAL ROYALTY PARTNERS II L.P.
By CAPITAL ROYALTY PARTNERS II GP L.P., its General Partner
By CAPITAL ROYALTY PARTNERS II GP LLC, its General Partner

By: _____
Name: Andrei Dorenbaum
Title: Authorized Signatory

PARALLEL INVESTMENT OPPORTUNITIES PARTNERS II L.P.
By PARALLEL INVESTMENT OPPORTUNITIES PARTNERS II GP L.P., its General Partner
By PARALLEL INVESTMENT OPPORTUNITIES PARTNERS II GP LLC, its General Partner

By: _____
Name: Andrei Dorenbaum
Title: Authorized Signatory

CAPITAL ROYALTY PARTNERS II– PARALLEL FUND "A" L.P.
By CAPITAL ROYALTY PARTNERS II– PARALLEL FUND "A" GP L.P., its General Partner
By CAPITAL ROYALTY PARTNERS II– PARALLEL FUND "A" GP LLC, its General Partner

By: _____
Name: Andrei Dorenbaum
Title: Authorized Signatory

CAPITAL ROYALTY PARTNERS II (CAYMAN) L.P.

By CAPITAL ROYALTY PARTNERS II (CAYMAN) GP L.P., its General Partner

By CAPITAL ROYALTY PARTNERS II (CAYMAN) GP LLC, its General Partner

By: _____

Name: Andrei Dorenbaum

Title: Authorized Signatory

WITNESS: _____

Name: Nicole Nesson

CAPITAL ROYALTY PARTNERS II – PARALLEL FUND "B" (CAYMAN) L.P.

By CAPITAL ROYALTY PARTNERS II (CAYMAN) GP L.P., its General Partner

By CAPITAL ROYALTY PARTNERS II (CAYMAN) GP LLC, its General Partner

By: _____

Name: Andrei Dorenbaum

Title: Authorized Signatory

WITNESS: _____

Name: Nicole Nesson

CRG SERVICING LLC

By: _____

Name: Andrei Dorenbaum

Title: Authorized Signatory

OFFICIAL COMMITTEE OF UNSECURED CREDITORS

By: Bridget A. Liccardo

Name: Bridget A. Liccardo
Title: Committee Member

EXHIBIT A

CRG

February 7, 2020

Via Overnight Delivery and E-mail

Valeritas, Inc.

John Timberlake, Chief Executive Officer

750 Route 202 South, Suite 600

Bridgewater, NJ 08807

E-mail: jetimberlake@valeritas.com

Attn: John Timberlake

Chief Executive Officer

Re: Second Amended and Restated Term Loan Agreement

Dear Mr. Timberlake:

Reference is made to that certain Second Amended and Restated Term Loan Agreement entered into, dated as of May 3, 2016 (as amended, modified or supplemented, the "Credit Agreement") by and among Valeritas, Inc. (the "Borrower"), Valeritas Holdings, Inc. and Valeritas Security Corporation, together with the other Guarantors thereto (the "Guarantors"), and Capital Royalty Partners II L.P., Capital Royalty Partners II -Parallel Fund "A" L.P,, Parallel Investment Opportunities Partners II L.P., Capital Royalty Partners II —Parallel Fund "B" (Cayman) L.P., and Capital Royalty Partners II (Cayman) L.P., together with the other Lenders thereto (collectively, the "Lenders") and CRG Servicing LLC, as administrative agent and collateral agent for the Lenders ("the "Administrative Agent").

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Capitalized terms used herein without definition have the meanings assigned thereto in the Credit Agreement.

As you know, in connection with matters discussed in Borrower's press release, dated December 20, 2019, and responses thereto by certain entities previously interested in acquiring Borrower, Borrower has asked Lenders to consider providing further financial accommodations and support. In response thereto, Lenders have indicated their desire to assist Borrower and to engage in discussions concerning the possibility of entering into a forbearance arrangement. Nothing herein shall constitute a commitment to enter into such forbearance arrangement, and the Administrative Agent and the Lenders reserve the right to terminate any such discussions at any time for any reason in their sole discretion.

Nonetheless, to protect the Administrative Agent's and the Lenders' rights and remedies, notice is hereby given that Events of Default have occurred and are continuing under the Credit Agreement, including without limitation, the occurrence of a Material Adverse Change in violation of Section 11.01(l) of the Credit Agreement, including without limitation, by reason of (a) the Borrower's admissions, in a press release, dated December 20, 2019, that a manufacturing yield issue had caused a temporary disruption in Borrower's supply of product, a delay in available product to be shipped, a temporary reduction in yields and an increase in cost of goods sold, a one-time inventory write-off of up to $8 million, and a revised, negative gross margin expectation for the fourth quarter of 2019; (b) the withdrawal of offers previously made by certain entities for the acquisition of Borrower, and each party's express lack of interest in undertaking a transaction with Borrower after learning of the manufacturing issue; and (c) Borrower's failure to provide adequate assurances that it will continue to maintain a minimum daily balance of cash and Permitted Cash Equivalent Investments of at least the amounts required under Section 10.01 of the Credit Agreement.

In no event shall this letter or any other action undertaken pursuant to this letter constitute (i) a waiver, estoppel or agreement to forbear with respect to the Administrative Agent's or the other

Lenders' rights, defenses, remedies, or privileges at law or in equity under the Credit Agreement, the other Loan Documents or in connection with any other transaction and/or documents with the Control Agent, the Lenders or any one of them; or (ii) a waiver of any Event of Default. Without limiting the foregoing, the Administrative Agent and the other Lenders expressly reserve the right to exercise any and all rights and remedies in respect of the Loan Documents, including without limitation foreclosure of the Liens and security interests arising under the Loan Documents, and any and all matters related thereto at any

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time without further notice to any person (except for notices required under the terms of the Loan Documents or applicable law).

This notice is provided as a courtesy to the Borrower and is not required to be delivered pursuant to the terms of the Credit Agreement or by applicable law.

Very truly yours,

CAPITAL ROYALTY PARTNERS II L.P.

By: CAPITAL ROYALTY PARTNERS II GP L.P.,
its General Partner
By: CAPITAL ROYALTY PARTNERS II GP LLC,
its General Partner

By: _____
Name: Andrei Dorenbaum
Title: Authorized Signatory

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PARALLEL INVESTMENT OPPORTUNITIES

PARTNERS II L.P.

By: PARALLEL INVESTMENT OPPORTUNITIES PARTNERS II GP L.P.,
its General Partner

By: PARALLEL INVESTMENT OPPORTUNITIES PARTNERS II GP LLC,
its General Partner

By: _____

Name: Andrei Dorenbaum

Title Authorized Signatory

CAPITAL ROYALTY PARTNERS II - PARALLEL FUND "A" L.P.

By: CAPITAL ROYALTY PARTNERS II - PARALLEL FUND "A" GP L.P.,
its General Partner

By: CAPITAL ROYALTY PARTNERS II - PARALLEL FUND "A" GP LLC,
its General Partner

By: _____

Name: Andrei Dorenbaum

Title: Authorized Signatory

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CAPITAL ROYALTY PARTNERS II (CAYMAN) L.P.

By: CAPITAL ROYALTY PARTNERS II (CAYMAN) GP L.P.,
its General Partner

By: CAPITAL ROYALTY PARTNERS II (CAYMAN) GP LLC,
its General Partner

By: _____

Name: Andrei Dorenbaum

Title: Authorized Signatory

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CAPITAL ROYALTY PARTNERS II - PARALLEL FUND "B" (CAYMAN) L.P.

By: CAPITAL ROYALTY PARTNERS II (CAYMAN) GP L.P.,
its General Partner
By: CAPITAL ROYALTY PARTNERS II (CAYMAN) GP LLC,
its General Partner

By: _____
Name: Andrei Dorenbaum
Title: Authorized Signatory

cc: Morgan, Lewis & Bockius LLP
502 Carnegie Center
Princeton, New Jersey 08540-6241
Attn: Steven Cohen, Esq.
E-mail: steven.cohen@morganlewis.com

DLA Piper LLP
1251 Avenue of the Americas
New York, New York 10020
Attn: Rachel Albanese, Esq.
E-mail: rachel.albanese@dlapiper.com