

**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION**

PATRICK AYERS, derivatively on behalf of)	Case No. 3:19-cv-00733
COMMUNITY HEALTH SYSTEMS, INC.,)	
)	
Plaintiff,)	District Judge Eli J. Richardson
)	Magistrate Judge Barbara D. Holmes
v.)	
)	
WAYNE T. SMITH, <i>et al.</i> ,)	
)	
Defendants,)	
)	
and)	
)	
COMMUNITY HEALTH SYSTEMS, INC.,)	
)	
Nominal Defendant.)	

**NOTICE OF (I) PENDENCY AND PROPOSED SETTLEMENT OF
STOCKHOLDER DERIVATIVE ACTION; (II) SETTLEMENT FAIRNESS HEARING;
AND (III) MOTION FOR AN AWARD OF ATTORNEYS' FEES
AND LITIGATION EXPENSES**

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

TO: Any and all persons and entities who held of record, or beneficially owned, common stock of Community Health Systems, Inc. (“CHSI” or the “Company”) as of the close of trading on November 13, 2023 (“CHSI Stockholders”).

The purpose of this Notice is to inform you of: (i) the stockholder derivative action captioned *Ayers v. Smith*, Case No. 3:19-cv-00733 (the “**Action**”), pending in the United States District Court for the Middle District of Tennessee (the “**Court**”); (ii) a proposed settlement of the Action (the “**Settlement**”), subject to the approval of the Court pursuant to Rule 23.1 of the Federal Rules of Civil Procedure, as provided in the Stipulation and Agreement of Settlement dated November 13, 2023 (the “**Stipulation**”); (iii) the hearing that the Court will hold on January 29, 2024 at 8:30 a.m. to determine whether to finally approve the proposed Settlement and to consider the application by Plaintiff’s counsel, on behalf of all Plaintiffs’ Counsel,¹ for an award of

¹ “**Plaintiffs’ Counsel**” consist of Barrett Johnston Martin & Garrison LLC; Levi & Korsinsky, LLP; deLeeuw Law LLC; and Robbins LLP, individually and as Lead Counsel in the Delaware Action.

attorneys' fees and expenses; and (iv) CHSI Stockholders' rights with respect to the proposed Settlement and the application for an award of attorneys' fees and expenses to Plaintiffs' Counsel.²

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.
YOUR RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS
LITIGATION AND THE PROPOSED SETTLEMENT OF THE ACTION.**

The Stipulation was entered into as of November 13, 2023 by and among (a)(i) plaintiff Patrick Ayers ("**Plaintiff Ayers**") in the above-captioned stockholder derivative action (the "**Action**"); and (ii) plaintiffs Kevin Aronson, Faisal Hussain, and Susheel Tanjavor (the "**Delaware Plaintiffs**") in the stockholder derivative action pending in the United States District Court for the District of Delaware captioned *In re Community Health Systems, Inc. Stockholder Derivative Litigation*, Consol. C.A. No. 1:19-cv-01506-GBW (D. Del.) (the "**Delaware Action**") (collectively with Plaintiff Ayers, "**Plaintiffs**"), all derivatively on behalf of nominal defendant Community Health Systems, Inc. ("**CHSI**" or the "**Company**"); (b) defendants Thomas J. Aaron, W. Larry Cash, John A. Clerico, Michael Dinkins, James S. Ely III, John A. Fry, Kevin J. Hammons, Tim L. Hingtgen, William Norris Jennings, K. Ranga Krishnan, Julia B. North, Wayne T. Smith, and H. James Williams (collectively, the "**Individual Defendants**"), who are all of the named defendants in the Action and the Delaware Action (together with the actions consolidated therein, the "**Derivative Actions**"); and (c) nominal defendant CHSI (together with the Individual Defendants, the "**Defendants**," and collectively with Plaintiffs, the "**Parties**," and each a "**Party**").

The Settlement provides for the Company to implement enhancements to its corporate governance as described in more detail in paragraph 31 below. Neither the Company nor CHSI stockholders will receive any payment from the Settlement.

**PLEASE NOTE: STOCKHOLDERS ARE NOT REQUIRED TO TAKE ANY
ACTION IN RESPONSE TO THIS NOTICE.**

WHAT IS THE PURPOSE OF THIS NOTICE?

1. The purpose of this Notice is to explain the Action, the terms of the proposed Settlement, and how the proposed Settlement affects CHSI stockholders' legal rights.

2. The Action is a stockholder derivative suit. In a stockholder derivative suit, one or more persons or entities who are current stockholders of a corporation sue on behalf of and for the benefit of the corporation, seeking to enforce the corporation's legal rights. In the Action, Plaintiff has filed suit against Defendants on behalf of and for the benefit of CHSI.

3. The Court has scheduled a hearing to consider the fairness, reasonableness, and adequacy of the Settlement and the application by Plaintiff in the Action, on behalf of all Plaintiffs'

² All capitalized terms not otherwise defined in this Notice shall have the meaning provided in the Stipulation, a copy which is being filed, together with this Notice, as an attachment to the Company's 8-K dated December 8, 2023. A copy of the Stipulation is also available in the "Investor Relations" portion of CHSI's website, www.chs.net.

Counsel, for an award of attorneys' fees and expenses (the "**Settlement Fairness Hearing**"). See paragraphs 38-48 below for details about the Settlement Fairness Hearing, including the location, date, and time of the hearing.

WHAT IS THIS CASE ABOUT? WHAT HAS HAPPENED
SO FAR?

THE FOLLOWING DESCRIPTION OF THE ACTION AND THE SETTLEMENT HAS BEEN PREPARED BY COUNSEL FOR THE PARTIES. THE COURT PRESIDING OVER THE ACTION HAS MADE NO FINDINGS WITH RESPECT TO SUCH MATTERS, AND THIS NOTICE IS NOT AN EXPRESSION OR STATEMENT BY ANY COURT OF FINDINGS OF FACT.

4. Plaintiffs allege that certain current and former officers and directors of CHSI breached their fiduciary duties by, among other things, failing to disclose material adverse facts about the Company's business, operations, and prospects related to the Company's provisions for bad debt and stating net operating revenue.

5. On August 20, 2019, plaintiff Roger Trombley ("**Plaintiff Trombley**"), derivatively on behalf of CHSI, commenced the Action by filing a complaint against the Individual Defendants (ECF No. 1).

6. On August 12, 2019, plaintiff Faisal Hussain, derivatively on behalf of CHSI, filed a stockholder derivative action against certain Individual Defendants in the United States District Court for the District of Delaware, captioned *Hussain v. Smith et al.*, C.A. No. 1:19-cv-01506 (the "**Hussain Action**").

7. On August 29, 2019, plaintiff Susheel Tanjavor, derivatively on behalf of CHSI, filed a stockholder derivative action against the Individual Defendants in the United States District Court for the District of Delaware, captioned *Tanjavor v. Smith et al.*, C.A. No. 1:19-cv-01617 (the "**Tanjavor Action**").

8. On October 30, 2019, plaintiff Roofers Local No. 149 Pension Fund, derivatively on behalf of CHSI, filed a stockholder derivative action against the Individual Defendants in the United States District Court for the District of Delaware, captioned *Roofers Local No. 149 Pension Fund v. Clerico et al.*, C.A. No. 1:19-cv-02062 (the "**Roofers Action**").

9. On September 18, 2019, Kevin Aronson ("**Plaintiff Aronson**") made a demand to inspect certain of the Company's books and records pursuant to 8 *Del. C.* § 220.

10. On February 7, 2020, the Company produced documents in response to Plaintiff Aronson's books and records demand.

11. In March 2020, the Company completed its production of documents in response to Plaintiff Aronson's books and records demand.

12. On April 29, 2020, Plaintiff Aronson, derivatively on behalf of CHSI, filed a stockholder derivative action against certain Individual Defendants in the United States District Court for the District of Delaware, captioned *Aronson v. Smith, et al.*, C.A. No. 1:20-cv-00587 (the “**Aronson Action**”).

13. On February 24, 2020, the Court entered an Order which, *inter alia*, stayed the Action pending a ruling on defendants’ then-forthcoming motion to dismiss a related securities class action pending before the Court and captioned *Padilla v. Community Health Systems, Inc. et al.*, C.A. No. 3:19-cv-00461 (the “**Federal Securities Class Action**”) (ECF No. 22).

14. On August 31, 2020, the United States District Court for the District of Delaware entered an Order which, *inter alia*, consolidated the Hussain Action, the Tanjavor Action, the Roofers Action, and the Aronson Action, and appointed Plaintiff Aronson’s counsel, Robbins LLP, as lead counsel in the Delaware Action.

15. On September 30, 2020, the Delaware Plaintiffs designated the complaint filed in the Aronson Action as the operative complaint in the Delaware Action.

16. On May 21, 2021, the United States District Court for the District of Delaware entered an Order granting the voluntary dismissal of plaintiff Roofers Local No. 149 Pension Fund from the Delaware Action.

17. On September 30, 2021, after full briefing by the parties, the United States District Court for the District of Delaware entered an Order which, *inter alia*, stayed the Delaware Action until after the Court issued a decision on the motion to dismiss pending in the Federal Securities Class Action.

18. On August 17, 2022, the Court entered an Order in the Federal Securities Class Action denying defendants’ motion to dismiss the Federal Securities Class Action.

19. On September 12, 2022, the United States Court for the District of Delaware entered an Order which, *inter alia*, extended the stay of the Delaware Action until the resolution of all motions for summary judgment in the Federal Securities Class Action (or the deadline for making such motions passing without any such motion being filed), and allowed the Delaware Plaintiffs to participate in discovery in the Federal Securities Class Action as provided therein.

20. On September 20, 2022, the Court entered the First Modified Case Management Order (ECF No. 31) and Order Administratively Closing Case (ECF No. 32) which, *inter alia*, administratively closed the Action, subject to a motion to reopen it, and allowed Plaintiff Trombley to participate in discovery in the Federal Securities Class Action as provided therein.

21. Thereafter, Plaintiff Trombley and the Delaware Plaintiffs, and subsequently Plaintiff Ayers, participated in discovery in the Federal Securities Class Action by, among other things, reviewing and analyzing the documents produced by Defendants in discovery in the Federal Securities Class Action, developing their theories of liability, and preparing to participate in depositions taken in the Federal Securities Class Action.

22. On October 13, 2022, the Court entered an order in the Federal Securities Class Action and in the Action directing the parties in the Action and the Federal Securities Class Action to meet in person and attempt to resolve a dispute regarding coordination of discovery between the Action and the Federal Securities Class Action (ECF No. 33).

23. On December 9, 2022, Plaintiff Trombley made an unopposed motion for an order permitting Plaintiff Ayers to substitute in for Plaintiff Trombley as a representative plaintiff in the Action (ECF No. 34).

24. On December 14, 2022, the Court entered an Order Substituting Plaintiff which substituted Plaintiff Ayers as plaintiff in the Action in place of Plaintiff Trombley and directed the Clerk to modify the docket and caption accordingly (ECF No. 35).

25. On March 9, 2023, the Parties and the parties to the Federal Securities Class Action participated in a day-long, in-person mediation before Jed D. Melnick, Esq. of JAMS ADR. During the mediation, the Parties discussed resolving the Derivative Actions by means of certain corporate governance reforms that would be instituted by the Company. Although the mediation did not result in the settlement of the Derivative Actions, the Parties nevertheless continued to negotiate in good faith and exchanged iterative proposals of governance reforms in an effort to resolve the Derivative Actions.

26. On March 14, 2023, the parties to the Federal Securities Class Action notified the Court that they had agreed to a settlement of the Federal Securities Class Action.

27. On May 30, 2023, the Court entered an Order granting preliminary approval of the Federal Securities Class Action.

28. On June 20, 2023, after continued extensive arm's length negotiations, the Parties reached an agreement in principle to settle the Derivative Actions in exchange for enhancements to the Company's governance and oversight over its compliance and audit functions, as set forth in detail in paragraph 31 below.

29. After additional negotiations regarding the specific terms of their agreement, the Parties entered into the Stipulation on November 13, 2023. The Stipulation reflects the final and binding agreement among the Parties on the terms and conditions of the Settlement. The Stipulation can be viewed at the "Investor Relations" portion of CHSI's website, www.chs.net.

30. On December 4, 2023, the Court preliminarily approved the Settlement, authorized this Notice to be provided to CHSI Stockholders, and scheduled the Settlement Fairness Hearing to consider whether to grant final approval of the Settlement.

WHAT ARE THE TERMS OF THE SETTLEMENT?

31. In consideration of the full settlement and release of the Released Plaintiffs' Claims (defined in paragraph 34 below) against the Released Defendants' Persons (defined in paragraph 34 below) and the dismissal with prejudice of the Action, Defendants will cause the Company to adopt the following enhancements to the Company's governance and oversight over its compliance

and audit functions, which shall remain in effect for no less than five (5) years except in the event that an unrelated entity, person, stockholder, or group of stockholders acquires all of the common stock of CHSI, enabling CHSI to terminate its reporting obligations under the Securities Exchange Act of 1934, as amended with respect to its equity interests and to de-list from the applicable stock exchange:

I. BOARD DIVERSITY

The Company shall utilize the “Rooney Rule” for underrepresented populations when seeking candidates for nomination to the Board, wherein each pool of candidates considered for nomination to the CHSI Board shall include at least one (1) woman or one (1) member of an underrepresented group, thereby ensuring that members of these underrepresented populations are considered for nomination to the CHSI Board with appropriate consistency.

II. CORPORATE GOVERNANCE EXPERT

The Company shall retain an independent corporate governance expert to biennially perform an analysis of material corporate governance weaknesses for the next five (5) years. The Company shall have sole discretion to identify and retain the independent corporate governance expert; provided, however, that the independent corporate governance expert shall not be employed by or a member of a company or firm (including a law firm) whose current work for the Company represents a material amount of that company’s or firm’s revenue.

The independent corporate governance expert will report directly to the Governance and Nominating Committee and shall have full access to materials or personnel from any part of the Company in order to assist his/her review. The independent corporate governance expert shall prepare a report containing his/her findings, including any recommendations for changes to the Company’s corporate governance structure and processes. After completion of the expert report, the expert shall provide a written report and oral presentation to the entire Board and the Governance and Nominating Committee at the next meeting following completion of the analysis. After review of the report of the expert, the Board shall vote on which recommendations to adopt. This process will be repeated twice during the five-year implementation period.

III. ENHANCED BOARD REPORTING

Upon the request of the General Counsel, Corporate Compliance Officer, or the independent members of the Board, the independent members of the Board will meet in executive session, (i) with the General Counsel to review any concerns, including any material compliance issues raised by the U.S. Securities and Exchange Commission (“SEC”), U.S. Department of Justice, whistle blower issues, reports of management wrongdoing, pending or threatened litigation, and such other matters that the General Counsel or independent board members identify, and/or (ii) with the Corporate Compliance Officer to review any concerns, including any material compliance issues raised by regulatory agencies that fall under the Corporate Compliance Officer’s purview, and the effectiveness of the Company’s policies, procedures, systems and controls designed to ensure regulatory compliance.

IV. ENHANCEMENTS TO THE DUTIES AND RESPONSIBILITIES OF THE AUDIT AND COMPLIANCE COMMITTEE

The Board shall adopt an updated Charter of the Audit and Compliance Committee that includes provisions, or shall otherwise provide, that:

A. The Audit and Compliance Committee shall receive quarterly reports from management representatives, including the Company's Disclosure Committee, as necessary to review the accuracy of the Company's SEC Periodic Reports, including, with respect to: (i) the Company's internal controls; (ii) accounting policies; (iii) operations, enterprise risks and compliance matters that may have a material impact on the Company's operational performance, financial health, balance of risk, stability, and liquidity; (iv) collectability of self-pay receivables, bad debts, and compliance with the covenants as required within the Company's credit agreements; and (v) any other material matters required to be disclosed under state and federal securities laws and regulations;

B. The Audit and Compliance Committee shall receive quarterly reports from management representatives, including the Company's Chief Accounting Officer and the Corporate Compliance Officer, in order to assist the Audit and Compliance Committee with its oversight responsibilities, including monitoring the Company's compliance with SEC Periodic Reporting requirements as well as internal risk assessment and internal reporting, and its oversight of the Company's compliance with applicable laws and regulations, including those relating to public disclosures about the Company's business affairs, financial reporting and risk exposure; and

C. The Audit and Compliance Committee shall receive regular reports from the Company's independent external auditors regarding the Company's critical accounting policies, practices and estimates, including revenue recognition and patient accounts receivable.

V. AUDIT AND COMPLIANCE COMMITTEE INVESTIGATION

The Audit and Compliance Committee shall update and continue its formal ad hoc review of the facts and circumstances surrounding the disclosures at issue in the Derivative Actions, in order to evaluate and recommend any further improvements to Board and management processes, internal controls, quarter close procedures, and related policies and procedures the Audit and Compliance Committee deems advisable to improve disclosure compliance and enhance the Company's credibility in the capital and credit markets.

VI. ENHANCED DUTIES OF THE CORPORATE COMPLIANCE OFFICER

To the extent these duties do not already exist, CHSI shall revise the duties of the Company's Corporate Compliance Officer as follows:

The Corporate Compliance Officer shall be separate from the General Counsel and senior management. The Corporate Compliance Officer shall work with senior management (including the General Counsel) on matters of corporate compliance and ethics, but shall report directly to

the Audit and Compliance Committee. The Corporate Compliance Officer shall assume primary responsibility for oversight and administration of the Company's compliance policies (including the Code of Conduct), fostering a culture that integrates compliance and ethics into business processes and practices, and maintaining and monitoring a system for reporting and investigating potential compliance and ethics concerns. The Corporate Compliance Officer will manage the Company's ethics and compliance program and assist the Audit and Compliance Committee and the Board in fulfilling their oversight duties with respect to the Company's compliance with applicable laws and regulations. The Corporate Compliance Officer must have executive-level experience in risk mitigation.

The Corporate Compliance Officer's responsibilities shall include:

A. Working with the Audit and Compliance Committee to evaluate and define the goals of the Company's ethics and compliance program in light of trends and changes in laws which may affect the Company;

B. Managing and overseeing the Company's ethics and compliance program, implementing procedures for objectively monitoring and evaluating the program's performance, and communicating with and informing the entire Board regarding progress toward meeting program goals;

C. Advising the Company's Audit and Compliance Committee and acting as the liaison between management and the Board's Audit and Compliance Committee, in which capacity the Corporate Compliance Officer shall: (i) report and present preliminary evaluations of new material compliance matters to the Audit and Compliance Committee; (ii) make written recommendations for further evaluation and/or remedial action with respect to potentially significant or material compliance matters within deadlines established by the Audit and Compliance Committee; (iii) prepare quarterly written reports to the Audit and Compliance Committee designed to keep the Audit and Compliance Committee and the Board up to date on all material compliance risks; and (iv) prepare regular reports evaluating new and ongoing compliance risks, the effectiveness of the Company's compliance-related internal controls, and management's effectiveness in addressing and mitigating compliance risk, along with recommendations for improvements;

D. Advising the Audit and Compliance Committee with respect to the accuracy, completeness, and timeliness of disclosures relating to material compliance issues and risks;

E. Retaining independent third-party advisors as appropriate to assist in the assessment of internal compliance risks;

F. Working with the Company's General Counsel and Vice President of Internal Audit to evaluate the adequacy of the Company's internal controls over legal-regulatory compliance, and developing proposals for improving these controls for the Board's consideration; and

G. Overseeing employee training in risk assessment and compliance.

VII. SEPARATION OF CHIEF EXECUTIVE OFFICER AND CHAIRMAN

For the next five years, the Company agrees that the roles of Chief Executive Officer and Chairman of the Board shall be separate.

VIII. BOARD SELF EVALUATION

The Company's Corporate Governance Guidelines shall continue to provide for mandatory evaluation of the effectiveness of the Board's governance and oversight procedures in director questionnaires prepared by the Governance and Nominating Committee, which shall consider National Association of Corporate Directors or other authoritative sources of guidance regarding governance best practices. The questionnaires shall address the adequacy and timeliness of information and advisory resources made available to the Board's members; the adequacy of time provided to members for fact-finding, consultations with management, and deliberations; and the Chairperson's effectiveness, among other matters. The Governance and Nominating Committee will review the results and make recommendations for improvements to the whole Board and any relevant committees.

IX. CLAWBACK POLICY

In the event the New York Stock Exchange adopts and implements new rules concerning clawbacks prior to June 1, 2024, the Company shall ensure its Clawback Policy is in compliance with the new rules.

In the event the New York Stock Exchange does not adopt and implement new rules concerning clawbacks prior to June 1, 2024, the Company shall amend its Clawback Policy as follows:

- Require disclosure in a filing on Form 8-K of any decision by the Compensation Committee to recover any particular award of compensation pursuant to the Clawback Policy;
- Require disclosure in the Company's Compensation Discussion and Analysis the specific protocol used to evaluate whether the Clawback Policy has been triggered, and any decisions made to recover or not to recover compensation under the Policy, including the amount and percentage of any recouped compensation;
- To the extent the Company executes written employment agreements with its Chief Executive Officer or Chief Financial Officer, the clawback provisions set forth in the Clawback Policy, as amended, shall be incorporated into all future employment agreements with any Chief Executive Officer or Chief Financial Officer, and all current written employment agreements with the current Chief Executive Officer or Chief Financial Officer shall be amended to incorporate these provisions. Additionally, to the extent that the Company executes written employment agreements with other executive officers, the clawback provisions set forth in the Clawback Policy shall be incorporated into those written

agreements between the Company and its applicable executive officers (including requiring executives to voluntarily repay compensation when necessary under these provisions). The Board shall not hire and/or shall terminate any executives who do not agree to the incorporation of the claw-back provisions; and

- The Board shall publish a copy of the formal Clawback Policy on the Company's Investor Relations website.

X. INSURANCE

The Board shall cause the Company to engage annually with a broker to assess the coverage amounts and scope of the Company's directors and officers insurance coverage and to consider the recommendation of such broker in connection with renewal of such coverage, and to maintain a level of insurance consistent with that of the Company's peers.

WHAT ARE THE PARTIES' REASONS FOR THE SETTLEMENT?
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32. Plaintiffs and Plaintiffs' Counsel believe that the claims raised in the Derivative Actions have merit and that their investigations support the claims asserted in the Derivative Actions. Without conceding the merit of any of the Defendants' defenses, and in light of the benefits of the Settlement as well as to avoid the potentially protracted time, expense, and uncertainty associated with continued litigation, including potential trial(s) and appeal(s), Plaintiffs and Plaintiffs' Counsel have concluded that it is desirable that the Derivative Actions be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation. Plaintiffs and Plaintiffs' Counsel recognize the significant risk, expense, and length of continued proceedings necessary to prosecute the Derivative Actions against Defendants through trial(s) and through possible appeal(s). Plaintiffs and Plaintiffs' Counsel have also taken into account the uncertain outcome and the risk of any litigation, especially complex litigation such as would be entailed by the Derivative Actions, the difficulties and delays inherent in such litigation, the cost to the Company – on behalf of which Plaintiffs filed the Derivative Actions – and distraction to the management of CHSI that would result from extended litigation. Based on their evaluation, and in light of what Plaintiffs and Plaintiffs' Counsel believe to be the significant benefits conferred upon the Company as a result of the Settlement, Plaintiffs and Plaintiffs' Counsel have determined that the Settlement is in the best interests of Plaintiffs and the Company, and have agreed to settle the Derivative Actions upon the terms and subject to the conditions set forth in the Stipulation.

33. Defendants deny any and all allegations of fault, liability, wrongdoing, or damages whatsoever in the Derivative Actions. Defendants, to avoid the costs, disruption, and distraction of further litigation, and without admitting the validity of any allegations made in the Derivative Actions, or any liability with respect thereto, have concluded that it is desirable that the claims against them be settled on the terms reflected in the Stipulation. Defendants have denied, and continue to deny, that they committed any violation of law or duty or engaged in any wrongful acts whatsoever, including specifically those alleged in the Derivative Actions, and expressly maintain that they have complied with their statutory, fiduciary, and other legal duties, and are

entering into the Stipulation and the Settlement to eliminate the burden, expense, and uncertainties inherent in further litigation.

<p>WHAT WILL HAPPEN IF THE SETTLEMENT IS APPROVED? WHAT CLAIMS WILL THE SETTLEMENT RELEASE?</p>

34. If the Settlement is approved, the Parties will request that the Court enter a Judgment Approving Derivative Action Settlement (the “**Judgment**”). Pursuant to the Judgment, upon the Effective Date of the Settlement, the following releases will occur:

Release of Claims by Plaintiffs: Pursuant to the Judgment, without further action by anyone, upon the Effective Date of the Settlement, Plaintiffs, on behalf of themselves and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, each of CHSI’s Stockholders (solely in their capacity as CHSI Stockholders), and the Company, as nominal defendant: (i) shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, discharged, and dismissed each and every one of the Released Plaintiffs’ Claims against each and every one of the Defendants and the other Released Defendants’ Persons; (ii) shall by operation of law and of the Judgment have covenanted not to sue, directly or indirectly, any of the Released Defendants’ Persons with respect to any or all of the Released Plaintiffs’ Claims; and (iii) shall forever be barred and enjoined from directly or indirectly initiating, prosecuting, facilitating, filing, commencing, instituting, maintaining, assisting in, or intervening in any action, suit, cause of action, arbitration, claim, demand, or other proceeding in any jurisdiction, on their own behalf or in a representative capacity, that is based upon or arises out of any or all of the Released Plaintiffs’ Claims against any of the Defendants and the other Released Defendants’ Persons.

“**Released Plaintiffs’ Claims**” means all claims, causes of action, demands, suits, damages, and liabilities, including but not limited to both known claims and Unknown Claims, existing derivatively on behalf of CHSI or by CHSI, whether arising under federal, state, common, or foreign law, that (i) were asserted in the Derivative Actions or (ii) could have been asserted by the Company, or derivatively on behalf of the Company by a CHSI Stockholder, in the Derivative Actions or in any other forum, that arise out of or relate to the allegations, transactions, facts, matters, disclosures, or non-disclosures set forth in the operative complaints in the Derivative Actions as of the date hereof. The Released Plaintiffs’ Claims do not cover, include, or release any claims to enforce the terms of the Stipulation or the Settlement; any direct or class claims of Plaintiffs or any other CHSI Stockholders; any claims asserting violations of state, federal, or international antitrust law; or any claims based on conduct occurring after the date of execution of the Stipulation.

“**Released Defendants’ Persons**” means Defendants, Defendants’ Counsel, and their respective current and former parents, affiliates, subsidiaries, officers, directors, agents, successors, predecessors, assigns, assignees, partnerships, partners, trustees, trusts, employees, Immediate Family Members, insurers, and attorneys.

“Unknown Claims” means any Released Plaintiffs’ Claims which any Plaintiff does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, and any Released Defendants’ Claims which any Defendant does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which, if known by him, her, or it, might have affected his, her, or its decision(s) with respect to the Settlement. With respect to any and all Released Plaintiffs’ Claims and Released Defendants’ Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Plaintiffs, and Defendants shall expressly waive any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Plaintiffs and Defendants acknowledge, and all other CHSI Stockholders by operation of law shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true with respect to the Released Plaintiffs’ Claims, but that it is the intention of Plaintiffs, Defendants, and all other CHSI Stockholders by operation of law, to completely, fully, finally and forever extinguish any and all Released Plaintiffs’ Claims without regard to the subsequent discovery of additional or different facts. Plaintiffs and Defendants acknowledge, and all other CHSI Stockholders by operation of law shall be deemed to have acknowledged, that the foregoing waiver was separately bargained for and is a material element of the Settlement and was relied upon by each and all of the Parties in entering into the Stipulation and agreeing to the Settlement.

Release of Claims by Defendants: Pursuant to the Judgment, without further action by anyone, upon the Effective Date of the Settlement, Defendants, on behalf of themselves and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such: (i) shall be deemed to have, and by operation of law and of the Judgment, shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, discharged, and dismissed each and every one of the Released Defendants’ Claims against each and every one of the Plaintiffs and the other Released Plaintiffs’ Persons; (ii) shall by operation of law and of the Judgment have covenanted not to sue, directly or indirectly, any of the Released Plaintiffs’ Persons with respect to any or all of the Released Defendants’ Claims; and (iii) shall forever be barred and enjoined from directly or indirectly initiating, prosecuting, facilitating, filing, commencing, instituting, maintaining, assisting in, or intervening in any action, suit, cause of action, arbitration, claim, demand, or other proceeding in any jurisdiction, on their own behalf or in a representative capacity, that is based upon or arises out of any or all of the Released Defendants’ Claims against any of the Plaintiffs and the other Released Plaintiffs’ Persons.

“Released Defendants’ Claims” means all claims, causes of action, demands, suits, damages, and liabilities, including but not limited to both known claims and Unknown Claims, whether arising under federal, state, common, or foreign law, that arise out of or relate in any way to the initiation,

prosecution, settlement, or resolution of the claims in the Derivative Actions. The Released Defendants' Claims do not cover, include, or release any claims to enforce the terms of the Stipulation or the Settlement.

"Released Plaintiffs' Persons" means Plaintiffs and Plaintiffs' Counsel, and their respective current and former parents, affiliates, subsidiaries, officers, directors, agents, successors, predecessors, assigns, assignees, partnerships, partners, trustees, trusts, employees, Immediate Family Members, insurers, and attorneys.

35. By Order of the Court, all proceedings in the Action, other than proceedings necessary to carry out or enforce the terms and conditions of the Stipulation, have been stayed until otherwise ordered by the Court. Also, pending final determination of whether the Settlement should be finally approved, the Court has barred and enjoined Plaintiff from commencing or prosecuting any action asserting any of the Released Plaintiffs' Claims against any of the Released Defendants' Persons in any court or tribunal.

HOW WILL THE ATTORNEYS BE PAID?

36. Defendants acknowledge that Plaintiffs' Counsel are entitled to an award of attorneys' fees and litigation expenses in connection with the Derivative Actions and the Settlement. Based upon the substantial benefits conferred upon the Company by the Settlement and the risks of undertaking the prosecution of the Action on a contingent basis, Plaintiff's counsel intends to apply, on behalf of all Plaintiffs' Counsel, for an immediate award of attorneys' fees and litigation expenses in an amount not to exceed \$1 million (\$1,000,000) in the aggregate.

37. The Court will determine the amount of any fee and expense award to Plaintiffs' Counsel. Any Court-approved fee and expense award will be paid by or on behalf of CHSI. CHSI stockholders are not personally liable for any such fees or expenses.

WHEN AND WHERE WILL THE SETTLEMENT FAIRNESS HEARING BE HELD? DO I HAVE THE RIGHT TO APPEAR AT THE SETTLEMENT FAIRNESS HEARING? MAY I OBJECT TO THE SETTLEMENT AND SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?

38. You do not need to attend the Settlement Fairness Hearing. The Court will consider any submission made in accordance with the provisions below even if you do not attend the Settlement Fairness Hearing.

39. Please Note: The date and time of the Settlement Fairness Hearing may change without further written notice to CHSI Stockholders, or the Court may decide to conduct the Settlement Fairness Hearing by video or telephonic conference, or otherwise allow CHSI Stockholders to appear at the hearing by telephone or video, without further written notice to CHSI Stockholders. **In order to determine whether the date and time of the Settlement Fairness Hearing have changed, or whether CHSI Stockholders must or may participate by telephone or video, it is important that you monitor the Court's docket and the "Investor Relations"**

section of CHSI's website, www.chs.net, before making any plans to attend the Settlement Fairness Hearing. Any updates regarding the Settlement Fairness Hearing, including any changes to the date or time of the hearing or updates regarding in-person or telephonic appearances at the hearing, will be posted to the "Investor Relations" section of CHSI's website, www.chs.net. Also, if the Court requires or allows CHSI Stockholders to participate in the Settlement Fairness Hearing by telephone or video conference, the information needed to access the conference will be posted to the "Investor Relations" section of CHSI's website, www.chs.net.

40. The Settlement Fairness Hearing will be held on **January 29, 2024 at 8:30 a.m.**, before The Honorable Eli J. Richardson, either in person at the United States District Court for the Middle District of Tennessee, Fred D. Thompson U.S. Courthouse and Federal Building, Courtroom 5C, 719 Church Street, Nashville, TN 37203, or by telephone or videoconference (in the discretion of the Court) to, among other things: (i) determine whether the proposed Settlement, on the terms and conditions provided for in the Stipulation, is fair, reasonable, and adequate, and should be approved by the Court; (ii) determine whether the Judgment, substantially in the form attached as Exhibit D to the Stipulation, should be entered dismissing the Action with prejudice; (iii) determine whether Plaintiff's motion for an award of attorneys' fees and expenses should be approved; and (iv) rule on such other matters as the Court may deem appropriate.

41. Any CHSI Stockholder who continues to own shares of CHSI common stock through the date of the Settlement Fairness Hearing may object to the Settlement and/or Plaintiff's motion for an award of attorneys' fees and expenses to Plaintiffs' Counsel. Objections must be signed and in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the Middle District of Tennessee at the address set forth below **no later than January 8, 2024**. Copies of the objection must also be delivered (by hand, first-class mail, or express service) to all Counsel to Plaintiff, and to all Counsel for the Individual Defendants and CHSI, at the addresses set forth below such that the objection is *received on or before January 8, 2024*.

Clerk's Office

Office of the Clerk
Fred D. Thompson U.S. Courthouse and
Federal Building
719 Church Street, Suite 1300
Nashville, TN 37203

Counsel to Plaintiff

Jerry E. Martin
Barrett Johnson Martin & Garrison LLC
414 Union Street, Suite 900
Nashville, TN 37219

Gregory M. Nespole
Levi & Korsinsky, LLP
33 Whitehall Street, 17th Floor
New York, New York 10004

Counsel for the Individual Defendants and CHSI

Steven A. Riley
Milton S. McGee, III
Riley & Jacobson, PLC

Nora M. Crawford
Wilson Sonsini Goodrich & Rosati, P.C.
222 Delaware Avenue, Suite 800

1906 West End Avenue
Nashville, TN 37203

Wilmington, DE 19801

42. Any objections must: (i) identify the case name and case number for the Action, *Ayers v. Smith*, Case No. 3:19-cv-00733; (ii) state the objector's name, address, and telephone number, and if represented by counsel, the name, address, and telephone number of his, her, or its counsel; (iii) contain a representation as to whether the objector and/or his, her, or its counsel intends to appear at the Settlement Fairness Hearing; (iv) contain a statement of the objection(s) to any matters before the Court, the grounds for the objection(s) or the reasons for the objector's desiring to appear and be heard, as well as all documents or writings the objector desires the Court to consider, including any legal and evidentiary support; (v) if the objector has indicated that he, she, or it intends to appear at the Settlement Fairness Hearing, identify any witnesses the objector may call to testify and any exhibits the objector intends to introduce into evidence at the Settlement Fairness Hearing; and (vi) include (1) documentation sufficient to prove that the objector owned shares of CHSI common stock as of the close of trading on November 13, 2023, (2) documentation sufficient to prove that the objector continues to hold shares of CHSI common stock on the date of filing of the objection, and (3) a statement that the objector will continue to hold shares of CHSI common stock as of the date of the Settlement Fairness Hearing. Documentation establishing ownership of CHSI common stock must consist of copies of an official brokerage account statement, a screen shot of an official brokerage account, or an authorized statement from the objector's broker containing the information found in an account statement. Plaintiffs' Counsel and Defendants' Counsel are authorized to request from any objector additional information or documentation sufficient to prove his, her, or its holdings of CHSI common stock.

43. You may not object to the Settlement or Plaintiff's motion for an award of attorneys' fees and expenses if you are not a CHSI Stockholder.

44. You may file a written objection without having to appear at the Settlement Fairness Hearing. You may not, however, appear at the Settlement Fairness Hearing to present your objection unless you first file and serve a written objection in accordance with the procedures described above, or unless the Court orders otherwise.

45. If you wish to be heard orally at the Settlement Fairness Hearing in opposition to the approval of the Settlement or Plaintiff's motion for an award of attorneys' fees and expenses, assuming you timely file and serve a written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Counsel to Plaintiff and Counsel to the Individual Defendants and CHSI, at the addresses set forth in paragraph 41 above so that it is **received on or before January 8, 2024**. Persons who intend to object and desire to present evidence at the Settlement Fairness Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Objectors who intend to appear at the Settlement Fairness Hearing through counsel must also identify that counsel by name, address, and telephone number. Objectors and/or their counsel may be heard orally at the discretion of the Court.

46. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Fairness Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Counsel to Plaintiff, and Counsel to the Individual Defendants and CHSI at the addresses set forth in paragraph 41 above so that the notice is ***received on or before January 8, 2024***.

47. The Settlement Fairness Hearing may be adjourned by the Court without further written notice to CHSI Stockholders. If you intend to attend the Settlement Fairness Hearing, you should confirm the date and time of the hearing as stated in paragraph 39 above.

48. **Unless the Court orders otherwise, any person or entity who does not object in the manner described above will be deemed to have waived any objection and will be forever foreclosed from making any objection to the proposed Settlement or Plaintiff's motion for an award of attorneys' fees and expenses. CHSI Stockholders do not need to appear at the Settlement Fairness Hearing or take any other action to indicate their approval.**

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

49. This Notice contains only a summary of the terms of the Settlement. For the full terms and conditions of the Settlement, please see the Stipulation available at the "Investor Relations" portion of CHSI's website, www.chs.net. More detailed information about the matters involved in the Action can be obtained by accessing the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.tnmd.uscourts.gov>, or by visiting, during regular office hours, the Office of the Clerk, Fred D. Thompson U.S. Courthouse and Federal Building, 719 Church Street, Nashville, TN 37203. If you have questions regarding the Settlement, you may write, call, or email Counsel to Plaintiff:

Gregory M. Nespole
Levi & Korsinsky, LLP
33 Whitehall Street, 17th Floor
New York, New York 10004
(212) 363-7500
gnespole@zlk.com

PLEASE DO NOT CALL OR WRITE THE COURT, THE OFFICE OF THE CLERK OF THE COURT, INDIVIDUAL DEFENDANTS, THE COMPANY, OR THEIR COUNSEL REGARDING THIS NOTICE OR THE SETTLEMENT.

Dated: December 8, 2023

By Order of the Court
United States District Court for the
Middle District of Tennessee