

Exhibit 1

Rollins v. Dignity Health
Settlement Agreement
April 13, 2021

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

STARLA ROLLINS and PATRICIA
WILSON, on behalf of themselves,
individually, on behalf of all others similarly
situated, and on behalf of the Dignity Plan,

Plaintiffs,

MICHELLE HALL, JENIFER HEINER, and
CHRISTINE MONTOYA,

Intervenor Plaintiffs,

v.

DIGNITY HEALTH, a California Non-profit
Corporation, HERBERT J. VALLIER, an
individual, DARRYL ROBINSON, an
individual, the Dignity Health Retirement
Plans Subcommittee, and JOHN and JANE
DOES, each an individual, 1-20,

Defendants.

Case No: 13-cv-01450-JST

The Honorable Jon S. Tigar

SECOND RESTATED AND AMENDED
CLASS ACTION SETTLEMENT AGREEMENT

This SECOND RESTATED AND AMENDED CLASS ACTION SETTLEMENT AGREEMENT (“Settlement Agreement”) is entered into by and between Plaintiffs, as defined in § 1.26 below, and Defendants, as defined in § 1.10 below. Plaintiffs and Defendants are referred to collectively in this Settlement Agreement as the “Parties.” Capitalized terms and phrases have the meanings provided in § 1 below or as specified elsewhere in this Settlement Agreement.

1. DEFINITIONS

1.1. “*Accrued Benefit*” shall mean: the benefit payable to a Participant under the Dignity Plan, as more fully described in §1.01 of the Plan.

1.2. “*Action*” shall mean: the class action *Rollins v. Dignity Health*, Case No. 1:13-cv-01450-JST, pending in the United States District Court for the Northern District of California.

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- 1.3. “*Beneficiary*” shall mean: a beneficiary of the Plan as more fully described in § 1.05 of the Plan.
- 1.4. “*Church Plan*” shall mean: a plan which meets the definition of a “Church Plan” under ERISA § 3(33), 29 U.S.C. § 1002(33), and Internal Revenue Code § 414(e) and is thus exempt from the provisions of Title I, Title II, and Title IV of ERISA.
- 1.5. “*Class Counsel*” shall mean: Keller Rohrback L.L.P. and Cohen Milstein Sellers & Toll, PLLC.
- 1.6. “*Class Notice*” shall have the meaning provided in § 2.2.1.
- 1.7. “*Class Settlement Amount*” shall have the meaning set forth in §7.1.1.
- 1.8. “*Complaint*” shall mean: the Second Amended Class Action Complaint filed in the Action on September 27, 2018.
- 1.9. “*Court*” shall mean: The United States District Court for the Northern District of California.
- 1.10. “*Defendants*” shall mean: Dignity Health, a California nonprofit public benefit corporation, Herbert J. Vallier, an individual, Darryl Robinson, an individual, the Dignity Health Retirement Plans Subcommittee, and John and Jane Does, each an individual, 1-20.
- 1.11. “*Dignity Health*” shall mean: Defendant Dignity Health, a California nonprofit public benefit corporation.
- 1.12. “*Dignity Health Plan*” or the “*Plan*” shall mean: The Dignity Health Pension Plan as Amended and Restated January 1, 2014 and all amendments thereto.
- 1.13. “*Pension Plan Trust*” or the “*Plan Trust*” shall mean: the trust that holds and distributes the assets of the Plan.
- 1.14. “*Effective Date of Settlement*” shall mean: the date on which all of the conditions to settlement set forth in § 2 of this Settlement Agreement have been fully satisfied or waived and the Settlement shall have become Final.
- 1.15. “*ERISA*” shall mean: the Employee Retirement Income Security Act of 1974, as amended, including all regulations promulgated thereunder.
- 1.16. “*Final*” shall mean: with respect to any judicial ruling or order in the Action, that the period for any appeals, petitions, motions for reconsideration, rehearing or certiorari, or any other proceedings for review (“Review Proceeding”) has expired without the initiation of a Review Proceeding, or, if a Review Proceeding has been timely initiated, that there has occurred a full and completed disposition of any such Review Proceeding, including the exhaustion of proceedings in any remand and/or subsequent appeal on remand.

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- 1.17. “*Final Approval Order*” shall have the meaning set forth in § 2.2.5(a), below.
- 1.18. “*Incentive Award*” shall mean: any monetary amounts awarded by the Court in recognition of the assistance of any Plaintiff in the prosecution of the Action and payable pursuant to §7.1.8 and § 7.1.9, below.
- 1.19. “*Intervenors*” shall mean: Michelle Hall, Jenifer Heiner, and Christine Montoya.
- 1.20. “*Minimum Contribution Recommendation*” has the meaning set out in § 1.28, below.
- 1.21. “*Named Plaintiffs*” shall mean: Starla Rollins and Patricia Wilson.
- 1.22. “*Participant*” shall mean: a participant in the Plan as more fully described in § 1.32 of the Plan.
- 1.23. “*Pension Contribution Report*” shall have the meaning set out in § 1.28, below.
- 1.24. “*PEP Plus Claimants*” shall mean:
- All participants, former participants, or beneficiaries of the Dignity Health Pension Plan as of January 1, 2014, whose benefit accruals were calculated using the “PEP Plus” formula and who, between January 1 and April 1, 2014, were not members of the labor union that collectively bargained with Dignity Health regarding the 2014 changes to the PEP Plus accrual formula and who were negatively impacted by the 2014 changes.
- 1.25. “*Person*” shall mean: an individual, partnership, corporation, or any other form of organization.
- 1.26. “*Plaintiffs*” shall mean: Named Plaintiffs and Intervenors.
- 1.27. “*Plaintiffs’ Counsel*” shall mean: collectively, Class Counsel and Vesting Subclass Counsel.
- 1.28. “*Plan’s Actuaries*” shall mean: persons who are: 1) members of the Society of Actuaries (or a reasonably similar successor organization); 2) meet the American Academy of Actuaries’ “Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States” relating to pension plans (or a reasonably similar set of qualification standards); and 3) have issued a written annual report in substantially the form of the “Actuarial Valuation Report, Pension Contribution – January 1, 2018” (“Pension Contribution Report”) provided by Willis Towers Watson to Dignity Health, signed and dated March 2018, which includes a Targeted Minimum Recommended Funding Contribution (the “Minimum Contribution Recommendation”).
- 1.29. “*Released Claims*” shall have the meaning provided in § 3.1.1, below.
- 1.30. “*Releasees*” shall mean: CommonSpirit Health, a Colorado nonprofit corporation, the CommonSpirit Health Board of Stewardship Trustees, Dignity Health, the Dignity Health Board

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of Directors, the current and former members of the Dignity Health Board of Directors, the current and former Sponsoring Congregations of Dignity Health, the current and former members of the Sponsoring Congregations of Dignity Health, the Retirement Plans Sub-Committee (the “Sub-Committee”), current and former members of the Sub-Committee, the Human Resources and Compensation Committee of the Board of Directors of Dignity Health (the “HR Committee”), current and former members of the HR Committee, the Investment Committee of the Board of Directors of Dignity Health, (the “Investment Committee”), current and former members of the Investment Committee, Darryl Robinson, Herb Vallier, Dignity Community Care, a Colorado nonprofit corporation, all entities that were or are considered to be a single employer with Dignity Health under IRC § 414, and the subsidiaries, affiliates, employees, agents, directors, officers, members, insurers, legal representatives and successors of the entities or persons mentioned in this section.

1.31. “*Settlement*” shall mean: the settlement to be consummated under this Settlement Agreement pursuant to the Final Approval Order.

1.32. “*Settlement Class*” and/or “*Settlement Class Members*” shall mean:

All participants, former participants, or beneficiaries of the Dignity Health Pension Plan as of the date of full execution of this Settlement Agreement.

The Settlement Class includes the PEP Plus Claimants, defined at § 1.24, above, and the Vesting Subclass, defined at § 1.36 below. The Settlement Class and the Settlement Class Members do not include any participants or their beneficiaries who become eligible to participate in the Plan after the date of full execution of this Settlement Agreement.

1.33. “*Successor-In-Interest*” or “*Successor*” shall mean: a Person’s estate, legal representatives, heirs, successors (including but not limited to by operation of law) or assigns, and any other Person who can make a legal claim by or through such Person.

1.34. “*Term Sheet*” shall mean: the document entitled “Dignity Health Settlement Term Sheet” dated and executed by Class Counsel on March 5, 2019, and approved by Dignity’s Board of Directors on March 27, 2019.

1.35. “*Term Sheet Date*” shall mean: March 27, 2019.

1.36. “*Vesting Subclass*” shall mean: the members of the Settlement Class who are former Participants in the Cash Balance portion of the Plan who terminated employment on or after April 1, 2013, and on or before March 27, 2019, and completed at least three (3) but less than five (5) years of vesting service.

1.37. “*Vesting Subclass Counsel*” shall mean Iazard Kindall & Raabe, LLP.

1.38. “*Vesting Subclass Member’s Accrued Benefit*” shall mean: the benefit that would have been payable to a Member of the Vesting Subclass under the Dignity Plan, as more fully described in §1.01 of the Plan, if the Plan had provided for three-year vesting.

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2. CONDITIONS PRECEDENT TO EFFECTIVENESS OF THE SETTLEMENT

2.1. *Effectiveness of This Settlement Agreement.* This Settlement Agreement shall not become binding unless and until each and every one of the following conditions in §§ 2.2 through 2.6 shall have been satisfied.

2.2. *Court Approval.* The Settlement contemplated under this Settlement Agreement shall have been approved by the Court, as provided for in this § 2.2:

2.2.1 *Motion for Preliminary Approval of Settlement and of Notices.* The Court shall have approved the preliminary motion for approval of the Settlement, to be filed by Plaintiffs on or before April 16, 2021 (“Preliminary Motion”), by issuing an order (the “Preliminary Approval Order”), including the class notice approved by the Court (the “Class Notice”):

- (a) Preliminarily approving this Settlement Agreement;
- (b) Directing the time and manner of the Class Notice; and
- (c) Finding that: (i) the proposed form of Class Notice is easily understandable, taking into account any special concerns about the education level or language needs of the class members, and fairly and adequately: (A) describes the terms and effect of this Settlement Agreement and of the Settlement, (B) gives notice to the Settlement Class of the time and place of the hearing of the motion for final approval of this Settlement Agreement, (C) describes how the recipients of the Class Notice may object to approval of this Settlement Agreement and clearly advises class members of the deadline for submission of any objections, and (D) provides (1) contact information for class counsel to answer questions, (2) the address for a website, maintained by class counsel, that has links to the notice, motions for approval and for attorneys’ fees and any other important documents in the case, and (3) instructions on how to access the case docket via PACER or in person at any of the Court’s locations; and (ii) the proposed manner of communicating the Class Notice to the members of the Settlement Class is the best notice practicable under the circumstances.

2.2.2 *Class Certification.*

- (a) The Court shall have certified the Action as a non-opt out class action for settlement purposes only, pursuant to Federal Rules of Civil Procedure 23(b)(1) and/or (b)(2), with Named Plaintiffs as the named Settlement Class representatives, Keller Rohrback, L.L.P., and Cohen Milstein Sellers & Toll, PLLC as Class Counsel, and with the “Settlement Class”

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as defined above, and with Intervenor as the named Vesting Subclass representatives, IZARD, KINDALL & RAABE, LLP as Vesting Subclass Counsel, and with the “Vesting Subclass” as defined above.

- (b) The Parties shall stipulate to certification of the Action as a non-opt out class action, and the Settlement Class and the Vesting Subclass as non-opt-out classes, for settlement purposes only, pursuant to Federal Rules of Civil Procedure 23(b)(1) and/or (b)(2), on the foregoing terms. If the Settlement does not become Final, then no Settlement Class or Vesting Subclass shall be deemed to have been certified by or as a result of this Settlement Agreement, the Defendants shall not be deemed to have admitted the propriety of class certification under any provision of Rule 23, and the Action shall for all purposes revert to its status as of the day immediately prior to the Term Sheet Date.

2.2.3 Issuance of Class Notice. On the date and in the manner set by the Court in its Preliminary Approval Order, Defendants shall cause notice of the Preliminary Approval Order to be delivered to the Settlement Class in the form and manner approved by the Court, which may include email notice. The Parties shall confer in good faith with regard to the form of the Class Notice in an effort to utilize cost effective forms of notice, including email. The last known physical and email addresses for members of the Settlement Class in the possession of the Plan’s current record-keeper shall suffice for all purposes in connection with this Settlement, including, without limitation, the mailing of the Class Notice and the Preliminary Approval Order shall so provide; provided, however, that for any notices that are returned as undeliverable, the settlement administrator shall utilize resources available through the U.S. Postal Service to identify updated addresses for such class members and re-mail the notices to them. Defendants shall pay the cost of notice to the Settlement Class.

2.2.4 Internet/Publication of Class Notice. Class Counsel and Vesting Subclass Counsel also shall have given notice by publication of the Settlement Agreement and Class Notice on their firms’ websites.

2.2.5 The Fairness Hearing.

- (a) On the date set by the Court in its Preliminary Approval Order, the Parties shall participate in the hearing (the “Fairness Hearing”), during or after which the Court shall determine by entry of an order finally approving the Settlement (the “*Final Approval Order*”) whether: (i) this Settlement Agreement is fair, reasonable, and adequate and should be approved by the Court; (ii) final judgment approving this Settlement Agreement should be entered (“Judgment”); (iii) the Settlement Class and the Vesting Subclass should be certified as a mandatory non-opt-out class and Subclass, respectively, meeting the applicable requirements for a settlement class imposed by Federal Rule of Civil Procedure 23; (iv) the requirements of Federal Rule of Civil Procedure 23 and due process have

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been satisfied in connection with the distribution of the Class Notice to members of the Settlement Class; (v) the requirements of the Class Action Fairness Act have been satisfied; (vi) to award Incentive Award(s) and if so, the amount(s); and (vi) to award attorneys' fees and further expenses and, if so, the amounts.

- (b) The Parties shall reasonably cooperate with one another in obtaining an acceptable Final Approval Order at the Fairness Hearing and shall not do anything inconsistent with obtaining such a Final Approval Order.

2.2.6 Motion for Final Approval of Class Action Settlement. On the date set by the Court in its Preliminary Approval Order, Plaintiffs shall have filed a motion (the "Final Approval Motion") for a Final Approval Order. The Final Approval Motion shall seek the Court's finding that the Final Approval Order is a final judgment disposing of all claims and all Parties.

2.3. *Finality of Final Approval Order.* The Final Approval Order shall have become Final, as defined in § 1.16 of this Settlement Agreement.

2.4. *Compliance with the Class Action Fairness Act.* The Court shall have determined that Defendants complied with the Class Action Fairness Act of 2005 ("CAFA") and its notice requirements by providing appropriate federal and state officials with information about the Settlement.

2.5. *Dismissal of Action.* The Action shall have been dismissed with prejudice as against Defendants on the Effective Date of Settlement.

2.6. *No Termination.* The Settlement shall not have terminated pursuant to § 9, below.

2.7. *Establishment of Effective Date of Settlement.* If Plaintiffs and Defendants disagree as to whether each and every condition set forth in § 2 has been satisfied, they shall promptly confer in good faith and, if unable to resolve their differences within five (5) business days thereafter, shall present their disputes for determination to Jill R. Sperber, the mediator herein, who shall make a final determination regarding the Effective Date of Settlement and whether all the conditions set forth in § 2 have been satisfied. No portion of the Class Settlement Amount shall be disbursed in the event of such a dispute, pending the mediator's ruling. Disbursement shall thereafter be made pursuant to the Court's Final Approval Order.

2.8. The Parties shall undertake their best efforts, including all steps and efforts contemplated by this Settlement Agreement, and any other steps or efforts which may become necessary by order of the Court (unless such order modifies the terms of this Settlement Agreement) or otherwise, to carry out this Settlement Agreement, including but not limited to, satisfying the conditions described in §§ 2.2-2.6 above.

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3. RELEASES AND COVENANT NOT TO SUE

3.1. *Released Claims.*

3.1.1 Released Claims shall mean: Any and all known or unknown, actual or potential claims, actions, causes of action, demands, obligations, liabilities, attorneys' fees, expenses and costs arising out of or related to the allegations of the Complaint that were brought or could have been brought as of the date of the Settlement Agreement by any member of the Settlement Class, including any current or prospective challenge to the Church Plan status of the Plan, except that the Released Claims are not intended to include the release of any of the following:

- (a) Any rights or duties arising out of the Settlement Agreement, including the express warranties and covenants in the Settlement Agreement;
- (b) Individual claims for benefits brought under state law, provided that no Settlement Class member shall challenge the Plan's status as a Church Plan. For the avoidance of doubt, this release by the Settlement Class includes any and all state law claims that were alleged, or could have been alleged, in the Action;
- (c) Claims related to any other plan that is merged, adopted, or consolidated into the Dignity Plan after the Term Sheet Date and before the Effective Date of Settlement;
- (d) Any claim arising under ERISA with respect to any event occurring after:
(i) the Internal Revenue Service issues a written ruling that the Plan does not qualify as a Church Plan which is not subject to challenge or appeal and is not subject to correction under 29 U.S.C. § 1002 (33)(D); (ii) the Plan Sponsor elects to be governed by ERISA; or (iii) an amendment to ERISA is enacted and becomes effective as a law of the United States that applies to, and is binding upon, the Plan and that eliminates the Church Plan exception.

3.2. *Release by Named Plaintiffs, Intervenors, and Settlement Class.* Subject to § 9 below, upon the Effective Date of Settlement, Named Plaintiffs on behalf of themselves and on behalf of the Settlement Class, and Intervenors on behalf of themselves and on behalf of the Vesting Subclass, (A) absolutely and unconditionally release and forever discharge the Releasees and each of them from any and all Released Claims that Plaintiffs or the Settlement Class have or may have and (B) covenant and agree: (i) not to file against any of the Releasees any claim based on, related to, or arising from any Released Claim; and (ii) that the foregoing covenants and agreements shall be a complete defense to any such claim against any Releasee.

3.3. *Waiver of California Civil Code § 1542.* Plaintiffs, on behalf of themselves and on behalf of the Settlement Class, hereby expressly waive and relinquish, to the fullest extent permitted by law and equity, the provisions, rights and benefits of § 1542 of the California Civil

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Code, 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.”

3.4. *Defendants’ Releases of Plaintiffs, the Settlement Class, and Plaintiffs’ Counsel.* Subject to § 9 below, upon the Effective Date of Settlement, Defendants absolutely and unconditionally release and forever discharge the Plaintiffs, the Settlement Class and Plaintiffs’ Counsel from any and all claims relating to the institution or prosecution of the Action.

4. COVENANTS

Plaintiffs, on their own behalf and on behalf of the members of the Settlement Class, and Defendants hereby covenant as follows:

4.1. *Plan Status.* Nothing herein shall be construed as an agreement that the Plan is not properly treated as a Church Plan or that the Plan is subject to ERISA. Similarly, nothing herein shall be construed as an agreement that the Plan is properly treated as a Church Plan or that the Plan is not subject to ERISA.

5. REPRESENTATIONS AND WARRANTIES

5.1. *Parties’ Representations and Warranties.*

5.1.1 Plaintiffs represent and warrant that they have not assigned or otherwise transferred any interest in any Released Claims against any Releasee, and further covenant that they shall not assign or otherwise transfer any interest in any Released Claims.

5.1.2 Plaintiffs represent and warrant, on behalf of themselves and the Settlement Class, that from and after the Effective Date of Settlement they will have no surviving claim or cause of action against any of the Releasees for any of the Released Claims.

5.1.3 The Parties, and each of them, represent and warrant that they are voluntarily entering into this Settlement Agreement as a result of arm’s-length negotiations among their counsel; in executing this Settlement Agreement they are relying solely upon their own judgment, belief and knowledge, and the advice and recommendations of their own independently-selected counsel, concerning the nature, extent and duration of their rights and claims hereunder and regarding all matters that relate in any way to the subject matter hereof; and each Party assumes the risk of and unconditionally waives any and all claims or defenses arising out of any alleged mistake as to facts or law.

5.1.4 The Parties, and each of them, represent and warrant that they have carefully read the contents of this Settlement Agreement; they have made such

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investigation of the facts and law pertaining to this Settlement Agreement and all of the matters pertaining thereto as they deem necessary; and this Settlement Agreement is executed freely by each Person executing it on behalf of each of the Parties.

5.2. *Signatories' Representations and Warranties.* Each individual executing this Settlement Agreement on behalf of any other Person hereby personally represents and warrants to the other Parties that he or she has the authority to execute this Settlement Agreement on behalf of, and fully bind, each principal that such individual represents or purports to represent.

6. NO ADMISSION OF LIABILITY

Defendants deny any and all allegations of wrongdoing made in the Complaint. Defendants aver that the Plan has been and continues to be properly administered as a Church Plan. This Settlement shall not be used as, or deemed to be, evidence of liability of any type.

7. SETTLEMENT CONSIDERATION

7.1. *The Class Settlement Amount*

7.1.1 The "*Class Settlement Amount*" shall consist of the Cash Contribution and Minimum Funding as defined in §§ 7.1.2 and 7.1.3; the one-time payment to the Members of the Vesting Subclass as described in § 7.1.6; and the one-time payment to the PEP Plus Claimants as described in § 7.1.7.

7.1.2 *Cash Contribution.*

- (a) In calendar year 2020 Dignity Health shall have contributed to the Plan Trust cash in the amount of Fifty Million Dollars (\$50,000,000.00).
- (b) In calendar year 2021, Dignity Health shall contribute to the Plan Trust cash in the amount of the greater of (i) Fifty Million Dollars (\$50,000,000.00) or (ii) the amount of the Minimum Contribution Recommendation calculated by the Plan's Actuaries in the Pension Contribution Report for that calendar year.

7.1.3 *Minimum Funding.* For calendar years 2022, 2023, and 2024, provided that the Plan has not been terminated, Dignity Health shall, subject to the provisions of § 7.1.4, make cash contributions to the Plan Trust not less than in the amount of the Minimum Contribution Recommendation calculated by the Plan's Actuaries in that calendar year's Pension Contribution Report.

7.1.4 *Effect of Absence of Pension Contribution Report.* If, at any time, Dignity Health ceases to obtain a Pension Contribution Report from the Plan's Actuaries, the minimum contribution for each such calendar year shall be the amount of the last Minimum Contribution Recommendation based on the last Pension Contribution Report.

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7.1.5 *Credit for Excess Contributions to Plan Trust.* If in any calendar year or years, including calendar year 2021, Dignity Health contributes an amount to the Plan Trust in excess of the Minimum Contribution Recommendation, Dignity Health may credit the amount by which that contribution exceeds the Minimum Contribution Recommendation for that calendar year against the contributions to the Plan Trust required in subsequent years pursuant to § 7.1.3 hereof.

7.1.6 *One-Time Payment to Members of the Vesting Subclass.* Within thirty (30) days after the Effective Date of Settlement, Dignity Health shall make one-time payments (“Vesting Payment”) aggregating Nine Hundred Fifty Thousand Dollars (\$950,000), apportioned among the Members of the Vesting Subclass in proportion to their respective Vesting Subclass Member’s Accrued Benefit. The Members of the Vesting Subclass are identified in the schedule attached as Exhibit A, hereto. Members of the Vesting Subclass shall have one-hundred twenty (120) calendar days after mailing by or at the direction of Defendants to cash their Vesting Payment. If any such individuals do not cash their checks within that one-hundred twenty (120) day period, their Vesting Payment checks shall be void and a stop-pay shall be placed on the checks. In such event, those individuals shall be deemed to have irrevocably waived any right in or claim to a Vesting Payment, but the Settlement Agreement nevertheless shall be binding upon them. Any Vesting Payments those individuals could have claimed and did not claim shall be contributed to the Pension Plan Trust in addition to the amounts set forth in §§ 7.1.2 and 7.1.3, above. If any Member of the Vesting Subclass should return to employment with Dignity Health, such that under the terms of the Plan that person would be entitled to participate in the Plan as a vested Participant, then that person will be entitled to participate in the Plan as a vested Participant notwithstanding any provision of this Settlement.

7.1.7 *One-Time Payment to PEP Plus Claimants.* Within thirty (30) days after the Effective Date of Settlement, Dignity Health shall make one-time payments (“PEP Plus Payments”) aggregating Eight Hundred and Twenty-Five Thousand Dollars (\$825,000.00) (the “PEP Plus Settlement Amount”) to the PEP Plus Claimants. The allocation of this amount among PEP Plus Claimants who were negatively impacted by the alleged change in benefits shall be made based upon the vesting years of service of the impacted PEP Plus Claimants, taking into account that PEP Plus Claimants with between six and twenty years of vesting service were most impacted. For purposes of this Settlement, PEP Plus Claimants have been divided into four groups based on vesting service, with members of each group sharing in a percentage (adjusted to account for the number of persons in each group) of the PEP Plus Settlement Amount. Accordingly,

Group One: The 119 PEP Plus Claimants with 1-5 years of service will each receive a 22.5% share, equal to cash in the sum of \$ 548.60.

Group Two: The 625 PEP Plus Claimants with 6-20 years of service will each receive a 40% share, equal to cash in the sum of \$ 975.32.

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Group Three: The 209 PEP Plus Claimants with 21-30 years of service will each receive a 22.5% share, equal to cash in the sum of \$ 548.60.

Group Four: The 97 PEP Plus Claimants with 31 or more years of service will each receive a 15% share, equal to cash in the sum of \$ 365.75.

The PEP Plus Claimants and their years of vesting service are identified on the schedule attached as Exhibit B hereto. Any additions or deletions from Exhibit B will result in a recalculation of the dollar amount of payments to be made to the PEP Plus Claimants in accordance with their percentage shares.

PEP Plus Claimants shall have one-hundred twenty (120) calendar days after mailing by or at the direction of Defendants to cash their PEP Plus Payment. If any such individuals do not cash their checks within that one-hundred twenty (120) day period, their PEP Plus Payment checks shall be void and a stop-pay shall be placed on the checks. In such event, those individuals shall be deemed to have irrevocably waived any right in or claim to a PEP Plus Payment, but the Settlement Agreement nevertheless shall be binding upon them. Any PEP Plus Payments those individuals could have claimed and did not claim shall be contributed to the Plan Trust in addition to the amounts set forth in §§ 7.1.2 and 7.1.3, above.

7.1.8 Payment to Named Plaintiffs' Class Counsel. Named Plaintiffs will apply to the Court for an award of reasonable attorney fees, out of pocket expenses, and Incentive Award(s) to the Named Plaintiffs (together, the "Settlement Class Fee Award"). The Settlement Class Fee Award requested by Named Plaintiffs and awarded by the Court shall not exceed Six Million, One Hundred and Fifty Thousand Dollars (\$6,150,000.00) (the "Maximum Total Settlement Class Fee"). Any such Settlement Class Fee Award shall be at the sole discretion of the Court, which may award an amount less than Six Million, One Hundred and Fifty Thousand Dollars (\$6,150,000). Dignity Health shall cause the Settlement Class Fee Award to be paid in addition to any other monetary terms set forth in this Settlement Agreement. To the extent that a Final Order of the Court approves a Settlement Class Fee Award in an amount less than the Maximum Total Settlement Class Fee, the difference between the Settlement Class Fee Award and the Maximum Total Settlement Class Fee shall be contributed to the Pension Plan Trust in addition to the amounts set forth in §§ 7.1.2 and 7.1.3, above.

7.1.9 Payment to Vesting Subclass Counsel and Intervenors. Intervenors will apply to the Court for an award of reasonable attorney fees and out of pocket expenses (together, the "Vesting Subclass Fee Award"). The Vesting Subclass Fee Award requested by Intervenors and awarded by the Court shall not exceed Fifty Thousand Dollars (\$50,000.00) (the "Maximum Total Vesting Subclass Fee"). Any such Vesting Subclass Fee Award shall be at the sole discretion of the Court, which may award an amount less than Fifty Thousand Dollars (\$50,000.00). In addition, the Intervenors will apply to the Court for Incentive Awards to them of Twenty Five Hundred Dollars (\$2,500.00) each (the "Maximum Total Intervenors' Incentive Awards"). Any such

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Intervenors' Incentive Awards will be at the sole discretion of the Court, which may award an amount less than Twenty Five Hundred Dollars (\$2,500.00) each.

Dignity Health shall cause the Vesting Subclass Fee Award and the Intervenors' Incentive Awards to be paid in addition to any other monetary terms set forth in this Settlement Agreement. To the extent that a Final Order of the Court approves a Vesting Subclass Fee Award or Intervenors' Incentive Awards in an amount less than the Maximum Total Vesting Subclass Fee or Maximum Total Intervenors' Incentive Awards, the difference between the Vesting Subclass Fee Award and the Intervenors' Incentive Awards and the Maximum Total Vesting Subclass Fee and the Maximum Total Intervenors' Incentive Awards shall be added to the Vesting Payment set forth in §7.1.6, above, and included in the distribution to the members of the Vesting Subclass as provided in §7.1.6.

7.1.10 Defendants shall pay Class Counsel the Maximum Total Settlement Class Fee, Vesting Subclass Counsel the Maximum Total Vesting Subclass Fee, and Intervenors their Maximum Total Intervenors' Incentive Awards or any lesser amount(s) as ordered by the Court in its discretion, two (2) weeks after the Court's entry of the Final Approval Order, notwithstanding the existence of any timely-filed objections thereto, potential for appeal therefrom, or any collateral attack on the Settlement or any part thereof, subject to the obligation of Class Counsel, Vesting Subclass Counsel, and Intervenors to make appropriate refunds or repayments to Dignity, plus accrued interest (based on the one year Treasury constant maturity rate) within ten (10) calendar days, if and when, as a result of any appeal and/or further proceedings on remand, or successful collateral attack, the fee or expense award is reduced or reversed.

7.1.11 *Applications for Fee Awards.* Class Counsel and Vesting Subclass Counsel shall petition the Court for Fee Awards and Incentive Awards on the date set by the Court in its Preliminary Approval Order. The procedure for and the allowance or disallowance of any application for the Fee Awards and Incentive Awards are matters separate and apart from the Settlement and shall be requested to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement. Any order or proceeding relating to the Fee Awards or Incentive Awards, or any appeal from any order relating thereto, or any reversal or modification thereof, shall have no effect on the Settlement and shall not operate to, or be grounds to, terminate or cancel the Settlement Agreement or to affect or delay the finality of the Final Approval Order or Judgment.

7.2. *Cost of Notice.* Dignity Health shall pay the cost of notice to the Settlement Class.

8. AGREED UPON PLAN PROVISIONS.

8.1. *Plan Mergers.* Commencing sixty (60) days after the Effective Date of Settlement and for a period of ten (10) years after the Effective Date of Settlement, if the Plan is merged with or into another plan or consolidated with another plan, no Settlement Class member shall, solely on account of such merger, consolidation or transfer, have an Accrued Benefit on the day following

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such event which shall be less than his or her Accrued Benefit on the day preceding such event. For the avoidance of doubt, this provision is not intended to prohibit Dignity Health from modifying or amending the Plan in a manner that would reduce the rate at which the Settlement Class or any portion thereof accrues benefits under the Plan.

8.2. *Plan Amendment or Termination.* Dignity Health retains the right to amend or terminate the Plan at any time, in its sole discretion, provided that no amendment would result in a reduction in a Participant or Beneficiary's Accrued Benefit. In the event the Plan is partially or completely terminated (as defined by the Internal Revenue Service), the Accrued Benefit of each affected Participant shall be 100% vested. For the avoidance of doubt, this provision is not intended to prohibit Dignity Health from modifying or amending the Plan in a manner that would reduce the rate at which the Settlement Class or any portion thereof accrues benefits under the Plan. In addition, this provision is not intended to make Dignity Health liable to any Settlement Class member to pay benefits in addition to those which can be provided from the assets of the Plan Trust.

8.3. *Funding Restrictions.* If the Plan is determined in a Final non-appealable decision, which is not subject to correction under ERISA § 3(33)(D), to be governed by ERISA, nothing herein shall be interpreted to prevent the Plan from complying with the benefit restrictions of Section 436 of the Internal Revenue Code of 1986, as amended, or any other applicable law, including all restrictions on lump sum payments.

8.4. *Plan Administration.* Commencing sixty (60) days after the Effective Date of Settlement, the plan administrator authorized under the Plan to take such actions ("Plan Administrator") or its designee shall put in place the following arrangements concerning Plan administration, notices, and procedures:

8.4.1 *Summary Plan Descriptions (SPDs):* A document or documents (referred to herein as "SPDs") shall be prepared that contain the following information: The name and address of the Plan Sponsor, the name and address of the Plan Administrator, the name and address of the participating employers, a description of how benefits are paid, the pension formula, the vesting requirements, the requirements for participation in the Plan, and the claims and review procedures. The SPDs shall be available on Dignity Health's existing Total Rewards Portal or any similar electronic system implemented to make Plan information available to Participants. Current Participants and Beneficiaries may send a written request for a written SPD, and Dignity Health shall provide a copy of such SPD via email or hard copy within thirty (30) days of receiving the Participant or Beneficiary's request.

8.4.2 *Annual Report:* A summary annual report shall be made available electronically to Participants and Beneficiaries by October 1st of the next calendar year. The report shall contain the Plan Name and EIN, Plan year dates, funding arrangement, number of Participants, and value of net assets at the beginning and end of each Plan year.

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8.4.3 *Pension Benefit Statements:* Accrued Benefits information shall be made available to Participants and Beneficiaries through the Benefits Service Center and on a pension plan web site, which web site can also be used to project the amount of benefits a Participant might receive at a future date. Dignity Health shall make Accrued Benefits information available to Participants and Beneficiaries in paper form upon request.

8.4.4 *Plan Claim Review Procedure:* The Plan's claim review procedures, which shall be included as a part of the SPD, shall identify the Plan Administrator or its designee that shall make all initial determinations as to the right of any person to a benefit. Any denial by the Plan Administrator or its designee of the claim for benefits under the Plan by a Participant or Beneficiary shall be stated in writing and delivered or mailed to the Participant or Beneficiary; and such notice shall set forth the specific reasons for the denial. In addition, the Plan Administrator shall afford a reasonable opportunity to any Participant or Beneficiary whose claim for benefits has been denied for a review of the decision denying the claim.

8.4.5 *Composition of Dignity Health Retirement Plans Sub-Committee:* For a period of five (5) years after the Effective Date of Settlement, the Dignity Health Retirement Plans Subcommittee, or such additional or successor entity as shall have the authority currently vested in Dignity Health Retirement Plans Sub-Committee, shall include at least two members who are not employees of Dignity Health or its affiliates.

9. TERMINATION OF THE SETTLEMENT AGREEMENT

9.1. *Automatic Termination.* This Settlement Agreement shall automatically terminate, and thereupon become null and void, in the following circumstances:

9.1.1 If the Court declines to approve the Settlement, and if such order declining approval has become Final, then this Settlement Agreement shall automatically terminate, and thereupon become null and void, on the date that any such order becomes Final; provided, however, that if the Court declines to approve the Settlement for any reason, the Parties shall negotiate in good faith to cure any deficiency identified by the Court; and further provided that, if necessary to cure any such deficiency, Class Counsel (and/or Vesting Subclass Counsel, as the case may be) shall re-submit within a reasonable time the Preliminary or Final Approval Motion with an additional or substitute member of the Settlement Class as a named Class Representative.

9.1.2 If the Court issues an order in the Action modifying the Settlement Agreement, and if within thirty-one (31) days after the date of any such ruling the Parties have not agreed in writing to proceed with all or part of the Settlement Agreement as modified by the Court or by the Parties, then, provided that no Review Proceeding is then pending from such ruling, this Settlement Agreement shall automatically terminate, and thereupon become null and void, on the thirty-first day after issuance of the order referenced in this § 9.1.2.

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9.1.3 If the Ninth Circuit reverses the District Court's order approving the Settlement, and if within ninety-one (91) days after the date of any such ruling the Parties have not agreed in writing to proceed with all or part of the Settlement Agreement as modified by the Ninth Circuit or by the Parties, then, provided that no Review Proceeding is then pending from such ruling, this Settlement Agreement shall automatically terminate, and thereupon become null and void, on the ninety-first day after issuance of the Ninth Circuit order referenced in this § 9.1.3.

9.1.4 If the Supreme Court of the United States reverses or remands a Ninth Circuit order approving the Settlement, and if within thirty-one (31) days after the date of any such ruling the Parties have not agreed in writing to proceed with all or part of the Settlement Agreement as modified by the Supreme Court or by the Parties, then this Settlement Agreement shall automatically terminate, and thereupon become null and void, on the thirty-first day after issuance of the Supreme Court order referenced in this § 9.1.4.

9.1.5 If a Review Proceeding is pending of an order declining to approve the Settlement Agreement or modifying this Settlement Agreement, this Settlement Agreement shall not be terminated until Final resolution or dismissal of any such Review Proceeding, except by written agreement of all of the Parties.

9.2. *Consequences of Termination of the Settlement Agreement.* If the Settlement Agreement is terminated and rendered null and void for any reason, the following shall occur:

9.2.1 The Action shall for all purposes with respect to the Parties revert to its status as of March 27, 2019.

9.2.2 All Releases given or executed pursuant to the Settlement Agreement shall be null and void; none of the terms of the Settlement Agreement shall be effective or enforceable; neither the fact nor the terms of the Settlement Agreement shall be offered or received in evidence in the Action or in any other action or proceeding for any purpose, except in an action or proceeding arising under this Settlement Agreement.

10. MISCELLANEOUS PROVISIONS

10.1. *Jurisdiction.* The Court shall retain jurisdiction over all Parties, the Settlement Class, the Action, and this Settlement Agreement to resolve any dispute that may arise regarding this Settlement Agreement or the orders and notice referenced in § 2 above, including any dispute regarding validity, performance, interpretation, administration, enforcement, enforceability, or termination of the Settlement Agreement, and no Party shall oppose the reopening and reinstatement of the Action on the Court's active docket for the purposes of effecting this § 10.1. Jill R. Sperber, mediator in the Action, shall act as the final arbiter of any disagreements as to language and confirmatory discovery regarding the Settlement Agreement.

10.2. *No Limitation of Remedies.* In the event that the Defendants breach this Settlement Agreement, Plaintiffs shall continue to have any and all remedies for such breach. In the event

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that Plaintiffs or the Settlement Class breach this Settlement Agreement, Defendants shall continue to have any and all remedies for such breach.

10.3. *Governing Law.* This Settlement Agreement shall be governed by the laws of the United States, including federal common law, except to the extent that, as a matter of federal law, state law controls, in which case California law shall apply without regard to conflict of law principles.

10.4. *Severability.* The provisions of this Settlement Agreement are not severable.

10.5. *Amendment.* Before entry of a Final Approval Order, any common law to the contrary notwithstanding, this Settlement Agreement may be modified or amended only by written agreement signed by or on behalf of all Parties. Following entry of a Final Approval Order, any common law to the contrary notwithstanding, the Settlement Agreement may be modified or amended only by written agreement signed on behalf of all Parties and approved by Court Order.

10.6. *Waiver.* The provisions of this Settlement Agreement may be waived only by an instrument in writing executed by the waiving Party. The waiver by any Party of any breach of this Settlement Agreement shall not be deemed to be or construed as a waiver of any other prior, subsequent, or contemporaneous breach of this Settlement Agreement.

10.7. *Construction.* None of the Parties hereto shall be considered to be the drafter of this Settlement Agreement or any provision hereof for the purpose of any statute, case law or rule of interpretation or construction that would or might cause any provision to be construed against a drafter.

10.8. *Principles of Interpretation.* The following principles of interpretation apply to this Settlement Agreement:

10.8.1 *Headings.* The headings of this Settlement Agreement are for reference purposes only and do not affect in any way the meaning or interpretation of this Settlement Agreement.

10.8.2 *Singular and Plural.* Definitions apply to the singular and plural forms of each term defined.

10.8.3 *Gender.* Definitions apply to the masculine, feminine, and neuter genders of each term defined.

10.8.4 *References to a Person.* References to a Person are also to the Person's permitted Successors and assigns.

10.8.5 *Terms of Inclusion.* Whenever the words "include," "includes," or "including" are used in this Settlement Agreement, they shall not be limiting but rather shall be deemed to be followed by the words "without limitation."

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10.9. *Further Assurances.* Each of the Parties agrees, without further consideration, and as part of finalizing the Settlement hereunder, that they shall in good faith execute and deliver such other documents and take such other actions as may be necessary to consummate and effectuate the subject matter and purpose of this Settlement Agreement.

10.10. *Survival.* All representations, warranties and covenants set forth in this Settlement Agreement shall be deemed continuing and shall survive the Effective Date of Settlement.

10.11. *Notices.* Any notice, demand, or other communication under this Settlement Agreement (other than notices to members of the Settlement Class) shall be in writing and shall be deemed duly given if it is addressed to each of the intended recipients as set forth below and personally delivered, sent by registered or certified mail (postage prepaid), sent by confirmed facsimile, or delivered by reputable express overnight courier:

A. IF TO NAMED PLAINTIFFS:

Lynn Lincoln Sarko
KELLER ROHRBACK L.L.P.
1201 Third Avenue, Suite 3200
Seattle, WA 98101-3052
Fax: (206) 623-3384

Ron Kilgard
Christopher Graver
KELLER ROHRBACK L.L.P.
3101 North Central Ave., Suite 1400
Phoenix, AZ 85012
Fax: (602) 248-2822

Karen L. Handorf
Michelle C. Yau
COHEN MILSTEIN SELLERS & TOLL, PLLC
1100 New York Ave., NW, Suite 500 West
Washington, DC 20005
Fax: (202) 408-4699

B. IF TO INTERVENORS:

Mark Kindall
Oren Faircloth
IZARD KINDALL & RAABE, LLP
29 South Main Street, Suite 305
West Hartford, CT 06107
Fax: (860) 493-6290

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C. IF TO DEFENDANTS:

Daniel Morissette
Chief Financial Officer
Dignity Health
185 Berry Street, Suite 300
San Francisco, CA 94107

With a copy to:

Mitch H. Melfi
Chief Legal Officer
CommonSpirit Health
185 Berry Street, Suite 300
San Francisco, CA 94107

Elizabeth Meckenstock
Director Retirement Programs
Dignity Health
185 Berry Street, Suite 300
San Francisco, CA 94107

Barry S. Landsberg
Harvey L. Rochman
Manatt Phelps Phillips
11355 West Olympic Blvd.
Los Angeles, California 90272

Any Party may change the address at which it is to receive notice by written notice delivered to the other Parties in the manner described above.

10.12. *Entire Agreement.* This Settlement Agreement contains the entire agreement among the Parties relating to the settlement of the Action. It specifically supersedes any settlement terms or settlement agreements relating to Defendants that were previously agreed upon orally or in writing by any of the Parties, including the terms of the Term Sheet and any and all discussions, representations, warranties, or the like prior to the Effective Date of Settlement.

10.13. *Counterparts.* This Settlement Agreement may be executed by exchange of faxed or emailed executed signature pages, and any signature transmitted by facsimile for the purpose of executing this Settlement Agreement shall be deemed an original signature for purposes of this Settlement Agreement. This Settlement Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same instrument.

10.14. *Binding Effect.* This Settlement Agreement binds and inures to the benefit of the parties hereto, their Successors, assigns, heirs, administrators, insurers, and executor.

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IN WITNESS WHEREOF, the Parties have executed this Settlement Agreement on the dates set forth below.

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FOR NAMED PLAINTIFFS AND THE SETTLEMENT CLASS

Dated this 13th day of April, 2021.

By: _____



Lynn Lincoln Sarko
Matthew M. Gerend
KELLER ROHRBACK L.L.P.
1201 Third Avenue, Suite 3200
Seattle, WA 98101-3052
Fax: (206) 623-3384

Ron Kilgard
Christopher Graver
KELLER ROHRBACK L.L.P.
3101 North Central Ave., Suite 1400
Phoenix, AZ 85012
Fax: (602) 248-2822

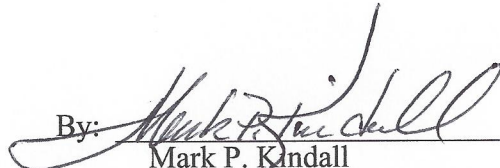
Karen L. Handorf
Michelle C. Yau
COHEN MILSTEIN SELLERS & TOLL,
PLLC
1100 New York Ave., NW, Suite 500 West
Washington, DC 20005
Fax: (202) 408-4699

Class Counsel

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FOR INTERVENORS AND THE VESTING SUBCLASS

Dated this 31st day of April, 2021.

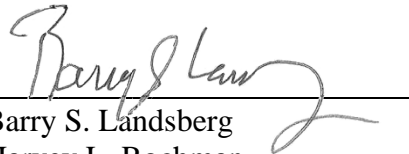
By: 
Mark P. Kindall
IZARD KINDALL & RAABE, LLP
29 South Main Street, Suite 305
West Hartford, CT 06107
Fax: (860) 493 6290

Vesting Subclass Counsel

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FOR ALL DEFENDANTS

Dated this the 13th day of April, 2021.

By: 
Barry S. Landsberg
Harvey L. Rochman
MANATT, PHELPS & PHILLIPS, LLP
11355 West Olympic Boulevard
Los Angeles, CA 90064-1614
Facsimile: (310) 312-4224

R. Bradford Huss
TRUCKER ♦ HUSS
One Embarcadero Center, 12th Floor
San Francisco, CA 94111
Facsimile: (415) 421-2017

*Attorneys for Defendants Dignity Health, Herbert J.
Vallier, Darryl Robinson, and the Retirement Plans
Sub-Committee*