

UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF NORTH CAROLINA

**If you were a participant in the WakeMed
Retirement Savings Plan or any other
defined contribution plan sponsored by WakeMed
(collectively, the “Plan”) at any time from
August 25, 2014 to May 4, 2021,
you are a part of a class action settlement.¹**

IMPORTANT

PLEASE READ THIS NOTICE CAREFULLY

THIS NOTICE RELATES TO THE PENDENCY OF A CLASS ACTION LAWSUIT AND, IF YOU ARE A SETTLEMENT CLASS MEMBER, CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHTS TO OBJECT TO THE SETTLEMENT

*This is a Federal Court-authorized notice. You are not being sued.
This is not a solicitation from a lawyer.*

- A Settlement has been reached in a class action lawsuit against WakeMed. The class action lawsuit involves whether WakeMed complied with its fiduciary duties under the Employee Retirement Income Security Act of 1974 (“ERISA”) in managing the defined contribution plans WakeMed sponsored for employees, including the WakeMed Retirement Savings Plan. WakeMed denies any wrongdoing, but agreed to settle this case to avoid the high costs of defense and to allow staff to remain focused on caring for patients during a global pandemic.
- You are included as a Settlement Class Member if you were a Plan participant at any time from August 25, 2014 through May 4, 2021 (the “Settlement Class Period”), or if you are a Beneficiary or Alternate Payee of a Plan participant.
- WakeMed, through its insurance provider, has agreed to pay \$975,000.00 into a settlement fund and has also agreed to certain nonmonetary terms concerning WakeMed’s future evaluation of service providers for the Plan. Settlement Class Members are eligible to receive a pro rata share of the Settlement Amount remaining after payment of notice and administrative expenses, taxes and tax expenses, attorneys’ fees and expenses that the Court awards to Class Counsel and to the Plaintiffs as service awards (the “Net Settlement Amount”). The amount of each Settlement Class Member’s payment is based on his or her average Plan account balance during the Settlement Class Period and the duration of participation in the Plan during the Settlement Class Period. Payments to Current Participants will be deposited into their respective Plan accounts. Payments to Authorized Former Participants, Beneficiaries and Alternate Payees will be made directly by check.
- Please read this notice carefully. Your legal rights are affected whether you act or do not act.

¹ All capitalized terms used in this notice, not otherwise defined herein shall have the meanings provided in the Settlement Agreement dated April 22, 2021 (“Settlement Agreement”), which can be found at www.WakeMedERISASettlement.com.

**THIS TABLE CONTAINS A SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS
IN THIS SETTLEMENT**

DO YOU NEED TO FILE A CLAIM?	If you are a Current Participant, you do not need to submit a claim in order to get a share of the Net Settlement Fund. If you are a Former Participant, you must submit a Former Participant Claim Form in order to get a share of the Net Settlement Fund.
OBJECT BY OCTOBER 29, 2021	If you wish to object to any part of the Settlement, Class Counsel’s request for attorneys’ fees and expenses, or the proposed service awards to the Plaintiffs, you may (as discussed below) write to the Court to explain why you object. Please note that if you object, the Court has authorized the parties to seek discovery from you, including requests for documents and appearance at a deposition.
ATTEND A HEARING	If you submit a written objection to the Court and counsel before the deadline above, you may ask to speak at a hearing in Court about the fairness of the Settlement. You may attend the hearing even if you do not file a written objection, but you will not be permitted to address the Court at the hearing unless you notify the Court and counsel by October 29, 2021 , of your intention to appear at the hearing.
DO NOTHING	If you are a Current Participant, you will get a share of the Net Settlement Fund to which you are entitled and will give up your rights to sue WakeMed about the allegations in this case. If you are a Former Participant, and do not submit a Former Participant Claim Form, you will not get a share of the Net Settlement Fund and will give up your rights to sue WakeMed about the allegations in this case.

BASIC INFORMATION

1. What is this notice and why should I read it?

A court authorized this notice to let you know about a proposed settlement of a class action lawsuit called *Conte v. WakeMed*, No. 5:21-CV-00190-D (E.D.N.C.) (the “Action”), brought on behalf of the Settlement Class Members, and pending in the United States District Court for the Eastern District of North Carolina. You do not need to live in North Carolina to get a benefit under the Settlement. This notice describes the Settlement. Please read this notice carefully. Your rights and options – **and the deadlines to exercise them** – are explained in this notice. Please understand that if you are a Settlement Class Member, your legal rights are affected regardless of whether you act.

2. What is a class action lawsuit?

A class action is a lawsuit in which one or more plaintiffs sue on behalf of a group of people who allegedly have similar claims. After the parties reached an agreement to settle this case, the Court granted preliminary approval of the Settlement and preliminarily determined that the case should be treated as a class action for settlement purposes. Among other things, this preliminary approval permits Settlement Class Members to voice their support for or opposition to the Settlement before the Court makes a final determination of whether to approve the Settlement. In a class action, the court resolves the issues for all class members.

THE CLAIMS IN THE LAWSUIT AND THE SETTLEMENT

3. What is this lawsuit about?

Plaintiffs filed a class action complaint against Defendant WakeMed on behalf of a class of Plan participants alleging that WakeMed breached its fiduciary duties under ERISA—that is, certain responsibilities under federal law—by selecting and maintaining mutual funds in the Plan that were more expensive than alternative options, and by failing to prudently structure the administrative, recordkeeping, and other Plan expenses. A more complete description of what Plaintiffs allege is in the Complaint, which is available on the Settlement Website at www.WakeMedERISASettlement.com.

WakeMed denies all Plaintiffs’ claims of wrongdoing or liability against it, and asserts that its conduct was lawful. WakeMed maintains that, at all relevant times, it has acted prudently and solely in the best interests of Plan participants, in accordance with

its fiduciary responsibilities under ERISA. Among other things, WakeMed monitors, reviews, and evaluates the Plan's investment options, their performance and expenses, and the administrative fees paid by the Plan, thus ensuring the Plan offers participants a reasonable, affordable, and diverse array of investment options. WakeMed also has insurance coverage related to the Plan. WakeMed and its insurer have worked together to determine how best to address Plaintiffs' claims. WakeMed and its insurer are settling the Class Action solely to avoid the expense, inconvenience, and inherent risk and disruption of litigation, particularly as WakeMed continues to care for its patients and community during an unprecedented global pandemic.

4. Why is there a Settlement?

The Court has not decided in favor of either side in the case. Beginning in late 2019, Class Counsel began investigating potential claims on behalf of the Settlement Class. In March 2020, Class Counsel requested Plan documents from WakeMed and incorporated information from those documents, along with other facts developed during Class Counsel's investigation, into a detailed complaint which Plaintiffs intended to file in late August 2020. Before filing the complaint, Class Counsel inquired as to whether WakeMed was interested in discussing a potential resolution prior to both parties engaging in complex and formal litigation. These efforts were followed by prolonged negotiations with WakeMed, including lengthy discussions of the strengths and weaknesses of Plaintiffs' claims and the parties' respective positions. The parties then participated in a mediation before a highly respected and experienced mediator, and ultimately agreed on the Settlement. The Plaintiffs and their attorneys believe the Settlement is in the best interests of everyone who participated in the Plan during the Settlement Class Period. Both sides will avoid the significant disruption, cost and risk of lengthy litigation and trial, and the affected current and former Plan participants will get substantial benefits that they would not have otherwise received if Plaintiffs had litigated the case and lost.

WHO IS INCLUDED IN THE SETTLEMENT?

5. How do I know if I am in the Settlement Class?

The Court decided that everyone who fits the following description is a member of the **Settlement Class**:

All persons who participated in the Plan (as defined in the Settlement Agreement, to include all defined contribution plans sponsored by WakeMed) at any time during the Settlement Class Period, including any Beneficiary of a deceased person who participated in the Plan at any time during the Settlement Class Period, and any Alternate Payee of a person subject to a Qualified Domestic Relations Order who participated in the Plan at any time during the Settlement Class Period.

If you meet the definition above, you are a member of the Settlement Class.

THE SETTLEMENT BENEFITS

6. What does the Settlement provide?

WakeMed, through its insurer, has agreed to pay \$975,000 into a Settlement Fund, which includes amounts for expenses associated with administering the Settlement, taxes, tax expenses, as well as, to the extent required and approved by the Court, attorneys' fees, expenses, and a service award to Plaintiffs. (*See* Questions No. 9-10.) The amount of each Settlement Class Member's payment is based on the size of his or her average end-of-quarter Plan account balances during the Settlement Class Period.

As part of the Settlement, WakeMed also agreed to take certain actions in the future with respect to how it will evaluate service providers for the Plan. Specifically, within eighteen (18) months of the Settlement Agreement Execution Date, WakeMed will conduct a request for proposals ("RFP") for investment advisory services for the Plan. WakeMed has further agreed to initiate RFPs for recordkeeping and administrative services for the Plan on two occasions, the first within thirty-six (36) months of the Settlement Effective Date, and the second within seventy-two (72) months of the Settlement Effective Date. WakeMed will issue these RFPs to at least three qualified service providers. After each RFP, WakeMed may decide to retain the Plan's current provider of investment advisory, recordkeeping, and administrative services, or may choose to select a different provider.

If you are a Settlement Class Member (*see* Question No. 5) and you are a Current Participant, your payment will be deposited into your Plan account and invested initially in the Plan's qualified default investment alternative. If you choose to do so, you may then change your investment elections in the same way that you may for the other amounts held in your Plan account.

If you are a beneficiary entitled to receive payments on behalf of a Settlement Class Member (a "Beneficiary"), you will receive your payment under the Settlement directly in the form of a check. If you are an alternate payee entitled to receive payments on behalf of a Settlement Class Member pursuant to a Qualified Domestic Relations Order (an "Alternate Payee"), you will receive your payment of the Settlement (pursuant to the terms of your Qualified Domestic Relations Order) directly in the form of a check.

If you are an Authorized Former Participant who has filed a Former Participant Claim Form, a Settlement Class Member and you *previously* participated in the Plan but no longer do so (or you are a Beneficiary or an Alternate Payee of such a Settlement Class Member), then you will receive any payment under the Settlement directly in the form of a check.

HOW TO GET BENEFITS

7. How do I get benefits?

Settlement Class Members who are Current Participants do not have to submit claim forms to receive Settlement benefits. The benefits of the Settlement will be distributed automatically once the Court approves the Settlement. Payments to Authorized Former Participants, eligible Beneficiaries and Alternate Payees of Settlement Class Members will be made by check. (See Question No. 6.)

After the Settlement Effective Date, the Settlement Administrator will cause the Net Settlement Amount to be allocated and distributed to Current Participants, Authorized Former Participants, and their Beneficiaries or Alternate Payees, in accordance with the Plan of Allocation set forth in Article 6 of the Settlement Agreement and as ordered by the Court. The Settlement Administrator will utilize the quarter-ending account balances invested in the Plan for each Settlement Class Member during the Settlement Class Period to calculate payments to Settlement Class Members. Payments will be calculated as follows:

1. The end-of-quarter balances for the Settlement Class Period of each Current Participant and each Authorized Former Participant are identified for each quarter.
2. All end-of-quarter balances identified in step 1 are summed together for each Settlement Class Member.
3. An average end-of-quarter balance for each Settlement Class Member is calculated for the Settlement Class Period.
4. For each Settlement Class Member, the average end-of-quarter balance of step 3 is divided by the sum of all of the average end-of-quarter balances of all Settlement Class Members for the Settlement Class Period.
5. Each Settlement Class Member will receive the fraction of the total Net Settlement Amount which is calculated in step 4.
6. For purposes of these calculations, a zero should be included as the balance for any quarter during which an individual had no account balance, or did not participate in the Plan, at the quarter-end.

No amount shall be distributed to an eligible Settlement Class Member that is ten dollars (\$10.00) or less, because such an amount is *de minimis* and would cost more in processing than its value. These small amounts will be distributed, with other settlement proceeds, to Settlement Class Members entitled to receive more than ten dollars (\$10.00). The total amount of all checks to be written by the Settlement Administrator plus the total amount of all credits that the Plan is instructed to make to Current Participants may not exceed the Net Settlement Amount.

The Settlement Administrator will complete all payment calculations described above within thirty (30) calendar days after the Settlement Effective Date.

Current Participants will receive their Settlement payments as contributions to their Plan account(s), as provided in Paragraph 6.4 of the Settlement Agreement, unless the Current Participant is a Zero Account Balance Current Participant entitled to a payment by check in accordance with Paragraph 6.5 of the Settlement Agreement. Current Participants will not be required to submit a Former Participant Claim Form to receive a Settlement payment.

Authorized Former Participants (meaning Former Participants who have submitted a Former Participant Claim Form and qualify for Settlement payments) will receive their Settlement payment in the form of a check.

Beneficiaries will receive payments by check in amounts corresponding to their entitlement as beneficiaries of the Current Participant or of the Authorized Former Participant with respect to which the payment is made. Alternate Payees will receive payments by check if and to the extent they are entitled to receive a portion of a Current Participant's or Authorized Former Participant's allocation under Article 6 of the Settlement Agreement in accordance with the terms of the applicable Qualified Domestic Relations Order on file with the Plan's recordkeeper.

8. When will I get my payment?

If you are a Current Participant, then you will receive your pro rata share of the Net Settlement Amount in the form of a deposit into your Plan account approximately three (3) months after the Settlement has received final approval and/or after any appeals have been resolved in favor of the Settlement. The hearing to consider the final fairness of the Settlement is scheduled for November 10, 2021.

Any eligible Beneficiaries or Alternate Payees will receive their payment under the Settlement in the form of a check approximately three (3) months after the Settlement has received final approval and/or after any appeals have been resolved in favor of the Settlement.

If you are an Authorized Former Participant (or a Beneficiary or Alternate Payee of such participant) who has timely submitted a Former Participant Claim Form, the Settlement Administrator will effect a payment in the form of a check, representing your pro rata share of the Net Settlement Amount within approximately three (3) months after the Settlement has received final approval and/or after any appeals have been resolved in favor of the Settlement. If you are a Former Participant (or a Beneficiary or Alternate Payee of such participant) who does not submit a Former Participant Claim Form, you are not eligible and will not receive a payment for your pro rata share of the Net Settlement Amount, and you will still not be entitled to bring a claim concerning these issues against WakeMed.

All checks will expire and become void 120 days after they are issued, if they have not been cashed.

These payments may have certain tax consequences; you should consult your tax advisor.

THE LAWYERS REPRESENTING YOU

9. Who represents the Settlement Class?

For purposes of the Settlement, the Court has appointed lawyers from the law firm Robbins Geller Rudman & Dowd LLP as Class Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense. In addition, the Court appointed Plaintiffs Sarah Conte, Joanne Touchberry, Tekisha L. Nicholson, Toby Beliveau, Alexander Carlisle and Earlene N. Hunter to serve as the Class Representatives. They are also Settlement Class Members.

Subject to approval by the Court, Class Counsel has proposed that up to \$5,000 may be paid to Plaintiffs as the Class Representatives in recognition of time and effort they expended on behalf of the Settlement Class. The Court will determine the proper amount of any award to Plaintiffs. The Court may award less than that amount.

10. How will the lawyers be paid?

Class Counsel has not received any payment for their services, which began in late 2019, in prosecuting the case or obtaining the Settlement, nor have they been awarded any expenses which they have incurred. Class Counsel will apply to the Court for an award of attorneys' fees not to exceed one-third of the \$975,000 Settlement amount, plus their expenses incurred in the prosecution of the case in an amount not to exceed \$40,000. The Court will determine the proper amount of any attorneys' fees and expenses to award Class Counsel.

Any attorneys' fees and expenses awarded by the Court will be paid to Class Counsel from the \$975,000 Settlement Fund.

YOUR RIGHTS AND OPTIONS

11. What is the effect of final approval of the Settlement?

If the Court grants final approval of the Settlement, a final order and judgment dismissing the case will be entered in the Class Action. Payments under the Settlement will then be processed and distributed. The release by Settlement Class Members will also take effect. All members of the Settlement Class will release and forever discharge WakeMed and each of the Released Defendant Parties from any and all Plaintiffs' Released Claims, which are defined in the Settlement Agreement as follows:

"Plaintiffs' Released Claims" means any and all actual or potential claims, actions, demands, rights, obligations, liabilities, damages, attorneys' fees, expenses, costs, and causes of action, whether arising under federal, state, or local law, whether by statute, contract, or equity, whether brought in an individual or representative capacity, whether known or unknown, suspected or unsuspected, foreseen or unforeseen, for actions during the Settlement Class Period:

That were asserted in the Class Action, or that arise out of, relate to, or are based on any of the allegations, acts, omissions, facts, matters, transactions, or occurrences that were alleged, asserted, or set forth in the Plaintiffs' complaint; or

That were asserted in any complaint filed in *Nicholson, et al. v. WakeMed, et al.*, No. 5:20-cv-00662, in the United States District Court for the Eastern District of North Carolina, or that arise out of, relate to, or are based on any of the allegations, acts, omissions, facts, matters, transactions, or occurrences that were alleged, asserted, or set forth in any *Nicholson* complaint; or

That arise out of, relate in any way to, are based on, or have any connection with the Plan's management or administration, including but not limited to: (a) the selection, oversight, retention, monitoring, compensation, fees, or performance of the

Plan’s investment options or service providers or advisors; (b) fees, costs, or expenses charged to, paid, or reimbursed by the Plan or any Settlement Class Member; (c) disclosures or failures to disclose information regarding the Plan’s investment options or service providers; (d) the investment options offered to the Plan’s participants; (e) the compensation received by the Plan’s service providers; (f) the selection of service providers or advisors to the Plan; (g) the services provided to the Plan or the costs of those services; (h) the payment of compensation based on a percentage of total assets; (i) the Plan’s investment structure(s); or (j) alleged breach of the duty of loyalty, care, prudence, diversification, or any other fiduciary duties or prohibited transactions; or

That would be barred by *res judicata* based on entry of the Final Order; or

That relate to the direction to calculate, the calculation of, and/or the method or manner of allocation of the Qualified Settlement Fund to the Plan or any member of the Settlement Class in accordance with the Plan of Allocation; or

That relate to the approval by the Independent Fiduciary of the Settlement Agreement, unless brought against the Independent Fiduciary alone.

No Settlement Class Member will be permitted to assert Plaintiffs’ Released Claims in any other litigation against WakeMed. If you object to any of the terms of the Settlement Agreement, you may notify the Court of your objection. (See Table on page 2 of this notice.) If the Settlement is not approved, the case will proceed as if no settlement had been attempted or reached.

If the Settlement is not approved and the case resumes, there is no assurance that a class would be certified for litigation purposes or that members of any certified class will recover more than is provided for under the Settlement, or anything at all.

12. What happens if I do nothing at all?

If you are a Current Participant and you do nothing, you still will participate in the Settlement of this Class Action, and you will release any claims you may have against WakeMed concerning the conduct Plaintiffs allege in their complaint. (See Question No. 14.) You may also receive a payment as described in Question No. 8.

If you are a Former Participant, or a Beneficiary or an Alternate Payee of a Former Participant, and you do nothing, you will be bound by the Settlement of the Class Action as described in this notice, if the Settlement is finally approved, **BUT YOU WILL NOT RECEIVE ANY MONEY UNLESS YOU SUBMIT A FORMER PARTICIPANT CLAIM FORM, POSTMARKED BY THE CLAIMS DEADLINE TO BE ESTABLISHED BY THE COURT.**

13. Can I get out of the Settlement?

No. If the Court approves the Settlement, you will be bound by it and will receive whatever benefits you are entitled to under its terms. You cannot exclude yourself from the Settlement, but you may notify the Court of any objection you might have to the Settlement. (See Question No. 15.) If the Court approves the Settlement, it will do so under Federal Rule of Civil Procedure 23(b) (1), which does not permit class members to opt out of the Settlement Class.

14. Can I sue WakeMed for the same thing later?

No. If the Court approves the Settlement, you will have released any right to sue WakeMed for the claims being resolved by this Settlement and any and all other “Plaintiffs’ Released Claims,” as set forth in the Settlement Agreement and in Question No. 11 above.

15. How do I object to the Settlement?

If you are a Settlement Class Member, you can object to any part of the Settlement, Class Counsel’s request for an award of attorneys’ fees, expenses and Plaintiffs’ awards. To object, you must submit a written statement giving the reasons why you think the Court should not approve the Settlement. The Court will consider your views. Your objection to the Settlement or Class Counsel’s request for attorneys’ fees and expenses must be received no later than **October 29, 2021**, and must be sent to the Court and the attorneys for the Parties at the addresses below:

Court	Class Counsel	Defendant’s Counsel
Clerk of the Court United States District Court Eastern District of North Carolina P.O. Box 25670 Raleigh, NC 27611	Evan J. Kaufman ROBBINS GELLER RUDMAN & DOWD LLP 58 South Service Rd, Suite 200 Melville, NY 11747 EKaufman@rgrdlaw.com	Jeremy P. Blumenfeld MORGAN, LEWIS & BOCKIUS LLP 1701 Market St. Philadelphia, PA 19103 jeremy.blumenfeld@morganlewis.com

The objection must be in writing and include the case name *Conte v. WakeMed*, No. 5:21-CV-00190-D; as well as include: (a) your name; (b) your full mailing address; (c) a statement that you are a member of the Settlement Class; (d) the specific grounds for the objection (including any legal support or evidence that you wish to bring to the Court's attention or introduce in support of such objection); (e) your signature; and (f) if you are represented by an attorney or wish to attend and speak at the Fairness Hearing, a notice to appear. All objections must be filed no later than **October 29, 2021**. The Court will consider all properly filed objections or comments from Settlement Class Members.

Class Counsel will file with the Court and post on the Settlement Website its request for attorneys' fees and expenses by October 6, 2021.

Please note that the Court's Preliminary Approval Order of this Settlement provides that any party to the litigation may, but is not required to, serve discovery requests on any objector, including requests for documents and notice of deposition not to exceed two hours in length. Any responses to discovery, or any depositions, must be completed within ten (10) days of the request being served on the objector.

THE COURT'S FAIRNESS HEARING

16. When and where will the Court hold a hearing on the fairness of the Settlement?

A Fairness Hearing has been set for November 10, 2021 at 1:00 p.m., before The Honorable James C. Dever III at the U.S. District Court for the Eastern District of North Carolina, 310 New Bern Ave., Raleigh, NC 27601.

At the hearing, the Court will hear any comments, objections, and arguments concerning the fairness of the proposed Settlement, including the amount requested by Class Counsel for attorneys' fees and expenses and the awards to Plaintiffs as the Class Representatives. You do not need to attend this hearing. You also do not need to attend to have an objection considered by the Court. (See Question No. 17.)

Note: The date and time of the Fairness Hearing are subject to change by Court Order and may be conducted via conference call, but any changes will be posted at www.WakeMedERISASettlement.com.

17. Do I have to come to the Fairness Hearing?

No. Class Counsel will answer any questions the Court may have. But you are welcome to come at your own expense. If you send an objection, you don't have to come to discuss it with the Court. As long as any written objection you choose to make was filed and mailed on time and meets the other criteria described above, the Court will consider it. You may also retain another lawyer to attend at your own expense, but you do not have to.

18. May I speak at the hearing?

If you are a Settlement Class Member, you may ask the Court for permission to speak at the hearing concerning any part of the proposed Settlement by submitting a notice of appearance no later than October 29, 2021.

GETTING MORE INFORMATION

19. Where can I get additional information?

This notice provides only a summary of the matters relating to the Settlement. For more detailed information, you may wish to review the Settlement Agreement. You can view the Settlement Agreement and get more information at www.WakeMedERISASettlement.com. You can also get more information by writing to the Settlement Administrator at WakeMed ERISA Settlement, P.O. Box 2007, Chanhassen, MN 55317-2007 or calling toll-free 1-888-845-0364. The Agreement and all other pleadings and papers filed in the case are available for inspection and copying during regular business hours at the office of the Clerk of the U.S. District Court located at 310 New Bern Ave., #174, Raleigh, NC 27601.

If you would like additional information, you can also call Class Counsel at 1-800-449-4900.

PLEASE DO NOT CONTACT THE COURT, THE JUDGE, OR WAKEMED WITH QUESTIONS ABOUT THE SETTLEMENT.