

The remaining parties in the state and federal lawsuits involving the St. Joseph Health Services of Rhode Island Retirement Plan (the "Plan") have reached an agreement to resolve the cases. All parties believe that the agreed-upon framework best positions the Plan for submission to Pension Benefit Guaranty Corporation ("PBGC"), the federal agency which protects pension benefits in private-sector defined benefit pension plans. The parties are hopeful that this settlement along with settlements previously reached with other defendants will increase the likelihood of PBGC taking over the Plan and also guaranteeing payment of future retiree benefits up to the statutory maximum. In reaching the settlement, the parties acknowledged that the underlying allegations remain intensely disputed and there was no admission of fault by the Bishop or any diocesan-related entity in entering into the resolution.

Under the agreement, the Diocese will make a \$2.5 million payment to the Plan Receivership, upon the occurrence of the following events:

First, the Federal Court agrees to stay the pending litigation pending the action by PBGC as discussed below;

Second, as of an appropriate time (expected to be no sooner than the Spring of 2024) the Plan's Receiver will seek to have PBGC terminate the Plan and PBGC agrees to take over the Plan;

Third, PBGC agrees, upon Plan termination and trusteeship, to release, or to not assert, any claims against any diocesan-related entities;

Fourth, PBGC agrees to provide the maximum statutory guaranteed benefits; and

Fifth, the Federal and State courts approve the settlement terms, including complete releases of all claims by the settlement class, with the Federal court certifying a settlement class.

Should any of these conditions not be met, the settlement agreement is void, no payments will be made, and all claims and defenses will remain outstanding.

Both the Receiver and plaintiffs' counsel expressed appreciation for the Diocese's cooperation in assisting them to position the Plan so that it has an opportunity for PBGC to take over the Plan and make payments to the Plan participants up to the maximum statutory guarantee. While both sides believe they have strong claims and defenses, they agree that ending the lawsuit and taking those steps necessary to hopefully secure full coverage for the Plan participants is in the best interests of everyone.