

NOTICE REGARDING FINANCIAL STATEMENTS

The consolidated UFCW & Employers Benefit Trust's class action lawsuit and California Attorney General's lawsuit against Sutter Health (collectively, the "Consolidated Action") were scheduled for trial on September 23, 2019. As has been reported, Sutter Health recently agreed to a settlement in principle involving monetary damages and certain injunctive relief related to the Consolidated Action (the "Settlement"). While Sutter Health maintains its contracting practices were, and remain, in compliance with industry standards, it also believes the Settlement avoids a protracted trial and years of appeals, which would not be in the best interest of its patients.

Sutter Health is presently bound by court-ordered confidentiality requirements regarding the terms of the Settlement. Due to these confidentiality requirements, Sutter Health will delay the posting of its third quarter financial statements and certain updated disclosure information until the court permits the sharing of the terms of the Settlement. The Settlement also remains subject to the court's approval process, which includes a hearing on motion for preliminary approval that is currently scheduled for February 25, 2020, and a hearing on motion for a final approval anticipated in Summer 2020. There can be no assurance that the court will approve the Settlement or that the final resolution of the Consolidated Action will not have a material adverse effect on Sutter Health's future consolidated financial position or results of operations and, therefore, the final resolution of the Consolidated Action could have a material adverse effect on the Obligated Group, taken as a whole.

Questions should be directed to Jonathan Ma, Vice President, Finance and Treasurer, Sutter Health at maj10@sutterhealth.org.

Dated: November 25, 2019

SUTTER HEALTH