Entities' Supplemental Responses to OHA's Request for Clarification

August 28, 2026

Quorum Health Corporation ("QHC") and QKA Healthcare Corporation ("QKA") (collectively, the "Entities") submit the following supplemental responses to the Oregon Health Authority's ("OHA") August 24, 2026 letter requesting clarification (the "Clarification Letter") regarding the Entities' August 14, 2026 responses to OHA's Request for Information – 089 Quorum-Healthside (the "RFI"). Consistent with Section B of the Clarification Letter, the Entities provide updated written responses to Questions 6, 11, and 16 of the RFI below.

1. **<u>Question 6</u>**

<u>Original Question</u>: Please provide a summary of any compensation that will be provided to QHC's executive leadership in connection with the proposed transaction, and copies of any proposed employment agreements between QKA and current QHC executives.

<u>Additional Request</u>: Entities state that employment agreements for the QHC executives have yet to be finalized. As requested, please provide a summary of the compensation terms QKA expects to offer QHC's executive leadership. Alternatively, please provide copies of draft employment agreements.

<u>Response:</u>

Set forth below is a summary of the compensation terms that QKA expects to offer QKA's executive leadership. It is important to note that the QKA Board retained Sullivan Cotter (a highly regarded national employee compensation and benefit firm) to act as an independent consultant to advise the Board on all executive compensation and benefit matters, including providing comparable health care compensation and benefits data. The compensation that QKA would pay its executive management would be consistent with the advice and market data provided by Sullivan Cotter to the QKA Board.

<u>Chief Executive Officer</u>

The parties request confidentiality of the following compensation terms discussed herein.

[redacted]

- [redacted]
- [redacted]

  [redacted] [redacted]

  [redacted] [redacted]

  [redacted] [redacted]

  [redacted]

- [redacted]

  [redacted]

[redacted]

2. **Question 11**

Additional Request: Do the parties anticipate that any existing QHC executive leadership team members will become directors of the QKA board at closing or post-closing?

Response:

For clarity, as is customary across not-for-profit healthcare, QKA does currently anticipate that the CEO of QKA will serve as an ex-officio voting member of the QKA Board of Directors post-closing. Accordingly, this means that the current CEO of QHC (Chris Harrison) will become an ex-officio voting member of the QKA Board once he becomes CEO of QKA post-closing. It is not currently anticipated that any other members QHC executive leadership will be on the QKA Board in any capacity (ex officio or otherwise).

3. **Question 16**

Original Question: any supporting evidence or analysis for QKA's reduced borrowing costs relative to QHC's.

Additional Request: For subpart c., please provide a narrative explanation, for the benefit of the public, of why annual interest payments are expected to be $31 million lower under the new QKA capital structure. The response should summarize how the figure was calculated and the assumptions on which it is based.

Response:

1. Total transaction financing debt is anticipated to be (A) $1.259bn. At an estimated (B) 8.25% weighted average interest rate, this equates to $104.9mm in annual interest expense. The 8.25% average interest rate is an initial estimate based on discussions with the bond underwriters, factoring in current market conditions for similarly situated organizations. The calculation for this is (A) $1.259bn multiplied by (B) 8.25%, which results in $104.9mm. The bonds are anticipated to be interest only for the first five years post-closing.

2. This $104.9mm is $31mm less than the current $135.9mm Quorum pays today for its debt, which is reflected in Quorum's audited financial statements.

3. The reason Healthside Partners is able to achieve a lower cost of capital is that tax-exempt debt has benefits to its investors. More specifically, the interest tax-exempt investors receive is exempt from federal income taxes, and often from state and local income taxes if the investor resides in the issuing jurisdiction. As a result, the investors are willing to accept lower interest rates.