



November 16, 2018

State of North Carolina, Department of Justice  
% Jennifer T. Harrod, Esq.  
Special Deputy Attorney General  
Consumer Protection  
114 W. Edenton St.  
Raleigh, NC 27603

Dear Ms. Harrod:

We understand that Mission Health System, Inc. and Affiliates ("Mission", the "Company", or the "Seller") has entered into an Asset Purchase Agreement dated August 30, 2018 (the "Agreement") with MH Master Holdings, LLLP and HTI Hospital Holdings, Inc., affiliates of HCA Healthcare, Inc. ("HCA" or the "Buyer"), and Dogwood Health Trust (the "Foundation"), pursuant to which HCA will acquire substantially all of the assets of Mission (other than certain excluded assets, services and entities as outlined in the Agreement). The purchase consideration, pursuant to Section 2.5 of the Agreement, is \$1.468 billion subject to certain adjustments outlined in the Agreement, plus the assumption of four capital leases (the "Consideration"). The foregoing transaction is referred to hereinafter as the "Transaction".

The State of North Carolina, Department of Justice ("NCDOJ") has requested that Stout Risius Ross, LLC ("Stout") render an opinion (the "Opinion") with respect to the fairness, from a financial point of view, of the Consideration to be received by Mission pursuant to the Transaction.

Our Opinion is intended to be utilized by the NCDOJ as only one input to consider in its process of analyzing the Transaction. No opinion, counsel or interpretation is intended in matters that require legal, regulatory, accounting, insurance, tax or other similar professional advice. We have not been requested to opine as to, and our Opinion does not in any manner address the following: (i) the underlying business decision of the entities involved in the Transaction, their stakeholders or any other party, including the NCDOJ to proceed with or effect the Transaction; (ii) the merits of the Transaction relative to any alternative business strategies that may exist for the stakeholders, the NCDOJ, or other parties, nor the effect of any other transactions in which the stakeholders, the NCDOJ, or other parties might have engaged; (iii) the terms of any arrangements, understandings, agreements or documents related to, or the form or any other portion or aspect of, the Transaction or otherwise, except as expressly addressed in the Opinion; (iv) the fairness of any portion or aspect of the Transaction to the holders of any class of securities, creditors, or other constituencies of the stakeholders, the NCDOJ, or other parties not specifically addressed in the Opinion; (v) the solvency, creditworthiness or fair value of any transacting entities or any other participant in the Transaction under any applicable laws relating to bankruptcy, insolvency or similar matters or (vi) how the transacting entities, stakeholders, NCDOJ, or any other person should act with respect to the Transaction.

Further, if the Transaction is subject to NCDOJ approval, Stout's Opinion is not intended to and does not constitute a recommendation to the NCDOJ or stakeholders as to how each should vote in regard to the Transaction. The NCDOJ acknowledges that Stout has not been engaged to (a) initiate any discussions with, or solicit any indications of interest from, third parties with respect to the Transaction, the assets, businesses or operations of the transacting entities or any other party, or any alternatives to the Transaction, or (b) negotiate the terms of the Transaction. The NCDOJ acknowledges that Stout has no obligation to conduct any appraisal of any specific assets or liabilities of the transacting entities or any other party.

In connection with our analysis, we have made such reviews, analyses, and inquiries as we have deemed necessary and appropriate under the circumstances. The principal sources of information used in performing our analysis included, but were not limited to:

- Mission's audited financial statements for the fiscal years ended September 30, 2014 through 2017;
- Mission's internally-prepared financial statements for the fiscal year ended September 30, 2018;
- Mission's internally-prepared interim financial statements for the eleven-month periods ended August 31, 2017 and 2018;
- the Asset Purchase Agreement, including associated exhibits and disclosure schedules, between Mission and its component entities, MH Master Holdings, LLLP, HTI Hospital Holdings, Inc., and Dogwood Health Trust, dated August 30, 2018 (previously defined as the "Agreement");
- Mission's long-range plan for the fiscal years ending September 30, 2019 through 2026, including projected income statements and balance sheets;
- Mission's Finance Committee Presentation titled "Update: Long Range Financial Plan," inclusive of Mission's current proposed capital plan, dated September 29, 2017;
- Mission's federal income tax returns for the fiscal years ended September 30, 2015 through 2017;
- Mission's internally-prepared financial statements for the latest twelve-month ("LTM") period ended July 31, 2018 for Adult Day Care, Expanded Bereavement Support Program, Regional Asthma Program, Safe Kids, and Children's Weight Management (collectively, the "Excluded Services");
- Mission's internally-prepared historical financial statements for the LTM period ended June 30, 2018 and/or July 31, 2018 (as applicable) and certain projected financial information for Blue Ridge Home Care, Inc.; Advanced Home Care, Inc.; BMH Solutions, Inc.; ABCCM Doctors' Medical Clinic, Inc.; ProCare, Inc.; Healthcare III Limited Partnership; Healthcare LLC, VII; and Blue Ridge DME, LLC (collectively, the "Excluded Entities");
- Mission's internally-prepared financial statements for the LTM period ended June 30, 2018 for Imaging Realty, LLC; Provider-Led, Patient-Centered Care, LLC; WNC Stone Center, LLC; Assuring Affordable, Quality Healthcare in North Carolina, LLC; Western North Carolina Healthcare Innovators, LLC; Blue Ridge-TKC, LLC; and Spruce Pine Healthcare, LLC (collectively, the "Potentially Excluded Joint Ventures");
- Mission's internally-prepared financial statements for the LTM period ended July 31, 2018 for The McDowell Hospital and for the LTM period ended August 31, 2018 for the PACE Program and Asheville Specialty Hospital (collectively, the "Potentially Excluded Entities");
- Mission's Notice of Merger or Transfer of Assets by a Charitable or Religious Corporation to the North Carolina Attorney General, dated September 1, 2018;
- Mission's letter to the NCDOJ, including related attachments, regarding the potential acquisition of Mission by HCA and the evaluation of other prospective partners, dated August 16, 2018;
- certain Minutes of the Meetings of the Board of Directors of Mission Health System, Inc. and Mission Hospital, Inc. for 2017 and 2018;
- the Fairness Opinion presentation prepared by Cain Brothers & Company, LLC ("Cain Brothers") for Mission, dated August 29, 2018;

- the Foundation Analysis presentation prepared by Cain Brothers for Mission, dated February 2018;
- Board materials to be reviewed for its Strategic Planning Board Retreat on January 17, 2018, inclusive of the Strategic Planning Board Retreat: External Perspectives presentation prepared by [REDACTED] dated January 2018;
- Board materials for its March 8, 2018 meeting, inclusive of HCA's letters of intent ("LOI") for a proposed joint venture with Mission and for a full asset acquisition of Mission;
- Mission's HCA Letter of Intent Announcement presentation;
- a certificate from senior management of Mission containing, among other things, representations regarding the accuracy of the information, data, and other materials (financial or otherwise) provided by or on behalf of the Company;
- a review of publicly available financial data of certain publicly traded companies that we deemed relevant;
- a review of available information regarding certain merger and acquisition transactions that we deemed relevant;
- discussions with Mission's management concerning its business, industry, history, and prospects;
- a site visit to Mission's main hospital campus located in Asheville, North Carolina; and
- an analysis of other facts and data resulting in our conclusions.

Our Opinion is premised on the assumption that the assets, liabilities, financial condition, and prospects of Mission as of the date of this letter have not changed materially since September 30, 2018, the date of the most recent financial statements made available to us. In rendering our Opinion, we have assumed and relied upon the accuracy and completeness of all financial and other information that was publicly available, furnished by Mission and its advisors, the NCDOJ, or otherwise reviewed by or discussed with us without independent verification of such information and we have assumed and relied upon the representations and warranties contained in the Agreement we reviewed. We have assumed, without independent verification, that the financial forecasts and projections provided to us have been prepared in good faith and reflect the best currently available estimate of the future financial results of the Company, and we have relied upon such projections in arriving at our Opinion. We have not been engaged to assess the reasonableness or achievability of such forecasts and projections or the assumptions upon which they were based, and we express no view as to the forecasts, projections, or assumptions. We have assumed that the Transaction will be consummated on the terms described in the Agreement, without any waiver of any material terms or conditions by the parties to the Agreement.

We have not conducted a physical inspection of Mission's facilities or assets. We have assumed, with your consent, that the conditions to the Transaction as set forth in the Agreement will be satisfied, and that the Transaction will be consummated on a timely basis in the manner contemplated by the Agreement. Our Opinion is necessarily based on business, economic, market, and other conditions as they exist and can be evaluated by us at the date of this letter. It should be noted that although subsequent developments may affect this Opinion, we do not have any obligation to update, revise, or reaffirm our Opinion. We reserve the right, however, to withdraw, revise, or modify our Opinion based upon additional information that may be provided to or obtained by us after the issuance of the Opinion that suggests, in our judgment, a material change in the assumptions upon which our Opinion is based.



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Stout conducted its analyses at the request of the NCDOJ to provide a particular perspective of the Transaction. In so doing, Stout did not form a conclusion as to whether any individual analysis, when considered independently of the other analyses conducted by Stout, supported or failed to support our Opinion as to the fairness of the Transaction from a financial point of view. Stout does not specifically rely or place any specific weight on any individual analysis. Rather, Stout deems that the analyses, taken as a whole, support our conclusion and Opinion. Accordingly, Stout believes that the analyses must be considered in their entirety, and that selecting portions of the analyses or the factors they considered, without considering all analyses and factors together, could create an imperfect view of the processes underlying the analyses performed by Stout in connection with the preparation of the Opinion.

Our opinion is furnished solely for the use and benefit of the NCDOJ in connection with the Transaction, and is not intended to, and does not, confer any rights or remedies upon any other person, and is not intended to be used, and may not be used, for any other purpose, without our express, prior written consent. We will receive a fee for our services, however our compensation for providing financial advisory services to the NCDOJ is neither based upon nor contingent on the results of our engagement or the consummation of the proposed Transaction. Further, none of our employees who worked on this engagement has any known financial interest in the assets or equity of Mission or HCA or the outcome of our engagement. We have not previously provided financial advisory services to the NCDOJ.

It is understood that this Opinion was prepared at the request of the NCDOJ for its confidential use and may not be reproduced, disseminated, quoted, or referred to at any time in any manner or for any purpose without our prior written consent, except as required by applicable laws.

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the Consideration to be received by the Company, pursuant to the Transaction, is fair, from a financial point of view.

Yours very truly,

A handwritten signature in black ink that reads "Stout Risius Ross, LLC".

**STOUT RISIUS ROSS, LLC**