PLAN OF ALLOCATION

Subject to the Court's approval and modification, the Plan of Allocation is as follows:

1. **Definitions.** Unless otherwise defined, terms used in this Plan of Allocation have the same meaning as in the Settlement Agreement.

2. **Nonreversionary common fund.** This is a common-fund settlement; there shall be no reversion of the Settlement Fund to Defendants upon the occurrence of the Final Date.

3. **Allocation of payments to Settlement Class Members.** The Settlement Fund—including, to the greatest extent practicable, all interest earned on the Settlement Fund that is not part of the Fee and Expense Award, and subject to Court approval and the conditions specified in the Settlement Agreement—will encompass and its use will be limited to the following: (a) Class Counsel's fees and costs; (b) Incentive Awards; (c) Administration Expenses (and any other expenses, taxes, withholdings, or payments required by this Settlement, including expenses for the Settlement Master and for the designated panel of spine surgery experts); and (d) Individual Settlement Payments.

Defendants shall have no responsibility or liability for any issues or disputes that arise from the administration, calculation, allocation, determination, review, approval, denial or distribution of Individual Settlement Payments.

4. **Named Plaintiffs' Incentive Award**: Named Class Representatives may seek an Incentive Award of up to $25,000.00 each in recognition for their services. Any Incentive Award is subject to Court approval and will be paid from the Gross Settlement Fund. The Incentive Award is in addition to any Individual Settlement Payment to which Plaintiffs are otherwise entitled. The Incentive Award will be reported on an IRS Form 1099, if applicable.

5. **Distribution Tiers for the Net Settlement Fund**. The Net Settlement Fund will be administered by the Settlement Administrator and will be divided among the Class Members into individual settlement payments based upon a Class Member's classification. Class Members will be classified into one of the following "Tiers" based upon information provided in their verified Claim Form as well as based on any additional relevant information gathered by Class Counsel, Defendants' Counsel, Settlement Administrator, or Settlement Master, and with the use of a designated panel of spine surgery experts.

Any review or determination performed by a member of the expert panel is solely for purposes of administering this Settlement and resolving this disputed matter and shall not constitute a medical, legal, or factual finding for any purpose other than administration of this Settlement. Such expert reviews, findings and opinions are not admissible in any other proceeding.

Tier 1: Class Members who do not elect to opt out under the provisions of this Agreement, who do not elect for consideration for a different Tier, and who submit a Claim Form with all requested information shall receive a cash payment in the amount of $2,000.00 per Class Member.

Tier 2: Class members who contend their spine surgery was unnecessary or otherwise performed below the standard of care can submit a Claim Form requesting Tier 2 treatment to be eligible to receive a pro rata cash payment with the other class members who are also seeking Tier 2 treatment. The Tier 2 evaluation will require a review of each class member's medical records and imaging from MultiCare by an expert spine surgeon, which spine surgeon is a member of the designated panel of spine surgeons funded by the settlement and overseen by the Settlement Master. The cost of any review will be funded by the class members' Tier 1 benefit, meaning that class members will give up their right to their $2,000 Tier 1 benefit to pay for the expert spine surgeon review to determine if they qualify for Tier 2.

Tier 3: Class members who contend their spine surgery has caused them to suffer harm or damages that are extreme and egregious can submit a Claim Form to determine if they quality for Tier 3. If eligible, Tier 3 Class members may receive a pro rata cash payment with the other class members who are also seeking Tier 3 treatment, up to $750,000 per Tier 3 class member. For purposes of Settlement, qualification for extreme and egregious circumstances requires qualifying for Tier 2 status and would include: multiple surgeries or surgeries to revise and correct a qualifying surgery performed by Dr. Dreyer; paralysis; permanent disability such as loss of limb function; severe and unmanageable chronic pain; clinically documented severe and permanent emotional trauma caused by the qualifying spine surgery. Pre-existing conditions will be closely scrutinized in the review to decide whether the harm claimed was caused by the treatment at issue and not by some pre-existing or collateral medical condition. Class members seeking Tier 3 consideration are responsible for providing all supporting medical records and imaging studies that are not already in the possession of MultiCare to support this Tier 3 claim. At their option, Class members may also submit MultiCare medical records to support their Tier 3 claim if they believe those records are pertinent to their claim and they want to ensure the specific review of those records. Class members who do not qualify under Tier 2 criteria will not be considered for Tier 3. The cost of review of a Tier 3 claim is estimated to be between $5,000 and $10,000. By filing a Tier 3 claim, and if a Tier 3 review occurs, class members agree to have that expense paid from their Tier 2 allocation, in addition to giving up their Tier 1 allocation. $10,000,000.00 shall be set aside for the group of class members who qualify for Tier 3. Claims for individual Class Members who qualify for Tier 3 status are capped at $750,000.00 (in addition to the money amount received from their Tier 2 status). If the number of Class Members in Tier 3 does not exhaust the $10 Million set-aside, each Class Member shall receive the maximum allocation ($750,000.00) and the

remaining funds will be redistributed evenly amongst all the Class Members who are not in Tier 1.

6. **Incapacitated Claimants.** A claim may be submitted by a legally authorized representative of an incapacitated Class Member.

7. **Estate Claimants – Ineligible for Tier 3.** A claim may be submitted by a legally authorized representative of a deceased Class Member's estate. The claim is eligible for Tier 1 treatment or Tier 2 treatment but is not eligible for Tier 3 treatment.

8. **Challenges to Net Settlement Fund Allocations for Class Members Applying for Tier 2 and Tier 3 Consideration**: Within 30 calendar days after the expert spine surgeon's completion of the review of a Tier 2 or 3 Claim Form and accompanying materials as set forth in the Notice, the Settlement Administrator shall notify a Class Member via email or, if email is not available, via first-class mail, the Tier for which the Class Member has qualified, including if it has been determined that the Class Member's claim cannot be approved for the Tier they seek, and the reason(s) therefor, including that the Tier request in the claim is improper, or otherwise unsupported by the medical record. Thereafter, the Class Member shall have 20 calendar days from the date of the Settlement Administrator's notification, to challenge the Settlement Administrator's decision that the claim cannot be approved by providing a written submission, including any relevant evidence, setting forth the basis for the challenge. The challenge must be received by the Settlement Administrator no later than 20 calendar days from the date of the Settlement Administrator's notification, and the Settlement Administrator, acting through the Settlement Master, shall then have 20 calendar days from the date of receipt of all timely-filed challenges to make a determination, acting through the Settlement Master and the neurosurgeon spine expert panel, as to whether the Class Member's claim should be approved. The Settlement

Master's determination of the challenge, conducted as outlined above, shall be final. Within 10 calendar days from the date of the final determination, the Settlement Administrator shall inform the Class member of that final determination by emailing or, if email is not available, by mailing via first-class mail, a final determination letter. If the Class Member did not challenge the initial decision, then the original notification as outlined above, in the first sentence of this paragraph, shall act as the final determination letter. Class Counsel and Defense Counsel shall not participate in the decision-making process.

9. **Payments:** Within 30 calendar days after the Court enters the Order on Final Approval and Judgment, or after all reviews and determinations are complete, whichever is later, the Settlement Administrator shall have determined payment amounts and will issue (by regular first class U.S. mail or electronic transfer or as the Class Member designates for purposes of estate or other financial planning choices) payments to Class Members for their Individual Settlement Payments. Within 10 days from the Court's ruling on applications for Class Counsel fee and expense awards and Class Representative Service Awards, the Settlement Administrator will (1) issue payment to Class Counsel for any approved Attorney Fees and Costs, (2) issue payment for any approved Service Awards, and (3) issue payment for any other Court approved costs or expenses.

a. Payments may be distributed to Settlement Class Members by electronic means, including, if administratively practicable, via ACH, Venmo, PayPal, and Zelle.

b. The Notice shall inform Settlement Class Members of the availability of such electronic means of payment as the Settlement Administrator will make available to Settlement Class Members, and shall direct Settlement Class Members to the Settlement Website,

where, via a secure portal, they will be able to elect an electronic means of payment and give the Settlement Administrator the information necessary to effect such payment.

c. The secure portal shall prominently inform Settlement Class Members that their election to receive payment electronically is final and irrevocable.

d. The period during which Settlement Class Members may elect to receive payment electronically will end on the Final Date.

10. **Failure to provide necessary information.** If a Settlement Class Member has failed to provide the information necessary to the Settlement Administrator by the date set out in the Notice, such Settlement Class Member shall be deemed to have waived and released their claim for payment under the Settlement Agreement.

11. **Unclaimed payments.** With regard to payments made pursuant to paragraph 9:

a. Checks will expire after 180 calendar days and will be marked with that expiration notation. If the check is not negotiated within 180 days from the date of issuance of the check, the Class Member shall be deemed to have waived and released their claim for payment under the Settlement Agreement. If a Settlement Class Member reasonably requests that a check be reissued within the 180 calendar days, the Settlement Administrator shall reissue it.

b. If a check to a Class Member is returned as undeliverable, the Settlement Administrator shall attempt to obtain a new mailing address for the Class Member and effect a second mailing. Such efforts may include skip tracing, direct email outreach, or both, at the option of the Administrator. If, after a second mailing, the check is again returned as undeliverable, or if the Settlement Administrator, after reasonable efforts, is unable to determine a second mailing address, there is no obligation to take further efforts to distribute the check, and the Class Member

shall be deemed to have waived and released their claim for payment under the Settlement Agreement.

c. If a payment made to a Class Member electronically is unable to be processed, the Settlement Administrator shall make reasonable efforts to contact the Settlement Class Member to correct the problem. If the Class Member does not provide a corrected means of electronic payment within a reasonable amount of time, or provides a means of electronic payment that is unable to be processed, there is no obligation to take further efforts to distribute the payment, and the Class Member shall be deemed to have waived and released their claim for payment under the Settlement Agreement.

12. **Residual funds.** If, after the process outlined herein above is deemed by the Settlement Administrator to be complete, and there remain funds in the Net Settlement Fund, such remaining funds shall be distributed as follows, subject to order of the Court:

a. If it is administratively and economically feasible to distribute the remaining funds to Settlement Class Members or some portion thereof, then Class Counsel, in consultation with the Settlement Administrator, shall propose to the Court an equitable method for doing so, with any additional distribution being distributed pro-rata to those Class Members who have qualified under Tier 2 and Tier 3 only. Such method of distribution shall be effected if the Court approves it (or approves it in modified form).

b. To the extent there is no distribution of remaining funds according to Subsection A of this Section, or if funds still remain after distribution according to Subsection A of this Section, the Parties shall confer and present to the Court a proposal for treatment of the remaining funds that is consistent

with CR 23. Such proposal shall be effected if the Court approves it (or approves it in modified form).

13. **Modification to Plan of Allocation.** Should one or both the Parties agree, after preliminary or final approval of the Settlement Agreement, that the provisions of this Plan of Allocation governing unclaimed payments and residual funds, or any other terms, should be modified in the interests of justice, they shall seek the Court's approval for such modification. If the Court approves, the provisions governing unclaimed payments and residual funds, or any other terms, shall be effected as modified.