



## Process Overview

### Process to Date

| Event  | Date                                 | Reference / Comment   |
|--|--------------------------------------|---|
| <p>Discussions evaluating potential partnerships are initiated. The following are considered:</p> <ul style="list-style-type: none"> <li>• Billings Clinic</li> <li>• Bidder 2</li> <li>• Bidder 3</li> <li>• Bidder 4</li> </ul>  | <p>February 2010 – February 2013</p> |   |
| <p>CMC focuses on potential partnerships with either Bidder 3 or Billings Clinic.</p>  | <p>May 23, 2013</p>                  |   |
| <p>Cain Brothers is engaged by CMC to assist CMC with its partnership search.</p>  | <p>June 20, 2013</p>                 | <p>Authority to engage Cain Brothers within purview of CEO.</p>   |
| <p>Cain Brothers conducts on-site interviews at CMC with CMC's leadership as well as key board members and physicians.</p>   | <p>July 16, 2013</p>                 | <p>As part of scope of services under Cain Brothers' engagement letter to review the process to date and identify CMC's objectives to negotiate a transaction that will meet such objectives.</p> |
| <p>CMC board votes to continue Cain Brothers' engagement</p>   | <p>July 18, 2013</p>                 |   |
| <p>CMC expand the list of potential partners to include the following bidders but decides to not pursue Bidder 4 at this time:</p> <ul style="list-style-type: none"> <li>• Billings Clinic</li> <li>• Bidder 2</li> <li>• Bidder 3</li> <li>• Bidder 5</li> <li>• Bidder 6</li> </ul> | <p>July 2013</p>                     | <p>CMC taskforce decides during regular weekly calls to expand list of potential partners to add additional credible partners at the advice of Cain Brothers but places Bidder 4 on hold.</p>     |



## Process Overview

### Process to Date (Cont'd)

| Event   | Date                         | Reference / Comment   |
|---|------------------------------|---|
| Cain Brothers reaches out to above identified potential partners and distributes NDAs.  | July - August 2013           | Pursuant to the scope of services of Cain Brothers' engagement letter to assist CMC in negotiating terms of the proposed transaction.   |
| Cain Brothers presents to CMC board an overview of the potential partners, the transaction process and the key terms of the proposed term sheets to be distributed to the potential partners.   | August 22, 2013              |   |
| List of potential partners is expanded to add Bidder 7 and RegionalCare (in partnership with Billings Clinic). Executive summaries, process letters and term sheets distributed to interested parties.  | August 2013 - September 2013 | Bidder 7 is added to the process after Cain Brothers received an inbound call from Bidder 7 expressing interest. RegionalCare is added to the process after Billings Clinic indicated it would only pursue a transaction with its new JV partner RegionalCare. Following Cain Brothers' review of the process to date, CMC decides to distribute formal RFPs. |
| Potential interested parties receive limited data room access.  | September 11 - 26, 2013      | As set forth in the process letter, interested parties are provided access to a limited set of data in an electronic data room.   |
| Initial proposals submitted by interested parties. Cain Brothers provides update on process. CMC Physician Advisory Committee (PAC) formed with first meeting scheduled for end of October. The purpose of the PAC is to give the medical staff an opportunity to provide input into the partnership process. | September 26, 2013           |   |



# Process Overview

## Process to Date (Cont'd)

| Event   | Date                          | Reference / Comment  |
|---|-------------------------------|--|
| Proposals reviewed and follow-up questions submitted to interested parties to clarify proposals.  | October 2013                  |  |
| Presentations by potential partners that submitted proposals including RegionalCare / Billings Clinic, Bidder 2 (with Bidder 6 in attendance) and Bidder 3. | October 17 - 24, 2013         | As part of Cain Brothers' scope of services, Cain Brothers set up presentations by potential partners to assist CMC with its reverse due diligence.  |
| CMC board decides to solicit Bidder 4's proposal. Cain Brothers provides update on process and summary of proposals.  | October 25, 2013              |  |
| Discussions initiated with Bidder 4.  | November 2013                 | Discussions initiated pursuant to board decision on October 25, 2014.  |
| CMC conducts reverse due diligence including site visits at hospitals owned by RegionalCare, Billings Clinic, Bidder 2 and Bidder 3.                        | November 2013 - December 2013 | As part of Cain Brothers' scope of services, Cain Brothers set up site visits at hospitals of interested parties for CMC board members and assisted CMC in evaluating interested partners in terms of clinical quality, commitment to the community, financial stability, cultural fit, etc. |
| Presentation to CMC board by Bidder 2 and Billings Clinic / RegionalCare.   | December 2013                 | Additional presentations by interested parties as part of the reverse due diligence process included in Cain Brothers' scope of service.   |



## Process Overview

### Process to Date (Cont'd)

| Event   | Date                         | Reference  |
|---|------------------------------|--|
| Cain Brothers provides process update and reviews proposals. CMC decides to cull Bidder 2 from partnering process.                        | December 19, 2013            |  |
| Presentation to CMC board by Bidder 3 and Bidder 4.   | January 2014                 | Additional presentations by interested parties as part of the reverse due diligence process included in Cain Brothers' scope of service.                   |
| CMC board selects Billings Clinic / RegionalCare and Bidder 4 as finalists.   | January 16, 2014             |  |
| Due Diligence by finalists.   | January 2014 - February 2014 | Cain Brothers coordinated due diligence by finalists as part of its scope of services.   |
| Site visit by CMC at Bidder 4.  | February 21, 2014            | As part of its scope of services, Cain Brothers set up a site visit at Bidder 4's corporate office for CMC board members to conduct reverse due diligence. |
| CMC decides at February board meeting to further negotiate transaction terms with finalists and postpone decision to March board meeting. | February 27, 2014            |  |



## Process Overview

### Process to Date (Cont'd)

| Event   | Date                 | Reference   |
|---|----------------------|---|
| Cain Brothers provides summary of Bidder 4 and Billings Clinic / RegionalCare final proposed term sheets. CMC board considers both such proposals and reevaluates Bidder 3. CMC board selects Billings Clinic / RegionalCare as winning bidder. | March 27, 2014       |   |
| Confirmatory diligence and negotiation of purchase agreement.   | April 2014 - Present | Cain Brothers coordinates confirmatory due diligence and assists in the negotiation of the purchase agreement as part of its scope of services. ! |