

LETTER OF INTENT

This Letter of Intent (the "LOI") is effective as of September 8, 2022, and is by and between Fairview Health Services, a Minnesota non-profit corporation and tax-exempt organization ("Fairview"), and Sanford, a North Dakota non-profit corporation and tax-exempt organization ("Sanford Health"). Each of Sanford Health and Fairview may be referred to herein as a "Party" or, collectively, as the "Parties."

Sanford Health and Fairview desire to create a nationally distinguished, high-performing academic community health system with the complementary resources and areas of excellence of the two nonprofit organizations serving patients and communities in a coordinated manner ("Combined System"), and to advance their mutual interest in accelerating equitable access to high-quality health care and related services in their respective communities.

The vision, mission and values of the two organizations align to reflect a deep commitment to health, healing and compassion; a culture of service and community; and a shared focus on the power of discovery and innovation to drive a healthier future for those we serve.

Both organizations acknowledge the desire to continue the long-standing relationship between Fairview, the University of Minnesota and University of Minnesota Physicians and to continue their work to advance a nationally renowned, high-performing care delivery system that strongly supports research and education of the University. As a Combined System, Fairview and Sanford Health further desire to enhance this academic medicine relationship in pursuit of their collective missions and are committed to moving the transaction forward to meet the growing health care needs of their communities and exploring partnership opportunities with the University and University of Minnesota Physicians at a mutually agreed upon time.

Sanford Health and Fairview believe the Combined System will present a unique opportunity to fulfill their respective commitments to the communities they serve by enhancing value and affordability to their patients; expanding access to care; continuously improving quality, health care equity, and patient experience; and long-term sustainability through economies of scale, operational efficiencies, and investments in technology, infrastructure, and innovation. The Combined System will bring the best of the two organizations together to change the way health care is delivered and positively impact our communities, with shared capabilities to meet the diverse needs of those we care for, including the underserved in both urban and rural areas.

Both Parties have reviewed and acknowledge the existing Cornerstone Commitments between Sanford Health and Mr. Denny Sanford. Furthermore, the Parties have mutually agreed to advance terms within the LOI, consistent with these foundational commitments, to preserve the ability of the Combined System to benefit from Mr. Sanford's current philanthropic investments and future legacy gift intent.

Fairview and Sanford Health do hereby set forth their mutual understandings and intent as follows:

1. **Corporate Structure.** In the spirit of efficiency and ease of execution, subject to the terms and conditions stated herein, Fairview and Sanford Health will form a common parent corporation utilizing an existing non-profit, tax-exempt entity incorporated in the state of North Dakota, which will be the sole member of both legacy Fairview and legacy Sanford Health upon closing of the transaction (the “Common Parent Entity”). The existing separate corporate subsidiaries of Fairview and Sanford Health will be maintained immediately after closing.
2. **Domicile and Corporate Headquarters.** Common Parent Entity will be domiciled in North Dakota and headquartered in Sioux Falls. The Combined System will maintain a material corporate presence in the Twin Cities metro area.
3. **Corporate Leadership.** Bill Gassen will serve as President and CEO of the Combined System. James Hereford will serve as Co-CEO for a period of one (1) year post-close. The details of job descriptions and reporting relationships will be mutually developed and set forth in a separate document.
4. **Corporate Executive Leadership Team.** To facilitate transition, the President and CEO and Co-CEO agree to jointly identify the necessary functions for which a single leader at the corporate level is necessary. The selection for each of these roles will be determined by the President and CEO in consultation with the Co-CEO. Both Parties agree and intend that the initial executive leadership team would reflect a blend of talent from both legacy organizations, as well as external recruits where necessary.
5. **Name of Common Parent; Regional Brand.** The singular primary name of the Common Parent Entity will be “Sanford Health” and the Common Parent Entity’s primary brand image and parent brand campaigns will involve the name “Sanford Health.” The Parties recognize the strength of the current regional naming and branding conventions and are committed to the maintenance of existing customer affinity, unique recognition of local partnerships and affiliations, and avoidance of logistical and financial burdens associated with re-branding.
6. **Capital Commitment.** In connection with the closing of the combination, the Common Parent Entity will commit \$500 million of capital investments designated for the legacy Fairview region with details to be determined relative to specific projects and timeline.
7. **Governance: Common Parent Board Composition.** The Common Parent will be governed by a self-perpetuating, competency-based Board of Trustees with an emphasis on diversity and inclusion. The initial Board of Trustees of the Common Parent Entity will consist of eight (8) trustees designated by legacy Sanford Health and seven (7) trustees designated by legacy Fairview, plus the President and CEO and the Co-CEO. The President and CEO and Co-CEO will be the only ex officio voting members of the Board. The initial Board will have staggered terms as mutually agreed, developed in a fashion to ensure equitable annual

transitions of initially designated trustees from both legacy organizations. Following this initial designation, the Board will determine appropriate processes to achieve the objectives of a competency-based, self-perpetuating board.

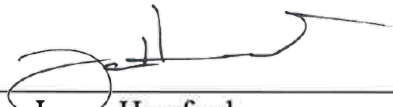
8. **Governance: Initial Common Parent Board Officers.** Fairview will appoint the initial Common Parent Board Chair for a period of two (2) years. Sanford Health will appoint the initial Common Parent Board Vice Chair for two (2) years before succeeding to the role of Chair for a period of two (2) years immediately thereafter. Beyond these two officer positions, the Common Parent Board will develop its succession planning process for board leadership, including Chair, to begin after these two initial terms.
9. **Governance: Common Parent Board Committees.** The initial committees of the Common Parent Board will include Finance; Audit and Compliance; Governance; Health Care Equity; and Executive. Except as set forth below, the initial committee membership and terms will be equitably selected and determined by each Party, considering the skill set competencies established for the Board and committees:
 - 9.1. The Executive Committee will be comprised of the Chair, Vice Chair, Secretary, Treasurer, and Past Chair, together with the President and CEO and Co-CEO.
 - 9.2. The Vice Chair of the Common Parent Board will serve as the initial Chair of the Governance Committee. The Governance Committee shall be responsible for the nominating process and establishing board leadership succession following the first two designated Chair terms, with the presumption that future Common Parent Board Chairs will serve for a period of two (2) years.
10. **Governance: Common Parent Authority.** The Common Parent Board will have full fiduciary accountability and will delegate specific responsibility to regional boards as set forth herein.
11. **Regional Structure.** Current local entities and underlying structure will operate with the goal of combined, integrated operations as regional structures and report into the Common Parent Entity and integrated leadership structure. Regional subsidiaries for Fairview and Sanford Health will have separate delegated governing boards, with delegated authority from, and subject to the ultimate authority of, the Common Parent Board of Trustees. Similarly, regional management structures will support the regional boards and oversee the operations within the region. As applicable, these regional boards will be maintained with a focus on quality, safety, patient experience, research and education. Membership on the regional boards will be determined by the Parties with an emphasis on diversity and inclusion, including membership that appropriately reflects the communities served. The President and CEO and Co-CEO, or their designees, may serve on the regional boards.
12. **Definitive Agreements.** As soon as possible after the execution and delivery of this LOI, the Parties shall negotiate and prepare definitive agreements (the “Definitive Agreements”) setting forth the terms of the transaction contemplated herein. The Definitive Agreements shall be subject to the approval of the Fairview Board and the Sanford Health Board, and shall contain such customary terms, conditions, provisions, representations, warranties and covenants as shall be reasonably acceptable to the Parties and their respective counsel.

13. **Termination.** Either Party may terminate this LOI at any time without cause, by delivering to the other Party written notice of termination.
14. **Targets for Definitive Agreements Closing.** The Parties propose to enter into the Definitive Agreements and intend to close the transaction contemplated hereby no later than March 31, 2023.
15. **Non-Binding Letter of Intent.** It is understood that this LOI merely constitutes a statement of the mutual intentions of the Parties with respect to the contemplated transaction and creates no binding rights in favor of any Party. A binding commitment with respect to the contemplated transaction will result only if the Definitive Agreements are executed and delivered, and then, only subject to the terms and conditions contained therein.

This LOI has been executed and entered into as of the date written above.

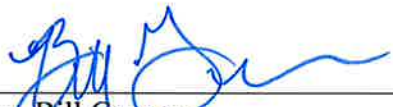
FAIRVIEW HEALTH SERVICES

SANFORD HEALTH



By: James Hereford

Its: President and CEO



By: Bill Gassen

Its: President and CEO