

UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF MISSOURI

If you are or were a participant in the Cerner Corporation Foundations Retirement Plan (the “Plan”) at any time from January 21, 2014 to March 5, 2021, you are a part of a class action settlement.¹

IMPORTANT

PLEASE READ THIS NOTICE CAREFULLY

THIS NOTICE RELATES TO THE PENDENCY OF A CLASS ACTION LAWSUIT AND, IF YOU ARE A SETTLEMENT CLASS MEMBER, CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHTS TO OBJECT TO THE SETTLEMENT

*A Federal Court authorized this notice. You are not being sued.
This is not a solicitation from a lawyer.*

- A Settlement has been reached in a class action lawsuit against Cerner Corporation and two Cerner-associated committees (collectively, “Cerner”).² The class action lawsuit involves whether Cerner complied with its fiduciary duties under the Employee Retirement Income Security Act of 1974 (“ERISA”) in managing the Plan.
- You are included as a Class Member if you are or were a Plan participant at any time from January 21, 2014 until March 5, 2021, the date the Settlement was preliminarily approved by the Court (the “Class Period”).
- Cerner has agreed to pay \$4,050,000.00 into a settlement fund. Class Members are eligible to receive a pro rata share of the Net Settlement Fund, which is the amount in the settlement fund remaining after payment of administrative expenses, taxes, tax expenses, any attorneys’ fees and expenses that the Court awards to Plaintiffs’ lawyers, and any incentive awards to Plaintiffs. The amount of each Class Member’s payment is based on a Plan of Allocation that takes into account each Class Member’s investments in the Plan. Payments to current Plan participants will be deposited into their respective Plan accounts. Payments to former Plan participants will be made directly to former Plan participants by check, or former Plan participants can instead elect to receive their payment through a rollover to a qualified retirement account.
- Please read this notice carefully. Your legal rights are affected whether you act or don’t act.

THIS TABLE CONTAINS A SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
OBJECT BY JULY 1, 2021	You may write to the Court if you don’t like the Settlement to explain why you object.
ATTEND A HEARING	You may ask to speak in Court about the fairness of the Settlement.
DO NOTHING	You will get a share of the Settlement benefits to which you are entitled and will give up your rights to sue Cerner about the allegations in this case.

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings provided in the Settlement Agreement dated February 17, 2021 (the “Settlement Agreement”).

² The named defendants in the lawsuits are Cerner Corporation, the Compensation Committee of the Cerner Corporation Board of Directors, and the Cerner Corporation Foundations Retirement Plan Administrative and Investment Committee.

BASIC INFORMATION

1. What is this notice and why should I read it?

A court authorized this notice to let you know about a proposed settlement of a class action lawsuit called *Freck, et al. v. Cerner Corporation, et al.*, Civil Action No. 4:20-cv-00043-BCW (the “Action”), brought on behalf of the Class Members, and pending in the United States District Court for the Western District of Missouri. You need not live in Missouri to get a benefit under the Settlement. This notice describes the Settlement. Please read this notice carefully to determine whether you wish to participate in the Settlement. Your rights and options – **and the deadlines to exercise them** – are explained in this notice. Please understand that if you are a Class Member, your legal rights are affected regardless of whether you act.

2. What is a class action lawsuit?

A class action is a lawsuit in which one or more plaintiffs – in this case current and former Plan participants – sue on behalf of a group of people who allegedly have similar claims. After the Parties reached an agreement to settle this case, the Court granted preliminary approval of the Settlement. Among other things, this preliminary approval permits Class Members to voice their support for or opposition to the Settlement before the Court makes a final determination as to whether to approve the Settlement. In a class action, the court resolves the issues for all class members.

THE CLAIMS IN THE LAWSUITS AND THE SETTLEMENT

3. What is the lawsuit about?

Plaintiffs filed a class action complaint against Defendant Cerner and the other Defendants on behalf of a class of Plan participants alleging that Cerner breached its fiduciary duties under ERISA in connection with the selection and monitoring of certain of the Plan’s investment options. Specifically, Plaintiffs alleged that Defendants breached their fiduciary duties by (1) offering and retaining unduly expensive investment options in the Plan and (2) paying excessive administrative fees for the Plan. After the lawsuit was filed, another class action lawsuit was filed on April 14, 2020 in Kansas by Plaintiff Joshua Clark titled *Clark v. Cerner Corporation, et al.*, Civil Action No. 2:20-cv-02194-EFM-TJJ, ECF No. 1. In addition to alleging the claims in the first lawsuit, Mr. Clark alleged Defendants breached their ERISA fiduciary duties by concentrating the Plan’s investments in Cerner stock. Mr. Clark voluntarily dismissed his lawsuit on January 15, 2021, but this Settlement encompasses his claims and Mr. Clark is a Class Representative in this Settlement. A more complete description of what Plaintiffs allege is in the Second Amended Complaint, which is available on the Settlement Website at www.CernerERISASettlement.com.

Cerner denies Plaintiffs’ claims of wrongdoing or liability against it and asserts that its conduct was lawful. Cerner is settling the Action solely to avoid the expense, inconvenience, and inherent risk and disruption of litigation.

4. Why is there a Settlement?

The Court has not decided in favor of either side in the case. Instead, both sides agreed to a settlement. In a settlement, both sides avoid the cost and risk of a trial, and the affected current and former Plan participants will get benefits that they would not have received if Plaintiffs had litigated the case and lost. The Plaintiffs and their attorneys think the Settlement is in the best interests for everyone who participated in the Plan during the Class Period. Cerner denies Plaintiffs’ claims of wrongdoing. Cerner is settling the Action solely to avoid the expense, inconvenience, and inherent risk and disruption of litigation.

WHO'S INCLUDED IN THE SETTLEMENT?

5. How do I know if I am in the Class?

The Court decided that everyone who fits this description is a member of the Class:

All persons who were participants in or beneficiaries of the Plan at any time from January 21, 2014 to the date the Settlement was preliminarily approved by the Court, which is March 5, 2021.

The Court has excluded from the Class: Defendants and any individuals who were members of the Compensation Committee or the Retirement Plan Committee from January 21, 2014, through the date of the Settlement Agreement.

If you meet the definition above, you are a member of the Class.

THE SETTLEMENT BENEFITS

6. What does the Settlement provide?

Cerner has agreed to pay \$4,050,000.00 to Class Members. That amount, less amounts for expenses associated with administering the Settlement, the Independent Fiduciary (not to exceed \$25,000), taxes, tax expenses, as well as attorneys' fees, litigation expenses, and incentive awards to Plaintiffs (the latter three categories of which must be approved by the Court), is the "Net Settlement Fund." (See Question Nos. 9-10.) The Net Settlement Fund will be allocated to Class Members in accordance with a Plan of Allocation that is based on his or her Plan account balance that is invested in one or more of the Disputed Investments.

Calculation of payments to individual Class Members. Payments to each Class Member shall be calculated by the Settlement Administrator as follows, based on information provided by the Recordkeeper:

- (a) For each Class Member, the Settlement Administrator shall determine a *Settlement Allocation Score*. A Class Member's *Settlement Allocation Score* shall be the aggregate of his or her quarter-ending account balance measured in points such that each dollar invested in the Disputed Investments³ equals four (4) points, and each dollar invested in the Non-Disputed Investments⁴ equals one (1) point. A Class Member's *Average Settlement Allocation Score* shall be the average of his or her *Settlement Allocation Scores* during the Class Period, weighted by the percentage of days in the quarter for partial quarters at the beginning of the Class Period.⁵
- (b) The Settlement Administrator shall determine the total settlement payment available to each Class Member by calculating each such Class Member's pro rata share of the Net Settlement Fund based on his or her *Settlement Allocation Score* compared to the sum of the *Settlement Allocation Scores* for all Class Members. If the dollar amount of the settlement payment to a Class Member is calculated by the Settlement Administrator to be less than \$2.00, then that Class Member's payment or pro rata share shall be zero for all purposes.

If you are a Class Member (see Question No. 5) and you are currently a Plan participant, your payment will be deposited into your Plan account in accordance with your investment elections for new contributions. If you have not made any such elections, your payment will be invested in the Plan's qualified default investment alternative.

³ The Disputed Investments, as defined in the Settlement Agreement, means the following Plan investment options at issue in the Complaints: ABF Large Cap Value; American Century Government Bond R5; American Century Ultra IS; Cerner Corporate Stock; Fidelity 500 Index; Fidelity Government MM; Fidelity International Small Cap Opportunity; TRP Overseas Stock I; TRP Retirement 2005; TRP Retirement 2010; TRP Retirement 2015; TRP Retirement 2020; TRP Retirement 2025; TRP Retirement 2030; TRP Retirement 2035; TRP Retirement 2040; TRP Retirement 2045; TRP Retirement 2050; TRP Retirement 2055; TRP Retirement 2060; and Western Asset Core Bond .

⁴ The Non-Disputed Investments, as defined in the Settlement Agreement, means any and all investment options offered by the Plan other than the Disputed Investments.

⁵ The mathematical calculation used to determine each *Settlement Allocation Score* is set forth more fully in the Settlement Agreement and on the Settlement Website.

If you are a beneficiary entitled to receive payments on behalf of a Class Member (a “Beneficiary”), you will receive your payment under the Settlement directly in the form of a check. If you are an alternate payee entitled to receive payments on behalf of a Class Member pursuant to a Qualified Domestic Relations Order (an “Alternate Payee”), you will receive your payment of the Settlement (pursuant to the terms of your Qualified Domestic Relations Order) directly in the form of a check.

If you are a Class Member and you previously participated in the Plan but no longer do so (or you are a Beneficiary or an Alternate Payee of such a Class Member), then you will receive a payment under the Settlement directly in the form of a check. You do not have to submit a claim to receive a payment under the Settlement. ***If, however, you would prefer to receive your settlement payment through a rollover to a qualified retirement account, you must complete, sign, and mail the enclosed Former Participant Rollover Form by July 12, 2021.***

HOW TO GET BENEFITS

7. How do I get benefits?

Class Members do not have to submit claim forms in order to receive settlement benefits.

The benefits of the Settlement will be distributed automatically once the Court approves the Settlement, either to Class Members’ Plan accounts (for current Plan participants) or by check (for former Plan participants, and eligible Beneficiaries and Alternate Payees of Class Members). (See Question No. 6.) **Former Plan participants who would prefer to receive their settlement payment through a rollover to a qualified retirement account must complete, sign, and mail the enclosed Former Participant Rollover Form by July 12, 2021.** Former Plan participants who fail to complete, sign, and mail their Former Participant Rollover Form will receive their Settlement distribution by check.

8. When will I get my payment?

If you are a current Plan participant, then you will receive your pro rata share of the Net Settlement Fund in the form of a deposit into your Plan account effective no later than forty (40) days after the Settlement has received final approval and/or after any appeals have been resolved in favor of the Settlement. The hearing to consider the final fairness of the Settlement is scheduled for July 22, 2021.

Any eligible Beneficiaries or Alternate Payees will receive their payment under the Settlement in the form of a check issued within forty (40) days after the Settlement has received final approval and/or after any appeals have been resolved in favor of the Settlement.

If you are a former Plan participant (or a Beneficiary or Alternate Payee of such participant) who timely submits a Former Participant Rollover Form, the Settlement Administrator will effect a rollover of your pro rata share of the Net Settlement Fund to your qualified retirement account selected in that form within forty (40) days after the Settlement has received final approval and/or after any appeals have been resolved in favor of the Settlement. If you are a former Plan participant (or a Beneficiary or Alternate Payee of such participant) who does not submit a Former Participant Rollover Form, a check in the amount of your pro rata share of the Net Settlement Fund will be issued to you within forty (40) days after the Settlement has received final approval and/or after any appeals have been resolved in favor of the Settlement.

These payments may have certain tax consequences; you should consult your tax advisor.

THE LAWYERS REPRESENTING YOU

9. Who represents the Settlement Class?

For purposes of the Settlement, the Court has appointed lawyers from the law firms of Capozzi Adler, P.C. and

Foulston Siefkin LLP as Class Counsel and Plaintiffs' Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense. In addition, the Court appointed Plaintiffs Barbara Jane Freck, Gloria Robinson, Jaleeza Owens, Lynn Muserelli, Paul Capello, Jim Helton, and Joshua Clark to serve as the Class Representatives. They are also Class Members.

Subject to approval by the Court, Class Counsel has proposed that Incentive Awards be paid to Plaintiffs other than Joshua Clark, in an amount not to exceed ten thousand U.S. dollars (USD \$10,000.00) each in recognition of time and effort they expended on behalf of the Class. Class Counsel proposes payment of an Incentive Award to Joshua Clark up to twelve thousand dollars (USD \$12,000) in recognition of his additional participation in this litigation, including but not limited to his personal participation in a day-long mediation. The Court will determine the proper amount of any award to Plaintiffs. The Court may award less than that amounts requested.

10. How will the lawyers be paid?

From the beginning of these cases to the present, Class Counsel have not received any payment for their services in prosecuting the cases or obtaining the Settlement, nor have they been paid for any litigation expenses they have incurred. Class Counsel will apply to the Court for an award of attorneys' fees not to exceed 33 and 1/3% of the \$4,050,000.00 settlement amount plus their litigation expenses incurred in the prosecution of the cases. This number equates to \$1,350,000.00. The Court will determine the proper amount of any attorneys' fees and expenses to award Class Counsel.

Any attorneys' fees and expenses awarded by the Court will be paid to Class Counsel from the \$4,050,000.00 settlement fund. Class Members will not have to pay anything toward the fees or expenses of Class Counsel.

INDEPENDENT FIDUCIARY

11. Will the Settlement be reviewed by anyone other than the Court?

Yes. Cerner has, in consultation with Class Counsel, selected and retained an experienced Independent Fiduciary to review the Settlement on behalf of the Plan and determine whether to authorize the Plan to release the claims against Defendants and whether it is necessary to file an objection to the Settlement. As an impartial third party, the Independent Fiduciary will review the Action and the Settlement, including the claims alleged against Defendants, the terms of the Settlement, the Plan of Allocation of Settlement proceeds, and the request for attorneys' fees and expenses. The Independent Fiduciary will submit its findings to the Parties in a written report, which will be filed with the Court at least thirty (30) calendar days before the Fairness Hearing.

YOUR RIGHTS AND OPTIONS

12. What is the effect of final approval of the Settlement?

If the Court grants final approval of the Settlement, a final order and judgment dismissing the case will be entered in the Action. Payments under the Settlement will then be processed and distributed. The release by Class Members will also take effect. All members of the Class will release and forever discharge Cerner and each of the Released Defendant Parties from any and all Plaintiffs' Released Claims (as defined in the Settlement Agreement). Please refer to Article I of the Settlement Agreement for a full description of the claims and persons that will be released upon final approval of the Settlement.

No Class Member will be permitted to continue to assert Plaintiffs' Released Claims in any other litigation against Cerner or the other persons and entities covered by the release. If you object to the terms of the Settlement Agreement, you may notify the Court of your objection. (*See* Table on page 1 of this Notice.) If the Settlement is not approved, the case will proceed as if no settlement had been attempted or reached.

If the Settlement is not approved and the case resumes, there is no assurance that members of the certified class will recover more than is provided for under the Settlement, or anything at all.

13. What happens if I do nothing at all?

If you do nothing, you will release any claims you may have against Cerner or the Released Defendant Parties concerning the conduct Plaintiffs allege in their complaint. (See Question No. 14.) You may also receive a payment as described in Question No. 8.

14. How do I get out of the Settlement?

If the Court approves the Settlement, you will be bound by it and will receive whatever benefits you are entitled to under its terms. You cannot exclude yourself from the Settlement, but you may notify the Court of your objection to the Settlement. (See Question No. 16.) If the Court approves the Settlement, it will do so under Federal Rule of Civil Procedure 23(b)(1), which does not permit Class Members to opt out of the Class.

15. Can I sue Cerner for the same thing later?

No. If the Court approves the Settlement, you will have given up any right to sue Cerner and the Released Defendant Parties for the claims being resolved by this Settlement.

16. How do I object to the Settlement?

You can object to the Settlement if you don't like any part of it. If you object, you must give the reasons why you think the Court should not approve the Settlement. The Court will consider your views. Your objection to the Settlement must be received no later than July 1, 2021 and must be sent to the Court and the attorneys for the Parties at the addresses below:

Court	Class Counsel	Defendants' Counsel
Clerk of the Court, Maggie Boyd Charles Evans Whittaker United States Courthouse 400 E. 9th Street Kansas City, MO 64106	Mark K. Gyandoh CAPOZZI ADLER, P.C. 312 Old Lancaster Road Merion Station, PA 19066 Scott C. Nehrbass FOULSTON SIEFKIN LLP 32 Corporate Woods, Suite 600 9225 Indian Creek Parkway Overland Park, KS 66210	Michael S. Hines SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP 500 Boylston Street Boston, MA 02116 Scott C. Hecht STINSON LLP 1201 Walnut Street, Suite 2900 Kansas City, MO 64106

You may also email your objections to attorneys for the parties to settlement@capozziadler.com. The objection must be in writing and include the case name *Freck, et al. v. Cerner Corporation, et al.*, Civil Action No. 4:20-cv-00043-BCW; as well as include your (a) name; (b) address; (c) a statement that you are a member of the Class; (d) the specific grounds for the objection (including all arguments, citations, and evidence supporting the objection); (e) all documents or writings that you desire the Court to consider (including all copies of any documents relied upon in the objection); (f) your signature; and (g) a notice of intention to appear at the Fairness Hearing (if applicable). (If you are represented by counsel, you or your counsel must file your objection through the Court's CM/ECF system.) The objection must state whether it applies only to the objector, to a specific subset of the Class or to the entire Class. The Court will consider all properly filed comments from Class Members. If you wish to appear and be heard

at the Fairness Hearing in addition to submitting a written objection to the Settlement, you or your attorney must say so in your written objection.

Class Counsel will file with the Court and post on the Settlement Website its request for attorneys' fees and expenses at least two weeks prior to July 1, 2021.

THE COURT'S FAIRNESS HEARING

17. When and where will the Court hold a hearing on the fairness of the Settlement?

A Fairness Hearing has been set for July 22, 2021 at 9:00 a.m., before The Honorable Brian C. Wimes at the Charles Evans Whittaker United States Courthouse, 400 E. 9th Street, Kansas City, MO 64106 in Courtroom 7652. At the hearing, the Court will hear any comments, objections, and arguments concerning the fairness of the proposed Settlement, including the amount requested by Class Counsel for attorneys' fees and expenses and the incentive award to Plaintiffs as the Class Representatives. You do not need to attend this hearing. You also do not need to attend to have an objection considered by the Court. (*See* Question No. 18.)

Note: The date and time of the Fairness Hearing are subject to change by Court Order. **The Fairness Hearing may also take place via video or telephonically.** But any changes will be posted at www.CernerERISASettlement.com.

18. Do I have to attend the Fairness Hearing?

No. Class Counsel will answer any questions the Court may have. Keeping in mind the Fairness Hearing may take place remotely, you are welcome to attend at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as any written objection you choose to make was filed and mailed on time and meets the other criteria described in the Settlement Agreement, the Court will consider it. You may also pay another lawyer to attend, but you don't have to.

19. May I speak at the hearing?

You may ask the Court for permission to speak at the hearing concerning any part of the proposed Settlement by following the instructions in Question No. 16 above.

GETTING MORE INFORMATION

20. Where can I get additional information?

This notice provides only a summary of the matters relating to the Settlement. For more detailed information, you may wish to review the Settlement Agreement. You can view the Settlement Agreement and get more information at www.CernerERISASettlement.com. You can also get more information by calling toll-free 1-844-777-1737 or sending an email to settlement@capozziadler.com. The Settlement Agreement and all other pleadings and papers filed in the case are available for inspection and copying during regular business hours at the office of the Clerk of the Court, Maggie Boyd, located at the Charles Evans Whittaker United States Courthouse, 400 E. 9th Street, Kansas City, MO 64106. For a fee, all papers filed in the Action are available at www.pacer.gov. Cerner cannot give you more additional information on the settlement.

**PLEASE DO NOT CONTACT THE COURT, THE JUDGE, OR CERNER
WITH QUESTIONS ABOUT THE SETTLEMENT.**