

October 22, 2018

To Whom It May Concern:

On behalf of UConn Health and its subsidiaries and affiliates (“UCH”), we are pleased to provide you with this Solicitation of Interest (“SOI”) letter that includes guidelines for submitting a non-binding proposal with respect to a potential public-private partnership transaction with UConn Health’s clinical enterprise (a “Transaction”). As part of this SOI, the Public Information Memorandum (the “PIM”) provided to you with this letter is intended to assist you in evaluating the potential benefits of a Transaction and in formulating terms for your proposal.

Cain Brothers, a division of KeyBanc Capital Markets (“Cain Brothers”), has been engaged as the exclusive financial advisor to UCH to assist the organization in considering a Transaction. UCH has a long and distinguished track record as a leading academic medical center and health care system serving the health care needs of Connecticut communities. UCH has a new, state-of-the-art hospital and Outpatient Pavilion, and has experienced both clinical growth and improved finances. However, it has also experienced financial challenges due largely to a burdensome cost structure associated with its status as a state agency and significant hospital consolidation among its competitors. Additionally, because of the relatively small size of the hospital, UCH depends to a large extent on other health systems to fulfill its academic mission. To meet the needs of its residents, fellows, students and patients, UCH’s clinical enterprise must provide better financial support and efficiencies over the long term.

UCH, the University of Connecticut, and the Boards of Directors and Trustees believe that a strategic partner could provide the expertise, economies of scale, and financial stability necessary to enable UCH’s clinical enterprise to compete more effectively and continue its tradition of providing high quality medical education and training and research-driven, affordable patient care.

Objectives

At UCH’s direction, Cain Brothers is requesting proposals from organizations interested in exploring public-private partnership options for all, or a portion of, UCH’s clinical enterprise. UCH will evaluate potential partners based on how they address some or all of the following key partnership objectives (the “Objectives”):

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- Provide scale and market positioning to enhance UConn Health's patient volume, clinical performance, and network expansion;
- Provide financial sustainability for UCH's clinical enterprise;
- Expand and support research opportunities for UConn faculty, including fulfillment of the goals of Bioscience Connecticut so that it can positively impact the lives of the citizens of Connecticut and the world; and
- Expand and support the educational mission for the residents, fellows, and students at the UConn School of Medicine, School of Dental Medicine, and Graduate School, including preserving the integrity of the Schools' academic affiliations.

UCH requests that your proposal be submitted to Cain Brothers no later than **5:00pm ET on Monday, December 3, 2018** and should be sent via email to:

Cain Brothers, *a division of KeyBanc Capital Markets*

277 Park Avenue, 40th Floor
New York, NY 10172

To the Attention of:

Carsten Beith Managing Director (312) 604-0500 cbeith@cainbrothers.com	Dave Morlock Managing Director (312) 604-0575 dmorlock@cainbrothers.com	David Levine Vice President (212) 981-6941 dlevine@cainbrothers.com
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In order for UCH to evaluate your indication of interest, your written response should include the following:

- 1) **Organizational Overview.** Provide an overview of your organization, including (as applicable), but not limited to, a description of your organization's:
 - Vision and mission;
 - Background and history, including any prior experience in partnering or affiliating with other academic systems or medical schools;
 - Corporate structure and governance;
 - Geographic markets served, and any strategic interest in Connecticut;
 - Financial stability and summary of historical operating performance;
 - Size and structure of medical staff;
 - Role of physicians in governance and strategic leadership;

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- Experience with academic, research, and/or training programs;
 - Quality improvement processes and approach; and
 - Technology platforms.
- 2) **Proposed Transaction Structure.** Provide an overview of your proposed Transaction structure, including a description of governance structure and the parties' respective roles and responsibilities regarding the clinical enterprise.
 - 3) **Partnership Objectives.** Describe how your organization will support UCH in achieving the Objectives listed above and the key terms you propose for each Objective.
 - 4) **Total Transaction Consideration.** Based upon the information reviewed to date, provide the proposed consideration that you would be prepared to pay, contribute, or commit, as applicable, at closing or over time in connection with a Transaction, including, without limitation, compensation for any control rights, acquired assets and operations, contributions and/or capital commitments, academic affiliation, faculty services, and use of names.
 - 5) **Conditions.** Based upon the information reviewed to date, provide all conditions necessary to permit and support an effective partnership and to achieve financial and operational success.
 - 6) **Employees and Management.** Describe your envisioned approach to post-closing retention, compensation and benefit plans regarding UCH's clinical enterprise employee base and management team, giving due consideration to the information provided in the PIM. Include a description of expected management reporting relationships.
 - 7) **Required Approvals.** Describe the level within your organization at which this proposal has been reviewed, and the corporate, governmental or other approvals that would be required to: (a) sign a letter of intent following an initial due diligence process, (b) sign definitive Transaction documents, and (c) close the Transaction. Include a description of any necessary board committee, board of director, shareholder, financing source and regulatory approvals.
 - 8) **Timing.** Indicate your proposed timetable to complete a Transaction, including all necessary approvals and other material conditions, assuming timely access to due diligence information and management presentations.

In addition to Transaction consideration, important objectives for UCH include: (a) completing a Transaction in a timely manner, while minimizing disruption to the business, and (b) selecting a Transaction partner with whom UCH has confidence

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there will be a high certainty of closing. Describe the mechanisms and comparable experience by which UCH can evaluate your ability to achieve these objectives.

- 9) **Contact Person and Working Group.** Provide contact information for the primary representative(s) at your organization to whom communications should be addressed and the names of any outside advisors you have or plan to engage in connection with a Transaction.
- 10) **OPM Form 7 Iran Certification.** In accordance with Connecticut State law, enclosed as Exhibit B of this SOI letter is a form that **MUST** be completed and returned with your proposal.

Any proposal submitted by you will be treated in a confidential manner and not released publicly while UCH evaluates the proposals. **In addition, should your proposal include trade secrets or other commercial or financial information that you deem to be proprietary or highly confidential and which you consistently take measures to protect from disclosure, clearly mark those specific sections.**

Timeline

All questions regarding this SOI are to be submitted via email to David Levine of Cain Brothers by **5:00pm on Monday, November 5, 2018**. All responses to questions submitted by this time will be sent via an Addendum by 5:00pm on Monday, November 12, 2018. Official responses to all questions will be posted on the State Contracting portal in a Questions/Answers Addendum to this SOI. The State Contracting Portal may be accessed at https://biznet.ct.gov/SCP_Search/Default.aspx?AccLast=2, and this solicitation of interest and all related documents can be found by searching currently posted solicitations under the organization "University of Connecticut Health Center." As noted above, proposals must be submitted to Cain Brothers no later than **5:00pm ET on Monday, December 3, 2018**.

Interested parties are not permitted to contact or discuss this SOI with any University or UCH Board member, employee or representative (other than those members of Cain Brothers listed above), outside of any meeting or presentation scheduled by UCH via Cain Brothers.

Based on the preliminary proposals received, UCH intends to select a limited number of candidates to proceed to the next stage of the selection process. This stage will include the signing of a non-disclosure agreement, availability of more detailed due diligence information and access to key UCH management personnel. Selection of candidates for this next stage of the process is at UCH's sole discretion. UCH reserves the right, in its sole discretion, to require further information from any party responding to this SOI, to reject any and all preliminary proposals, and to terminate discussions and negotiations with any or all participants for any reason at any time. Until such time, if any, that UCH and a potential partner enter into mutually satisfactory definitive agreements, no binding

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arrangement will exist. Without limiting the foregoing, UCH shall be under no obligation to negotiate any proposal, whether set forth in a letter of intent or otherwise, in good faith or any similar legal standard. Any such obligation that would otherwise be implied hereby or by any other writing or oral representation, or by the course of dealing, among UCH and its representatives, on the one hand, and you and your representatives, on the other hand, is expressly disclaimed. UCH reserves the right to cancel or modify this SOI at any time if it deems such action to be in the best interest of UCH or the State of Connecticut.

Each potential partner is responsible for its own expenses, and no prospective partner shall be entitled for any reason to be reimbursed for costs or expenses incurred in connection with a Transaction.

Please refer to Exhibit A of this SOI letter for additional terms and conditions applicable to this SOI.

UCH and Cain Brothers look forward to receiving your preliminary proposal.

Sincerely,



Carsten Beith
Managing Director

EXHIBIT A

Additional Terms and Conditions Applicable to this Solicitation of Interest

This SOI is subject to all the requirements stated in the accompanying SOI letter, as well as the following additional terms and conditions ("Terms and Conditions"):

1. Responses must be submitted in the manner set forth in this SOI (which includes these Terms and Conditions) and received by UCH's designated contact person by the specified due date and time in order to be considered. Interested parties are responsible for ensuring and verifying timely receipt of responses.
2. Respondents will not be allowed to modify their responses after the response deadline, unless such modification is specifically requested by UCH.
3. By submitting a response, the respondent represents, warrants and certifies that:
 - a. The response is not made in connection with any other person or entity submitting a response to this SOI and is in all respects fair and without collusion or fraud.
 - b. The proposed arrangement and financial terms were arrived at independently, without consultation, communication, or agreement with any other person or entity for the purpose of restricting competition in connection with this SOI.
 - c. Unless otherwise required by law, respondent has not knowingly disclosed the terms of its proposed arrangement directly or indirectly to any other person or entity.
 - d. No attempt has been made, or will be made, by the respondent to induce any other person or entity to submit or not to submit a response for the purpose of restricting competition.
 - e. To the best of respondent's knowledge, no elected or appointed official or employee of the State of Connecticut has or will benefit financially or materially from this SOI or any agreement that results herefrom. Respondent shall notify UCH immediately if respondent becomes aware of a potential or actual conflict of interest. Respondent further acknowledges that any arrangement resulting from this SOI may be terminated by UCH if it is determined that gratuities of any kind were offered to or received by any of the aforementioned officials or the respondent's employees or representatives.
4. In accordance with Governor Dannel P. Malloy's Executive Order 49, respondents are notified that no state agency shall execute a contract valued at \$50,000 or more unless the state agency obtains a written certification from the contractor that complies with Section 4-252 of the Connecticut General Statutes (i.e., State of Connecticut OPM Form 1 (Gift and Campaign Contribution Certification)).
5. Governing Law: This SOI shall be construed in accordance with and governed by the laws of the State of Connecticut, without regard to its conflict of law principles.
6. Sovereign Immunity; Claims Against the State: Nothing in this SOI shall be construed as a modification, compromise or waiver of any rights or defenses of immunities provided by federal or state law, which UCH, the State of Connecticut and/or their agencies, departments, officers or employees may have had, now have or will have with respect to all matters arising out of this SOI. For avoidance of doubt, neither UCH nor the State of Connecticut shall be required to indemnify a respondent or any other person or entity in connection with this SOI. The sole and exclusive means for the presentation of any claim against UCH, the State of Connecticut and/or their agencies, departments, officers or employees arising from this SOI shall be in accordance with Chapter 53 of Connecticut General Statutes (Claims Against the State).

EXHIBIT B

OPM Iran Certification Form 7 (Rev. 3-28-14)



STATE OF CONNECTICUT

Written or electronic PDF copy of the written certification to accompany a large state contract pursuant to P.A. No. 13-162 (Prohibiting State Contracts With Entities Making Certain Investments In Iran)

Respondent Name: _____

INSTRUCTIONS:

CHECK ONE: Initial Certification.
 Amendment or renewal.

A. Who must complete and submit this form. Effective October 1, 2013, this form must be submitted for any large state contract, as defined in section 4-250 of the Connecticut General Statutes. This form must always be submitted with the bid or proposal, or if there was no bid process, with the resulting contract, regardless of where the principal place of business is located.

Pursuant to P.A. No. 13-162, upon submission of a bid or prior to executing a large state contract, **the certification portion of this form must be completed** by any corporation, general partnership, limited partnership, limited liability partnership, joint venture, nonprofit organization or other business organization **whose principal place of business is located outside of the United States**. United States subsidiaries of foreign corporations are exempt. For purposes of this form, a "foreign corporation" is one that is organized and incorporated outside the United States of America.

Check applicable box:

- Respondent's principal place of business is within the United States or Respondent is a United States subsidiary of a foreign corporation. Respondents who check this box **are not required to complete the certification portion of this form**, but must submit this form with its Invitation to Bid ("ITB"), Request for Proposal ("RFP") or contract package if there was no bid process.
- Respondent's principal place of business is outside the United States and it is not a United States subsidiary of a foreign corporation. **CERTIFICATION required.** Please complete the certification portion of this form and submit it with the ITB or RFP response or contract package if there was no bid process.

B. Additional definitions.

- 1) "Large state contract" has the same meaning as defined in section 4-250 of the Connecticut General Statutes;
- 2) "Respondent" means the person whose name is set forth at the beginning of this form; and
- 3) "State agency" and "quasi-public agency" have the same meanings as provided in section 1-79 of the Connecticut General Statutes.

C. Certification requirements.

No state agency or quasi-public agency shall enter into any large state contract, or amend or renew any such contract with any Respondent whose principal place of business is located outside the United States and is not a United States subsidiary of a foreign corporation unless the Respondent has submitted this certification.

Complete all sections of this certification and sign and date it, under oath, in the presence of a Commissioner of the Superior Court, a Notary Public or a person authorized to take an oath in another state.

CERTIFICATION:

I, the undersigned, am the official authorized to execute contracts on behalf of the Respondent. I certify that:

- Respondent has made no direct investments of twenty million dollars or more in the energy sector of Iran on or after October 1, 2013, as described in Section 202 of the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010.
- Respondent has either made direct investments of twenty million dollars or more in the energy sector of Iran on or after October 1, 2013, as described in Section 202 of the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010, or Respondent made such an investment prior to October 1, 2013 and has now increased or renewed such an investment on or after said date, or both.

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Printed Respondent Name

Printed Name of Authorized Official

Signature of Authorized Official

Subscribed and acknowledged before me this _____ day of _____, 20____.

Commissioner of the Superior Court (or Notary Public)

My Commission Expires