

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF PENNSYLVANIA

CAROL HESSLER Derivatively on Behalf
of ADAPTHEALTH CORP.,

Plaintiff,

v.

LUKE MCGEE, STEPHEN P. GRIGGS,
GREGG HOLST, JASON CLEMENS,
FRANK J. MULLENS, JOSHUA PARNES,
RICHARD BARASCH, TERENCE
CONNORS, SUSAN WEAVER, DALE
WOLF, DAVID S. WILLIAMS III,
BRADLEY COPPENS, TED LUNDBERG,
and ALAN QUASHA,

Individual Defendants,

-and-

ADAPTHEALTH CORP., f/k/a DFB
HEALTHCARE ACQUISITIONS CORP.,

Nominal Defendant.

Civil Action No. 2:21-cv-05335-GJP

**NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF
SHAREHOLDER DERIVATIVE ACTION**

TO: ALL OWNERS OF THE COMMON STOCK OF ADAPTHEALTH CORP. (“ADAPTHEALTH” OR THE “COMPANY”) CURRENTLY AND AS OF JUNE 25, 2024, EXCLUDING DEFENDANTS AND ANY ENTITY IN WHICH THEY HAVE A CONTROLLING INTEREST AND OFFICERS AND DIRECTORS OF THE COMPANY AND THEIR LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS, OR ASSIGNS (“CURRENT ADAPTHEALTH SHAREHOLDERS”):

THIS NOTICE RELATES TO THE PENDENCY AND PROPOSED SETTLEMENT OF SHAREHOLDER DERIVATIVE LITIGATION. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. IF YOU ARE A CURRENT ADAPTHEALTH SHAREHOLDER, THIS NOTICE CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHTS. YOUR RIGHTS MAY BE AFFECTED BY THESE LEGAL PROCEEDINGS. IF THE COURT APPROVES THE SETTLEMENT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE APPROVAL OF THE PROPOSED SETTLEMENT AND FROM PURSUING THE RELEASED CLAIMS.

IF YOU HELD ADAPTHEALTH COMMON STOCK FOR THE BENEFIT OF ANOTHER AS OF JUNE 25, 2024, PLEASE PROMPTLY TRANSMIT THIS DOCUMENT TO SUCH BENEFICIAL OWNER.

PLEASE NOTE THAT THERE IS NO CLAIMS PROCESS, AND NO INDIVIDUAL STOCKHOLDER HAS THE RIGHT TO BE COMPENSATED AS A RESULT OF THE SETTLEMENT DESCRIBED BELOW. STOCKHOLDERS ARE NOT REQUIRED TO TAKE ANY ACTION IN RESPONSE TO THIS NOTICE.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

I. WHY THE COMPANY HAS ISSUED THIS NOTICE

1. The purpose of this Notice is to explain the above-captioned shareholder derivative action brought on behalf and for the benefit of AdaptHealth styled, *Hessler v. McGee et al.*, Civ. No. 2:21-cv-05335-GJP (E.D. Pa.) (the “Derivative Action”), the terms of the proposed settlement of the Derivative Action (the “Settlement”), and how the proposed Settlement affects the legal rights of AdaptHealth stockholders.

2. The Derivative Action is a stockholder derivative suit. In a stockholder derivative suit, one or more persons or entities who are current stockholders of a corporation sue on behalf of and for the benefit of the corporation, seeking to enforce the corporation’s legal rights. In the Derivative Action, Plaintiff has filed suit against Defendants on behalf of and for the benefit of AdaptHealth.

3. This Notice is provided by Order of the United States District Court for the Eastern District of Pennsylvania (the “Court”). It is not an expression of any opinion by the Court with respect to the truth of the allegations in the Derivative Action or the merits of the claims or defenses asserted by or against any party. It is solely to notify you of the terms of the proposed Settlement and your rights related thereto. The terms of the proposed Settlement are set forth in a written Stipulation of Settlement, dated April 23, 2024 (the “Stipulation”).¹ A link to the Stipulation may be found at www.adapthealthderivativesettlement.com.

4. A hearing will be held on November 13, 2024 at 10:00 a.m., before the Honorable Gerald J. Pappert, at the United States District Court for the Eastern District of Pennsylvania, Courtroom 11-A, James A. Byrne U.S. Courthouse 601 Market Street, Philadelphia, PA 19106 (the “Settlement Hearing”), at which the Court will: (a) determine whether Plaintiff and Plaintiff’s Counsel have adequately represented the interests of AdaptHealth and its stockholders; (b) determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, adequate, and in the best interests of AdaptHealth and its stockholders; (c) determine whether the Notice fully satisfies the requirements of Rule 23.1 and due process; (d) determine whether a judgment substantially in the form attached as Exhibit D to the Stipulation should be entered dismissing the Derivative Action with prejudice against Defendants; (e) determine whether the motion by Plaintiff’s Counsel for the Fee and Expense Award should be approved; (f) hear and determine any objections to the Settlement or the motion by Plaintiff’s Counsel for the Fee and Expense Award; and (g) consider any other matters that may properly be brought before the Court in connection with the Settlement. You have an opportunity to be heard at this hearing, as described further in paragraphs 29-37 below.

II. RELEVANT BACKGROUND OF THE LITIGATION

THE FOLLOWING DESCRIPTION OF THE DERIVATIVE ACTION AND THE SETTLEMENT HAS BEEN PREPARED BY COUNSEL FOR THE PARTIES. THE COURT PRESIDING OVER THE ACTION HAS MADE NO FINDINGS WITH RESPECT TO SUCH MATTERS, AND THIS NOTICE IS NOT AN EXPRESSION OR STATEMENT BY ANY COURT OF FINDINGS OF FACT.

¹ Capitalized terms not otherwise defined shall have the same meanings set forth in the Stipulation, a copy of which has been filed with the Court. This Notice should be read in conjunction with, and is qualified in its entirety by reference to, the text of the Stipulation.

A. Summary of Plaintiff's Allegations

5. AdaptHealth is a Delaware corporation with its principal place of business located in Plymouth Meeting, Pennsylvania. AdaptHealth describes itself as a national leader in providing patient-centric technology-enabled chronic disease management solutions, including home health-care equipment, medical supplies to the home and related services in the United States. AdaptHealth was privately held until November 11, 2019, when it began trading on the NASDAQ under symbol "AHCO," pursuant to a business combination between DFB Healthcare Acquisitions Corp., a special purpose acquisition company, and AdaptHealth Holdings LLC.

6. Plaintiff alleges that the Individual Defendants caused the Company to issue materially false and misleading statements and/or omissions concerning the methodology used to calculate the Company's organic revenue growth and Defendant McGee's involvement in an alleged foreign tax fraud arising from certain past private activity. Plaintiff alleges that the Individual Defendants breached their fiduciary duties by failing to correct these allegedly false and misleading statements, and that they failed to maintain an adequate system of oversight, disclosure controls and procedures, and internal controls over financial reporting and due diligence into its management team. Finally, Plaintiff alleges that the alleged false and misleading statements exposed the Company to significant reputational harm and financial damages. Defendants vigorously dispute Plaintiff's allegations and deny that the claims have merit.

7. In addition, the Company (together with a number of its current and former officers and directors, all of which are defendants in the Derivative Action) was sued in this Court for violations of the federal securities laws in connection with the issuance of alleged materially false and misleading statements and/or omissions concerning the methodology used to calculate the Company's organic revenue growth and Defendant McGee's involvement in an alleged foreign tax fraud arising from certain past private activity by a putative shareholder on behalf of a purported class of investors in an action entitled *Delaware County Employees Retirement Systems et al. v. AdaptHealth Corp. et al.*, Civ. No. 2:21-cv-03382-HB (E.D.P.A.) (the "Securities Class Action").

B. Procedural History

8. On December 6, 2021, Plaintiff, through her counsel, Kohn, Swift & Graf, P.C. and Levi & Korsinsky, LLP ("Plaintiff's Counsel"), filed the Derivative Action in this Court, alleging breaches of fiduciary duty, unjust enrichment, waste of corporate assets, and violations of Section 14(a) of the Securities Exchange Act of 1934.

9. On March 7, 2022, the Court entered an Order staying the Derivative Action (the "Stay Order") pending a final judgment in the Securities Class Action. The Stay Order required Defendants to re-produce to Plaintiff all documents produced by Defendants in the Securities Class Action, which Defendants completed in or around August 2023.

C. Settlement Negotiations

10. In or around June 2023, the Parties began discussions concerning possible resolution of the Derivative Action, and agreed to engage a nationally recognized neutral mediator. In connection with the mediation process, Plaintiff's Counsel sent counsel for AdaptHealth and the Individual Defendants settlement demands seeking to resolve the Derivative Action, and the Parties exchanged mediation briefs, responses, and exhibits. Over the course of several months, the Parties engaged in extensive arm's-length negotiations in an effort to resolve the Derivative Action. In February 2024, the Parties reached an agreement in principle on the material terms of a settlement, consisting of significant corporate governance reforms to be implemented and maintained by AdaptHealth, which were memorialized in a binding term sheet executed by the Parties on February 25, 2024 (the "Term Sheet").

11. After the execution of the Term Sheet, the Parties, with the assistance of the neutral mediator, commenced negotiations regarding an appropriate amount of attorneys' fees to be paid to Plaintiff's Counsel in light of the benefits of the Settlement caused by Plaintiff's Counsel's efforts and the Derivative Action. Such negotiations resulted in an agreement in principle concerning the remaining terms of the settlement, including attorneys' fees. On April 23, 2024, the Parties executed the Stipulation of Settlement.

III. PLAINTIFF'S CLAIMS AND THE BENEFITS OF THE SETTLEMENT; DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY

12. Plaintiff commenced the Derivative Action in good faith and continues to believe that her derivative claims have legal merit, and the entry by the Plaintiff into the Stipulation is not an admission as to lack of any merit of any derivative claims asserted or that could be asserted in the Derivative Action. Plaintiff and Plaintiff's Counsel believe that the claims raised in the Derivative Action have merit and that their investigations support the claims. Without conceding the merit of any of the Defendants' defenses, and in light of the benefits of the Settlement as well as to avoid the potentially protracted time, expense, and uncertainty associated with continued litigation, including potential trial(s) and appeal(s), Plaintiff and Plaintiff's Counsel have concluded that it is desirable that the Derivative Action be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation. Plaintiff and Plaintiff's Counsel recognize the significant risk, expense, and length of continued proceedings necessary to prosecute the Derivative Action against Defendants through trial(s) and through possible appeal(s). Plaintiff and Plaintiff's Counsel have also taken into account the uncertain outcome and the risk of any litigation, especially complex litigation such as would be entailed by the Derivative Action, the difficulties and delays inherent in such litigation, the cost to the Company – on behalf of which Plaintiff filed the Derivative Action – and distraction to the management of AdaptHealth that would result from extended litigation. Based on their evaluation, and in light of what Plaintiff and Plaintiff's Counsel believe to be the significant benefits conferred upon the Company as a result of the Settlement, Plaintiff and Plaintiff's Counsel have determined that the Settlement is in the best interests of Plaintiff and the Company, and have agreed to settle the Derivative Action upon the terms and subject to the conditions set forth in the Stipulation.

13. Each of the Defendants has expressly denied, and continues to deny, that he, she or it committed any breach of duty, breached any other law, or engaged in any of the wrongful acts alleged in the Derivative Action, expressly maintains that he, she or it diligently and scrupulously complied with his, her or its fiduciary and other legal duties, to the extent such duties exist, and further believes that the Derivative Action is without merit. Nonetheless, Defendants have concluded that further litigation of the Derivative Action would be protracted, burdensome, and expensive, and that it is desirable and beneficial to them that they secure releases to the fullest extent permitted by law and that the Derivative Action be fully and finally settled and terminated in the manner and upon the terms and conditions set forth in the Stipulation. As set forth further in the Stipulation, neither the Settlement nor any of the terms of the Stipulation shall be construed or deemed to be evidence of or constitute an admission, concessions, or finding of any fault, liability, wrongdoing, or damage whatsoever or the infirmity in the defenses that Defendants have, or could have, asserted.

14. The Parties wish to settle and resolve the claims asserted by Plaintiff in the Derivative Action, and the Parties have, following arm's-length negotiations, reached an agreement in principle as set forth in the Stipulation, providing for the settlement of the Derivative Action on the terms and subject to the conditions set forth below. The Parties believe the Settlement is in the best interests of the Parties and AdaptHealth.

IV. TERMS OF THE PROPOSED SETTLEMENT

15. The principal terms, conditions, and other matters that are part of the Settlement, which is subject to approval by the Court, are summarized below. This summary should be read in conjunction with, and is qualified in its entirety by reference to, the text of the Stipulation and its accompanying Exhibits, which have been filed with the Court and are available at www.adapthealthderivativesettlement.com.

16. As a result of the negotiations between and among the Parties, in consideration for the full settlement and release of the Released Claims, and upon Final Approval, AdaptHealth will implement the Corporate Governance Reforms described below and reflected in Exhibit A to the Stipulation. Defendants acknowledge that Plaintiff was a substantial cause of AdaptHealth's adoption and maintenance of the Corporate Governance Reforms. The Corporate Governance Reforms shall remain in effect for a period of at least six (6) years. Defendants acknowledge and agree that the Corporate Governance Reforms are significant and confer substantial benefits upon AdaptHealth and its shareholders.

A. **Review of Disclosures Giving Rise to the Litigation:** AdaptHealth's Audit Committee will retain outside counsel to conduct a postmortem review of the disclosures that gave rise to the Derivative Action as part of a concerted effort to improve the Company's governance practices. All work performed by retained outside counsel, including the results of its review and related reports to the Audit Committee, shall remain confidential and privileged.

B. **Board Self-Evaluation:** AdaptHealth will be required to conduct mandatory evaluations that test the effectiveness of the Board of Director's governance and oversight procedures through the use of director questionnaires prepared by the Nominating and Governance Committee with the assistance of outside counsel, which shall consider industry guidance and best practices. Such questionnaires shall be distributed and completed once every three years. The Nominating and Governance Committee will review the results and report to the Board regarding the results and any recommendations for improvements.

C. **Board Composition and Practices:**

1. AdaptHealth shall nominate and appoint, at its sole discretion, one (1) additional outside director to the Company's Board of Directors who meets the independence standards promulgated by NASDAQ.
2. The Nominating and Governance Committee shall annually evaluate the composition of the Board to: (a) assess the skills and expertise that are currently represented on the Board as a whole, and in individual directors, as well as the skills and experience that the Board may find valuable in the future; and (b) assess the effectiveness of the efforts to seek a diversity of occupational and personal backgrounds on the Board in order to obtain a range of viewpoints and perspectives and to enhance the diversity of the Board.

D. **Enhanced Board Reporting:** The General Counsel, Chief Compliance Officer, Chief Accounting Officer or any independent member of the Board will be authorized to convene a meeting of the Audit Committee of the Board to review (1) any concerns, including whistleblower issues, reports of management wrongdoing, pending or threatened litigation, and such other matters that the General Counsel, Chief Compliance Officer, Chief Accounting Officer, or independent Board members identify and/or (2) any concerns, including any material compliance issues raised by the U.S. Securities and Exchange Commission ("SEC"), U.S. Department of Justice, or other regulatory agencies, and the effectiveness of AdaptHealth's policies, procedures, systems, and controls designed to ensure regulatory compliance.

E. **Enhanced Responsibilities of the Audit Committee:** The Audit Committee will be required to consult the General Counsel, Chief Compliance Officer, and/or any other senior-level management representative, as it deems necessary, to review the accuracy of public disclosures with respect to material investigations involving AdaptHealth's officers and directors that are required to be disclosed under state and/or federal laws and regulations.

F. **Enhanced Responsibilities of the Compliance Committee:**

1. The Compliance Committee will be required to consult the General Counsel, Chief Compliance Officer, and/or any other senior-level management representative, as it deems necessary, to review the accuracy of public disclosures with respect to (a) healthcare regulatory compliance matters that may have a material impact on AdaptHealth's operational performance or financial health and (b) material healthcare regulatory investigations involving AdaptHealth's officers and directors that are required to be disclosed under state and/or federal laws and regulations.
2. The Compliance Committee will be required to meet with the Chief Compliance Officer at least twice a year.

G. **Enhanced Responsibilities of Management-Level Disclosure Committee:**

1. The Management-Level Disclosure Committee will report quarterly to the Audit Committee regarding the Disclosure Committee's meetings and activities.
2. The Management-Level Disclosure Committee will be required to obtain approval from the CEO or CFO to implement any changes to its Charter.

V. PLAINTIFF'S COUNSEL'S ATTORNEYS' FEES AND EXPENSES

17. Defendants acknowledge that Plaintiff's Counsel are entitled to seek an award of attorneys' fees and litigation expenses in connection with the Derivative Action and the Settlement.

18. After negotiating the principal terms of the Settlement, the Parties, acting by and through their respective counsel, with the assistance of a nationally recognized neutral mediator, separately negotiated the attorneys' fees and expenses AdaptHealth would pay or cause to be paid to Plaintiff's Counsel based on the substantial benefits conferred upon AdaptHealth by the Settlement. As a result of those negotiations, Defendants have agreed to pay an award of attorneys' fees, reimbursement of expenses, and service awards, if any, for Plaintiff and Plaintiff's Counsel in an aggregate amount not to exceed \$935,000, subject to the Court's approval (the "Fee and Expense Award"). The Parties further stipulated that Plaintiff's Counsel may apply to the Court for the service award of up to \$5,000 for the Plaintiff in recognition of Plaintiff's participation and efforts in the prosecution of the Derivative Action, to be paid from Plaintiff's Counsel's Fee and Expense Award only upon approval of the Court.

19. The Parties further stipulated that the Court may consider and rule upon the fairness, reasonableness, and adequacy of the Settlement independently of the Fee and Expense Award. The failure of the Court to approve the requested Fee and Expense Award, in whole or in part, shall have no effect on the Settlement, and final resolution by the Court of the requested Fee and Expense Award shall not be a precondition to the dismissal of the Derivative Action.

20. The Court will ultimately determine the amount of any fee and expense award to Plaintiff's Counsel. Any Court-approved fee and expense award will be payable by the Defendants. AdaptHealth stockholders are not personally liable for any such fees or expenses.

VI. DISMISSAL AND RELEASES

21. If the Settlement is preliminarily approved, the Parties will request that the Court grant Final Approval of the Settlement.

22. Upon Final Approval, Plaintiff Releasing Parties, by operation of the Settlement and to the fullest extent permitted by law, shall completely, fully, finally and forever release, relinquish, settle and discharge each and all of the Released Defendants from any and all of Plaintiff's Released Claims.

23. Upon Final Approval, Defendant Releasing Parties, by operation of the Settlement and to the fullest extent permitted by law, shall completely, fully, finally, and forever release, relinquish, settle and discharge each and all of the Released Plaintiffs from any and all of Defendants' Released Claims.

"Plaintiff's Released Claims" means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, judgments, defenses, counterclaims, offsets, decrees, matters, issues and controversies of any kind, nature or description whatsoever, whether known or unknown, asserted or unasserted, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including Unknown Claims, that Plaintiff Releasing Parties asserted or could have asserted on behalf of nominal defendant AdaptHealth Corp. in the Derivative Action in any court, tribunal, forum or proceeding, whether based on state, local, foreign, federal, statutory, regulatory, common or other law or rule, and which are based upon, arise out of, relate in any way to, or involve, directly or indirectly, (i) the actions, inactions, deliberations, discussions, decisions, votes, or any other conduct of any kind by any of the Released Defendants, relating in any way to any agreement, transaction, occurrence, conduct, or fact alleged or set forth in the Derivative Action, or (ii) the commencement, prosecution, defense, mediation or settlement of the Derivative Action; provided, however, for the avoidance of doubt, that Plaintiff's Released Claims shall not include any claims to enforce this Settlement.

"Defendants' Released Claims" means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, judgments, defenses, counterclaims, offsets, decrees, matters, issues and controversies of any kind, nature or description whatsoever, whether known or unknown, asserted or unasserted, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including Unknown Claims, which were or which could have been asserted by any of the Defendant Releasing Parties in any court, tribunal, forum or proceeding, whether based on state, local, foreign, federal, statutory, regulatory, common or other law or rule, and which are based upon, arise out of, relate in any way to, or involve, directly or indirectly, (a) the actions, inactions,

deliberations, discussions, decisions, votes, or any other conduct of any kind by any of the Released Plaintiffs, relating in any way to any agreement, transaction, occurrence, conduct, or fact alleged or set forth in the Derivative Action, or (b) the commencement, prosecution, defense, mediation or settlement of the Derivative Action; provided, however, for the avoidance of doubt, that Defendants' Released Claims shall not include any claims to enforce the Settlement.

"Unknown Claims" means any Released Claim which the Releasing Party does not know or suspect exist in his, her, or its favor at the time of the Released Claims as against the Released Parties, including without limitation those which, if known by him, her or it, might have affected his, her or its release of the Released Parties or decision(s) to enter into or object to the Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, the Parties shall expressly waive, and each Releasing Party shall, by operation of the Order and Final Judgment, be deemed to have expressly waived, any and all provisions, rights, and benefits conferred by California Civil Code § 1542 and any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The Parties acknowledge that they may hereafter discover facts, legal theories or authorities in addition to or different from those which they or their respective counsel now know or believe to be true with respect to the subject matter of the Released Claims or that, had they known, may have affected their decision to enter into this Stipulation, but they are notwithstanding this potential entering into this Stipulation and intend it to be a full, final, and permanent resolution of the matters at issue in the Derivative Action. The Parties acknowledge, and each Releasing Party shall, by operation of law, be deemed to have acknowledged, that the foregoing waiver and the inclusion of the "Unknown Claims" in the definition of the Plaintiff's Released Claims and Defendants' Released Claims were separately bargained for and was a material element of the Settlement.

"Released Claims" means Plaintiff's Released Claims and Defendants' Released Claims.

"Plaintiff Releasing Parties" means the Plaintiff, AdaptHealth, Plaintiff's Counsel, and each and every AdaptHealth stockholder derivatively on behalf of AdaptHealth, and their respective agents, spouses, heirs, predecessors, successors, transferors, transferees, personal or legal representatives, parents, subsidiaries, employees, affiliates, partners, investors, advisors, insurers, and assigns.

“Defendant Releasing Parties” means Defendants, Defendants’ Counsel, and their respective agents, spouses, heirs, predecessors, successors, transferors, transferees, personal representatives, representatives, parents, subsidiaries, affiliates, partners, investors, advisors, and assigns.

“Releasing Parties” means the Plaintiff Releasing Parties and the Defendant Releasing Parties.

“Released Plaintiffs” means the Plaintiff, Plaintiff’s Counsel, and any and all of their former, current or future agents, parents, controlling persons, general or limited partners, members, managers, managing members, direct or indirect equity holders, subsidiaries, affiliates, employees, officers, directors, predecessors, successors, attorneys, heirs, successors in interest, assigns, insurers, reinsurers, consultants, other personal or legal representatives, servants, respective past or present family members, spouses, agents, fiduciaries, partners, corporations, direct or indirect affiliates, bankers, estates, and advisors.

“Released Defendants” means (a) Defendants, including nominal defendant AdaptHealth, and any and all of their and AdaptHealth’s respective former, current, or future agents, parents, controlling persons, general or limited partners, members, managers, managing members, direct or indirect equity holders, subsidiaries, affiliates, employees, officers, directors, predecessors, successors, attorneys, heirs, successors in interest, assigns, insurers, reinsurers, consultants, other personal or legal representatives and servants; (b) for each and all of the persons identified in the foregoing clause, any and all of their respective past or present trusts, foundations, investors, insurers, reinsurers, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, parents, controlling persons, subsidiaries, divisions, direct or indirect affiliates, associated entities, stockholders, members, managing members, managing agents, financial or investment advisors, advisors, consultants, investment bankers, entities providing any fairness opinion, underwriters, brokers, dealers, lenders, commercial bankers, attorneys in fact, counsel, accountants and associates that are not natural persons; (c) for each and all of the persons identified in the foregoing clauses of this Section that are not natural persons, any and all of their respective past or present trustees, agents, employees, fiduciaries, partners, controlling persons, principals, officers, managers, directors, managing directors, members, managing members, managing agents, financial or investment advisors, advisors, consultants, brokers, dealers, lenders, attorneys in fact, counsel, accountants, and associates who are natural persons; (d) for each and all of the persons identified in the foregoing clauses of this Section that are not natural persons, their respective successors and assigns; (e) for each and all of the persons identified in the foregoing clauses of this Section who are natural persons, all their past or present family members or spouses, and the heirs, executors, estates, administrators, personal or legal representatives, assigns, beneficiaries, and distributees of any of the foregoing; and (f) Defendants’ Counsel.

“Released Parties” means the Released Plaintiffs and the Released Defendants.

VII. SETTLEMENT HEARING

24. On November 13, 2024 at 10:00 a.m., a settlement fairness hearing will be held before the Honorable Gerald J. Pappert, at the United States District Court for the Eastern District of Pennsylvania, Courtroom 11-A, James A. Byrne U.S. Courthouse 601 Market Street, Philadelphia, PA 19106 (the

“Settlement Hearing”). At the Settlement Hearing, the Court will: (a) determine whether Plaintiff and Plaintiff’s Counsel have adequately represented the interests of AdaptHealth and its stockholders; (b) determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, adequate, and in the best interests of AdaptHealth and its stockholders; (c) determine whether the Notice fully satisfies the requirements of Rule 23.1 and due process; (d) determine whether a judgment substantially in the form attached as Exhibit D to the Stipulation should be entered dismissing the Derivative Action with prejudice against Defendants; (e) determine whether the motion by Plaintiff’s Counsel for the Fee and Expense Award should be approved; (f) hear and determine any objections to the Settlement or the motion by Plaintiff’s Counsel for the Fee and Expense Award; and (g) consider any other matters that may properly be brought before the Court in connection with the Settlement.

25. Please Note: The date and time of the Settlement Hearing may change without further written notice to AdaptHealth stockholders, or the Court may decide to conduct the Settlement Hearing by video or telephonic conference, or otherwise allow AdaptHealth stockholders to appear at the hearing by telephone or video, without further written notice to AdaptHealth stockholders. **Before making any plans to attend the Settlement Hearing, and in order to determine whether the date and time of the Settlement Hearing have changed, or whether AdaptHealth stockholders must or may participate by telephone or video, it is important to monitor the Court’s docket and the following website: www.adapthealthderivativesettlement.com. Any updates regarding the Settlement Hearing, including any changes to the date or time of the hearing or updates regarding in-person or telephonic appearances at the hearing, will be posted at www.adapthealthderivativesettlement.com. Also, if the Court requires or allows AdaptHealth stockholders to participate in the Settlement Hearing by telephone or videoconference, the information needed to access the conference will be posted at www.adapthealthderivativesettlement.com.**

26. Pending the Court’s determination as to final approval of the Settlement, Plaintiff and all AdaptHealth stockholders are barred and enjoined from commencing, prosecuting, instigating or in any way participating in the commencement or prosecution of any action asserting any of the Released Claims, either directly, representatively, derivatively, or in any other capacity, against Defendants or any of the Released Parties.

VIII. RIGHT TO ATTEND SETTLEMENT HEARING

27. Any current AdaptHealth stockholder may, but is not required to, appear in person at the Settlement Hearing. If you want to be heard at the Settlement Hearing, then you must first comply with the procedures for objecting, which are set forth below. The Court, however, will consider any submission made in accordance with the provisions below, even if you do not attend the Settlement Hearing.

28. The Court has the right to change the hearing date or time without further notice or to hold it telephonically or via another remote process. Thus, if you are planning to attend the Settlement Hearing, you should confirm the date and time before going to the Court. Current shareholders who have no objection to the Settlement do not need to appear at the Settlement Hearing or take any other action.

IX. RIGHT TO OBJECT TO THE PROPOSED SETTLEMENT AND PROCEDURES FOR DOING SO

29. Any current AdaptHealth stockholder may appear and show cause, if he, she or it has any reason why the Settlement should not be approved as fair, reasonable, and adequate, or why a judgment should not be entered thereon, or why the separately negotiated attorneys' fees and expenses should not be approved. You must object in writing, and you may request to be heard at the Settlement Hearing. If you choose to object, then you must follow these procedures.

30. **You may not object to the Settlement or Plaintiff's motion for an award of attorneys' fees and expenses if you are not an AdaptHealth stockholder.**

A. You Must Make Detailed Objections in Writing

31. Any objections must be presented in writing and must contain the following information:

- a. Your name, legal address, e-mail address, and telephone number;
- b. The case name and number;
- c. Proof of current ownership of AdaptHealth common stock, including the number of shares and documentary evidence of when such stock ownership was acquired, with such ownership having existed on or before June 25, 2024;
- d. The date(s) you acquired your AdaptHealth shares;
- e. A written detailed statement of each objection being made that states with specificity the grounds for the objection, including any legal and evidentiary support you wish to bring to the Court's attention;
- f. Notice of whether you intend to appear at the Settlement Hearing (you are not required to appear); and
- g. Copies of any papers you intend to submit to the Court, along with the names of any witness(es) you intend to call to testify at the Settlement Hearing and the subject(s) of their testimony.

32. To the extent you object to the Settlement or Plaintiff's motion for an award of attorneys' fees and expenses and intend to appear at the Settlement Hearing through counsel, in addition to including the information set forth in Paragraph 31 in your objection, you must also identify your counsel by name, address and telephone number. That counsel must also file a notice of appearance with the Court and serve it on Plaintiff's Counsel and Defendants' Counsel.

33. The Court may, in its sole discretion, consider any objection that does not substantially comply with these requirements.

B. You Must Timely Deliver Written Objections to the Court

34. All written objections and supporting papers must be submitted to the Court either by mailing them to:

Clerk of the Court
UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA
James A. Byrne U.S. Courthouse
601 Market Street
Philadelphia, PA 19106

OR by filing them in person at any location of the United States District Court for the Eastern District of Pennsylvania.

35. YOUR WRITTEN OBJECTIONS AND ANY NOTICES OF APPEARANCE BY COUNSEL MUST BE ON FILE WITH THE CLERK OF THE COURT NO LATER THAN OCTOBER 23, 2024.

36. Unless the Court orders otherwise, your objection will not be considered unless it is timely filed with the Court.

37. Your written objection must also be mailed and e-mailed to:

Plaintiff's Counsel:

Gregory M. Nespole
LEVI & KORSINSKY, LLP
33 Whitehall Street, 17th Floor
New York, New York 10004
Telephone: (212) 363-7500
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38. Unless the Court orders otherwise, any person or entity who fails to object or otherwise request to be heard in the manner prescribed above will be deemed to have waived the right to object to any aspect of the Settlement as incorporated in the Stipulation or otherwise to be heard (including the right to appeal) and will be forever barred from raising such objection or request to be heard in this or any other action or proceeding, and shall be bound by the Final Judgment to be entered and the releases to be given.

X. NOTICE TO PERSONS OR ENTITIES THAT HOLD BENEFICIAL OWNERSHIP ON BEHALF OF OTHERS

39. Brokerage firms, banks and/or other persons or entities who held shares of the common stock of AdaptHealth for the benefit of others as of June 25, 2024, are requested to promptly send this Notice to all of their respective beneficial owners, either by physical mailing or electronic means. Specifically, nominees must either (i) within seven (7) calendar days of receipt of this Notice, request from Kroll Settlement Administration LLC (the “Settlement Administrator”) sufficient copies of the Notice to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notices forward them to all such beneficial owners; or (ii) within seven (7) calendar days of receipt of this Notice, email a list of the names, addresses, and/or email addresses of all such beneficial owners to the Settlement Administrator at info@adapthealthderivativesettlement.com. If you choose the second option, the Settlement Administrator will send a copy of the Notice to the beneficial owners you have identified on your list, either by physical mailing or electronic means. Copies of this Notice may also be obtained on the settlement website, www.adapthealthderivativesettlement.com.

Regardless of whether you choose to complete the physical or electronic mailing yourself or elect to have such mailing performed for you, you may obtain reimbursement for reasonable administrative costs actually incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice up to \$0.03 per record plus postage (if applicable), upon submission of appropriate documentation to the Settlement Administrator.

XI. HOW TO OBTAIN ADDITIONAL INFORMATION

40. This Notice summarizes the Stipulation. It is not a complete statement of the events of the Derivative Action or the Settlement contained in the Stipulation.

41. You may inspect the Stipulation and other papers in the Derivative Action at the United States District Court Clerk’s office at any time during regular business hours of each business day. The Clerk’s office is located at the United States District Court for the Eastern District of Pennsylvania, James A. Byrne U.S. Courthouse 601 Market Street, Philadelphia, PA 19106. However, you may also contact counsel listed below to obtain a copy of the Stipulation. The Clerk’s office will not mail copies to you. You may also view and download the Stipulation at www.adapthealthderivativesettlement.com.

42. If you have any questions about matters in this Notice you may contact:

Gregory M. Nespole

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**PLEASE DO NOT CALL, WRITE, OR OTHERWISE DIRECT QUESTIONS TO EITHER
THE COURT OR THE CLERK'S OFFICE.**

Dated: June 25, 2024

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA