

**UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF OHIO  
EASTERN DIVISION**

**IN RE CARDINAL HEALTH, INC.  
DERIVATIVE LITIGATION**

Case No. 2:19-cv-2491

Judge Sarah D. Morrison

Magistrate Judge Elizabeth A. Preston Deavers

**ORDER PRELIMINARILY APPROVING SETTLEMENT AND  
AUTHORIZING DISSEMINATION OF SETTLEMENT NOTICE**

WHEREAS, a consolidated stockholder derivative action is pending in this Court under the caption *In re Cardinal Health, Inc. Derivative Litigation*, Case No. 2:19-cv-2491 (the “Action”);

WHEREAS, (i) co-lead plaintiffs in the Action Melissa Cohen, Stanley M. Malone, and Michael Splaine (collectively, “Plaintiffs”); (ii) individual defendants David J. Anderson, Colleen F. Arnold, George S. Barrett, Carrie S. Cox, Calvin Darden, Bruce L. Downey, Patricia A. Hemingway Hall, Akhil Johri, Clayton M. Jones, Michael C. Kaufmann, Gregory B. Kenny, Nancy Killefer, David P. King, and J. Michael Losh (collectively, “Individual Defendants”); and (iii) nominal defendant Cardinal Health, Inc. (“Cardinal Health” or the “Company,” and, together with Individual Defendants, “Defendants”), constituting the parties (the “Parties” and, individually, a “Party”) in the Action have entered into the Stipulation and Agreement of Compromise, Settlement, and Release dated May 25, 2022 (the “Stipulation”), which sets forth the terms and conditions of the proposed settlement (the “Settlement”) that provides for a complete dismissal with prejudice of the claims asserted in the Action and the release of the Released Claims (defined in the Stipulation) on the terms and conditions set forth therein, subject to the approval of this Court;

WHEREAS, in accordance with the terms of the Stipulation, Plaintiffs' Counsel filed, pursuant to Rule 23.1 of the Federal Rules of Civil Procedure, an unopposed motion for an order preliminarily approving the Settlement set forth in the Stipulation; approving the method and forms of providing notice; and scheduling the date for a hearing regarding final approval of the Settlement ("the Settlement Hearing");

WHEREAS, the Court has read and considered: (i) Plaintiffs' motion for preliminary approval of the Settlement and authorization to provide notice of the Settlement, and the papers filed and arguments made in connection therewith; and (ii) the Stipulation and the exhibits attached thereto, including the proposed forms of Notice, Summary Notice, and Judgment (all defined in the Stipulation); and

Finding that substantial and sufficient grounds exist for entering this Order, the Court hereby **ORDERS** as follows:

1. **Definitions** – Unless otherwise defined in this Order, the capitalized terms used herein shall have the same meaning as they have in the Stipulation.

2. **Preliminary Approval of the Settlement** – The Court hereby preliminarily approves the Settlement on the terms set forth in the Stipulation and the exhibits attached thereto, subject to further consideration at the Settlement Hearing to be held as described below.

3. **Settlement Hearing** – The Court will hold the Settlement Hearing on **October 4, 2022 at 2:00 p.m.**, at the United States District Court for the Southern District of Ohio, Eastern Division, Joseph P. Kinneary U.S. Courthouse, Room 167, 85 Marconi Boulevard, Columbus, OH 43215, either in person or by telephone or videoconference, for the following purposes: (i) to determine whether the Plaintiffs and Co-Lead Counsel have adequately represented the interests of Cardinal Health and its stockholders; (ii) to determine whether the

Judgment, substantially in the form attached as Exhibit B to the Stipulation, should be entered (a) finally approving the terms and conditions of the Stipulation as fair, reasonable, and adequate and in the best interests of Cardinal Health and its stockholders, (b) dismissing the Action with prejudice pursuant to the terms of the Stipulation, (c) ruling on the application by Co-Lead Counsel for award of attorneys' fees and expenses, and (d) ruling on Plaintiffs' application for service awards; and (iii) to consider any other matters that may properly be brought before the Court in connection with the Settlement.

4. The Court reserves the right to adjourn the Settlement Hearing, or any adjournment thereof, including the consideration of the application for attorneys' fees and expenses, without further notice of any kind to Cardinal Health stockholders other than an announcement at the Settlement Hearing or at any adjournment of the Settlement Hearing. The Court further reserves the right to approve the Stipulation and the Settlement, at or after the Settlement Hearing, with such modifications as the Parties may agree to without further notice to Cardinal Health stockholders. The Court reserves the right to enter its Judgment approving the Stipulation and the Settlement and dismissing with prejudice the claims asserted in the Action regardless of whether the Court has awarded the Fee and Expense Award or any service awards. The Court also reserves the right to extend any of the deadlines set forth in this Order without further notice to Cardinal Health stockholders.

5. In light of the ongoing Covid-19 pandemic, the Court reserves the right to hold the Settlement Hearing by telephone or videoconference and will provide notice of such decision by way of docket entry.

6. **Manner of Giving Notice** – Notice of the Settlement Hearing shall be given as follows:

(i) within ten (10) Business Days of the entry of this Order (the “Notice Date”), the Company shall: (a) file a Form 8-K with the SEC that includes the Notice as an attachment; (b) post the Stipulation and the Notice on the investor relations section of the Company’s website until the Effective Date of the Settlement; (c) issue a press release on PR Newswire or other equivalent national press release service that includes the Summary Notice; and (d) cause the Summary Notice to be published in *The Wall Street Journal*;

(ii) Co-Lead Counsel shall make copies of the Notice and Summary Notice available on their respective websites; and

(iii) no later than five (5) calendar days before the Settlement Hearing, counsel for the Parties shall file with the Court an appropriate proof of compliance with the notice procedures set forth in this Order and the Stipulation.

7. **Approval of Form and Content of Notice** – The Court approves, as to form and content, the Notice and the Summary Notice, attached to the Stipulation as Exhibits C and E, and finds that the dissemination of the Notice and Summary Notice, substantially in the manner set forth in Paragraph 6 of this Order, satisfies the requirements of Rule 23.1 of the Federal Rules of Civil Procedure and the United States Constitution (including the Due Process Clause), and constitutes due, adequate, and sufficient notice of all matters relating to the Stipulation and Settlement. The date and time of the Settlement Hearing shall be included in the Notice and Summary Notice before it is distributed.

8. **Appearance and Objections at Settlement Hearing** – Any current Cardinal Health stockholder who held Cardinal Health common stock as of the close of trading on the date

of the Stipulation (May 25, 2022), and continues to hold such Cardinal Health common stock as of the date of the Settlement Hearing, may appear at the Settlement Hearing to show cause why the Settlement as set forth in the Stipulation should not be approved; why the Judgment should not be entered thereon; why Plaintiffs' Counsel's application for the Fee and Expense Award should not be approved; or why Plaintiffs' request for service awards should not be approved; *provided, however*, that no such Person shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement as set forth in the Stipulation, the Judgment to be entered approving the same, the application for the Fee and Expense Award, and/or Plaintiffs' request for service awards, unless such Person has filed with the Court and served on counsel for the Parties a written and signed objection as set forth in Paragraphs 9 and 10 below.

9. Any written objection, together with copies of all other papers and briefs supporting the objection, must either be (i) mailed to the Office of the Clerk of the Court, United States District Court for the Southern District of Ohio, Eastern Division, Joseph P. Kinneary U.S. Courthouse, Room 121, 85 Marconi Boulevard, Columbus, Ohio 43215; (ii) filed in person at any location of the United States District Court for the Southern District of Ohio; or (iii) e-filed in the Action through the Court's PACER e-filing system, so that it is filed or received no later than **twenty-one (21) calendar days** prior to the Settlement Hearing. Any objections, filings, and other submissions must clearly identify the case name and action number, *In re Cardinal Health, Inc. Derivative Litigation*, Case No. 2:19-cv-2491, and must: (i) state the name, address, and telephone number of the objector; (ii) be signed by the objector (or his, her, or its counsel); (iii) state whether the objector is represented by counsel and, if so, the name, address, and telephone number of his, her, or its counsel; (iv) contain a specific, written statement of the objection(s) and the specific reason(s) for the objection(s) or the reasons for the objector's desiring to appear and be heard,

including any legal and evidentiary support the objector wishes to bring to the Court's attention; (v) include documentation sufficient to prove that (a) the objector owned shares of Cardinal Health common stock as of the close of trading on May 25, 2022, and (b) continues to own shares of Cardinal Health common stock at the time the objection is filed; and (vi) state whether the objector and/or his, her, or its counsel intends to appear at the Settlement Hearing and identify any witnesses the objector may call to testify and any exhibits the objector intends to introduce into evidence at the Settlement Hearing. Any objector will be required to establish at the time of the Settlement Hearing that the objector continues to own Cardinal Health common stock at that time. Counsel for the Parties are authorized to request from any objector documentation sufficient to prove continuous ownership of Cardinal Health common stock through the date of the Settlement Hearing. All objections will be scanned into the electronic case docket, and the Parties will receive electronic notices of filings. Any Cardinal Health stockholder that has filed a written objection in the manner provided herein may also appear at the Settlement Hearing, either in person or through his, her, or its own attorney, at his, her, or its own expense.

10. All objections must also be served on the following attorneys by hand, first-class mail or express service:

Justin O. Reliford  
Kessler Topaz Meltzer & Check, LLP  
280 King of Prussia Road  
Radnor, PA 19087  
Email: jreliford@ktmc.com

Jennifer Sarnelli  
Gardy & Notis, LLP  
126 East 56th Street, 8th Floor  
New York, NY 10022  
Email: jsarnelli@gardylaw.com

Robert W. Trafford  
Porter Wright Morris & Arthur LLP  
41 South High Street  
Suites 2800 - 3200  
Columbus, OH 43215  
rtrafford@porterwright.com

Albert G. Lin  
Baker Hostetler  
200 Civic Center Drive, Suite 1200  
Columbus, OH 43215  
alin@bakerlaw.com

William Savitt  
Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, NY 10019  
WDSavitt@wlrk.com

11. Any Company stockholder that does not make his, her, or its objection in the manner provided herein shall be deemed to have waived his, her, or its right to object to any aspect of the Settlement set forth in the Stipulation, Plaintiffs' Counsel's application for an award of attorneys' fees and expenses, and Plaintiffs' request for service awards (including any right of appeal), and shall be forever barred and foreclosed from objecting to the fairness, reasonableness, or adequacy of the Settlement as set forth in the Stipulation, the Judgment to be entered approving the Settlement as set forth in the Stipulation, the Fee and Expense Award, and/or the service awards, or from otherwise being heard concerning these matters in this or any other proceeding, but shall otherwise be bound by this Order, the Judgment to be entered, and the releases to be given by the Settlement.

12. **Notice Costs** – Cardinal Health shall assume all administrative responsibility for and will pay any and all costs of providing notice as set forth in Paragraph 6(i), regardless of whether the Court approves the Settlement or the Effective Date fails to occur. Neither Plaintiffs nor Plaintiffs' Counsel shall be responsible for any costs of notice of the Settlement as set forth in Paragraph 6(i). Co-Lead Counsel shall assume all administrative responsibility for and will pay any and all costs of complying with Paragraph 6(ii).

13. **Use of This Order** – Neither this Order, the Stipulation (including the exhibits thereto), the negotiations leading to the execution of the Stipulation, nor any proceedings taken pursuant to the Stipulation and/or approval of the Settlement (including any arguments proffered in connection therewith): (i) shall be offered against any of the Released Defendant Persons as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or

admission by any of the Released Defendant Persons with respect to the truth of any fact alleged by Plaintiffs or the validity of any claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted in the Action or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Released Defendant Persons, or in any way referred to for any other reason as against any of the Released Defendant Persons, in any action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; (ii) shall be offered against any of the Released Plaintiffs, as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Released Plaintiffs that any of the Released Plaintiff Claims are without merit, that any of the Released Defendant Persons had meritorious defenses, or that damages recoverable under the Amended Complaint would not have exceeded the Settlement Amount, or with respect to any liability, negligence, fault, or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Released Plaintiffs, in any action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; or (iii) shall be construed against any of the Released Persons as an admission, concession, or presumption that the consideration to be given in the Settlement represents the amount which could be or would have been recovered after trial; *provided, however*, that if the Stipulation is approved by the Court, the Parties, the Released Persons, and their respective counsel may refer to the Stipulation (including the exhibits thereto) and/or the Judgment to effectuate the protections from liability granted therein, to support any and all defenses or counterclaims based on principles of *res judicata*, collateral estoppel, full faith and credit, release, standing, good-faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim, or otherwise to enforce the terms of the Settlement.



14. **Termination of Settlement** – If the Stipulation and Settlement is cancelled or terminated pursuant to the Stipulation, or fails to become Final in accordance with its terms or the Effective Date otherwise fails to occur, then: (i) the Settlement and the relevant portions of the Stipulation shall be cancelled; (ii) Cardinal Health and Co-Lead Counsel shall comply with their repayment obligations set forth in the Stipulation; (iii) the Parties shall be deemed to have reverted to their respective litigation status in the Action as of the date the Stipulation was executed; (iv) the terms and provisions of the Settlement and Stipulation, with certain exceptions enumerated in the Stipulation, shall have no further force and effect with respect to the Parties and shall not be used in the Action or in any other proceeding for any purpose, and the Parties shall proceed in all respects as if the Settlement and the Stipulation had not been entered; and (v) the Judgment, this Order, and any other order entered by the Court in accordance with the terms of the Stipulation shall be treated as vacated, *nunc pro tunc*, and shall be without prejudice to the rights of the Parties or any Cardinal Health stockholders.

15. **Supporting Papers** – Plaintiffs shall file and serve papers in support of final approval of the proposed Settlement and the service awards, and Plaintiffs' Counsel shall file and serve papers in support of their application for the Fee and Expense Award, no later than thirty-five (35) calendar days prior to the Settlement Hearing; any objections thereto shall be filed and served on counsel for the Parties no later than **twenty-one (21) calendar days** prior to the Settlement Hearing. Any reply papers may be filed and served no later than seven (7) calendar days prior to the Settlement Hearing. The Parties are permitted to file reply papers regardless of whether they filed opening papers in support of the proposed Settlement, the Fee and Expense Award, and/or the service awards.

16. **Stay of Litigation** – All pleading deadlines, discovery, and other proceedings in the Action (except as necessary to carry out the terms and conditions of the Settlement) are hereby stayed and suspended until further order of the Court. Pending the final determination of whether the Settlement should be approved, no Cardinal Health stockholder, either directly, representatively, or in any other capacity, shall assert, institute, commence, or prosecute any Released Claim against any of the Released Persons.

17. The Court retains exclusive jurisdiction to consider all further applications arising out of, or connected with, the proposed Settlement as set forth in the Stipulation.

**IT IS SO ORDERED.**

/s/ Sarah D. Morrison  
**SARAH D. MORRISON**  
**UNITED STATES DISTRICT JUDGE**