

KING & SPALDING

King & Spalding LLP
500 W. 2nd Street
Suite 1800
Austin, Texas 78701

Paul R. Bessette
Partner
512.457.2050
pbessette@kslaw.com

January 21, 2020

Via Electronic Transmission

jweinberg@evolenthealth.com

Jonathan Weinberg
General Counsel
Evolent Health, Inc.
800 N. Glebe Road, Suite 500
Arlington, VA 22203

Dear Jonathan,

In connection with Evolent's Passport RFP filing, you asked us to provide our views about the pending securities class action litigation. Our views are set forth below.

In August 2019, after Evolent suffered a stock price drop, plaintiff's counsel who look for these kinds of opportunities filed a securities class action in the Eastern District of Virginia against Evolent and several executives, asserting claims under Section 10(b) and 20(a) of the Securities Exchange Act of 1934. In particular, Plaintiffs sued Evolent, CEO Frank Williams, former CFO Nicholas McGrane (still at Evolent), President of an Evolent subsidiary and co-founder of Evolent Seth Blackley, former executive Christie Spencer, and former executive Steven Wigginton, and allege that Evolent's executives made false or misleading statements regarding its business with Passport. The defendants retained King & Spalding late last summer to defend them after the initial complaint was filed. Evolent believes, and we concur, that the case lacks merit, and Evolent plans to vigorously defend against the baseless and factually inaccurate allegations.

The amended complaint was filed on January 10, 2020. In response, we will file a motion to dismiss on February 6, 2020, and the briefing on the motion will be completed in March. Under the Private Securities Litigation Reform Act (PSLRA), all discovery in the case is stayed until the motion to dismiss is ruled on by the court. Evolent and its counsel are in contact with Evolent's D&O insurance carriers, are coordinating with them on the case strategy, and believe that there is more than sufficient insurance to cover the claim if needed.

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In sum, based on our experience and our investigation so far, we believe the case has little legal or factual merit and that insurance is likely to cover the relevant expenses related to the case. Neither Evolent nor its counsel believes that this case is likely to materially affect Passport's ability to perform under a Kentucky Medicaid contract.

Best regards,

A handwritten signature in blue ink, appearing to read 'Paul R. Bessette', with a large, sweeping flourish at the end.

Paul R. Bessette

PRB/cmc