

**SETTLEMENT AGREEMENT BETWEEN AND AMONG
THE COMMONWEALTH OF KENTUCKY, THE PRISMA-PAAMCO PARTIES,
THE KKR & CO. INC. PARTIES, THE BLACKSTONE PARTIES AND THE KPPA
ENTITY**

This Settlement Agreement (“Settlement Agreement”) is between and among the Commonwealth of Kentucky (the “Commonwealth”); KKR Group Co. Inc. (formerly KKR & Co. Inc.), Henry Kravis, and George Roberts (the “KKR & Co. Inc. Parties”); PAAMCO Prisma, LLC, Jane Buchan, Prisma Capital Partners LP (“Prisma”), and Girish Reddy (the “PAAMCO-Prisma Parties”); Blackstone Inc., Blackstone Alternative Asset Management L.P. (“BAAM”), Stephen A. Schwarzman, and J. Tomilson Hill (the “Blackstone Parties”) (together with the PAAMCO-Prisma Parties and the KKR & Co. Inc. Parties, the “Settling Defendants”); and Kentucky Public Pensions Authority (“KPPA”), County Employees Retirement System (“CERS”), and Kentucky Retirement Systems (“KRS”) (together with KPPA and CERS, the “KPPA Entity”) (all collectively, the “Parties”).

The Parties have each determined that this Settlement Agreement is in his, her or its best interests and intend (1) to fully and finally resolve all claims between and among them and their respective Related Parties (as defined below) in the actions captioned *Commonwealth v. KKR & Co. Inc., et al.*, Civil Action Nos. 20-CI-590 (the “590 Action”), 21-CI-00348 (the “348 Action”) and 24-CI-354 (the “354 Action,” which shall be deemed included in references to the 590 Action) (collectively, the “Fund-of-Funds Litigation”) and all Related Litigations (as defined below); (2) to permanently and completely release and discharge the Released Claims (as defined below); and (3) that this Settlement Agreement is and shall be an enforceable, binding agreement.

IT IS THEREFORE AGREED AS FOLLOWS:

1. ***Approvals of the KPPA Entity and the Franklin County Circuit Court.*** Each of the following is a condition precedent to any further obligations under this Settlement Agreement:
 - a. ***Approval of Boards of KPPA Entity.*** Before this Settlement Agreement is submitted to the Franklin County Circuit Court in the Approval Motion (as defined below), the Settlement Agreement must be formally approved and consented to by the three (3) boards of the KPPA Entity (the “Boards”). Unless otherwise agreed in writing by the Parties, if all three Boards do not formally approve and consent to the Settlement Agreement within ten (10) business days after the full execution of this Settlement Agreement, this Settlement Agreement shall terminate in accordance with Paragraph 13.
 - b. ***Approval Motion and Order By Franklin County Circuit Court.*** Within three (3) calendar days following the timely approval of and consent to this Settlement Agreement by the Boards of the KPPA Entity, the Commonwealth and the Settling Defendants shall jointly file in the 590 Action an Approval Motion (as defined in Paragraph 15(a) below) and a proposed Approval Order in the form attached as Exhibit A to this Settlement Agreement and request that the Approval Motion be set for hearing at the earliest opportunity on a mutually convenient date for the Parties (“Approval Hearing”). Simultaneously, the Commonwealth and the Settling Defendants shall provide notice in *Taylor v. KKR & Co. Inc.*, Civil Action No. 21-CI-00645 in the

Franklin County Circuit Court (“*Taylor 1*”) and *Taylor v. KKR & Co. Inc.*, No. 3:21-cv-00029 (E.D. Ky.) (“*Taylor 2*”) (collectively with *Taylor 1*, the “*Taylor Actions*”) notifying the named plaintiffs in those actions of the Settlement Agreement, the Approval Motion, and the Approval Hearing and indicating that the Parties do not object to the named plaintiffs in those actions appearing and being heard at the Approval Hearing in the 590 Action regarding whether the Settlement Agreement should be approved and the Approval Order entered.

2. ***Effective Date.*** The Effective Date of this Settlement Agreement shall be the date on which the proposed Approval Order in the form attached as Exhibit A to this Settlement Agreement is entered by the Franklin County Circuit Court.
3. ***Escrow.*** Within thirty (30) calendar days after the Effective Date (“Escrow Funding Date”), the Settling Defendants collectively shall pay or cause to be paid into an escrow account to be established pursuant to an Escrow Agreement (the “Escrow Account”) a single, lump sum amount of \$227.5 million (the “Settlement Recovery”); *provided, however*, the Settling Defendants shall receive a dollar for dollar credit against the amount of the Settlement Recovery payable into the Escrow Account equal to the certified value of the remaining funds and assets held in reserve by Daniel Boone Fund LLC as of the Escrow Funding Date (“Daniel Boone Fund Reserve”). Prisma shall maintain the Daniel Boone Fund Reserve in accordance with Paragraph 4. Other than as necessary to cover fees and expenses under the Escrow Agreement or Paragraph 4 below, no distributions shall be made from the Escrow Account or the Daniel Boone Fund Reserve other than as permitted under Paragraph 5.
4. ***Status Quo Agreement as to Daniel Boone Fund Reserve.*** Prisma shall maintain the Daniel Boone Fund Reserve in accordance with the following requirements, which are consistent with limitations under the Status Quo Order in *Prisma Capital Partners L.P. v. Daniel Boone Fund LLC*, Delaware Court of Chancery, No. 2019-0266 (“Delaware Status Quo Order”).
 - a. The Daniel Boone Fund Reserve shall be invested in a money market fund that invests exclusively in U.S. Treasury securities unless otherwise agreed in writing by Prisma and the KPPA Entity.
 - b. Prisma and Daniel Boone Fund LLC will continue to respond, within five days, to the KPPA Entity’s reasonable written requests for information regarding the status of the Daniel Boone Fund Reserve, including the balance of cash and cash equivalents held by the Daniel Boone Fund Reserve.
 - c. After providing five days’ prior written notice to the KPPA Entity, Prisma may authorize Daniel Boone Fund LLC to pay from the Daniel Boone Fund Reserve necessary advisory, administrative and operational expenses incurred by Daniel Boone Fund LLC, which, for the avoidance of doubt, shall not include any management or performance fees for the benefit of Prisma or payment of litigation counsel fees and expenses.
 - d. The Daniel Boone Fund Reserve, including cash generated from the future liquidation of, or on account of distributions from, existing Daniel Boone Fund Reserve investments and all interest accrued on funds held within the Daniel Boone Fund Reserve, shall be maintained by Daniel Boone Fund LLC pending distribution in accordance with Paragraph 5 or, if this Settlement Agreement terminates, the Delaware Status Quo Order.
5. ***Distribution of Escrow Account and Daniel Boone Fund Reserve.*** The Settlement Recovery

shall be distributed from the Escrow Account and the Daniel Boone Fund Reserve as follows:

- a. Within seven (7) calendar days after an Event Trigger, (1) the Settling Defendants shall provide Notice in the form of the Event Trigger Release Instruction (as defined in the Escrow Agreement) to the Escrow Agent to cause the distribution from the Escrow Account to the general fund of the Commonwealth or as otherwise directed by the Attorney General all funds held in the Escrow Account, including any interest accrued or investment returns less necessary fees and amounts under the Escrow Agreement; and (2) Daniel Boone Fund LLC shall distribute to the KPPA Entity or its designee(s) all assets held within the Daniel Boone Fund Reserve, inclusive of any interest or investment returns, less any outstanding fees and expenses payable under Paragraph 4 and with the exception of a holdback of \$500,000 which shall be used to pay for Daniel Boone Fund LLC's wind down and final audit in accordance with the requirements of the Investment Advisers Act of 1940; *provided, however*, that any holdback amount shall be distributed within two (2) business days following completion of that audit; or
 - b. Within seven (7) calendar days after a Timing Trigger, the Settling Defendants shall jointly provide Notice in the form of the Termination Release Instruction (as defined in the Escrow Agreement) to the Escrow Agent to cause the distribution from the Escrow Account to an account or accounts to be designated by the Settling Defendants all funds held in the Escrow Account less necessary fees and amounts under the Escrow Agreement; or
 - c. Within seven (7) calendar days after a Court Trigger, the Settling Defendants shall jointly provide Notice in the form of the Termination Release Instruction to the Escrow Agent to cause the distribution from the Escrow Account to an account or accounts to be designated by the Settling Defendants all funds held in the Escrow Account less necessary fees and amounts under the Escrow Agreement.
6. ***Notice of Settlement Recovery Payment.*** Pursuant to the Approval Order, upon distribution of all funds held in the Escrow Account and the Daniel Boone Fund Reserve pursuant to Paragraph 5(a) following an Event Trigger, the Parties shall notify the Court that the Settlement Recovery has been paid and that the dismissal of all claims against the Settling Defendants is effective and with prejudice, with each Party to bear his, her, or its own costs and attorney fees. Within seven (7) calendar days after the releases become effective pursuant to Paragraph 7, the Parties shall also file dismissals with prejudice of all claims in all remaining Fund-of-Funds Litigation and Related Litigations.
7. ***Releases.*** The following releases are effective upon receipt by the Commonwealth and the KPPA Entity of the funds to be distributed from the Escrow Account and the Daniel Boone Fund Reserve following an Event Trigger pursuant to Paragraph 5(a):
- a. The Commonwealth, on behalf of itself, all of its departments, commissions, agencies, political subdivisions, citizens, taxpayers, employees, agents, officers, insurers, attorneys, and pension plan members or beneficiaries of any and all tiers and classifications to the extent any of them have asserted or may seek to assert claims on behalf of, or seek recovery for or derivative of injury to, the Commonwealth or any of its departments, commissions, agencies, or political subdivisions, including but not limited to the KPPA Entity or any of the plans, trusts, systems, pension funds, or tiers managed by it or its predecessors (collectively, "Commonwealth Releasers"),

- knowingly and voluntarily waive, release forever, and covenant not to assert any and all Released Claims that the Commonwealth Releasers ever asserted, now assert, could have asserted or hereafter may assert against (i) the KKR & Co. Inc. Parties and their respective Related Parties (“KKR & Co. Inc. Releasees”); (ii) the PAAMCO-Prisma Parties and their respective Related Parties (“PAAMCO-Prisma Releasees”); (iii) the Blackstone Parties and their respective Related Parties (“Blackstone Releasees”); and (iv) the KPPA Entity and their respective Related Parties (“KPPA Entity Releasees”). The Commonwealth Releasers acknowledge that they may hereafter discover facts in addition to or different from those which they now believe to be true with respect to the allegations in the Fund-of-Funds Litigation and the Related Litigations and/or Released Claims, but agree that they have taken that possibility into account in entering into this Settlement Agreement and that this Settlement Agreement shall be and remain in effect as a full, complete and general release of each and every released matter set forth above, and the Commonwealth Releasers waive the protections of any statute or common law rule that could otherwise render the releases of unknown claims ineffective.
- b. The KPPA Entity, on behalf of themselves, their predecessors, and any of their respective former and current departments, committees, divisions, boards, trustees, officers, employees, agents, insurers, attorneys, and any and all plans, trusts, systems, pension funds, and tiers whose interests any of the KPPA Entity administers and/or oversees, and on behalf of any pension plan members or beneficiaries of any and all tiers and classifications to the extent any of them have asserted or may seek to assert claims on behalf of, or seek recovery for or derivative of injury to, the KPPA Entity, its plans, trusts, systems, pension funds, or tiers (collectively, “KPPA Entity Releasers”), knowingly and voluntarily waives, releases forever, and covenants not to assert any and all Released Claims that the KPPA Entity Releasers ever asserted, now assert, could have asserted or hereafter may assert against (i) the Commonwealth and its respective Related Parties (“Commonwealth Releasees”); (ii) the KKR & Co. Inc. Releasees; (iii) the PAAMCO-Prisma Releasees; and (iv) the Blackstone Releasees. The KPPA Entity Releasers acknowledge that they may hereafter discover facts in addition to or different from those which they now believe to be true with respect to the allegations in the Fund-of-Funds Litigation and the Related Litigations and/or Released Claims, but agree that they have taken that possibility into account in entering into the Settlement Agreement and that the Settlement Agreement shall be and remain in effect as a full, complete and general release of each and every released matter set forth above, and the KPPA Entity Releasers waive the protections of any statute or common law rule that could otherwise render the releases of unknown claims ineffective.
- c. The PAAMCO-Prisma Parties on behalf of themselves and any of their respective parents, affiliates, successors, assigns, and any of their respective present or former partners, principals, managing directors, shareholders, employees, agents, directors, officers, insurers and attorneys (collectively, “PAAMCO-Prisma Releasers”) knowingly and voluntarily waive, release forever, and covenant not to assert any and all Released Claims that the PAAMCO-Prisma Releasers ever asserted, now assert, could have asserted or hereafter may assert against (i) the Commonwealth Releasees; (ii) the KPPA Entity Releasees; (iii) the KKR & Co. Inc. Releasees; and (iv) the

- Blackstone Releasees. The PAAMCO-Prisma Releasors acknowledge that they may hereafter discover facts in addition to or different from those which they now believe to be true with respect to the allegations in the Fund-of-Funds Litigation and the Related Litigations and/or Released Claims, but agree that they have taken that possibility into account in entering into the Settlement Agreement and that the Settlement Agreement shall be and remain in effect as a full, complete and general release of each and every released matter set forth above, and the PAAMCO-Prisma Releasors waive the protections of any statute or common law rule that could otherwise render the releases of unknown claims ineffective. For the avoidance of doubt, the PAAMCO-Prisma Releasors expressly reserve and do not release any demands, obligations and causes of action against any party not expressly identified by name or description as either (i) the Commonwealth Releasees; (ii) the KPPA Entity Releasees; (iii) the KKR & Co. Inc. Releasees; and (iv) the Blackstone Releasees.
- d. The KKR & Co. Inc. Parties on behalf of themselves and any of their respective parents, affiliates, successors, assigns, and any of their respective present or former partners, principals, managing directors, shareholders, employees, agents, directors, officers, insurers and attorneys (collectively, “KKR & Co. Inc. Releasors”) knowingly and voluntarily waive, release forever, and covenant not to assert any and all Released Claims that the KKR & Co. Inc. Releasors ever asserted, now assert, could have asserted or hereafter may assert against (i) the Commonwealth Releasees; (ii) the KPPA Entity Releasees; (iii) the PAAMCO-Prisma Releasees; and (iv) the Blackstone Releasees. The KKR & Co. Inc. Releasors acknowledge that they may hereafter discover facts in addition to or different from those which they now believe to be true with respect to the allegations in the Fund-of-Funds Litigation and the Related Litigations and/or Released Claims, but agree that they have taken that possibility into account in entering into the Settlement Agreement and that the Settlement Agreement shall be and remain in effect as a full, complete and general release of each and every released matter set forth above, and the KKR & Co. Inc. Releasors waive the protections of any statute or common law rule that could otherwise render the releases of unknown claims ineffective. For the avoidance of doubt, the KKR & Co. Inc. Releasors expressly reserve and do not release any demands, obligations and causes of action against any party not expressly identified by name or description as either (i) the Commonwealth Releasees; (ii) the KPPA Entity Releasees; (iii) the PAAMCO-Prisma Releasees; and (iv) the Blackstone Releasees.
- e. The Blackstone Parties on behalf of themselves and any of their respective parents, affiliates, successors, assigns, and any of their respective present or former partners, principals, managing directors, shareholders, employees, agents, directors, officers, insurers and attorneys (collectively, “Blackstone Releasors”) knowingly and voluntarily waive, release forever, and covenant not to assert any and all Released Claims that the Blackstone Releasors ever asserted, now assert, could have asserted or hereafter may assert against (i) the Commonwealth Releasees; (ii) the KPPA Entity Releasees; (iii) the PAAMCO-Prisma Releasees; and (iv) the KKR & Co. Inc. Releasees. The Blackstone Releasors acknowledge that they may hereafter discover facts in addition to or different from those which they now believe to be true with respect to the allegations in the Fund-of-Funds Litigation and the Related Litigations and/or Released Claims, but agree that they have taken that possibility into account in

entering into the Settlement Agreement and that the Settlement Agreement shall be and remain in effect as a full, complete and general release of each and every released matter set forth above, and the Blackstone Releasors waive the protections of any statute or common law rule that could otherwise render the releases of unknown claims ineffective. For the avoidance of doubt, the Blackstone Releasors expressly reserve and do not release any demands, obligations and causes of action against any party not expressly identified by name or description as either (i) the Commonwealth Releasees; (ii) the KPPA Entity Releasees; (iii) the PAAMCO-Prisma Releasees; and (iv) the KKR & Co. Inc. Releasees.

8. ***Reservation of Rights by the Commonwealth and the KPPA Entity.*** The Commonwealth expressly reserves and does not release any demands, obligations and causes of action against any person or entity not expressly identified by name or description as either a Settling Defendant, a KKR & Co. Inc. Releasee, a PAAMCO-Prisma Releasee, a Blackstone Releasee, or a KPPA Entity Releasee. This reservation includes but is not limited to those claims which have been made by the Commonwealth against any person or entity not expressly identified by name or description as a Settling Defendant, a KKR & Co. Inc. Releasee, a PAAMCO-Prisma Releasee, a Blackstone Releasee, or a KPPA Entity Releasee released in Paragraph 7, and also includes claims which could be made by the Commonwealth against any person or entity other than these Settling Defendants, KKR & Co. Inc. Releasees, PAAMCO-Prisma Releasees, Blackstone Releasees, or KPPA Entity Releasees but have not yet been asserted, and in each such instance such claims are expressly reserved by the Commonwealth. The KPPA Entity expressly reserves and does not release any demands, obligations and causes of actions made or which could have been made against any person or entity not expressly identified by name or description as a Settling Defendant, a KKR & Co. Inc. Releasee, a PAAMCO-Prisma Releasee, a Blackstone Releasee, or a Commonwealth Releasee released in Paragraph 7 above.
9. ***Dismissal of Taylor Actions Claims.*** By entering into this Settlement Agreement and providing the Releases in Paragraph 7, the Commonwealth and the KPPA Entity hereby exercise control over to the fullest extent of their legal authority all Released Claims asserted in the *Taylor Actions* that seek collective, plan-wide, trust-wide, system-wide, pension-fund-wide, or tier-wide relief on behalf of or for the KPPA Entity and/or the plans, trusts, systems, pension funds, or tiers administered or overseen by it or that allege individual injuries that are derivative of alleged injuries to the KPPA Entity and/or the plans, trusts, systems, pension funds, or tiers administered or overseen by it. Such claims shall be deemed released as provided under Paragraph 7. The Approval Order shall, effective immediately upon its entry, permanently bar and estop individual members and beneficiaries, including the plaintiffs in the *Taylor Actions*, from prosecuting Released Claims that seek collective, plan-wide, trust-wide, system-wide, pension-fund-wide, or tier-wide relief on behalf of or for the KPPA Entity and/or the plans, trusts, systems, pension funds, or tiers administered or overseen by it or that allege individual injuries that are derivative of alleged injuries to the KPPA Entity and/or the plans, trusts, systems, pension funds, or tiers administered or overseen by it. The Settling Defendants shall promptly seek orders enforcing the Approval Order and dismissing with prejudice any and all such claims in the *Taylor Actions* against the Settling Defendants and any of their Related Parties named in those actions. The Commonwealth shall support the Settling Defendants' application to schedule the Settling Defendants' motion to dismiss *Taylor I* and enforce the Approval Order in both *Taylor Actions* by filing an amicus position or its

equivalent. The Commonwealth shall also file, to the extent allowed by any applicable rules of procedure, an amicus position or its equivalent in the Settling Defendants' appeals in *Taylor I*. In the event of a termination pursuant to Paragraph 13, the bar order pursuant to this Paragraph shall be null, void, and no longer of legal effect. Notwithstanding anything in this Settlement Agreement to the contrary, the applicability of the releases set forth in Paragraph 7 to any Released Claims that have been asserted or could be asserted by any individual members or beneficiaries, including the plaintiffs in the *Taylor Actions*, are limited to such claims (a) seeking collective, plan-wide, trust-wide, system-wide, pension-fund-wide, or tier-wide relief on behalf of or for any Commonwealth Releasor or KPPA Entity Releasor and/or the plans, trusts, systems, pension funds, or tiers administered or overseen by the KPPA Entity or (b) that allege individual injuries that are derivative of alleged injuries to any (i) Commonwealth Releasor, other than any Commonwealth Releasor acting in his or her capacity as an individual, or (ii) any KPPA Entity Releasor, other than any KPPA Entity Releasor acting in his or her capacity as an individual, and/or the plans, trusts, systems, pension funds, or tiers administered or overseen by the KPPA Entity as set forth in this Paragraph 9.

10. ***Interim stay of all Kentucky litigation against the Settling Defendants and/or their Related Parties in which the Commonwealth or the KPPA Entity is a party.*** The Parties shall cooperate as necessary to jointly notify the presiding courts in all Fund-of-Funds Litigation that the Commonwealth, the KPPA Entity, the PAAMCO-Prisma Parties, the KKR & Co. Inc. Parties, and the Blackstone Parties have reached a global settlement that remains subject to certain conditions, including final court approval and other contingencies, and seek an interim stay/continuance of all proceedings as between the Parties to facilitate implementation of this Settlement Agreement. The Parties shall also cooperate and take all reasonable steps in an attempt to ensure that the Supreme Court Appeals — captioned as *Daniel Boone Fund, LLC v. Commonwealth*, No. 2024-SC-0093; *KKR & Co. Inc. v. Commonwealth*, No. 2024-SC-0094; *PAAMCO Prisma, LLC v. Commonwealth*, No. 2024-SC-0095; and *Blackstone Alternative Asset Management L.P. v. Commonwealth*, No. 2024-SC-0096 — are preserved pending distributions under Paragraph 5, including in the event necessary, briefing the Supreme Court Appeals in parallel to implementation of the Settlement Agreement.

11. ***Interim stay of Related Litigations.*** The Parties shall cooperate in good faith to promptly take all reasonably necessary steps to stay and preserve all proceedings as between the Parties and/or their Related Parties in the following litigations pending outside Franklin County Circuit Court:

- a. *Prisma Capital Partners LP v. Daniel Boone Fund LLC*, No. 2019-0266, in the Delaware Court of Chancery;
- b. *Prisma Capital Partners LP v. Board of Trustees of the Kentucky Retirement Systems*, No. 2019-0267, in the Delaware Court of Chancery;
- c. *PAAMCO Prisma, LLC v. Board of Trustees of the Kentucky Retirement Systems*, No. 30-2019-01062341-CV-BC-CXC, in the Superior Court of California, Orange County;
- d. *KKR & Co. Inc. v. Daniel Boone Fund LLC*, No. 2021-0998-JRS, in the Delaware Court of Chancery;
- e. *Blackstone Alternative Asset Management L.P. v. KPPA, et al.*, No. 2023-SC-0354-D, in the Kentucky Supreme Court;

- f. *Blackstone Alternative Asset Management L.P. v. Harris*, No. 3:19-cv-0029-GFVT (E.D. Ky.), in the Eastern District of Kentucky; and
- g. Any and all appellate proceedings, including appeals, motions for discretionary review, or petitions for writs of prohibition or mandamus related to one or more of the actions in a, b, c, d, e, and f above (together with the matters identified in subparts a. through f. of this section, the “Related Litigations”).

12. **Notices.** Notice required under this Settlement Agreement (“Notice”) shall be in writing and shall be sent by electronic mail (“e-mail”) and by overnight delivery with a reputable national overnight delivery service to all of the below recipients and shall be deemed delivered on the date of the e-mail transmission.

To the Commonwealth:

Justin Clark
Aaron Silletto
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With a copy to:

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Louisville, Kentucky 40208
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To the KPPA Entity:

Paul C. Harnice
Christopher Schaefer
STOLL KEENON OGDEN PLLC
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Frankfort, Kentucky 40601

To the KKR & Co. Inc. Parties:

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Ellen.Frye@kkcr.com

With a copy to:

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-and-

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To the PAAMCO-Prisma Parties:

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-and-

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To the Blackstone Parties:

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13. **Termination.** Unless otherwise agreed in writing by the Parties, this Settlement Agreement shall terminate (1) if the Approval Motion is denied or the Franklin County Circuit Court declines to enter an Approval Order substantially in the form attached as Exhibit A to this Settlement Agreement; or (2) upon a Timing Trigger or a Court Trigger. Upon termination, this Settlement Agreement shall be void, and the Parties shall be deemed to have reverted to their respective statuses in the Fund-of-Funds Litigation and Related Litigations as they exist as of the date of this Settlement Agreement for all purposes, including the application of any statute of limitations defense later asserted by any Settling Defendant in any Fund-of-Funds Litigation or Status Quo Ante Action (as defined below) (which statute of limitations defense for the sake of clarity shall not include in the running of the limitations period the time between the date of this Settlement Agreement and its termination). In the event the Settlement Agreement terminates pursuant to this paragraph, the Parties shall cooperate in good faith to promptly and jointly take all reasonably necessary steps to vacate the final judgment set forth in the Approval Order in all respects and to reinstate the 590 Action and the 354 Action, including the Commonwealth's claims against the Settling Defendants in those actions, in the Franklin County Circuit Court. In the event the 590 Action and the 354 Action, and/or the Commonwealth's claims against the Settling Defendants in those actions, are not or cannot be

reinstated in the Franklin Circuit Court following termination of this Settlement Agreement, the Parties agree that the Commonwealth may file new complaints identical to its current operative complaints in the 590 Action and the 354 Action in new actions in the Franklin County Circuit Court in which all motions, discovery, and orders (including the consolidation order and any orders on motions to dismiss) from the 590 Action and 354 Action shall be deemed to be equally applicable so that the Parties fully achieve the status quo ante from the 590 Action and the 354 Action in the new actions (collectively, the “Status Quo Ante Action”). In such event a Status Quo Ante Action is filed, the Settling Defendants agree to waive any defense based on res judicata or collateral estoppel in any such Status Quo Ante Action, preserving all other defenses. Prisma shall maintain the Daniel Boone Fund Reserve in accordance with the Delaware Status Quo Order, with the Commonwealth and the KPPA Entity having reserved all rights to relief relating to the Daniel Boone Fund Reserve. Subject to the foregoing reservation of rights by the Commonwealth and the KPPA Entity, notwithstanding any other provision in this Settlement Agreement to the contrary, the obligations under this Paragraph 13, as well as Paragraphs 4 and 14(b), shall survive termination.

14. **Miscellaneous Terms.**

- a. ***No Admission of Liability.*** The PAAMCO-Prisma Parties, the KKR & Co. Inc. Parties, and the Blackstone Parties maintain that they are not liable for the claims asserted against them, that they have good and meritorious defenses to those claims, that the KPPA Entity’s investments in Daniel Boone Fund LLC, Newport Colonels LLC, and Henry Clay Fund LLC were, at all times, managed in accordance with the governing contracts and applicable law, and those investments outperformed benchmarks established in the contracts. They assert and maintain that they are entering into this Settlement Agreement solely to avoid further legal expense, inconvenience, and the distraction of burdensome and protracted litigation, and thereby to put to rest this controversy. They deny any liability, wrongdoing, or damage, and this Settlement Agreement shall not be deemed an admission by them of any fault, liability, wrongdoing, damage, or of the validity or infirmity of any claim released pursuant to Paragraph 7. The Parties agree that this Settlement Agreement may not be used or offered in any future proceeding against any of the Parties for any purpose except to enforce the terms of this Settlement Agreement.
- b. ***Confidentiality of Settlement Discussions and Cooperation on Public Statements.***
 - i. At all times, the confidentiality restrictions of the mediation shall remain binding on all Parties and their representatives and attendees, as to all communications and information exchanged during and in connection with the mediation, including but not limited to drafts of this Settlement Agreement and any prior communications regarding proposed terms. Other than as set forth in the Approval Motion, any prior drafts of any settlement agreement, any prior term sheets, and any prior communications of proposed terms shall be kept strictly confidential by the Parties and shall not be released, published or disseminated and shall not be disclosed or discussed with any persons or entities other than the Parties hereto, their respective Boards, counsel, accountants, tax advisers, insurers, reinsurers, investors, professional representatives, and the Escrow Agent, and, only to the extent required for the fulfillment of their duties

to carry out the true and proper oversight of the KPPA Entity, the Public Pension Oversight Board. Prior to the filing of the Approval Motion, no Party shall make any affirmative public statement regarding the existence or terms of the Settlement Agreement.

- ii. In addition to the foregoing, any public statements relating to the settlement shall be subject to the following requirements: (a) any such statement shall not be inconsistent with the Approval Motion; (b) any and all references to the aggregate amount of the Settlement Recovery in any and all public statements or publicly accessible documents shall state that the Settlement Recovery includes a distribution to the KPPA Entity of approximately \$145 million in assets that the Prisma-managed investment fund was holding in reserve in connection with potential indemnification claims; (c) any press release or other public statement concerning the settlement, whether oral or in writing, shall indicate that the Settling Defendants continue to deny liability with respect to all the Commonwealth's claims and maintain that they have settled solely to avoid the expense, distraction and inconvenience of further litigation; and (d) no press release or other public statement shall state or imply, and no Party shall encourage others to state or imply, whether orally or in writing, that this Settlement constitutes an admission of liability by the Settling Defendants on any issue or claim or an agreement by the Settling Defendants to return management or incentive fees.
- iii. In the event that the Parties cannot agree on matters specifically addressed by this subsection 14(b)(ii), such disagreement shall be presented to the mediator, retired United States District Court Judge Phillips, whose view shall be final.
- iv. Nothing in the foregoing shall prevent any Party from reporting the content of the Settlement Agreement, the Approval Motion and/or the Approval Order as required (a) in an action by any Party to enforce the provisions of the Settlement Agreement, to the extent reasonably required for the purposes of such enforcement; (b) in response to a court order or legal process; (c) to the extent reasonably required by (1) a request by a government or regulatory authority having jurisdiction over such Party, (2) financial reporting or other regulatory reporting obligations, including financial reporting requirements, securities filings (e.g., Forms 10-Q or 10-K), and federal, state or local tax laws, or (3) law or any legal duty; or (d) by written agreement of the Parties. In the event of any requested disclosure pursuant to legal process, the Party receiving the request for disclosure shall notify the other Parties herein within three (3) business days and afford them an opportunity to seek to obtain the continued confidentiality of the Settlement Agreement and any related documents and communications. In the event any disclosure of this Settlement Agreement or related documents and communications is required, the Parties shall use their reasonable best efforts to minimize any such disclosure. The Parties hereby agree that drafts of this Settlement Agreement, any prior settlement agreement, drafts of prior term sheets, and all communications and information exchanged during and in connection with the mediation are entitled to exemption from public disclosure to the full extent permitted by the Kentucky Open Records

and Open Meetings Act, and the Parties shall take reasonable steps to cooperate with each other in responding to requests under such provisions and in limiting disclosure thereunder to the extent permissible under applicable law.

- c. **Cooperation.** The Parties shall cooperate in good faith toward expeditiously achieving the Event Trigger, including by seeking immediate transfer of any new appellate proceedings arising from the Settlement Agreement to the Kentucky Supreme Court pursuant to RAP 17. The Settling Defendants shall diligently prosecute their matter of right appeal from the Court of Appeals' denial of the Settling Defendants' Petition for a Writ of Prohibition in *Taylor I* and all subsequent proceedings in good faith and with all appropriate speed to full resolution by a Final non-appealable order. Additionally, the Parties shall cooperate in good faith to effectuate the provisions of this Settlement Agreement, including by fulfilling the Notice obligations in Paragraph 5 and executing any agreements as contemplated herein or other instruments necessary to effectuate the mutual intent of the Parties.
- d. **Remedies.** The Parties agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Settlement Agreement and that any Party may in its sole discretion apply to any court of law or equity within the Commonwealth of Kentucky (without posting any bond or deposit) for money damages, specific performance, and/or other injunctive relief to enforce or prevent any violations of any provision of this Settlement Agreement.
- e. **Signatories have authority to sign.** By their signatures below, the Parties and their signees represent that they have read this Settlement Agreement, understand, agree, and have authority to sign below on behalf of a Party subject to this Settlement Agreement. The signatory for the Commonwealth further represents that this Settlement Agreement is entered into by the Commonwealth, on behalf of itself, its subsidiary agencies, citizens acting in a derivative capacity, and other Commonwealth Releasers; that the Attorney General is acting within his constitutional, common law, and statutory authority to represent and bind the Commonwealth; and that the terms of the Settlement Agreement are consistent with the applicable laws of the Commonwealth. The signatory for the KPPA Entity further represents that, upon the approvals required under Paragraph 1, this Settlement Agreement is entered into by the Boards of KPPA, CERS, and KRS on behalf of all of the plans, trusts, systems, pension funds, or tiers they administer or oversee and their constituent members and beneficiaries.
- f. **Parties to bear their own costs and attorneys' fees.** Other than as set forth herein, the Parties shall each bear their own costs and attorneys' fees in connection with the mediation, the Settlement Agreement, and all the litigations mentioned herein. The parties to the Fund-of-Funds Litigation shall not dispute in any forum the amount of attorneys' fees determined by the office of the Attorney General to be payable to counsel for the Commonwealth as set forth in its contracts. Any disputes or objections by third parties regarding attorneys' fees payable to counsel for the Commonwealth in connection with this Settlement Agreement, including any appeal regarding the same, shall not have any impact on the finality of the Approval Order and the effectiveness of the releases in the Approval Order or the timing of the Effective Date.

- g. **Governing law.** This Settlement Agreement shall be governed and enforced in accordance with the laws of the Commonwealth of Kentucky, without regard to its conflict of laws principles, and any dispute hereunder shall be brought exclusively in the Franklin County Circuit Court, in which all Parties consent to jurisdiction and venue (subject to Paragraph 14(b)(iii) above).
- h. **Counterparts.** This Settlement Agreement may be executed in counterparts. Each counterpart shall be deemed an original, and when taken together with other signed counterparts, shall constitute one Settlement Agreement, which shall be binding upon and effective as to all the Parties. Signatures by facsimile and/or e-mail shall be deemed as effective as original signatures.
- i. **Entire Agreement.** This Settlement Agreement, including Exhibit A, contains the entire agreement between the Parties regarding the subject matter of this Settlement Agreement, and all prior and contemporaneous conversations, contracts, negotiations, discussions, possible and alleged agreements, representations, covenants, warrants and understandings are superseded by, and merged into, this Settlement Agreement.
- j. **Amendments.** This Settlement Agreement may be altered or amended only by a writing signed by all Parties hereto.
- k. **Deadlines.** If the date for performance of any obligation in this Settlement Agreement expires on a Saturday, Sunday or legal holiday in the Commonwealth of Kentucky, then such performance shall be completed by the next succeeding business day.


15. Definitions of undefined key terms.

- a. **“Approval Motion”** means a motion by the Commonwealth, joined by the KPPA Entity and Settling Defendants that (i) seeks entry of the Approval Order and (ii) sets forth the Commonwealth’s and the KPPA Entity’s rationale for the Settlement Agreement. The Approval Motion shall request an interim stay of all other proceedings in Action 590 and Action 354 related to the Settling Defendants.
- b. **“Approval Order”** means an order in the 590 Action, as required by KRS 48.005, that is substantially in the form attached as Exhibit A.
- c. **“Court Trigger”** means the Settling Defendants’ delivery of Notice in accordance with Paragraph 12 prior to an Event Trigger stating that the Settling Defendants elect to terminate the Settlement Agreement following a decision by a court of competent jurisdiction that overturns the Approval Order or deems the Approval Order, including the bar order, in any material respect unenforceable or not applicable to claims in the *Taylor Actions* described in Paragraph 9.
- d. **“Event Trigger”** means the Commonwealth’s delivery of Notice in accordance with Paragraph 12 following satisfaction of two conditions precedent: (1) the Approval Order is Final; *and* (2) either (x) all claims currently pending against the Settling Defendants in *Taylor 1* are dismissed with prejudice and the dismissal is Final; or (y) a Final ruling that the *Taylor 1* plaintiffs do not have standing or otherwise lack legal authority to continue pursuing claims against the Settling Defendants or their Related Parties for collective, plan-wide, trust-wide, system-wide, pension-fund-wide, tier-wide relief, or relief on behalf of or for the KPPA Entity, otherwise labeled as relief to be paid to the KPPA Entity.

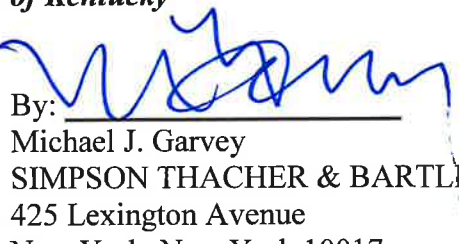
- e. “**Final**” means an order or judgment of a court of competent jurisdiction with respect to the applicable subject matter which has not been reversed or superseded by a modified or amended order, is not currently stayed, and as to which any right to appeal or seek *certiorari*, review, reargument, stay, or rehearing has expired, and (1) as to which no appeal or petition for *certiorari*, review, reargument, stay, or rehearing is pending, or (2) as to which an appeal has been taken or petition for *certiorari*, review, reargument, stay, or rehearing has been filed and (a) such appeal or petition for *certiorari*, review, reargument, stay, or rehearing has been resolved by the highest court to which the order or judgment was appealed or from which *certiorari*, review, reargument, stay, or rehearing was sought, or (b) the time to appeal further or seek *certiorari*, review, reargument, stay, or rehearing has expired and no such further appeal or petition for *certiorari*, review, reargument, stay, or rehearing is pending. For the avoidance of doubt, the Approval Order is Final for the purpose of Paragraph 15(d)(1) if (1) no notice of appeal is filed within the deadline set forth in RAP 3 and the Approval Order is not otherwise the subject of litigation or challenge, including via appellate proceedings, in Action 590, up until the time that Paragraph 15(d)(2)(x) or (y) has been fully satisfied, or (2) a joint notice is filed with the Court by all Settling Parties declaring that the Event Trigger has occurred.
- f. “**Released Claims**” are any and all claims, causes of action, covenants, contracts, damages, demands, or obligations of any kind whatsoever, whether legal or equitable, whether presently known or unknown, foreseen or unforeseen, matured or unmatured, of any type whatsoever, whether direct, derivative, taxpayer, contract, tort or statutory, and whether arising under state, federal or common law, including but not limited to claims for breach of fiduciary duty, breach of trust, breach of statutory duty, aiding and abetting any breaches of the foregoing duties or claims for civil conspiracy and joint enterprise, that arise out of or relate in any way to (1) investments by the KPPA Entity and any plans, trusts, systems, pensions funds, and tiers of members they administer and/or oversee in Daniel Boone Fund LLC, Newport Colonels LLC, and/or Henry Clay Fund LLC; (2) the KPPA Entity’s absolute return program and search for fund-of-funds managers; (3) the management of, or underlying investments made by, the Daniel Boone Fund LLC, Newport Colonels LLC, and/or Henry Clay Fund LLC, and the funds in which each such LLC invested; (4) any fees (whether characterized as management, performance or otherwise) that were charged to, or incurred by, the Daniel Boone Fund LLC, Newport Colonels LLC, and/or Henry Clay Fund LLC, or any of the underlying investments held by those funds, whether directly or indirectly; (5) the reserve established by Daniel Boone Fund LLC that is the subject of the Delaware Status Quo Order; or (6) all other allegations in all pending litigations arising out of the same nucleus of operative facts that are at issue in the Fund-of-Funds Litigation, the Related Litigations or the *Taylor Actions*. The binding intent of the Parties is to achieve global peace and accord with respect to any and all Released Claims and the Parties shall use commercially reasonable best efforts to ensure the Settlement Agreement and Approval Order achieve this outcome. For the avoidance of doubt, the definition of Released Claims does not include any claims against any of Cavanaugh MacDonald Consulting, LLC (“Cavanaugh MacDonald”), and its Related Parties, R.V. Kuhns & Associates, Inc., a/k/a/ RVK, Inc. (“RVK”), and its Related Parties, and/or the Trustees and Officers (“Trustees and Officers”) named in the Fund-of-Funds Litigation.

- g. “**Related Parties**” are each Party’s or non-Party’s current and former owners, affiliates, governing boards, officers, directors, trustees, managers, employees, members, shareholders, attorneys, agents, advisors, consultants, predecessors, successors, assigns, insurers and reinsurers. For purposes of this Settlement Agreement, Daniel Boone Fund LLC is a PAAMCO-Prisma Related Party and a KPPA Entity-Related Party. Moreover, for the avoidance of doubt, PAAMCO-Prisma Related Parties include Michael Rudzik as well as William Cook and David Peden in their capacities as former Prisma employees. Subject to the foregoing, Related Parties do not include any named Defendant in the 590 Action or the 354 Action who is not a Settling Defendant in this Settlement Agreement, which non-settling Defendants include, but are but not limited, to Cavanaugh MacDonald and its Related Parties, RVK and its Related Parties, and/or the Trustees and Officers.
- h. “**Timing Trigger**” means the Commonwealth’s delivery of Notice in accordance with Paragraph 12 prior to an Event Trigger on any of June 30, 2026, December 31, 2026, or a subsequent six-month anniversary of either date, stating that the Commonwealth is electing to terminate the Settlement Agreement because the Event Trigger has not occurred. The Parties may by written agreement extend or modify the Timing Trigger.

Signed on the 20th day of December 2024, with full authority and in order to indicate binding intent pursuant to the terms set forth in this Settlement Agreement.

By: 
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OFFICE OF THE KENTUCKY
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*Counsel for Blackstone Alternative Asset
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Stephen A. Schwarzman, and J.
Tomilson Hill*

[Second Signature Page Follows]


Signed on the 20th day of December 2024, with full authority and in order to indicate binding intent pursuant to the terms set forth in this Settlement Agreement.

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Stephen A. Schwarzman, and J.
Tomilson Hill*

[Second Signature Page Follows]

By: 
Jerry W. Powell
Board Chair for Kentucky Public Pensions Authority

By: _____
George Cheatham
Board Chair for County Employees Retirement System

By: _____
E. Lynn Hampton
Board Chair for Kentucky Retirement Systems

By: _____

Jerry W. Powell

Board Chair for Kentucky Public Pensions Authority

By: _____

George Cheatham

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Board Chair for Kentucky Retirement Systems

By: _____

Jerry W. Powell

Board Chair for Kentucky Public Pensions Authority

By: _____

George Cheatham

Board Chair for County Employees Retirement System

By: _____

E. Lynn Hampton

Board Chair for Kentucky Retirement Systems

EXHIBIT A

to Settlement Agreement

**COMMONWEALTH OF KENTUCKY
FRANKLIN CIRCUIT COURT
DIVISION TWO
CASE NOS. 20-CI-00590 and 24-CI-00354**

COMMONWEALTH OF KENTUCKY, on
its own behalf and for the benefit of all of its
departments, commissions, agencies, political
subdivisions, its citizens, taxpayers, and all
pension plan beneficiaries,

PLAINTIFF

v.

KKR & CO. INC., et al.,

DEFENDANTS

[PROPOSED] FINAL ORDER APPROVING SETTLEMENT AGREEMENT

Whereas, this matter is before the Court on the Joint Motion to Approve Settlement Agreement, filed on December ____, 2024 (the “Motion”) by (1) the Commonwealth of Kentucky (the “Commonwealth”); (2) the Kentucky Public Pensions Authority (“KPPA”), the County Employees Retirement System (“CERS”), the Kentucky Retirement System (“KRS”) (collectively with each of their respective Boards of Trustees, the “KPPA Entity”); (3) PAAMCO Prisma, LLC (formerly Pacific Alternative Asset Management Company, LLC, and hereinafter “PAAMCO”), Jane Buchan, Prisma Capital Partners LP (“Prisma”), and Girish Reddy (together with PAAMCO, Buchan, and Prisma, the “PAAMCO-Prisma Parties”); (4) KKR Group Co. Inc. (formerly KKR & Co. Inc.), Henry R. Kravis, and George R. Roberts (the “KKR & Co. Inc. Parties”); and (5) Blackstone Inc., Blackstone Alternative Asset Management L.P. (“BAAM”), Stephen A. Schwarzman, and J. Tomilson Hill (the “Blackstone Parties”) (together with the KKR & Co. Inc. Parties and the PAAMCO-Prisma Parties, the “Settling Defendants”) (all collectively, the “Settling Parties”);

Whereas, the Settling Parties, having entered into a settlement agreement, dated December 20, 2024 and attached as Exhibit 1 (the “Settlement Agreement”), seek this Court’s approval of the Settlement Agreement and entry of a final order approving the same;

Whereas, this case consists of two actions that were consolidated on May 1, 2024: *Commonwealth of Kentucky v. KKR & Co. Inc.*, Civil Action No. 20-CI-00590 (Franklin County Circuit Court), filed on July 21, 2020 (“590 Action”), and *Commonwealth of Kentucky v. KKR & Co. Inc.*, Civil Action No. 24-CI-00354 (Franklin County Circuit Court), filed on April 8, 2024 (“354 Action”);

Whereas, in both *590 Action* and *354 Action*, the Commonwealth brought claims against the Settling Defendants, trustees and officers of the KPPA Entity, and several other groups of defendants alleging breach of trust, breach of fiduciary duty, breach of statutory duty, aiding and abetting such breach, participating in a joint enterprise and/or civil conspiracy, and breach of contract arising out of funds of hedge funds investments made by the KPPA Entity with funds managed by certain of the Settling Defendants;

Whereas, in both *590 Action* and *354 Action*, the Commonwealth’s claims are being prosecuted by and through the Attorney General of the Commonwealth of Kentucky, in his capacity as the Chief Law Officer of the Commonwealth and for the benefit of all of the Commonwealth’s departments, commissions, agencies, political subdivisions, citizens, taxpayers, pension plans and trusts, and pension plan members and beneficiaries of any and all tiers and classifications;

Whereas, there are currently pending before this Court and the U.S. District Court for the Eastern District of Kentucky, two other actions brought by two substantially overlapping groups of individual plaintiffs (collectively, the “Taylor Plaintiffs”), all of whom are individual members

of the Tier 3 class pension funds administered and managed by the KPPA Entity: *Taylor v. KKR & Co. Inc.*, Civil Action No. 21-CI-00645, filed on August 19, 2021 in the Franklin County Circuit Court (“*Taylor 1*”); and *Taylor v. KKR & Co. Inc.*, originally action 21-CI-00020, filed on January 6, 2021 in the Franklin Circuit Court and removed on July 20, 2021 to the U.S. District Court for the Eastern District of Kentucky, No. 3:21-cv-00029 (“*Taylor 2*”) (collectively, the “*Taylor Actions*”);

Whereas, the *Taylor Actions* purport to assert claims arising out of a common nucleus of operative facts as those alleged by the Commonwealth in *590 Action* and *354 Action*, seeking recovery against the Settling Defendants and other defendants for allegedly participating in breach of trust, breach of fiduciary duty, aiding and abetting such breach, and participating in a joint enterprise and/or civil conspiracy and/or pattern of racketeering activity in connection with certain investments made by the KPPA Entity with funds managed by certain of the Settling Defendants;

Whereas, pursuant to the Court’s Scheduling Order With Respect to Notice and Settlement Hearing, dated December ___, 2024 (the “Scheduling Order”), the Court had set this matter so that all interested parties, including the *Taylor* Plaintiffs, could be heard regarding the terms of the Settlement Agreement in order to determine whether the Settlement Agreement is fair and reasonable and in the best interests of the Commonwealth, the KPPA Entity, and all plans, trusts, systems, pension funds, and tiers whose interests any of the KPPA Entity administers and/or oversees, and for whose benefit the Commonwealth is suing in the *590 Action* and *354 Action*;

Whereas, this Court has duly considered all arguments and objections raised by all interested parties;

Whereas, the Court finds that certain of the terms and conditions in the Settlement Agreement are subject to this Court’s final approval, specifically those (i) fully and finally

resolving all claims in *590 Action* and *354 Action*, and all Related Litigations as defined in the Settlement Agreement, (ii) releasing and discharging the Released Claims pursuant to the terms of the Settlement Agreement, and (iii) imposing a bar order prohibiting any further pursuit of the Released Claims as described in Paragraph 13 of this Order.

Whereas, unless otherwise defined, all terms used herein have the same meanings as set forth in the Settlement Agreement.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED, as follows:

1. The Court finds that it has jurisdiction over the subject matter of *590 Action* and *354 Action*, including all matters necessary to enter the Approval Order or to interpret or effectuate the terms of the Settlement Agreement.

2. The Court has reviewed the terms and conditions of the Settlement Agreement, which fully and finally resolves all claims in *590 Action*, *354 Action*, and all Related Litigations. All capitalized terms not defined in this Order are as defined in the Settlement Agreement submitted as Exhibit 1 of this Order.

3. The Court finds that the Settlement is fair, reasonable and adequate, and in the best interests of the Commonwealth, the KPPA Entity, and all plans, trusts, systems, pension funds, and tiers whose interests any of the KPPA Entity oversees and/or administers, and for whose benefit the Commonwealth is suing in the *590 Action* and *354 Action*.

4. The Court finds that the Settlement Agreement is the result of good faith, arm's-length negotiations between the Settling Parties, all of which are represented by experienced counsel who fairly and adequately represented the interests of their respective Parties and their Related Parties, and is the product of a mediator's proposal recommended by an experienced, knowledgeable mediator, former United States District Court Judge Layn Phillips.

5. The Court finds that the Commonwealth, through the Attorney General, is legally authorized to bring this case pursuant to KRS 15.020 as the real party in interest “on its behalf and for the benefit of all its departments, commissions, agencies, political subdivisions, citizens, taxpayers, and pension plan beneficiaries of any and all tiers and classifications” for injuries allegedly caused to “the Commonwealth, its departments, commissions, agencies, political subdivisions, citizens, taxpayers, and all pension plan beneficiaries.” Third Am. Compl. ¶ 1; *see also Overstreet v. Mayberry*, 603 S.W.3d 244, 265–66 (Ky. 2020). The Court further finds that the Commonwealth, through the Attorney General, has adequately represented the interests of all of its departments, commissions, agencies, political subdivisions, citizens, taxpayers, pension plans and trusts, and pension plan members and beneficiaries of any and all tiers and classifications for whose benefit it is suing in this case.

6. The Court finds that the Commonwealth Releasors and the KPPA Entity Releasors are legally authorized to enter into the Settlement Agreement and fully and finally resolve and release with prejudice, the Released Claims against the PAAMCO-Prisma Releasees, the KKR & Co. Inc. Releasees, and the Blackstone Releasees pursuant to the terms and conditions of the Settlement Agreement, which Released Claims include the claims in the *Taylor Actions* as described in Paragraph 9 of the Settlement Agreement. *See* KRS 61.645; KRS 15.020; *cf. Overstreet*, 603 S.W.3d at 261 n. 75 (citing KRS 61.645).

7. The Court finds that the KPPA Entity, having exercised its business judgment, and in compliance with its fiduciary duties, has the authority to determine and has independently concluded that this Settlement Agreement, including the global Releases of the Released Claims therein for the benefit of itself and its members, is in the best interests of the KPPA Entity and all plans, trusts, systems, pension funds, and tiers whose interests any of the KPPA Entity administers

and/or oversees and that the KPPA Entity's independent business judgment in this regard is entitled to deference.

8. The Court finds that the Commonwealth has authority to determine whether this Settlement Agreement, including the global Releases of the Released Claims therein, is fair, reasonable, and adequate to itself and all of its departments, commissions, agencies, political subdivisions, citizens, taxpayers, pension plans and trusts, and pension plan members and beneficiaries of any and all tiers and classifications, whose interests it represents in this litigation, and has made that determination, which is consistent with the KPPA Entity's separate determination that the Settlement Agreement is in the best interests of the KPPA Entity.

9. Accordingly, the Court finds that the Settling Parties' entry into and performance of the Settlement Agreement shall constitute a full accord and satisfaction of the Released Claims, and shall preclusively release the Settling Defendants from any further liability for the Released Claims in accordance with the terms and conditions of the Settlement Agreement. The Court further finds that the releases of Released Claims by the Commonwealth Releasers and the KPPA Entity Releasers shall be fully effective releases in all current and future actions upon performance of the terms and conditions of the Settlement Agreement.

10. The Court finds that all interested parties, including but not limited to the named plaintiffs in the *Taylor Actions*, were provided reasonable notice and an opportunity to be heard regarding the Approval Motion, and that the Court has duly taken their objections, if any, into consideration.

11. The Court finds that the Commonwealth and the KPPA Entity have adequately established that the distributions of the Settlement Recovery pursuant to the Settlement Agreement is subject to appropriate public accountability and inures to the public benefit of the

Commonwealth, the KPPA Entity, and the pension plans and individual members whose interests the KPPA Entity administers and oversees.

12. For all of the foregoing reasons, the Court hereby APPROVES the Settlement Agreement in all respects, FINDS that the Settlement Agreement is fair, reasonable, and adequate in all regards, and DIRECTS the Settling Parties to consummate the Settlement Agreement in accordance with its terms.

13. The Court hereby further permanently BARS and ESTOPS all persons or entities from asserting, instituting, maintaining, or participating in, in any forum, any Released Claims against the PAAMCO-Prisma Releasees, the KKR & Co. Inc. Releasees, and the Blackstone Releasees that seek collective, plan-wide, trust-wide, system-wide, pension-fund-wide, or tier-wide relief on behalf of or for the KPPA Entity, their predecessors, and/or the plans, trusts, systems, pension funds, or tiers administered or overseen by them or that allege individual injuries that are derivative of alleged injuries to the KPPA Entity, their predecessors, and/or the plans, trusts, systems, pension funds, or tiers administered or overseen by them.

14. The Court finds that by entering into and seeking the Court's approval of the Settlement Agreement, the Settling Parties intend to fully and finally resolve all of the claims between them in accordance with the terms and conditions set forth in the Settlement Agreement, including releasing the Released Claims upon distribution of all funds held in the Escrow Account and the Daniel Boone Fund Reserve in accordance with Paragraphs 5(a) and 6 of the Settlement Agreement. The Court therefore SEVERES all of the claims and causes of action brought against all Settling Defendants from the claims and causes of action brought against all other Defendants. The Court hereby ENTERS THIS FINAL JUDGMENT approving the Settlement Agreement, and adjudicates that the claims asserted in the *590 Action* and *354 Action* against all Settling Defendants

are fully and finally resolved subject to the terms and conditions of the Settlement Agreement and dismissed with prejudice effective upon distribution of all funds held in the Escrow Account and the Daniel Boone Fund Reserve in accordance with Paragraphs 5(a) and 6 of the Settlement Agreement.

15. Without affecting the finality of this Judgment, this Court retains continuing jurisdiction for purposes of the administration, interpretation, implementation, and enforcement of the Settlement Agreement and this Order, including but not limited to Paragraph 13 of this Order.

16. The Settling Parties shall jointly notify the Court in writing upon the distribution of all funds held in the Escrow Account and the Daniel Boone Fund Reserve in accordance with Paragraphs 5(a) and 6 of the Settlement Agreement.

17. All Parties shall bear their own fees, costs, and expenses.

18. This order is final and appealable and there is no just cause for delay. The clerk is hereby directed to serve notice of entry under CR 77.04.

SO ORDERED, this ____ day of _____, 2025.

THOMAS D. WINGATE
Judge, Franklin Circuit Court

Notice: All parties

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