



## **Sterigenics Settles 97 EO Claims in Illinois - Frequently Asked Questions**

### **1. What are the details of the settlement?**

- The Term Sheet outlines an agreement in principle for the full and final resolution of 97 claims:
  - two lawsuits that were scheduled to begin trial in April 2025;
  - five lawsuits that were scheduled to begin trial in June 2025;
  - 61 other claims pending in the Circuit Court of Cook County; and
  - 29 claimants who asserted claims but had yet to file new lawsuits.
- The settlement is subject to several conditions, including:
  - Entry of a stay of the lawsuits that were scheduled to begin trial in April 2025 and June 2025;
  - 100% participation by all claimants; and
  - A determination by the Circuit Court of Cook County that the settlement is a good-faith settlement for the purposes of the Illinois Contribution Among Joint Tortfeasors Act.
- Upon satisfaction of all conditions, Sterigenics will pay plaintiffs \$30,943,000.
- The settlement process is expected to take 60-90 days.
- The settlement will result in full, final and broad releases for all Sterigenics-related parties potentially implicated by the lawsuits, including:
  - Sterigenics US, LLC
  - Sotera Health LLC
  - Sotera Health Company
  - Our current and former employees
  - Our private equity investors, Warburg Pincus and GTCR



- The settlement explicitly does not constitute an admission of any liability or that emissions from the Willowbrook facility posed any safety hazards to the surrounding communities.

## **2. What happens if fewer than 100 percent of the plaintiffs choose to participate?**

- Sterigenics would have the right to walk away from and void the settlement.
- In the alternative, Sterigenics could choose to waive the 100 percent participation requirement, in which case the settlement would be binding on only the plaintiffs participating in the settlement.

## **3. What happens if Sterigenics exercises its right to walk away from the settlement?**

- The cases would return to the litigation docket and proceed through the discovery process and eventually to trials.

## **4. How will the company account for this settlement in their financial statements?**

- The Company expects to record the settlement as a liability in its 1Q 2025 financial statements but to exclude the expense from Adjusted EBITDA.
- The Company expects the settlement payment to be deductible for tax purposes.

## **5. Why did the Company settle?**

- Sterigenics maintains that its Willowbrook operations have never posed a safety risk to the surrounding community and believes the evidence and science ultimately would have compelled the rejection of the plaintiffs' claims, as occurred in the Teresa Fornek trial in the Circuit Court of Cook County in November 2022.
- As the first seven of the settled cases approached trial dates, however, Sterigenics grew concerned that Sterigenics would not be afforded fair trials on the merits and, in view of these concerns, concluded that paying \$30.9 million to resolve the 97 claims being pursued by the plaintiffs' lawyers would be in the Company's best interests.



- The Term Sheet explicitly does not constitute an admission of any liability or that emissions from the Willowbrook facility posed any safety hazards to the surrounding communities.

#### **6. Did the company do something wrong that you felt you needed to settle?**

- No. The settlement explicitly does not constitute an admission of any liability or that emissions from the Willowbrook facility posed any safety hazards to the surrounding communities.
- Our decision to settle was not driven by any concerns about our operations or the viability of our defenses in the litigation, but by our determination that it would be in the best interest of the Company and all its stakeholders to put these cases behind us on the terms that we were able to negotiate.
- As we have done consistently throughout our history, we will continue to operate our EO facilities in compliance with applicable rules and regulations and best industry practices to ensure the safety of our employees, the communities in which we operate and patients around the world.

#### **7. How is the Company going to pay for the settlement?**

- The Company will fund the settlement from existing sources of liquidity.
- Our operations are significantly cash flow positive, and our long-term target net leverage range accordingly will remain 2.0x to 3.0x going forward.

#### **8. What's next in Illinois?**

- If this settlement is finalized, the Company will be facing 30 other lawsuits that are pending against Sterigenics in the Circuit Court of Cook County, five of which were recently set for trial in October 2025.
- Additional lawsuits have been threatened and, as we have previously cautioned, Sterigenics will remain at risk of additional lawsuits by people who are diagnosed with cancer and other illnesses in the future and elect, often at the urging of plaintiffs' lawyers, to try to blame those illnesses on EO emissions from the Willowbrook facility.



- These claims find no support in the robust body of science regarding EO, which establishes that exposure to EO at the levels emitted from the Willowbrook facility could not have caused the injuries afflicting the plaintiffs.
- No agency or study has ever found that EO is toxic at the environmental levels emitted from the Willowbrook facility, which did not materially contribute to, and were indistinguishable from, the background levels of EO already present in the atmosphere from natural and other sources.

### **Cautionary Note Regarding Forward-Looking Statements**

This statement contains forward-looking statements that reflect management's expectations about future events and the Company's operating plans and performance and speaks only as of

the date hereof. These forward-looking statements are subject to various risks and uncertainties. For information on certain factors that could cause actual events or results to differ materially from our expectations, please refer to the Company's filings with the SEC, such as its annual and quarterly reports. The Company undertakes no obligation to publicly update or revise these forward-looking statements, except as otherwise required by law.