

APPENDIX to HCMO-1

6. Briefly describe the proposed material change transaction, including:

a. Goals and Objectives of the Material Change Transaction.

The parties expect that the proposed transaction will provide enhanced customer access to vision care by allowing existing Eyemart Express, LLC (“Eyemart Express”), a subsidiary of Eyemart Express Holdings LLC (“Eyemart Parent”), stores to continue offering a wide range of optical products (i.e., lenses, frames, and contacts) and facilitating reliable access to optometric care in local communities. The transaction is not expected to result in any changes to the availability of products or services, any changes in workforce, or in any material changes to the locations from which such products and services are provided. The transaction is expected to result in overall increased access to services and enhanced coverage with Eyemart Express’s four locations becoming “in-network” for customers with VSP coverage.

b. Summary of transaction terms.

Pursuant to the terms and subject to the conditions of an Equity Purchase Agreement and Plan of Merger dated as of October 2, 2024 by and among VSP Optical Group, Inc. (“VSP Optical”), Eyemart Parent, with the Eyemart Parent’s ownership represented by other entities as block sellers in the Merger, and VSP Optical Merger Sub, LLC (“Merger Sub”) (the “Agreement”), VSP Optical intends to acquire and hold 100% of the issued and outstanding voting securities of Eyemart Parent. VSP Optical will pay approximately \$1,245,000,000.00 USD in cash, subject to certain adjustments as set forth in the Agreement.

The proposed transaction is structured as the merger of Merger Sub, with and into Eyemart Parent (the “Merger”) with Eyemart Parent continuing as the surviving corporation and a wholly owned subsidiary of VSP Optical. It is intended that Eyemart Parent, with Eyemart Express as the operating subsidiary line of business, will be integrated into VSP Optical’s retail optical segment, which currently comprises VisionWorks, Inc., Eyeconic, Inc., and VSP Retail, Inc.

Closing of the Merger is subject to conditions precedent as set forth in Article 8 of the Agreement, including certain regulatory approvals and the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act, 15 U.S.C. § 18a (the “HSR Act”). The HSR waiting period expired on November 8, 2024. The parties anticipate closing on or about January 16, 2025, following satisfaction or waiver, as applicable, of the condition’s precedent.

c. Why the Material Change Transaction is necessary or warranted.

The parties expect the Merger to result in increased patient choice and access to vision care in local communities throughout Oregon. Specifically, the Merger is expected to maintain (or increase) the volume and variety of products and services that are available to patients in Oregon. The Merger supports VSP’s mission to provide best-in-class vision care across multiple demographics and localities.

d. Description of any exchange of funds between the parties, including the nature, source, and amount of funds or other consideration (such as any arrangement in which one party agrees to furnish the other party with a discount, rebate, or any other type of refund or remuneration in exchange for, or in any way related to, the provision of health care services).

The parties do not anticipate any exchange of funds in connection with the Merger, other than the payment of purchase price and any adjustment amounts thereto.

7. Describe the negotiation or transaction process that resulted in the entities entering into an agreement:

VSP Optical constantly monitors the market for opportunities that will further its mission to democratize vision care and, as a result, engaged in bilateral discussions with Eyemart Express when approached by a banker. On June 26, 2024, VSP Optical and Eyemart Parent entered into an exclusivity agreement, pursuant to which the parties agreed to exclusively negotiate with each other regarding the Merger for a period of forty-five days, with a fifteen-day extension if certain conditions were satisfied.

On July 12, 2024, Vision Service Plan (“VSP”), the parent of VSP Optical, entered into an engagement letter with Wells Fargo Securities LLC to act as its exclusive financial advisor in connection with the Merger involving VSP, its subsidiaries or affiliates. The engagement letter requires that Wells Fargo Securities LLC perform financial advisory services customary for transactions of this type and in exchange, provides for a transaction fee of approximately \$13,500,000.00 USD, payable upon completion of the Merger.

On September 4, 2024, the parties terminated the prior exclusivity agreement and entered a new exclusivity agreement of twenty-one days, with a seven-day extension if certain conditions were satisfied. Between September 4, 2024 and October 2, 2024, VSP Optical and Eyemart Parent negotiated the terms and conditions of the Merger and the related Merger documents. On October 2, 2024, the parties entered into a definitive agreement for the acquisition of Eyemart Parent, with its subsidiary Eyemart Express, by VSP Optical.

a. How the entities were identified (e.g., did one party approach the other, did one party engage in a bid/auction process, etc.)

As described above, the parties identified each other through Wells Fargo Securities LLC without any bidding process. The parties engaged each other for the purpose of the Merger in exclusivity.

b. Description of any due diligence performed by any of the parties to the transaction.

VSP Optical engaged counsel and various other vendors to conduct a due diligence review of Eyemart Express. VSP Optical has engaged Kirkland & Ellis LLP as corporate and regulatory counsel. Eyemart Parent has engaged Willkie Farr & Gallagher LLP as corporate counsel and Reed Smith LLP as regulatory counsel.

9. List any applications, forms, notices, or other materials that have been submitted to any other state or federal agency regarding the proposed material change transaction. Include data and nature of any submissions. (This includes HHS, FTC, or DOJ.)

On October 9, 2024, VSP Optical filed a Notification and Report Form for Certain Mergers and Acquisitions with the Federal Trade Commission Pre-Merger Notification Office in compliance with the HSR Act (“HSR Filing”).

For Eyemart Express’s state Medicaid enrollment, the following were sent to the respective state health agencies:

1. Louisiana Medicaid: written notifications of the Merger to the Louisiana Provider Enrollment Unit.
2. South Dakota Medicaid: written notifications of the Merger to the South Dakota Department of Social Services, Division of Medical Services.

3. Wyoming Medicaid: written notifications of the Merger to the Wyoming Department of Health.

a. If a pre-merger notification was filed with the Federal Trade Commission or U.S. Department of Justice, please attach the pre-merger notification filing along with this notice submission.

Attachment A to the Confidential Appendix contains a copy of the HSR Filing filed on October 9, 2024.

10. Describe Party A.

Party A (VSP Optical) is a Delaware corporation and a subsidiary of VSP, a vision care health insurance company. VSP Optical is a holding company and borrower entity for VSP's vision and optical related companies, including retail operations. As a holding company for VSP, VSP Optical is not an operating company. VSP Optical, as an entity, does not have any business or operations, including health care business.

a. Describe the Party A's business, including business lines or segments.

VSP Optical, as an entity, does not have any healthcare business or operations and is not an operating company. Instead, VSP Optical is a holding company for VSP's subsidiary business lines, including optical sales and related optometric services, the marketing and sale of eyewear (including, but not limited to frames, eyeglasses, and contact lenses), and the manufacturing and assembly of eyewear (including, but not limited to, frames, eyeglasses, and contact lenses). Please see below for more information related to each of the subsidiaries of VSP that provide health care items or services, including, but not limited to, brick-and-mortar and online sales of corrective eyewear, as well as vision insurance plans, which have a nexus to Oregon.

1. **Vision Service Plan ("VSP")** is the ultimate parent company of VSP Optical. It is a California non-stock nonprofit corporation that sells vision plan administrative services and prepaid vision plan (vision HMO) coverage in California. It is licensed and regulated by the California Department of Managed Health Care as a specialized (vision) health plan under the California Knox-Keene Health Care Service Plan Act of 1975 (CA Health & Safety Code Section 1340 et seq.).
2. **Vision Service Plan Insurance Company (OH) ("VSPIC")** is a direct owner of VSP Optical and is wholly owned by VSP. It is an Ohio corporation providing vision insurance services licensed and regulated in approximately 40 states, including Oregon.
3. **Vision Services Plan Insurance Company (MO)** is a subsidiary owned by VSPIC (the OH entity) and VSP, which will not own or control Eyemart Parent or Eyemart Express as a result of the proposed Merger. It is a Missouri stock, for-profit insurer that provides vision insurance services in Missouri, New Mexico, Florida, and Georgia. It does not provide insurance services to Oregon residents.
4. **VSP Vision Care, Inc.** is an affiliate of Vision Service Plan. It is a Virginia non-stock, not-for-profit optometric services corporation that arranges vision insurances services for persons in six states: Virginia, Maryland, Idaho, Nevada, Alaska, and Washington, in accordance with applicable state insurance laws. It is governed by a board of directors and its sole administrative member is VSP.
5. **VSP Retail Development Holdings, Inc.** is a subsidiary of VSP Optical which will not own or control Eyemart Parent or Eyemart Express as a result of the proposed Merger. It is a Delaware corporation that serves as a holding/intermediary company that owns Eyeconic, Inc. and VSP Retail, Inc. but does not have any business operation of its own. Notwithstanding that this entity was listed in a prior version

of the filing, per OHA's instructions, we are only providing information on entities with a nexus to Oregon. Accordingly, information regarding this entity is not responsive to Question 10(f), and is not listed on Forms HCMO-1a, HCMO-1b, or HCMO-1c. However, it is included on the organizational diagram for purposes of completeness

6. **VSP Retail, Inc.** is an indirect subsidiary of VSP Optical which will not own or control Eyemart Parent or Eyemart Express as a result of the proposed Merger. It is a Delaware corporation that contracts for on-site clinics at large company customer locations including two in Oregon, which are listed on HCMO-1c.
7. **VisionWorks, Inc.** is a Delaware corporation and indirect subsidiary of VSP Optical which will not own or control Eyemart Parent or Eyemart Express as a result of the proposed Merger. It is a nationwide retail optical chain consisting of approximately 700 retail optical stores nationwide. Oregon locations are listed on HCMO-1c.
8. **Visionworks of America, Inc.** is a subsidiary of VSP Optical which will not own or control Eyemart Parent or Eyemart Express as a result of the proposed Merger. It is the holding company for entities operating the Visionworks line of business, including VisionWorks, Inc., referenced directly above. As a holding company, it does not provide any healthcare items or services. Notwithstanding that this entity was listed in a prior version of the filing, per OHA's instructions, we are only providing information on entities with a nexus to Oregon. Accordingly, information regarding this entity is not responsive to Question 10(f), and is not listed on Forms HCMO-1a, HCMO-1b, or HCMO-1c. However, it is included on the organizational diagram for purposes of completeness.
9. **iCare Acquisition, Inc.** is a subsidiary of VSP Optical which will not own or control Eyemart Parent or Eyemart Express as a result of the proposed Merger. It serves as a holding company that owns iCare Health Solutions, which is a specialty network and administrator of comprehensive ocular care services with corporate offices in Florida. As a holding company, it does not provide any healthcare items or services. Notwithstanding that this entity was listed in a prior version of the filing, per OHA's instructions, we are only providing information on entities with a nexus to Oregon. Accordingly, information regarding this entity is not responsive to Question 10(f), and is not listed on Forms HCMO-1a, HCMO-1b, or HCMO-1c. However, it is included on the organizational diagram for purposes of completeness.
10. **Eyeconic, Inc.** is a subsidiary of VSP Optical which will not own or control Eyemart Parent or Eyemart Express as a result of the proposed Merger. It is a Delaware corporation that does not have a physical business address in Oregon. It operates as an online retailer of prescription glasses, sunglasses, and contact lenses, shipping such products nationwide, including Oregon. Eyeconic is the only VSP subsidiary that sells eyewear online directly to customers in Oregon.
11. **Plexus Optix, Inc.** is a subsidiary of VSP Optical which will not own or control Eyemart Parent or Eyemart Express as a result of the proposed Merger. It is a Delaware corporation that operates as an administrator of the VSP Optics supply chain. It does not provide any healthcare items or services.
12. **VSP Labs, Inc.** is a subsidiary of VSP Optical which will not own or control Eyemart Parent or Eyemart Express as a result of the proposed Merger. It is a Delaware corporation that operates a unified network of optical laboratories and is the 100% owner of VSP Ventures Management Services LLC.
13. **VSP Ventures Management Services, LLC** is an indirect subsidiary of VSP Optical which will not own or control Eyemart Parent or Eyemart Express as a result of the proposed Merger. It is a Delaware

LLC that provides certain managements services to independent optometry practices and serves as an intermediary entity between VSP Labs, Inc. and VSP Ventures Optometric Solutions LLC.

14. **VSP Ventures Optometric Solutions, LLC** is an indirect subsidiary of VSP Optical which will not own or control Eyemart Parent or Eyemart Express as a result of the proposed Merger. It is a Delaware LLC that acquires certain non-clinical assets of independent optometry practices and provides certain management services to independent optometry practices.
15. **Healthy Eyes Advantage, LLC** is an indirect subsidiary of VSP Optical which will not own or control Eyemart Parent or Eyemart Express as a result of the proposed Merger. It is a Delaware limited liability company that operates as a group purchasing organization and an intermediary in purchasing transactions. It does not provide any healthcare items or services. Healthy Eyes Advantage, LLC is the parent company of Professional Eyecare Associates of America, Inc., referenced directly below.
16. **Professional Eye Care Associates of America, Inc.** is an indirect subsidiary of VSP Optical which will not own or control Eyemart Parent or Eyemart Express as a result of the proposed Merger. It is an Oregon corporation that operates as a community of independent eye care professionals for group purchasing and business solutions. It does not provide any healthcare items or services.
17. **Allure Eyewear, LLC** is an indirect subsidiary of VSP which will not own or control Eyemart Parent or Eyemart Express as a result of the proposed Merger. It is a Delaware limited liability company that is a joint venture between Marchon Eyewear, Inc. and an unaffiliated individual. It is a wholesale distributor and manufacturer of ophthalmic and sunglass frames. It sells and distributes optical frames, but not complete corrective eyewear, (e.g., no healthcare items or services). It does not have any Oregon locations.
18. **Marchon Eyewear, Inc.** is a New York corporation and an indirect subsidiary of VSP which will not own or control Eyemart Parent or Eyemart Express as a result of the proposed Merger. Marchon is a global eyewear manufacturer and distributor. It sells and distributes optical frames, but not complete corrective eyewear, (e.g., no healthcare items or services). It does not have any Oregon locations.
19. **Altair Eyewear, Inc.** is an indirect subsidiary of VSP which will not own or control Eyemart Parent or Eyemart Express as a result of the proposed Merger. It is a California corporation under Marchon Eyewear, Inc. that operates as an eyewear manufacturer and distributor in the U.S. It sells and distributes optical frames, but not complete corrective eyewear, (e.g., no healthcare items or services). It does not have any Oregon locations.
20. **Eyefinity, Inc.** is an indirect subsidiary of VSP which will not own or control Eyemart Parent or Eyemart Express as a result of the proposed Merger. It is a Delaware corporation that provides clinical and practice management software to optometry practices. As a software provider, it does not provide any healthcare items or services and does not have any Oregon locations.
21. **VSP Ceres, Inc.** is a subsidiary of VSP Optical which will not own or control Eyemart Parent or Eyemart Express as a result of the proposed Merger. It is a real estate holding company that owns or leases real property, none of which is located in Oregon. As an out-of-state holding company, it does not provide any healthcare items or services, nor does it have any nexus to Oregon. Accordingly, information regarding this entity is not responsive to Question 10(f), and is not listed on Forms HCMO-1a, HCMO-1b, or HCMO-1c. However, it is included on the organizational diagram for purposes of completeness.

b. Describe the Party A's governance and operational structure (including ownership of or by a health care entity)

VSP Optical is a Delaware corporation that is governed by its board of directors and operated by its officers pursuant to its bylaws. Attachment B to the Confidential Appendix contains the charts of VSP Optical's ownership structure and current board of directors and officers. Attachment B also lists the current board of directors and officers for those entities referenced in response to Question 10(a) that are listed as having a nexus to Oregon.

VSP Optical does not operate any businesses. Instead, it is a parent organization or holding company, and a borrower for the credit facility, for VSP's optical laboratory and retail, and network businesses listed above in Question 10(a). Each of the subsidiaries owned by VSP Optical operates within its own entity governing documents with some overlapping boards of directors or managers, and officers which are contained in the Confidential Appendix. See Item 6 of the Supplemental Materials for governance documents of the VSP entities referenced in response to Question 10(a) that are listed as having a nexus to Oregon.

VSP Optical's parent companies that have a nexus to Oregon. (See responses to Questions 10(a) and 10(f) for entity-specific details).

Vision Service Plan (VSP) is the ultimate owner of VSP Optical, holding 50% of VSP Optical directly, and 50% indirectly through its wholly owned subsidiaries VSPIC and VSP Vision Care, Inc., each of which are described in response to Question 10(a). VSP is a non-stock nonprofit corporation and thus has no shareholders, VSPIC is an Ohio corporation, and VSP Vision Care, Inc. is a Virginia non-stock, not-for-profit corporation that is governed by a board of directors.

VSP Optical's subsidiaries that have a nexus to Oregon. (See responses to Questions 10(a) and 10(f) for entity-specific details).

- Plexus Optix, Inc.
- VisionWorks, Inc. (indirect subsidiary)
- VSP Labs, Inc.
- VSP Ventures Management Services, LLC (indirect subsidiary)
- VSP Ventures Optometric Solutions, LLC (indirect subsidiary)
- Healthy Eyes Advantage, LLC (indirect subsidiary)
- Professional Eye Care Associates of America, Inc. (indirect subsidiary)
- VSP Retail, Inc. (indirect subsidiary)
- Eyeconic, Inc. (indirect subsidiary)

c. Provide a diagram or chart showing the organizational structural and relationships between Party A business entities.

See Attachment C to the Confidential Appendix. Note that the diagram has been color-coded to indicate which entities in the organization provide healthcare-related items or services and have a nexus to Oregon (highlighted in yellow). Those highlighted in blue do not provide healthcare items or services and/or do not have a nexus to the state of Oregon.

- d. List of all the Party A's business entities currently licensed to operate in Oregon (using HCMO-1b form, below). Provide the business name, assumed name, business structure, date of incorporation, jurisdiction, principal place of business, and FEIN for each entity.**

See Attachment D to the Confidential Appendix.

- e. Provide financial statements for the most recent three fiscal years. (If the Company also operates outside of Oregon, provide financial statements both for the national and Oregon business.)**

See Attachment E to the Confidential Appendix for financial statements for VSP Optical and its parent companies, VSP, VSPIC, and VSP Vision Care, Inc.

- f. Describe and identify the Party A's health care business.**

As noted in Question 10(a), VSP Optical does not, as an entity, have any business or operations, including health care business, and is not an operating company. Instead, VSP Optical is a holding company for certain subsidiaries, with business lines related to vision care and optical sales. VSP Optical is owned by VSP, which sells vision plan administrative services and prepaid vision plan coverage in California, VSPIC, which provides vision insurance services in approximately 40 states, including Oregon, and VSP Vision Care, Inc., which arranges vision insurances services for persons in six states (not Oregon).

See Attachment J to the Confidential Appendix for complete responses to subparts (i)-(ix) for each of the entities listed in Question 10(a) that have a nexus to Oregon. As noted above, VisionWorks of America, Inc., VSP Retail Development, Inc., iCare Acquisition, Inc., and VSP Ceres, Inc. do not have a nexus to Oregon and are therefore not responsive to Question 10(f).

11. Describe Party B

Party B (Eyemart Parent) owns and operates Eyemart Express, which is an optical retailer with national operations headquartered in Farmers Branch, Texas, which furnishes corrective eyewear (e.g., glasses) through approximately 250 retail stores across 42 states. Eyemart Express currently operates four retail stores in the state of Oregon. Eyemart Express also operates an Internet sales operation through its website (eyemartexpress.com). Eyemart Express's mission is to provide the highest quality optical goods and services to its customers, customer service that far exceeds the industry standards and the best value for corrective eyewear possible.

- a. Describe the Party B's business, including business lines or segments.**

As noted above, Eyemart Express's primary business is the furnishing of corrective eyewear through retail stores across the United States and acts as an online retailer by selling eyeglasses through its website. Eyemart Express also subleases space, along with equipment and furnishings, to independent optometrists, subject to slight variations from state to state. In very limited circumstances, where permitted by state law and appropriate for the particular jurisdiction, Eyemart Express engages optometrists as employees or independent contractors.

As discussed below, Eyemart Express is indirectly owned by two aggregator entities (comprised of individual investors) and several other indirect owners, all of which act as passive investors in Eyemart Express. None of these indirect passive investors have control over Eyemart Express' day-to-day operations, including Eyemart Express' Oregon operations.

b. Describe the Party B's governance and operational structure (including ownership of or by a health care entity)

Eyemart Express is the operating entity, which is a privately owned Delaware limited liability company and is a wholly owned subsidiary of Eyemart Parent. Eyemart Express is indirectly owned by two aggregator entities, FFL/EM Holdings, LLC ("FFL Aggregator") and GEI VII EM Aggregator LLC ("GEI Aggregator") (collectively, "Aggregator Entities"), which hold a 36.9% and 40.8% indirect ownership interest, respectively, in Eyemart Express. The Aggregator Entities hold their equity interest in Eyemart on behalf of passive investors, none of whom have control over day-to-day operations of Eyemart Express (or its subsidiaries) or Eyemart Express' Oregon business. Neither Aggregator Entity has its own operations or any business beyond its indirect investment in Eyemart Express. Further, there is not a single investor in either FFL Aggregator or GEI Aggregator that holds more than a 25% indirect ownership interest in Eyemart Express.

The remaining indirect owners of Eyemart Express all have less than a 25% ownership interest in Eyemart Express. And like the Aggregator Entities, the remaining indirect owners all act as passive investors in Eyemart Express and do not have control over the day-to-day operations of Eyemart Express or its Oregon business.

Eyemart Express, as the operating entity, is in turn the owner of various subsidiaries that are involved in the same line of business as Eyemart Express and that operate under the Eyemart Express umbrella. One subsidiary, Visual Eyes Eyewear, LLC ("Visual Eyes"), also acts as a distributor and wholesaler for optical products (e.g., eyewear frames). Wholesale customers of Visual Eyes include buying groups and other similar organizations that may have members in Oregon, but members of these third-party buying groups are not owned or controlled by Visual Eyes, Eyemart Express, or any other Eyemart entity. The subsidiaries of Eyemart Express are shown on Attachment F to the Confidential Appendix (collectively "Eyemart Express Subsidiaries"). Eyemart Express maintains a 60% ownership stake in the Visual Eyes subsidiary and is the 100% owner of the remaining Eyemart Express Subsidiaries.

See Item 6 of the Supplemental Materials for governance documents of the Aggregator Entities, Eyemart Parent, Eyemart Express, and the Eyemart Express Subsidiaries.

c. Provide a diagram or chart showing the organizational structural and relationships between business entities

See Attachment F to the Confidential Appendix.

d. List all of Party B's business entities currently licensed to operate in Oregon (using HCMO-1b form, below). Provide the business name, assumed name, business structure, date of incorporation, jurisdiction, principal place of business, and FEIN for each entity.

See Attachment G to the Confidential Appendix for the sole entity that is licensed to operate in Oregon.

For clarity, besides the entity disclosed on Attachment G to the Confidential Appendix, none of the Eyemart Express Subsidiaries, Eyemart Parent, or Aggregator Entities operate any business entities that are licensed to operate in Oregon.

e. Provide financial statements for the most recent three fiscal years. (If Party A also operates outside of Oregon, provide financial statements both for the national and Oregon business.)

See Attachment H to the Confidential Appendix, which includes audited financial statements for years 2021, 2022, and 2023 showing the consolidated financial information for Eyemart Parent, Eyemart Express, and the Eyemart Express Subsidiaries.

Neither Aggregator Entity has financial statements or typical financial documents. FFL Aggregator has a trial balance ledger, reflecting its ownership in Eyemart Express and the passive investment by the various fund vehicles that are invested indirectly through FFL Aggregator. See Attachment H to the Confidential Appendix for FFL Aggregator's trial balance ledger.

GEI Aggregator, however, does not have a similar trial balance ledger or financial documentation because it has not received any distributions or had any other financial activity since its investment in Eyemart Express.

f. Describe and identify the Company's health care business.

Eyemart Express operates a chain of optical retail stores throughout the United States and subleases commercial space to independent optometrists who operate optometry practices from such space. Eyemart Express does not control or manage the optometric practices who lease/sublease real property from the Eyemart Express. Eyemart Express also markets and sells eyeglasses and accessories online as an e-commerce merchant. Eyemart Express' optical business model described herein is conducted and operated through Eyemart Express as the operating entity and through the Eyemart Express Subsidiaries, which are owned by Eyemart Express and operate as part of the Eyemart Express retail store network and under the Eyemart Express umbrella. As discussed above, one subsidiary, Visual Eyes, also acts as an eyewear frame distributor and wholesaler. Like Eyemart Express, none of the Eyemart Express Subsidiaries control or manage the optometric practices who may lease/sublease real property from these subsidiaries.

i. Provider Type (hospital, physician group, etc.)

Eyemart Express provides services for optometry and optical sales, which includes optometry services and optical sales provided through the Eyemart Express Subsidiaries.

ii. Service lines, both overall and in Oregon

As explained above, in Oregon and nationally, Eyemart Express acts as retailer of optical products both through physical retail locations and online sales, which includes operating this business model through the Eyemart Express Subsidiaries. The Eyemart Express Subsidiaries follow the same business model as Eyemart Express, and as noted above, Visual Eyes, acts as an eyewear frame distributor and wholesaler, which includes de minimis sales at wholesale to provider groups and buyer organizations in Oregon. Eyemart Express sells eyeglasses. It also subleases commercial space, along with equipment, to independent optometry practices who provide separate optometric services to individuals pursuant to their own independent professional judgment. Eyemart Express's subleased Oregon optometric practices are independent third parties. For clarity, Eyemart Express does not employ any optometrists in Oregon. In some states, in very limited instances, Eyemart Express employs optometrists and, at one of its Oregon locations, Eyemart Express engages an optometrist as an independent contractor on an as-needed basis, but that is not its primary business function in any state, including Oregon. Eyemart Express operates four retail stores in Oregon.

See Item 1 of the Supplemental Materials for the National Provider Identifiers (“NPIs”) used by Eyemart Express for the provision of services in Oregon.

Besides the information described herein, neither Eyemart Parent nor any of the other Eyemart Express Subsidiaries operate retail stores in Oregon, sublease commercial space to optometry practices (or other health care providers) in Oregon, or otherwise conduct business in Oregon. Further, as explained above, neither Aggregator Entity has its own operations or business beyond the indirect investment in Eyemart Express, which is the operating entity.

iii. Products and services, both overall and in Oregon

See response above in 11.f.ii.

iv. Number of staff and FTE, both overall and in Oregon

Eyemart Express has 2,118 employees nationwide, with 32 employees in Oregon.

For clarity, neither Eyemart Parent nor any of the Eyemart Express Subsidiaries have any employees in Oregon. The Aggregator Entities also do not have any employees in Oregon.

v. Geographic areas served, both overall and in Oregon

Eyemart Express operates brick-and-mortar retail optical stores across the United States with locations in over 40 states, including Oregon. It also sells optical products online across the United States. For Oregon, Eyemart Express operates only four retail stores and subleases commercial space in the cities of Medford, Eugene, Bend, and Roseburg.

None of the Eyemart Express Subsidiaries or Eyemart Parent operate brick-and-mortar optical stores in Oregon, sublease commercial space in Oregon, or sell optical products to consumers in Oregon. As discussed above, one Eyemart subsidiary, Visual Eyes, has sold de minimis optical products as a wholesaler to providers in Oregon in the last three years, but Visual Eyes does not make any direct-to-consumer or direct-to-patient sales in Oregon or other jurisdictions.

As discussed above, neither Aggregator Entity has its own operations or business beyond the indirect investment in Eyemart Express, nor does either Aggregator Entity have employees in Oregon.

vi. Addresses of all facilities owned or operated using Form HCMO-1c

As explained above, Eyemart Express currently operates brick-and-mortar retail optical locations in over 40 states, including four locations in Oregon. For clarity, none of these retail stores are health care facilities. The Aggregator Entities, Eyemart Parent, and the Eyemart Express Subsidiaries do not operate any additional locations Oregon. Please refer to the attached Form HCMO-1c (Item 3 of the Supplemental Materials).

vii. Annual number of people served in Oregon, for all businesses, not just businesses related to the transaction

As of the end of FY 2023, Eyemart Express served 16,027 people through brick and mortar, in-person retail stores. Additionally, 94 Oregon residents purchased from Eyemart Express online.

Eyemart Parent and the Eyemart Express Subsidiaries do not conduct any additional in-person retail business or online sales in Oregon. As noted above, Visual Eyes, has sold optical products as a wholesaler to customers in Oregon, but Visual Eyes does not make any direct-to-consumer or direct-to-patient sales in Oregon or otherwise. Visual Eyes conducts de minimis business in Oregon with only \$727.25 USD in total cumulative sales to Oregon customers in last three years.

viii. Annual number of services provided in Oregon

For its in-person stores, in year 2022, Eyemart Express’s total point of sale numbers (not net sales) in Oregon were \$4,844,486.00 USD; for year 2023, Eyemart Express’s total sales in Oregon were \$5,170,460.00 USD; and as of July 2024, Eyemart Express’s total sales in Oregon were \$2,282,629.00 USD for FY 2024. During the same period, online sales to Oregon residents were \$15,080.00 USD in 2022; \$16,077.00 USD in 2023; and \$12,122.00 USD through July 2024.

Visual Eyes’ total sales to customers in Oregon totaled \$727.25 USD in the last three years.

As discussed throughout, any services provided in Oregon are limited to the business conducted by Eyemart Express and Visual Eyes’ de minimis wholesale business. Eyemart Parent and the remaining Eyemart Express Subsidiaries do not have any reportable sales numbers for Oregon services as these entities do not conduct business or otherwise operate in Oregon.

ix. For hospitals, number of licensed beds

N/A.

12. Describe all mergers, acquisitions, and joint ventures that closed in the ten (10) years prior to filing this notice of material change transaction involving any entities party to the current proposed transaction, the same or related services, and health care entities. (Include the party names, type of transaction, description, and date of closing.)

Party A (VSP Optical): See Attachment I to the Confidential Appendix, which includes a description of all mergers, acquisitions, and joint ventures that occurred within the VSP organization involving an entity engaged in the sale of corrective eyewear during the past 5 years.

Party B (Eyemart Express, LLC): See Attachment I to the Confidential Appendix. Besides those disclosed in Attachment I, no additional mergers, acquisitions, or joint ventures have closed during the past 5 years that involved the Aggregator Entities, Eyemart Parent, or the Eyemart Express Subsidiaries.

13. Describe any anticipated changes resulting from the proposed material change transaction, including on:

a. operational structure,

i. Provide a chart or diagram showing the pre- and post-transaction organizational structure and relationships between the parties.

The Merger will have no material impact on any of Eyemart Express’s Oregon locations. Further, the day-to-day operations of Eyemart Express’s Oregon operations are not expected to be materially altered by the Merger because there are no plans to close any of the locations, to make changes to the availability of products or services, or to make changes to the workforce at the Oregon locations.

b. corporate governance and management,

The parties anticipate that Eyemart Parent will continue as a separate legal entity and operate as a subsidiary line of business of VSP Optical. Although Eyemart Parent will be subject to VSP Optical's corporate compliance requirements, the Parties do not anticipate any significant changes to corporate governance or management structure.

c. investments or initiatives,

The Merger fits into VSP Optical's active initiative to serve local communities with meaningful access to eyewear, including prescription glasses, sunglasses, and contact lenses, as part of its subsidiary lines of business. The Merger will not impact competition in the Oregon region with respect to eyewear or Oregon residents' access to optical retail services.

d. type and level of staffing,

The Merger is not expected to have a material impact on the type or level of staffing at any of Eyemart Express's Oregon locations.

e. type and level of services provided,

The parties do not expect the Merger to result in any changes to Eyemart Express's optical retail services or, if applicable, independent optometrists' optometry practices offered, nor any changes to the staffing of employees or, as applicable, independent optometrists, in Oregon.

f. number and type of locations,

The Merger would have no impact on the physical footprint across Oregon for Eyemart Express. As explained above, Eyemart Express maintains four optical retail locations in Oregon. The parties intend to keep the currently existing operations.

g. geographic areas served,

After the closing of the Merger, VSP Optical will continue to operate throughout Oregon. The addition of Eyemart Express under the VSP Optical's umbrella will enable Oregon consumers to continue to easily access optical retail services preventing, interruptions of services. With the opening of Eyemart's new location in Roseburg on October 28, 2024, Oregon consumers will have increased access to Eyemart Express's optical retail service.

Outside of the State of Oregon, the parties do not anticipate withdrawing products or services offerings from any geographic area.

h. for providers, payer contracts and payer mix,

There are no plans to reduce or eliminate services or participation in any payer program or plan network that may apply to Eyemart Express's optical retail services or independent optometrist's optometry practice. The parties are actively engaged in change of ownership/information processes for such payers, as applicable. The parties do not anticipate materially amending or terminating any contracts that are material to Eyemart Express's operations, nor have the parties received a termination notice from any counterparty payer.

i. for insurance carriers, provider contracts and networks,

N/A.

j. other contractual arrangements, including contracts with suppliers, partners, ancillary service providers, PBMs, or MSOs.

N/A.

14. Describe how the proposed material change transaction will impact the public and people served by the entities in Oregon.

Within the state of Oregon, Eyemart Express only has four operating locations, generating approximately \$5,200,000.00 USD in Oregon-derived revenue. See Attachment H to the Confidential Appendix for documentation of revenue.

In light of the small number of stores, the nominal amount of revenue generated at these stores, and the fact that the locations will continue to operate in substantially the same manner after the Merger, the parties do not expect the Merger to result in any material impacts to the products or services provided to the people of Oregon.

a. If there are any anticipated negative effects, describe how the entities will seek to mitigate negative impacts.

There are no anticipated negative impacts of the Merger on cost, quality, access, health equity, or competition in Oregon.

15. Explain how the proposed material change transaction will:

a. Impact health outcomes for people in Oregon. Provide applicable data, metrics, or documentation to support your statements.

As stated above, Eyemart Express currently has only four retail stores operating in Oregon. In light of the small number of stores, the nominal amount of revenue generated at these stores, and the fact that the locations will continue to operate in substantially the same manner, the parties do not expect the Merger to result in any material impacts to health outcomes for the people of Oregon. Customers who live in close proximity to the existing stores may have more options for eyewear and more options for insurance coverage related to such eyewear because each such location will be ‘in network’ for VSP Optical customers.

b. Benefit the public good by reducing the growth in health care costs. Provide applicable data, metrics, or documentation to support your statements.

The parties do not expect the Merger to result in any material impacts to health care costs.

c. Benefit the public good by increasing access to services for medically underserved populations. Provide applicable data, metrics, or documentation to support your statements.

The parties do not expect the Merger to result in any material impacts access to services for medically underserved populations.

- d. **Benefit the public good by rectifying historical and contemporary factors contributing to health inequities or access to services. Provide applicable data, metrics, or documentation to support your statements.**

The parties do not expect the Merger to result in any material impacts. Customers who live in close proximity to the existing stores may have more options for eyewear and more options for insurance coverage related to such eyewear because each such location will be ‘in network’ for VSP Optical customers.

- e. **If the transaction will not benefit the public good, explain why this proposed material change transaction is in the best interest of the public.**

The parties are unaware of any material detriment to the public good or Oregon consumers that will occur as a result of the proposed Merger. Customers who live in close proximity to the existing stores may have more options for eyewear and more options for insurance coverage related to such eyewear because each such location will be ‘in network’ for VSP Optical customers.

16. Describe any competitive effects that may result from the proposed material change transaction.

The parties do not expect any anticompetitive effects resulting from the Merger.

- a. **Will the proposed material change transaction result in a decrease in competition?**

No, the parties do not expect the Merger to result in a decrease in competition. There are only three instances in Oregon where Eyemart Express is located within 10 miles of a VSP-owned retail optical location (i.e., VisionWorks). In each instance, there are at least 20 alternative retail optical businesses located within a 10-mile radius of the relevant VisionWorks.

- b. **If yes, describe any anticompetitive effects that will result from the proposed transaction.**

Not applicable as the parties do not expect any anticompetitive effects resulting from the Merger.

- c. **If yes, describe any plans to mitigate potential anticompetitive effects, including any divestiture plans.**

Not applicable as the parties do not expect any anticompetitive effects resulting from the Merger.

- d. **Provide applicable data, metrics, or documentation to support your statements.**

Item 7 of the Supplemental Materials contains a data set that provides supporting competitive landscape information (including provider name, address, and straight-line distance to VisionWorks location) for each instance in Oregon where Eyemart Express is located within 10 miles of a VisionWorks location. The newly opened store in Roseburg, Oregon is not located within 10 miles of a VisionWorks location. There are no other retail optical stores operated by any VSP entity other than those listed on HCMO-1c.

17. Describe the proposed material change transaction’s impact on the financial stability of any entity involved in the transaction.

VSP Optical proposes to fund the Merger through use of cash payment on hand for the full amount of the Merger. Both parties are currently solvent and are currently expected to continue to be solvent following

the Merger. It is not expected that the use of cash will impact the stability of either entity on a post-Merger basis.