

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 1, 2022

Privia Health Group, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or other jurisdiction of incorporation or organization)

001-40365
(Commission
File No.)

81-3599420
(I.R.S. Employer Identification No.)

**950 N. Glebe Rd.,
Suite 700
Arlington, Virginia**
(Address of Principal Executive Offices)

22203
(Zip Code)

(571) 366-8850
Registrant's telephone number, including area code

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Check the appropriate box below if the form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2 (b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value per share	PRVA	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On January 5, 2022 the Board of Directors of Privia Health Group, Inc. (the “Company”) appointed Jeffrey S. Sherman as the Company’s Chief Financial Officer, with employment beginning effective January 1, 2022. Mr. Sherman replaced David Mountcastle as Company’s Chief Financial Officer and principal accounting officer effective January 5, 2022, and Mr. Mountcastle will remain employed by the Company for a transition period through March 31, 2022. Mr. Sherman will serve as the Company’s principal accounting officer until a successor principal accounting officer is appointed.

Mr. Sherman, age 56, most recently served as the Executive Vice President, Chief Financial Officer and Treasurer at HMS, a technology, analytics and engagement solutions provider helping organizations reduce costs and improve health outcomes, from September 2014 to April 2021. Prior to joining HMS, Mr. Sherman served as Executive Vice President and Chief Financial Officer of AccentCare, a healthcare delivery organization, from September 2013 to August 2014. From April 2009 to September 2013, he served as Executive Vice President and Chief Financial Officer of Lifepoint Hospitals, Inc. From September 2005 until April 2009, Mr. Sherman served as Vice President and Treasurer of Tenet Healthcare, where he managed all aspects of corporate finance, including cash flow management and capital structure, and was also responsible for risk management. From 1990 to September 2005, Mr. Sherman served in various capacities for Tenet Healthcare and its predecessor company, including as a hospital chief financial officer and regional vice president. Mr. Sherman received a bachelor’s degree in Finance/Accounting from the University of Colorado, Boulder, and an Executive MBA from the University of California.

Sherman Employment Agreement

In connection with his appointment, the Company entered into an employment agreement (the “Employment Agreement”) with Mr. Sherman. Either party may terminate the Employment Agreement at any time upon 30 days’ written notice, or immediately in the event of a termination for cause by the company or for a resignation with good reason. The Employment Agreement provides for an annual base salary of \$450,000, and an annual performance bonus target of 100% of annual base salary. Mr. Sherman is eligible for annual equity grants and compensation adjustments commensurate with the chief executive level band, as determined by the Compensation Committee of the Board of Directors, starting in 2023. Mr. Sherman received a sign-on equity grant consisting of stock options valued at \$2.9 million and restricted stock units valued at \$1.6 million.

In the event that the Company terminates the Employment Agreement without “cause”, or Mr. Sherman resigns for “good reason” (each as defined in the Employment Agreement), subject to his execution and non-revocation of a release of claims within the 60 day period following the date of such termination of his employment, he will be eligible to receive for a six month severance period (a) a monthly severance amount equal to his monthly base salary and (b) continued health benefits.

Under the Employment Agreement, Mr. Sherman has agreed not to compete with the Company during the term of his employment and for the 12-month period following termination of his employment. In addition, Mr. Sherman has agreed not to solicit any of the Company’s clients, employees or consultants during the 24-month restricted period following the termination of his employment for any reason.

A copy of the Employment Agreement is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated by reference into this Item 5.02. The foregoing summary of the Employment Agreement is qualified in its entirety by reference to the text of the Employment Agreement filed herewith.

Mountcastle Transition Letter

In connection with Mr. Mountcastle’s transition, the Company entered into a transition letter agreement (the “Transition Agreement”) with Mr. Mountcastle. Pursuant to the Transition Agreement, Mr. Mountcastle agreed to remain employed by the Company and transition his knowledge, duties and roles to Mr. Sherman until March 31, 2022 (the “Transition Period”). Mr. Mountcastle will be entitled to distribution of his 2021 bonus and will receive his full 2021 bonus at the current accrual level as modified by the Compensation Committee of the Board of Directors. During the Transition period, Mr. Mountcastle will continue to receive his current salary and benefits. At

the end of the Transition Period, the Company will pay Mr. Mountcastle a prorated lump sum bonus for 2022 equal to up to 25% of his annual bonus amount. Assuming Mr. Mountcastle remains with the Company during the Transition Period and is otherwise in compliance with the terms of the Transition Agreement, he will be entitled to retain his vested and unvested pre-IPO options with the existing vesting schedule. Mr. Mountcastle's IPO grants of stock options and awards will be forfeited effective as of his last day with the Company. Mr. Mountcastle has agreed to execute a release of claims in connection with his departure from the Company and as consideration for this release, the Company will pay Mr. Mountcastle severance equal to nine months of his current salary and an amount to cover his COBRA costs for the nine-month period. As a condition of the severance, Mr. Mountcastle's non-compete and non-solicitation agreements will remain in effect until December 31, 2023.

A copy of the Transition Agreement is filed as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated by reference into this Item 5.02. The foregoing summary of the Transition Agreement is qualified in its entirety by reference to the text of the Transition Agreement filed herewith.

Item 7.01 Regulation FD Disclosure.

On January 6, 2022, the Company issued a press release announcing the appointment of Mr. Sherman as Chief Financial Officer. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in this Item 7.01 (including Exhibit 99.1) shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibit:

Exhibit No.	Description
10.1	Employment Agreement, dated as of January 2, 2022, between the Company and Jeffrey S. Sherman.
10.2	Transition Letter Agreement, dated as of January 6, 2022, between the Company and David Mountcastle.
99.1	Press release dated January 6, 2022.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: January 6, 2022

PRIVIA HEALTH GROUP, INC.

By: /s/ Shawn Morris

Name: Shawn Morris

Title: Chief Executive Officer

EXHIBIT INDEX

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Executive Employment Agreement

This Executive Employment Agreement (“**Agreement**”) entered into as of the second day of January 2022 (“**Effective Date**”), by and between Privia Health, LLC (“**Company**”) and Jeffrey Sherman (“**Executive**”), together (the “**Parties**”).

Recitals

WHEREAS, Company is engaged in the business of owning, operating and providing management services to certain accountable care organizations, physician practices, and other provider collaborative arrangements;

WHEREAS, Executive has experience providing leadership oversight, supervision, and executive direction to organizations such as Company.

WHEREAS, the Parties desire to enter into this Agreement to more fully articulate their relationship.

WHEREAS, the Parties desire for Executive to commence employment on or about January 1, 2022 (“**Commencement Date**”).

NOW THEREFORE, in consideration of the recitals above, and any other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. **Employment:** Company hereby employs Executive as of the Commencement Date and Executive hereby accepts employment by Company as of the Commencement Date on the terms and conditions set forth herein.
2. **Services.** Executive shall be employed as Chief Financial Officer, on a full-time equivalency (“**FTE**”) with primary responsibility for supervising the financial, accounting, audit and fiscal aspects of the operations of the Company and the coordination of the supporting information systems and financial controls (collectively, the “**Services**”). Notwithstanding anything herein to the contrary, Executive shall be a member of Company’s senior leadership team, reporting directly to Chief Executive Officer (“**CEO**”) and shall have such duties, responsibilities, and authority of a chief financial officer of a comparable company operating in the United States. Executive agrees that during the performance of this Agreement, he will represent himself as an agent of Company, and will utilize Company’s email system, email addresses, letterhead, and voicemail for all correspondence with internal and external parties. During the term of Executive’s employment, the Parties agree Executive may serve as an outside board member of an unrelated company that does not compete with Company; provided that, the Company is advised of all such positions through Company’s conflicts of interests disclosure process.
3. **Level of Effort:** Executive shall perform the Services on an as needed basis as reasonably requested by Company and agreed to by Executive, with the mutual expectation that Executive shall provide Services at a level of 1.0 FTE. In the event that Executive’s duties substantially exceed or fall below this expectation, the Parties shall meet in good faith to discuss such and develop a strategy to achieve Company’s objectives relative to Executive.

4. **Location of Services:** Although the Parties understand that it will be necessary for Executive to provide the Services in the field, including at care center locations, the Parties agree that Executive's primary location of service will be in Lewisville, Texas. Company will provide Executive with office space at headquarters located at 950 N. Glebe Road, Suite 700, Arlington, VA and Executive may use said office on an as-needed basis.

5. **Term and Termination:** Executive shall be an "at will" employee. Company may terminate this Agreement at any time without Cause (as defined below), and Executive, upon thirty (30) days' prior written notice, may voluntarily terminate this Agreement at any time without Good Reason (as defined below). In addition, this Agreement may be terminated (i) by Company immediately for Cause or (ii) by Executive immediately for Good Reason. If Executive terminates his employment without Good Reason upon thirty (30) days' prior written notice, then Company may (at its discretion) pay Executive's Base Salary for the thirty (30) day notice period in lieu of Executive continuing to perform Services during such notice period. In the event Executive's employment is terminated for any reason, Executive shall receive his Base Salary accrued through the date of termination, his accrued but unused paid time off, reimbursement of any business expenses properly incurred prior to the date of termination, and any benefits, including continuation and conversion rights, provided upon termination of employment under Company's employee benefit plans (collectively the "**Accrued Obligations**"). In the event Company terminates this Agreement without Cause or Executive terminates this Agreement for Good Reason, Company shall, in addition to the Accrued Obligations, pay a severance to Executive in an amount equal to one hundred percent (100%) of his then-existing total Salary (minus withholdings) (the "**Severance Amount**") for the Severance Period (as defined below), and continue to pay for Executive's health benefits for the Severance Period; provided, that, any monthly payment of the Severance Amount shall be reduced by the pre-tax amount (or the pre-tax equivalent) of any long-term disability benefit to which the Executive is entitled for that month. With respect to the preceding sentence, each installment of the monthly Base Salary shall be considered a separate payment for purposes of Section 409A of the Internal Revenue Code ("**Section 409A**"). "**Severance Period**" means the six-month period following the effective date of termination. Notwithstanding the foregoing, Executive shall receive the Severance Amount, (x) if and only if, Executive has executed a general release with Company that includes a release of Company and each of its subsidiaries and affiliates, their present and former officers, directors, executives, shareholders, members, agents, attorneys, employees and employee benefit plans (and the fiduciaries thereof) from any and all claims, actions, causes of action, complaints, charges, demands, rights, damages, expenses, attorneys' fees and liabilities of whatever kind or nature in law, equity or otherwise, that arise out of, or relate to, this Agreement or the Executive's employment or termination of employment with Company (the "**Release**") (y) the Release becomes irrevocable within sixty (60) days following the date of termination (the date that the Release becomes irrevocable, the "**Release Effective Date**"), and (z) only so long as Executive has not breached, and during the period over which the Severance Amount is paid does not breach, the provisions of the Release or Sections 9-13 hereof. Payments of the Severance Amount will commence with the first payroll cycle of the Company following the Release Effective Date; provided, that, if the sixty (60) day period referred to in the preceding sentence spans two (2) calendar years, payments shall in all cases commence with the first payroll cycle of the second calendar year; provided, further, that, the first payment will include any installments that would have been paid prior thereto but for this sentence.

If as of the date of your “separation from service” within the meaning of Section 409A, Company has determined, in its sole discretion, that you qualify as a “specified employee” for purposes of Section 409A and as a result of your separation from service you are entitled to severance or other benefits that constitute deferred compensation under Section 409A, then to the extent required by Section 409A, no such payments or benefits will be paid or provided to you until the earlier of (i) the first day following the six- month anniversary of the date of your separation from service and (ii) the date of your death.

If this Agreement is terminated as a result of Executive’s death or Permanent Disability after the close of a fiscal year and before the Additional Salary, if any, for that fiscal year is paid, then Executive or Executive’s legal representatives and/or immediate family, in addition to the Accrued Obligations, shall be entitled to payment of such Additional Salary at the time when such Additional Salary would have been paid had Executive remained employed.

Upon termination of this Agreement for any reason whatsoever, any obligations, promises, or covenants set forth herein that are expressly made to extend beyond the term of the Agreement shall survive termination or expiration of this Agreement.

For purposes of this Agreement, “Cause” shall mean any of the following: (i) a material breach of this Agreement by Executive that has not been remedied by Executive to the reasonable satisfaction of Company within thirty (30) days of written notice of such breach by Company to Executive; (ii) a material breach by Executive that has not been remedied by Executive to the reasonable satisfaction of Company within thirty (30) days of written notice of such breach by Company to Executive of Company’s written Compliance Program or other applicable reasonable and customary written policies and procedures, provided that any such Compliance Program, policy or procedure has been provided by Company to Executive prior to any such breach, and provided further that in the event of any conflict between any such Compliance Program, policy or procedure and the terms of this Agreement, the terms of this Agreement shall govern and control; (iii) exclusion of Executive from participation in any Federal health care program, which exclusion can reasonably be determined to threaten the competitive position of Company, provided that such exclusion has not been remedied by Executive to the reasonable satisfaction of Company within thirty (30) days of written notice of such exclusion by Company to Executive; (iv) any indictment for, conviction of, or plea of guilty or nolo contendere to any felony (other than motor vehicle offenses the effect of which do not materially affect the performance of Executive’s duties); (v) drug or alcohol abuse, or any other behavior; that can reasonably be determined to either threaten the safety of patients or staff, or to threaten the competitive position of Company and that such behavior has not been remedied by Executive to the reasonable satisfaction of Company within thirty (30) days of written notice of such behavior by Company to Executive; (vi) Executive willfully engaging in behavior that could reasonably be expected to damage the reputation, credibility or integrity of Company; provided that such behavior has not been remedied by Executive to the reasonable satisfaction of Company within thirty (30) days of written notice of such behavior by Company to Executive; (vii) Executive’s willful failure to comply with a reasonable, valid, and legal written directive of the Board of Managers or the CEO; (viii) Executive’s embezzlement, misappropriation or fraud, whether or not related to Executive’s employment with Company; or (ix) Executive’s willful unauthorized disclosure of Confidential Information or Proprietary Information.

For purposes of this Agreement, “**Good Reason**” shall mean any of the following: (i) a material breach of this Agreement by Company; (ii) Company reduces the amount of the Base Salary, the Additional Salary or materially reduces the benefits Executive receives without Executive’s consent, unless such reduction was applied equally and in the same percentage to all members of Company’s senior executive team; (iii) Company changes Executive’s primary place of work to a location more than ten (10) miles from Lewisville, Texas without Executive’s consent; (iv) any requirement that Executive report to someone other than the CEO, or (v) a material diminution in Executive’s level of duties or responsibilities hereunder. Executive must: (i) provide written notice of Executive’s resignation for Good Reason to the Company within ninety (90) days of the occurrence of a Good Reason event; and (ii) allow Company thirty (30) days during which to cure the Good Reason event in all material respects in order for Executive’s resignation for Good Reason to be effective hereunder. If Company fails to cure the Good Reason event, Executive’s employment will immediately terminate at the end of the thirty (30) day cure period.

For purposes of this Agreement, the term “**Permanent Disability**” shall mean the determination by a physician that is mutually agreeable to Company and Executive that Executive has been, or can reasonably be expected to be, unable to perform, by reason of physical or mental incapacity, Executive’s duties or obligations under this Agreement even with reasonable accommodation, for a total period of one hundred eighty consecutive days.

6. **Salary and Benefits:** Executive agrees that as full consideration for Executive’s Services, Company shall pay Executive an annual base salary (the “**Base Salary**”), an annual performance bonus (the “**Additional Salary**” which together with the Base Salary, collectively, are the “**Salary**”) and such other compensation as set forth more fully on **Exhibit A** of this Agreement, which is hereby incorporated by reference. Executive’s Salary shall be payable in accordance with Company’s normal payroll process. Company currently pays employees bimonthly and Executive’s Salary shall be subject to employment withholding and taxes. Further, as a full-time employee, Executive shall be eligible to participate in Company’s employee benefits, which are subject to change periodically, as of the Commencement Effective Date. Executive’s Salary shall be reviewed, at least annually, in accordance with Company’s procedures for the review of the compensation of the members of its senior executive team and may not be reduced without Executive’s prior written consent, except as part of an across-the-board reduction applied in the same percentage to the base salaries of all members of the senior executive team. As part of Company’s annual performance review process, Executive’s Base Salary may be increased as documented in a compensation memorandum. Each compensation memorandum shall be deemed to amend **Exhibit A** and, as of the effective date of the compensation change, such compensation memorandum is hereby incorporated by reference into **Exhibit A**.

Company shall reimburse Executive for all reasonable and authorized business expenses incurred by Executive in direct performance of the Services under this Agreement in accordance with Company’s generally applicable expense reimbursement policies and procedures. Executive agrees to make all reasonable efforts to save costs, including wherever possible, booking economy airfares at least fourteen (14) days in advance, driving if cost effective, and staying in moderately priced hotels.

7. **Representations and Warranties:** Executive represents and warrants (i) that Executive has no obligations, legal or otherwise, inconsistent with the terms of this Agreement or with Executive’s

undertaking this relationship with Company, (ii) that the performance of the Services called for by this Agreement do not and will not violate any applicable law, rule or regulation or any proprietary or other right of any third party, (iii) that Executive will not use in the performance of his responsibilities under this Agreement any confidential information or trade secrets of any other person or entity, (iv) that Executive has not entered into or will enter into any agreement (whether oral or written) in conflict with this Agreement, (v) that the Services provided by Executive shall be performed in a professional manner and shall be performed in a timely manner, (vi) that Executive shall reasonably meet deadlines agreed between Executive and Company, (vii) that Executive has not been suspended, excluded or debarred from any healthcare or governmental payment or procurement program, and shall notify Company immediately if Executive is suspended, excluded or debarred from any such program, and (viii) that the Salary is not based upon the volume or value of actual or potential referrals or other business generated between the Parties.

Company represents and warrants (i) that Company has no obligations, legal or otherwise, inconsistent with the terms of this Agreement or with Company's undertaking this relationship with Executive, (ii) that the performance of the Services called for by this Agreement do not and will not violate any applicable law, rule or regulation or any proprietary or other right of any third party, (iii) that Company does not and will not knowingly use any confidential information or trade secrets of any other person or entity, (iv) that Company has not entered into or will enter into any agreement (whether oral or written) in conflict with this Agreement, (v) that Company has not been suspended, excluded or debarred from any healthcare or governmental payment or procurement program, and shall notify Executive immediately if Company is suspended, excluded or debarred from any such program, and (vi) that the Salary is not based upon the volume or value of actual or potential referrals or other business generated between the parties.

Without limiting any provision herein set forth, each of the Parties hereby represents and warrants to the other that in providing its respective services hereunder that neither party shall knowingly act in a manner that violates federal and state laws regarding the confidentiality of protected health information, including without limitation, the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1320d-1329d-8; 42 U.S.C. 1320d-2), as amended, ("**HIPAA**"), and all regulations promulgated thereunder, including the HIPAA privacy and security regulations.

8. **Relationship of the Parties:** Executive shall be an employee of Company. Nothing in this Agreement shall be construed as creating an absolute guarantee of future employment or engagement, or as a limitation upon the sole discretion of Company or Executive to terminate this Agreement as provided for herein.

9. **Non-Compete:** In recognition of the substantial time, money and effort expended by Company in the development of its Confidential Information and Proprietary Information; the fact that Executive will have access to and be personally entrusted with such Confidential Information and Proprietary Information during Executive's employment with Company; the high degree of competition in the field Company has chosen to engage in; the special knowledge and expertise that Executive may develop as a result of his employment with Company; and the worldwide nature of Company's business, Executive agrees that during his employment with Company and for one (1) year after such employment ends (the "**Non-Compete Period**"), Executive will not directly or indirectly compete with Company in any way, within any State in the United States, in which Company provides products or services as of the date of

the termination, which States as of the Effective Date include the States of California, Tennessee, Georgia, Texas, Maryland, Virginia, Florida, and the District of Columbia, by providing services as an employee, director, consultant or otherwise to a person or entity (defined below) in competition with Company. The Parties agree that for purposes of this Agreement, a person or entity is in competition with Company if it provides (i) software or services which assist medical providers to provide the following services to their patients: health or wellness membership programs, physician-based disease or care management services, population health services or services to help doctors implement Patient-Centered Medical Homes or Accountable Care Organizations, or (ii) products or services in competition with the then-current business of Company. It is recognized by the Parties that Company conducts and is expected to continue to conduct its business throughout the United States and that more narrow geographical limitations than those States described above of any nature on this non-competition covenant are therefore not appropriate. Executive acknowledges that this covenant not to compete is limited to the types of activities and services that Executive provided in Executive's employment with Company, and the foregoing shall not prevent Executive from working for or performing services on behalf of a competitive business if such competitive business is also engaged in other lines of business and if Executive's employment or services are restricted to such other lines of business, and Executive will not be providing support, advice, instruction, direction or other guidance to lines of business that constitute the competitive business. As such, Executive acknowledges and agrees that these restrictions allow Executive an adequate number and variety of employment alternatives, based on his varied skills and abilities. Executive represents that Executive is willing and able to compete in other employment not prohibited by this Agreement. For example, Executive acknowledges that the covenant not to compete set forth in this Agreement in no way limits Executive's ability to work in some role that does not compete with the business of Company. Executive represents and agrees that the restrictions on competition, as to time, geographic area, and scope of activity are reasonable, do not impose a greater restraint than is necessary to protect the goodwill and business interests of Company, and are not unduly burdensome to Executive. However, if, at the time of enforcement, a court shall hold that the restrictions stated herein are unreasonable under circumstances then existing, the Parties agree that the maximum duration, scope and area reasonable under such circumstances shall be substituted for the stated duration, scope and area and that the court shall be allowed and directed to revise the restrictions contained therein to cover the maximum period, scope and area permitted by law. In the event of a breach or violation by Executive of Section 9 as determined by a court of competent jurisdiction, the Non-Compete Period shall be tolled until such breach or violation has been duly cured.

10. **Non-Solicitation of Customers or Prospects:** Executive acknowledges that information about Company's customers is confidential and constitutes trade secrets. Accordingly, Executive agrees that during his employment with Company and for a period of two (2) years after the termination of this Agreement for any reason, Executive will not, either directly or indirectly, separately or in association with others, interfere with, impair, disrupt or damage Company's reputation or relationship with any of its customers, including physicians, or customer prospects by soliciting or encouraging others to solicit any of them for the purpose of diverting or taking away business from Company.

11. **Non-Solicitation of Employees:** Executive acknowledges that information about Company's employees is confidential and constitutes trade secrets. Accordingly, Executive agrees that during his employment with Company and for a period of two (2) years after the termination of this Agreement for any reason, Executive will not, either directly or indirectly, separately or in association with others, (a)

interfere with, impair, disrupt or damage Company's business by soliciting, encouraging or attempting to hire any of Company's employees, consultants or independent contractors or causing others to solicit or encourage any of Company's employees, consultants or independent contractors to discontinue their employment or engagement with Company or (b) attempt to hire or employ any person employed by Company even if Executive did not initiate the discussion or seek out the contact (provided that for avoidance of doubt, any such attempt, employment or discussion undertaken by any new employer of Executive shall not violate this Section, unless Executive, as an officer, director, employee, consultant, owner, partner, or in any other capacity, either directly or through others, engage in such activity). Notwithstanding the foregoing, a general solicitation of employment in a periodical of general circulation, a website or other social media site shall not constitute a violation of this provision.

12. **Intellectual Property:** It is expressly understood that all of the trademarks, service marks, trade names, domain names, patents, copyrights, inventions, processes and applications therefore (whether registered or common law), systems, methods, business plans, strategic models, procedures, written materials and controls ("**Intellectual Property**") owned, contributed and/or developed by Executive or his designee in the performance of this Agreement with Company, including all modifications, derivatives, or combinations thereof ("**Proprietary Information**") are proprietary in nature and shall remain the property of Company. Accordingly, Company shall retain all rights, title, and interest to the Proprietary Information. The Proprietary Information shall not at any time be utilized, distributed, copied or otherwise acquired or used by Executive outside the normal course of his work with Company. This Intellectual Property provision shall survive indefinitely the termination of this Agreement for any reason whatsoever.

13. **Confidentiality:** Executive agrees to use best efforts to prevent the unauthorized use, disclosure, or availability of any confidential information of Company ("**Confidential Information**"), which shall be defined to include all financial, operational, technical and other information, including all copies thereof (including, without limitation, all agreements, financial statements, compensation information, files, books, logs, charts, records, studies, reports, surveys, schedules, plans, maps, statistical information, client and prospective client information, and client and prospective client lists) which may be furnished or disclosed to Executive. Such term shall also include all memoranda, notes, reports, documents, and other media containing Confidential Information, as well as any copies and extracts of Confidential Information and any computer-generated emails, files, studies and data containing Confidential Information prepared by or for the benefit of Company. For the sake of clarity, the terms and conditions of this Agreement shall be deemed Confidential Information of Company. Executive shall also notify Company immediately upon a discovery of any loss or compromise of Company's Confidential Information. The obligations set forth in this Section 13 shall survive indefinitely the termination of this Agreement for any reason whatsoever, and upon termination Executive shall return to Company all copies of any media or materials containing Confidential Information.

Notwithstanding anything in this Agreement to the contrary, (i) the terms Proprietary Information and Confidential Information shall not include any information that (a) is or becomes public knowledge through no wrongful act of Executive; (b) is and can be shown to be independently developed by Executive without use of information obtained under this Agreement; (c) becomes lawfully available to Executive from a source other than Company; or (d) was and can be shown to be in Executive's possession or was known to Executive prior to receipt from Company, and (ii) disclosure of Proprietary

Information and/or Confidential Information by Executive is not precluded if such disclosure (x) is in response to a valid order of a court or other governmental body of the United States or any political subdivision thereof; provided that Executive must first give prompt notice to Company so that Company may seek a protective order or other appropriate remedy and, if Executive is ultimately required to make such disclosure, Executive will have made a reasonable effort, at the cost of Company, to obtain a protective order requiring that the Proprietary Information or Confidential Information so disclosed be used only for the purposes for which the order was issued; (y) is otherwise required by law in the opinion of counsel for Executive, provided that Executive must first give reasonable advance notice of such disclosure to Company, or (z) is consented to in advance by Company.

14. **Return of Company Property:** Executive acknowledges that all Proprietary Information and Confidential Information (including, without limitation, documents, drawings, models, apparatus, sketches, designs, lists, and all other tangible media of expression) furnished to Executive by Company or created by Executive pursuant to the terms of this Agreement shall remain the property of Company. On termination of this Agreement with Company for whatever reason, or at the request of Company before termination, Executive agrees to promptly deliver to Company all records, files, computer disks, memoranda, documents, lists, materials and other information regarding or containing any Confidential Information or Proprietary Information, including all copies, reproductions, summaries or excerpts thereof, then in Executive's possession or control, whether prepared by Executive or others. Executive also agrees to promptly return, upon termination or at any time upon Company's request, any and all Company property issued to Executive, including but not limited to computers, facsimile transmission equipment, cellular phones, keys and credits cards. Executive further agrees that should Executive discover any Company property or Confidential Information or Proprietary Information in Executive's possession after termination of this Agreement, Executive agrees to return it promptly to Company without retaining copies or excerpts of any kind.

15. **Exclusive Services:** Executive agrees that he will devote his entire working time, attention, and energies to the business of the Company and shall not, directly or indirectly, either individually or as a officer, partner, consultant, owner, employee, agent, stockholder of greater than 5%, or in any other capacity engage in any other business activity outside of the Company (except as an outside board member) without the express written permission of the Company's CEO.

16. **Business Opportunities:** Executive acknowledges that in the performance of this Agreement, Executive may become aware of new or expanded business opportunities reasonably related to the business of Company that Company may be reasonably interested in evaluating or pursuing. Executive agrees that he shall promptly disclose, in writing, to the CEO any business opportunities reasonably related to the business of Company that he reasonably believes Company might reasonably consider evaluating or pursuing.

17. **Severability:** In case any one or more of the provisions contained in this Agreement or any application thereof shall be declared, by a court having jurisdiction, invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

18. **Governing Law:** This Agreement shall be governed in all respects by the laws of the United States of America and by the laws of the State of Delaware.
19. **Limit of Liability:** Neither Company nor Executive shall have any liability for consequential, special or punitive damages related to the performance of this Agreement or any breach thereof.
20. **Compliance:** Executive hereby acknowledges and agrees to abide by Company's compliance program and applicable compliance policies and, to the extent that Executive becomes aware of a compliance concern potentially affecting Company, Executive shall bring such compliance concern to the attention of Company's Compliance Officer in a timely manner before discussing such concerns with any third party. Executive during his employment and afterwards shall, at the request of Company, render all assistance and perform all lawful acts that Company considers necessary or advisable in connection with any investigation or litigation involving Company or any director, officer, employee, shareholder, agent, representative, consultant, client, or vendor of Company.
21. **Nondisparagement:** During the term of Executive's employment with Company and at all times thereafter, Executive shall not make any public or private statements (whether orally, in writing, via electronic transmission, or otherwise) that disparage, denigrate or malign Company or any of its businesses, activities, operations, affairs, reputations or prospects; or any of its officers, employees, directors, managers, partners (general and limited), agents, members or shareholders. No obligation under this Section 21 or this Agreement shall be violated by truthful statements made by such person (i) to any governmental authority or (ii) which are in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings).
22. **Insurance Coverage:** During the term of Executive's employment with Company, Company shall provide for Executive to be covered under any directors and officer's liability or similar policy (including any employment practices or fiduciary policy) at the level at which Company's most senior active officers are covered. Executive's rights under this Section 22 shall be in addition to, and not in lieu of, any insurance coverage Executive may have under Company's governing instruments or otherwise.
23. **Entire Agreement.** From and after the Effective Date, this Agreement constitutes the entire agreement between the Parties hereto, and supersedes all prior representations, agreements and understandings (including any prior course of dealings), both written and oral, between the Parties hereto with respect to the subject matter hereof.
24. **Miscellaneous:** The Parties agree that the remedy at law for any breach of covenants contained in this Agreement may be inadequate and would be difficult to ascertain and therefore upon an event of a breach or threatened breach of such covenants, the non-breaching Party, in addition to any other remedies, shall have the right to enjoin the breaching Party from any threatened or actual activity in violation hereof. Each Party hereby consents and agrees that the non-breaching Party shall be authorized and entitled to obtain from any court of competent jurisdiction preliminary, temporary, and/or permanent injunctive relief, as well as any other relief (including damages) permitted by applicable law. The prevailing party in any action for breach of this Agreement shall reimburse the non-breaching Party for his/its reasonable attorneys' fees and costs incurred in such action.

This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns. Notwithstanding the foregoing, Executive shall not assign any obligations hereunder without the express written consent of Company and its successors and assigns and Company shall not assign its obligations without the express written consent of Executive and his successors and assigns.

This Agreement may be executed in counterparts and by email. Each and every counterpart shall, for all purposes, be deemed an original, but all such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, these Parties have executed this Agreement on the Effective Date.

EXECUTIVE

/s/ Jeffrey Sherman
Jeffrey Sherman

PRIVIA HEALTH, LLC

By: /s/ Shawn Morris
Name: Shawn Morris
Title: Chief Executive Officer

EXHIBIT A
Compensation

- Base annual salary:
 - \$450,000
 - paid in semi-monthly installments under exempt status; minus all relevant taxes and withholdings;
- Bonus eligibility of up to 100% of fiscal year earnings per the then-current Company Employee Bonus Program;
- Eligibility for Annual Equity Grants and compensation adjustments: commensurate with the Chief Executive level band as determined by the Compensation Committee of the Board starting in 2023;
- Sign-on Equity Grant:
 - Options valued at \$2,925,000 and RSUs valued at \$1,575,000
 - 25% annual vesting over a 4 year period.
 - All Equity Grants, including the terms and conditions thereto, are contingent on approval by the Compensation Committee of the Privia Health Group, Inc. Board, including the Sign-On Equity Grant;
- Health, welfare, and retirement benefits commensurate with similarly situated employees at Privia;
- Unlimited Paid Time Off
- Access to all the perks, learning opportunities, and opportunities to change our communities that comes with being a Privia Health employee.



Privia Health
950 N. Glebe Road, Suite 700
Arlington, VA 22203

January 6, 2022

Via Email: dmountcastle@priviahealth.com

Re: Transition from Privia Health
Dear David:

As we have discussed, we expect the Board to appoint Jeff Sherman as Chief Financial Officer of the Company (“CFO”) later this week. Based upon your conversation with Shawn Morris, we understand that you desire to transition from the Company rather than continue in the role of Chief Accounting Officer of the Company. Respecting your wishes, we are proposing the following transition of your duties and roles to Jeff Sherman:

- You will commit to transition your knowledge, duties and roles to Jeff Sherman from the date of his appointment to CFO until March 31, 2022 (the “**Transition Period**”). The Company will take all reasonable and requested action to assist you in securing another CFO position outside the Company, including providing references, introductions, etc.
- You have a great deal of institutional knowledge and during the Transition Period, such knowledge should be conveyed to the Company.
- Further, we expect that you will take an active role and maintain a positive attitude with all in the following matters during the Transition Period: (i) introduce Jeff Sherman to the Finance Team; (ii) transition all financial functions to Jeff Sherman, including bank accounts, policies and procedures, key accounting implications of business, and a per market review of financial issues; (iii) annual issuances of 1099s, K-1s, and w2s; (iv) 10K filing in March 2022; (v) be available and proactive for interviews with Deloitte regarding SOX compliance transition planning; (vi) any necessary filings and transition the Company’s ERISA retirement plan; and (vii) transition of portal access, monitoring and auditing of receipt of Cares Act funds and any other Covid-related funds received by Company or its affiliated practices. During the Transition Period, we will schedule periodic meeting to review the status of the transition, evaluate the effectiveness of the transition process, and assess any additional matters that will need to be resolved prior to your departure from the Company.
- We will give you an opportunity to review external and internal communications regarding your transition. The Company will act in a reasonable and good faith manner to respect your wishes relative to such communications; provided that, in the event that the parties are unable to agree, the Company shall have final authority on such communications.
- The earlier of completion of the Transition Period or as long as you are an employee with the Company at the time of the distribution of the 2021 bonuses, you will receive your full 2021 bonus at the current 110% accrual level unless the total percentage amount is modified by the Compensation Committee of the Board of the Company.
- During the Transition Period, you will continue to receive your current salary and benefits. At the end of the Transition Period, we will pay you a prorated lump sum bonus for Calendar Year 2022 at 25% of your annual bonus at 100% accrual level; provided that, during the Transition Period you work with the Company in a cooperative fashion and are not disruptive with respect to the transition.
- With respect to your pre-IPO option grants, assuming that you remain with the Company during the Transition Period and are otherwise in compliance with the terms of this letter, you will be entitled to retain your current vested and unvested pre-IPO options with the vesting schedule set forth in the last amendment of the grant.

priviahealth.com

- You would continue to be bound by all existing lock up agreements relative to your pre-IPO option grants and the Company will continue post-termination to file all relevant forms on your behalf with the SEC (e.g., 144 Forms, Form 3, Form 4, etc.).
- With respect to your IPO grant of both stock options and RSUs, such grant will be terminated effective as of your last day with the Company.
- During your remaining time with the Company, you are hereby advised of both your fiduciary obligations to the Company and its shareholders, as well as your contractual obligations regarding competing against the Company and non-solicitation.
- We appreciate that your departure may have ramifications on the other team members but we expect that you will take no action to encourage your team members to depart Privia or to otherwise disparage the Company, its management team, Board or your successor. We know you appreciate the fact that you have a significant financial interest in the continued viability and success of the Company.
- Effective as of the date of your departure from Privia, you will execute our standard mutual release whereby we each release the other from any liability related to your employment with the Company (the “**Mutual Release**”). As consideration for the Mutual Release, the Company will pay you a severance package equal to nine (9) months of your current salary (net withholdings and taxes) and an amount to cover your COBRA costs (including health, dental and vision coverage) for the nine (9) month period. Such amount shall be paid in a single lump sum payment six months after your last day with the Company and, as a condition, of the severance, you will be subject to a non-compete and non-solicitation for a period of one (1) year after the end of severance period. That is, your non-compete and non-solicitation will remain in effect until December 31, 2023 as shall be more fully set forth in the Mutual Release. As you are aware, we are generally willing to work with you as to the scope of your non-compete and are primarily concerned with your going to one of our key competitors so during the non-compete period, I will have authority to waive the scope of the non-compete on a case-by-case basis.
- The Mutual Release will provide you with a continued right of indemnification, including advancement of expenses relative to responding to an action, claim, investigation or demand related to your capacity as a Section 16 Officer of the Company after your departure from the Company to the same extent as then in effect for any current Section 16 Officer of the Company.

Assuming these terms are acceptable to you, please indicate your acceptance by signing below.

Very truly yours,

/s/ Thomas Bartrum, General Counsel

Thomas Bartrum, General Counsel

Reviewed and agreed to:

/s/ David Mountcastle

David Mountcastle, Individually

Jeff Sherman Joins Privia Health as Chief Financial Officer

ARLINGTON, VA – January 6, 2022 – Privia Health Group, Inc. (Nasdaq: PRVA) announced that Jeffrey S. Sherman will join the company as Executive Vice President and Chief Financial Officer (CFO), effective immediately. Mr. Sherman will report to Privia Health’s Chief Executive Officer, Shawn Morris, and will be responsible for finance and accounting, including financial planning and analysis, treasury, investor relations, and SEC reporting.

“Privia Health’s vision is to build a next generation, national care delivery organization, and we are very pleased to have Jeff add to the depth and breadth of our leadership team as we continue to expand in multiple new and existing geographies,” said Privia Health CEO Shawn Morris. “We expect Jeff’s deep financial, healthcare and payer services experience with public companies to be a valuable asset for Privia Health during this time of tremendous growth and momentum for our organization. His demonstrated financial expertise and attention to operational detail will support our mission to build scaled provider networks nationwide and create long-term value for our shareholders.”

Sherman had served as Executive Vice President (EVP), Chief Financial Officer and Treasurer for HMS Holdings Corp. since 2014. Prior to that, he served as EVP and CFO of AccentCare, a private-equity owned community-based health care delivery organization. Sherman previously was EVP and CFO of LifePoint Hospitals Inc., a publicly-traded operator of 71 hospitals in 22 states with \$6.3 billion in annual revenues prior to its sale. His healthcare experience also comprises senior finance positions with Tenet Healthcare Corporation, including Treasurer, and Divisional and Hospital CFO roles. Sherman received a B.S. in Finance/Accounting from the University of Colorado, Boulder and an MBA from the University of Southern California.

Mr. Sherman succeeds David Mountcastle, who will depart to pursue other opportunities following a transition period. “David has been instrumental in Privia Health’s growth and success. On behalf of our Company, I thank him for his many contributions and wish him success in his future endeavors,” Morris added.

About Privia Health

Privia Health™ is a technology-driven, national physician enablement company that collaborates with medical groups, health plans, and health systems to optimize physician practices, improve patient experiences, and reward doctors for delivering high-value care in both in-person and virtual settings. The Company’s platform is led by top industry talent and exceptional physician leadership, and consists of scalable operations and end-to-end, cloud-based technology that reduces unnecessary healthcare costs, achieves better outcomes, and improves the health of patients and the well-being of providers. For more information, visit priviahealth.com.

Safe Harbor Statement

This release may contain forward-looking statements within the meaning of the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond the Company’s control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described in filings with the Securities and Exchange Commission (“SEC”), including those under “Risk Factors” therein. Should one or more of these risks or uncertainties materialize, or should any of the assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Forward-looking statements speak only as of the date made. The Company does not undertake any obligation to update or revise

any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Contact:

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