

1 PAULA R. BROWN (Bar No. 254142)
pbrown@bholaw.com
2 **BLOOD HURST & O'REARDON, LLP**
501 West Broadway, Suite 1490
3 San Diego, CA 92101
Tel: 619.338.1100 / Fax: 619.338.1101

4 DAVID E. BOWER (Bar No. 119546)
dbower@monteverdelaw.com
5 **MONTEVERDE & ASSOCIATES PC**
600 Corporate Pointe, Suite 1170
6 Culver City, CA 90230
7 Tel: 213.446.6652

8 *Attorneys for Lead Plaintiffs*

9 NOAH A. KATSELL (Bar No. 217090)
noah.katsell@dlapiper.com
10 **DLA PIPER LLP (US)**
4653 Executive Dr., Suite 1100
11 San Diego, CA 92121
12 Tel: 619.699.2632 / Fax: 858.877.1401

13 RACHELLE SILVERBERG (*pro hac vice*, NY 2614063)
rsilverberg@wlrk.com
14 **WACHTELL, LIPTON, ROSEN & KATZ**
51 West 52nd Street
15 New York, NY 10019
Tel: 212.403.1000

16 *Attorneys for Defendants*

17
18 **UNITED STATES DISTRICT COURT**
19 **SOUTHERN DISTRICT OF CALIFORNIA**

20 KURT ZIEGLER and DANIEL BRADY,
21 Individually and on Behalf of All Others
Similarly Situated,

22 Plaintiff,

23 v.

24 GW PHARMACEUTICALS, PLC,
JUSTIN GOVER, GEOFFREY GUY,
25 CABOT BROWN, DAVID GRYSKA,
CATHERINE MACKEY, JAMES
26 NOBLE, ALICIA SECOR, and LORD
WILLIAM WALDEGRAVE,

27 Defendants.
28

CASE NO. 3:21-CV-01019-BAS-MSB
STIPULATION OF SETTLEMENT

1 This Stipulation of Settlement, dated March 16, 2023 (the “Stipulation”), is
2 made and entered into by and among the following Parties to the above-captioned
3 litigation (the “Action” or “Litigation”): (i) the Court-appointed Lead Plaintiffs Kurt
4 Ziegler and Daniel Brady (“Lead Plaintiffs”), by and through their counsel of record
5 in the Litigation; (ii) GW Pharmaceuticals, PLC (“GW” or the “Company”), and (iii)
6 Geoffrey W. Guy, Justin Gover, Cabot Brown, David Gryska, Catherine Mackey,
7 James Noble, Alicia Secor, and Lord William Waldegrave (the “Individual
8 Defendants,” and, together with the Company, “Defendants”), by and through their
9 counsel of record in the Litigation. The Stipulation is intended by the Parties to fully,
10 finally, and forever resolve, discharge, relinquish, release, waive, dismiss with
11 prejudice and settle the Released Claims (as defined below), upon and subject to the
12 terms and conditions hereof and subject to the approval of the United States District
13 Court for the Southern District of California (the “Court”).

14 **I. THE LITIGATION**

15 On February 3, 2021, GW entered into an agreement and plan of merger with
16 Jazz Pharmaceuticals, PLC and its subsidiaries (“Jazz”), pursuant to which Jazz
17 acquired GW (the “Merger” or “Acquisition”) and the holders of GW American
18 Depository Shares (“GW shareholders”) had their holdings extinguished in exchange
19 for \$200 in cash and \$20 in Jazz stock (0.120360 shares) for each GW American
20 Depository Share they owned (the “Merger Consideration”).

21 In connection with the then-proposed Merger, on March 15, 2021, Defendants
22 filed a Schedule 14A Proxy Statement (as amended and supplemented, the “Proxy”)
23 with the U.S. Securities and Exchange Commission (the “SEC”). The Merger closed
24 on May 5, 2021.

25 On May 27, 2021, Plaintiff Kurt Ziegler commenced this Action against
26 Defendants, alleging violations of Sections 14(a) and 20(a) of the Securities Exchange
27 Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78n(a), 78t(a), and SEC Rule 14a-9, 17
28

1 C.F.R. § 240.14a-9. On August 3, 2021, Plaintiff Kurt Ziegler and Mr. Daniel Brady
2 sought appointment as Lead Plaintiffs pursuant to the Private Securities Litigation
3 Reform Act of 1995 (“PSLRA”); there were no other competing movants. On January
4 18, 2022, the Court appointed Messrs. Ziegler and Brady as Lead Plaintiffs for the
5 Action and approved their selection of Monteverde & Associates, PC and Kahn Swick
6 & Foti, LLC as Lead Counsel in the Action.

7 On March 28, 2022, Lead Plaintiffs filed the First Amended Class Action
8 Complaint against Defendants (the “Complaint”), which alleged violations of Section
9 14(a) of the Exchange Act and Rule 14a-9 promulgated thereunder against Defendants
10 and violations of Section 20(a) of the Exchange Act against the Individual
11 Defendants, on the basis that the Proxy allegedly contained material misstatements
12 and omissions. Defendants filed a Motion to Dismiss (the “MTD”) the Complaint on
13 June 3, 2022. Lead Plaintiffs filed an opposition to Defendants’ MTD on August 2,
14 2022, and Defendants filed a reply brief in further support of the MTD on September
15 1, 2022.

16 On September 2, 2022, the Parties filed a Joint Motion to Temporarily Stay
17 Proceedings to allow the Parties the opportunity to participate in a mediation session
18 with mediator Robert A. Meyer of JAMS on December 7, 2022, the earliest date on
19 which all relevant parties and the mediator were available. On September 12, 2022,
20 the Court ordered a temporary stay of the proceedings until December 7, 2022.

21 On December 7, 2022, the Parties participated in a full-day, in-person
22 mediation session in Los Angeles, CA with Mr. Meyer. The parties made progress
23 toward a resolution, but were unable to reach an agreement, and negotiations
24 continued thereafter under the guidance of the mediator.

25 On December 15, 2022, the Parties requested an extension of the Court-ordered
26 stay, and, on December 16, 2022, the Court ordered an extension of the temporary
27 stay until January 14, 2023, to afford the parties further time to negotiate.

28

1 In the interim, the parties continued negotiations under the guidance of the
2 mediator and, on December 28, 2022, the parties reached an agreement in principle
3 to settle the Litigation on the terms set forth below.

4 The parties subsequently filed a joint status report and notice of settlement
5 informing the Court that they had reached a settlement in principle in the Action.

6 **II. DEFENDANTS' DENIALS OF WRONGDOING AND**
7 **LIABILITY**

8 This Stipulation constitutes a compromise of matters that are in dispute
9 between the Parties. Defendants deny each of the claims alleged in the Action,
10 including all charges of wrongdoing or liability arising out of any of the conduct,
11 statement, acts, or omissions alleged in the Action. Among other things, Defendants
12 expressly deny the allegations that they made materially false statements or omissions
13 or otherwise acted other than in the best interest of GW and its shareholders; that Lead
14 Plaintiffs or any other GW shareholders have suffered damage; that Lead Plaintiffs or
15 any other GW shareholders were harmed by the conduct alleged in the Action; or that
16 Defendants have any liability to Lead Plaintiffs or any other GW shareholder.
17 Defendants affirmatively assert that they acted in the best interest of GW and its
18 shareholders at all relevant times and maintain that they have meritorious defenses to
19 all claims alleged in the Action.

20 The Stipulation shall in no event be construed or deemed to be evidence of an
21 admission or concession on the part of any Defendant with respect to any claim or
22 allegation of any fault, liability, wrongdoing, or damage whatsoever, or any infirmity
23 in the defenses that Defendants have asserted. Defendants' decision to settle the
24 Action was based solely on the conclusion that further conduct of the Action would
25 be protracted, burdensome and expensive, and that it would be beneficial to avoid the
26 costs, uncertainty, burdens and risks inherent in any litigation, especially in complex
27 cases like this Action. Defendants have therefore determined to settle the Action on
28

1 the terms and conditions set forth in this Stipulation solely to put the Released Claims
2 to rest, finally and forever, without in any way acknowledging any wrongdoing, fault,
3 liability, or damages. Defendants expressly maintain that their conduct was at all
4 times proper, in the best interest of GW and its shareholders, and in compliance with
5 all applicable provisions of law.

6 **III. CLAIMS OF LEAD PLAINTIFFS AND BENEFITS OF**
7 **SETTLEMENT**

8 Lead Plaintiffs and Lead Counsel believe that the claims asserted in the
9 Litigation have merit and that the evidence developed to date supports those claims.
10 Lead Plaintiffs and Lead Counsel, however, recognize and acknowledge the expense
11 and length of continued proceedings necessary to prosecute the Litigation against
12 Defendants through trial, potential post-trial proceedings that may be sought by
13 Defendants, and appeals. Lead Plaintiffs and Lead Counsel also have taken into
14 account the uncertain outcome and the risk of any litigation, as well as the difficulties
15 and delays inherent in any litigation. Lead Plaintiffs and Lead Counsel also are
16 mindful of the inherent problems of proof and possible defenses to the claims asserted
17 in the Litigation. Lead Plaintiffs and Lead Counsel believe that the Settlement set
18 forth in this Stipulation confers substantial benefits upon the Settlement Class (as
19 defined below). Based on their evaluation, Lead Plaintiffs and Lead Counsel have
20 determined that the Settlement set forth in this Stipulation is in the best interests of
21 the Settlement Class, and that the Settlement provided for herein is fair, reasonable,
22 and adequate.

23 **IV. TERMS OF STIPULATION AND AGREEMENT OF**
24 **SETTLEMENT**

25 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and
26 among Lead Plaintiffs (for themselves and on behalf of the Settlement Class Members
27 (as defined below)) and the Defendants, by and through their respective counsel of
28

1 record, that, subject to the approval of the Court and the other conditions set forth
2 below, pursuant to Rule 23(e) of the Federal Rules of Civil Procedure and the PSLRA,
3 the Litigation and the Released Claims shall be finally, fully and forever resolved,
4 discharged, relinquished, released, waived, settled, and dismissed with prejudice,
5 upon and subject to the terms and conditions of the Stipulation, as follows:

6 **1. Definitions**

7 As used in the Stipulation the following terms have the meanings specified
8 below:

9 1.1 “Authorized Claimant” means any Settlement Class Member whose
10 claim for recovery has been allowed pursuant to the terms of the Plan of Allocation
11 ultimately approved by the Court.

12 1.2 “Claim Form” or “Proof of Claim Form” or “Proof of Claim and
13 Release” means the document, substantially in the form attached hereto as Exhibit A-
14 2.

15 1.3 “Claimant” means a person or entity who or which submits a Claim Form
16 to the Claims Administrator.

17 1.4 “Claims Administrator” means the firm of Rust Consulting LLC.

18 1.5 “Court” means the United States District Court for the Southern District
19 of California.

20 1.6 “Defendants” means GW Pharmaceuticals, PLC, Geoffrey W. Guy,
21 Justin Gover, Cabot Brown, David Gryska, Catherine Mackey, James Noble, Alicia
22 Secor, and Lord William Waldegrave.

23 1.7 “Defendants’ Counsel” means the undersigned counsel for Defendants.

24 1.8 “Defendants’ Released Claims” means any and all claims, rights and
25 causes of action, duties, obligations, demands, actions, debts, sums of money, suits,
26 contracts, agreements, promises, damages and liabilities, whether known or unknown,
27 contingent or non-contingent, or suspected or unsuspected, including any claims
28

1 arising under federal or state statutory or common law or any other law, rule or
2 regulation, whether foreign or domestic, that arise out of or relate in any way to the
3 institution, prosecution, or settlement of the claims in this Action by Lead Plaintiffs
4 and Plaintiffs’ Counsel against the Defendants, except for claims relating to the
5 enforcement of this Settlement.

6 1.9 “Effective Date” means the first date by which all of the events and
7 conditions specified in ¶ 7.1 of the Stipulation have been met and have occurred.

8 1.10 “Escrow Account” means the account described in ¶ 2.1 through ¶ 2.4
9 hereof.

10 1.11 “Escrow Agent” means Huntington Bank, N.A., or another banking
11 institution designated by Lead Plaintiff, subject to the consent of Defendants, not to
12 be unreasonably withheld, at which the Escrow Account is to be maintained.

13 1.12 “Final” means when the last of the following with respect to the Order
14 and Final Judgment, substantially in the form attached hereto as Exhibit B, shall
15 occur: (i) the expiration of three (3) business days after the time for the filing of any
16 motion to alter or amend the Order and Final Judgment under Federal Rule of Civil
17 Procedure 59(e) without any such motion having been filed; (ii) the expiration of the
18 time for the filing or noticing of any appeal from the Order and Final Judgment
19 without any appeal having been filed; and (iii) if such motion to alter or amend is filed
20 or if an appeal is filed or noticed, then immediately after the determination of that
21 motion or appeal so that the Order and Final Judgment is no longer subject to any
22 further judicial review or appeal whatsoever, whether by reason of affirmance by
23 court of last resort, lapse of time, voluntary dismissal of the appeal or otherwise. For
24 purposes of this paragraph, an appeal shall include any petition for a writ of certiorari
25 or other writ that may be filed in connection with the approval or disapproval of this
26 Settlement, but shall not include any appeal that concerns only the issue of attorneys’
27 fees and expenses, payment of Lead Plaintiffs’ service awards under 15 U.S.C. § 78u-

28

1 4(a)(4), or the Plan of Allocation of the Settlement Fund. Any proceeding or order,
2 or any appeal or petition for a writ of certiorari pertaining solely to any plan of
3 distribution and/or application for attorneys’ fees, costs, or expenses and/or Lead
4 Plaintiffs’ service awards under 15 U.S.C. § 78u-4(a)(4) shall not in any way delay or
5 preclude the Order and Final Judgment from becoming Final.

6 1.13 “Final Approval Hearing” means the hearing to determine whether the
7 proposed Settlement embodied by this Stipulation is fair, reasonable, and adequate to
8 the Settlement Class, and whether the Court should: (1) enter the Order and Final
9 Judgment approving the proposed Settlement; (2) approve the Plan of Allocation of
10 settlement proceeds; and (3) assess Lead Counsel’s petition for attorneys’ fees and
11 expenses and Lead Plaintiffs’ request for service awards under 15 U.S.C. § 78u-
12 4(a)(4).

13 1.14 “GW” or the “Company” means GW Pharmaceuticals, PLC.

14 1.15 “Individual Defendants” means Geoffrey W. Guy, Justin Gover, Cabot
15 Brown, David Gryska, Catherine Mackey, James Noble, Alicia Secor, and Lord
16 William Waldegrave.

17 1.16 “Lead Counsel” means Monteverde & Associates PC and Kahn Swick
18 & Foti, LLC.

19 1.17 “Lead Plaintiffs” mean Kurt Ziegler and Daniel Brady.

20 1.18 “Litigation” or “Action” means the above-captioned action, *Ziegler, et*
21 *al. v. GW Pharmaceuticals, PLC, et al.*, Civil No. 3:21-cv-01019-BAS-MSB in the
22 United States District Court for the Southern District of California.

23 1.19 “Notice” means the Notice of Pendency and Proposed Settlement of
24 Class Action defined in ¶ 3.1 hereof.

25 1.20 “Notice and Administration Costs” means the costs defined in ¶ 2.7
26 hereof.

27 1.21 “Order and Final Judgment” means the judgment to be rendered by the
28

1 Court, substantially in the form attached hereto as Exhibit B.

2 1.22 “Parties” means, collectively, each of the Defendants and Lead Plaintiffs
3 on behalf of themselves and each of the Settlement Class Members.

4 1.23 “Person” means a natural person, individual, corporation, limited
5 liability corporation, professional corporation, limited liability partnership,
6 partnership, limited partnership, limited liability company, association, joint stock
7 company, estate, legal representative, trust, unincorporated association, government
8 or any political subdivision or agency thereof, and any business or legal entity and all
9 of their respective spouses, heirs, beneficiaries, executors, administrators,
10 predecessors, successors, representatives, or assignees.

11 1.24 “Plaintiffs’ Counsel” means any counsel who have appeared for Lead
12 Plaintiffs in the Litigation, specifically: Lead Counsel or their successors or local
13 counsel. No other law firm is included within the definition of Plaintiffs’ Counsel.

14 1.25 “Plan of Allocation” means a plan or formula of allocation of the
15 Settlement Fund whereby the Settlement Fund shall be distributed to Authorized
16 Claimants after payment of expenses of notice and administration of the Settlement,
17 Taxes and Tax Expenses, and such attorneys’ fees, costs, expenses (including service
18 awards under 15 U.S.C. § 78u-4(a)(4) awarded by the Court to Lead Plaintiffs), and
19 interest as may be awarded by the Court. Any Plan of Allocation, including Exhibit
20 A-2 attached hereto, is not part of the Stipulation, and Defendants and Defendants’
21 Released Persons shall have no responsibility or liability with respect thereto.

22 1.26 “Preliminary Approval Order” means the order described in ¶ 3.1 hereof,
23 substantially in the form attached hereto as Exhibit A.

24 1.27 “Released Claims” means any and all claims, rights and causes of action,
25 duties, obligations, demands, actions, debts, sums of money, suits, contracts,
26 agreements, promises, damages and liabilities, whether known or unknown,
27 contingent or non-contingent, derivative or direct, or suspected or unsuspected,
28

1 including any claims arising under federal or state statutory or common law or any
2 other law, rule or regulation, whether foreign or domestic, that have been asserted,
3 could have been asserted, or could be asserted in the future against Defendants or Jazz
4 Pharmaceuticals plc, and any and all of their related parties, including, without
5 limitation, any and all of their current or former parents, subsidiaries, affiliates,
6 predecessors, or successors, and each of their respective current or former officers,
7 directors, trustees, partners, members, contractors, auditors, principals, agents,
8 managing agents, employees, associates, attorneys, advisors, financial advisors,
9 publicists, accountants, investment bankers, underwriters, insurers, and reinsurers in
10 their capacities as such, as well as each of the Individual Defendants' immediate
11 family members, heirs, executors, personal or legal representatives, estates,
12 beneficiaries, predecessors, successors and assigns (collectively, "Defendants'
13 Released Persons"), that arise out of or relate in any way to: (i) the Action, including
14 the claims in the Action and any acts, facts, events, disclosures, or omissions alleged
15 or referenced therein; (ii) any duties, fiduciary or otherwise, of Defendants' Released
16 Persons arising from or related to the Acquisition; (iii) GW ADSs, if the claims arise
17 from or relate to the Acquisition; or (iv) any other claims concerning the Acquisition.
18 Notwithstanding the aforementioned, the following claims are explicitly excluded: all
19 claims (1) related to the enforcement of this Settlement, and (2) between Defendants'
20 Released Persons and their respective insurers.

21 1.28 "Settlement" means the settlement of the Litigation as set forth in this
22 Stipulation.

23 1.29 "Settlement Amount" means the principal amount of Seven Million
24 Seven Hundred Fifty Thousand Dollars (\$7,750,000.00), that the Company shall pay
25 or cause to be paid pursuant to ¶ 2.1 and ¶ 2.2 of this Stipulation. The Individual
26 Defendants are not responsible for paying any portion of the Settlement Amount.
27 Neither Defendants nor Defendants' Released Persons shall have any obligation
28

1 whatsoever to pay any amount over and above the principal amount of Seven Million
2 Seven Hundred Fifty Thousand Dollars (\$7,750,000.00). Such amount is to be paid
3 as consideration for full and complete settlement of all the Released Claims.

4 1.30 “Settlement Class” means: all record holders and all beneficial holders
5 of GW American Depositary Shares (“ADSs”) who purchased, sold, or held such
6 ADSs at any time during the period from and including March 10, 2021, the record
7 date for voting on the Merger, through and including May 5, 2021, the date the Merger
8 closed, including any and all of their respective predecessors, successors, trustees,
9 executors, administrators, estates, legal representatives, heirs, assigns and transferees.
10 Excluded from the Settlement Class are (i) Defendants; (ii) members of the immediate
11 families of each Defendant; (iii) GW’s subsidiaries and affiliates; (iv) any entity in
12 which any defendant has a controlling interest; (v) the legal representatives, heirs,
13 successors, administrators, executors, and assigns of each defendant, in their capacity
14 as such; and (vi) any persons or entities who properly exclude themselves by filing a
15 valid and timely request for exclusion.

16 1.31 “Settlement Class Member” or “Member of the Settlement Class” means
17 any Person who falls within the definition of the Settlement Class as set forth in ¶ 1.30
18 of the Stipulation.

19 1.32 “Settlement Class Period” means the period from and including March
20 10, 2021, the record date for voting on the Merger, through and including May 5,
21 2021, the date the Merger closed.

22 1.33 “Settlement Fund” means the Settlement Amount plus all interest and
23 accretions thereto after being transferred to an account controlled by the Escrow
24 Agent, and which may be reduced by payments or deductions as provided for herein
25 or by court order.

26 1.34 “Stipulation” means this Stipulation of Settlement, including the recitals
27 and Exhibits thereto.

28

1 1.35 “Taxes” means all taxes (including any estimated taxes, interest or
2 penalties) arising with respect to the income earned by the Settlement Fund as
3 described in ¶ 2.8.

4 1.36 “Tax Expenses” means expenses and costs incurred in connection with
5 the calculation and payment of taxes or the preparation of tax returns and related
6 documents, including, without limitation, expenses of tax attorneys and/or
7 accountants and mailing and distribution costs relating to filing (or failing to file) the
8 returns described in ¶ 2.8.

9 1.37 “Unknown Claims” means (i) any of the Released Claims which Lead
10 Plaintiffs or any Settlement Class Member, or any of their agents or attorneys, does
11 not know or suspect to exist in such Person’s favor at the time of the release of the
12 Released Claims, and (ii) any of the Defendants’ Released Claims that the Defendants
13 do not know or suspect to exist in his, her or its favor at the time of the release of the
14 Defendants Released Claims, which, in the case of both (i) and (ii), if known by such
15 Person, might have affected such Person’s decision with respect to this Settlement,
16 including, without limitation, such Person’s decision not to object to this Settlement
17 or not to exclude himself, herself or itself from the Settlement Class. Unknown
18 Claims include those Released Claims and Defendants’ Released Claims in which
19 some or all of the facts comprising the claim may be suspected, or even undisclosed
20 or hidden. With respect to any and all Released Claims and Defendants’ Released
21 Claims, upon the Effective Date, Lead Plaintiffs and Defendants shall expressly, and
22 each of the Settlement Class Members shall be deemed to have, and by operation of
23 the Order and Final Judgment shall have, expressly waived to the fullest extent
24 permitted by law, the provisions, rights, and benefits of California Civil Code § 1542,
25 which provides:

26 A general release does not extend to claims that the creditor or releasing
27 party does not know or suspect to exist in his or her favor at the time of
28 executing the release, and that, if known by him or her, would have

1 materially affected his or her settlement with the debtor or released party.

2 Lead Plaintiffs and Defendants shall expressly, and each of the Settlement Class
3 Members shall be deemed to have, and by operation of the Order and Final Judgment,
4 shall have expressly waived any and all provisions, rights, and benefits conferred by
5 any law of any state or territory of the United States, or principle of common law,
6 which is similar, comparable or equivalent to California Civil Code § 1542. Lead
7 Plaintiffs, Settlement Class Members, and Defendants may hereafter discover facts in
8 addition to or different from those which such party now knows or believes to be true
9 with respect to the subject matter of Released Claims and the Defendants' Released
10 Claims, but Lead Plaintiffs and Defendants shall expressly, and each Settlement Class
11 Member, upon the Effective Date, shall be deemed to have, and by operation of the
12 Order and Final Judgment shall have fully, finally, and forever settled and released
13 any and all Released Claims or Defendants' Released Claims, as the case may be,
14 known or unknown, suspected or unsuspected, contingent or non-contingent, whether
15 or not concealed or hidden, which now exist, or heretofore have existed, upon any
16 theory of law or equity now existing or coming into existence in the future, including,
17 but not limited to, conduct that is negligent, reckless, intentional, with or without
18 malice, or a breach of any duty, law, or rule, without regard to the subsequent
19 discovery or existence of such different or additional facts, whether or not previously
20 or currently asserted in any action. Lead Plaintiffs and Defendants acknowledge, and
21 the Settlement Class Members shall be deemed by operation of the Order and Final
22 Judgment to have acknowledged, that the foregoing waiver was separately bargained
23 for and a key element of the Settlement of which this release is a part.

24 **2. The Settlement**

25 **a. The Settlement Fund**

26 2.1 In consideration of the terms of this Stipulation, GW shall pay or cause
27 to be paid the Settlement Amount into the Escrow Account, no later than twenty (20)
28

1 business days after the later of: (i) entry of the Preliminary Approval Order, as defined
2 in ¶ 3.1 herein; and (ii) receipt by pertinent insurance carrier(s) of each of (a) a copy
3 of the Preliminary Approval Order as entered by the Court (which will be transmitted
4 by Defendants' Counsel on the day received), (b) a W-9 for the Escrow Account, and
5 (c) wire or mailing instructions for delivery to the Escrow Account. The Escrow
6 Agent shall deposit the Settlement Amount, plus any accrued interest, in a segregated
7 escrow account maintained by the Escrow Agent.

8 2.2 The deposit of the Settlement Amount is the only payment to be made
9 by or on behalf of Defendants in connection with this Settlement. There will be no
10 responsibility on the part of the Individual Defendants to pay any portion of the
11 Settlement Amount or pay any other amount in connection with the Settlement. As
12 set forth below, all fees, costs, and expenses incurred by or on behalf of Lead Plaintiffs
13 and the Settlement Class associated with the Settlement, including, but not limited to,
14 Taxes, Tax Expenses, administrative costs and costs of providing notice of the
15 Settlement to the Settlement Class Members, Settlement Class Member benefits, any
16 award of attorneys' fees and expenses of Plaintiffs' Counsel, and any award to Lead
17 Plaintiffs made by the Court pursuant to the PSLRA for service awards under 15
18 U.S.C. § 78u-4(a)(4), and any other costs, expenses or fees of any kind whatsoever
19 associated with the resolution of this matter shall be paid from the Settlement Fund,
20 and in no event shall Defendants or Defendants' Released Persons bear any
21 responsibility for any such fees, costs or expenses.

22 **b. The Escrow Agent**

23 2.3 The Escrow Agent will invest the Settlement Fund created pursuant to
24 ¶ 2.1 through ¶ 2.2 hereof only in instruments backed by the full faith and credit of
25 the United States Government or fully insured by the United States Government or an
26 agency thereof, and will reinvest the proceeds of these instruments as they mature in
27 similar instruments at their then-current market rates. All costs and risks related to
28

1 the investment of the Settlement Fund in accordance with the guidelines set forth in
2 this paragraph shall be borne by the Settlement Fund and neither Defendants nor
3 Defendants' Released Persons shall have any responsibility for, interest in, or liability
4 whatsoever with respect to the funds held in the Escrow Account, including with
5 respect to investment decisions, distribution of the Settlement Fund, or the actions of
6 the Escrow Agent, or any transactions executed by the Escrow Agent.

7 2.4 The Escrow Agent shall not disburse the Settlement Fund except as
8 provided by: (i) the Stipulation; (ii) an order of the Court; or (iii) prior written
9 agreement of Defendants' Counsel.

10 2.5 Subject to further order(s) and/or directions as may be made by the
11 Court, or as provided in the Stipulation, the Escrow Agent is authorized to execute
12 such transactions on behalf of the Settlement Class Members as are consistent with
13 the terms of the Stipulation. Neither Defendants nor Defendants' Released Persons
14 shall have any responsibility for, interest in, or liability whatsoever with respect to,
15 the actions of the Escrow Agent, or any transaction executed by the Escrow Agent.

16 2.6 All funds held by the Escrow Agent shall be deemed and considered to
17 be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the
18 Court, until such time as such funds shall be distributed or returned pursuant to the
19 Stipulation and/or further order(s) of the Court.

20 2.7 The Escrow Agent may pay from the Settlement Fund the costs and
21 expenses reasonably and actually incurred, but not exceeding \$300,000, in connection
22 with providing notice to Members of the Settlement Class, mailing the Notice and
23 Proof of Claim and Release and publishing notice (such amount shall include, without
24 limitation, the actual costs of publication, printing and mailing the Notice, and
25 reimbursement to nominee owners for forwarding notice to their beneficial owners),
26 assisting with the filing of claims, administering and distributing the Net Settlement
27 Fund to Authorized Claimants, processing Proofs of Claim and Releases, and paying
28

1 escrow fees and costs, if any, and the administrative expenses incurred and fees
2 charged by the Claims Administrator in connection with providing notice and
3 processing the submitted claims (“Notice and Administration Costs”). In the event
4 that the Settlement does not become final, any money paid or incurred for the above
5 purposes shall not be returned or repaid to GW or its insurers.

6 **c. Taxes**

7 2.8 (a) The Parties and the Escrow Agent agree that the Settlement Fund
8 is intended to be and should be treated as being at all times a “qualified settlement
9 fund” within the meaning of Treas. Reg. § 1.468B-1. In addition, the Escrow Agent
10 shall timely make such elections as necessary or advisable to carry out the provisions
11 of this ¶ 2.8, including the “relation-back election” (as defined in Treas. Reg.
12 § 1.468B-1(j)(2)) back to the earliest permitted date. Such elections shall be made in
13 compliance with the procedures and requirements contained in such Treasury
14 regulations promulgated under § 1.468B of the Internal Revenue Code of 1986, as
15 amended (the “Code”). It shall be the responsibility of the Escrow Agent to timely
16 and properly prepare and deliver the necessary documentation for signature by all
17 necessary parties, and thereafter to cause the appropriate filing to occur.

18 (b) For the purpose of § 1.468B of the Code and the Treasury regulations
19 promulgated thereunder, the Escrow Agent shall be designated as the “administrator”
20 of the Settlement Fund. The Escrow Agent shall timely and properly file all
21 informational and other tax returns necessary or advisable with respect to the
22 Settlement Fund (including, without limitation, the returns described in Treas. Reg.
23 § 1.468B-2(k)). Such returns (as well as the election described in ¶ 2.8(a) hereof)
24 shall be consistent with this ¶ 2.8 and in all events shall reflect that all Taxes as
25 defined in ¶ 1.35 hereof (including any estimated Taxes, interest, or penalties) on the
26 income earned by the Settlement Fund shall be paid out of the Settlement Fund as
27 provided in ¶ 2.8(c) hereof.

1 (c) All: (a) Taxes (including any estimated Taxes, interest, or penalties)
2 arising with respect to the income earned by the Settlement Fund, including any Taxes
3 or tax detriments that may be imposed upon Defendants or Defendants' Released
4 Persons with respect to any income earned by the Settlement Fund for any period
5 during which the Settlement Fund does not qualify as a "qualified settlement fund"
6 for federal or state income tax purposes; and (b) Tax Expenses, and costs incurred in
7 connection with the operation and implementation of this ¶ 2.8 (including, without
8 limitation, expenses of tax attorneys and/or accountants and mailing and distribution
9 costs and expenses relating to filing (or failing to file) the returns described in this
10 ¶ 2.8), shall be paid out of the Settlement Fund. In no event shall Defendants or
11 Defendants' Released Persons have any responsibility for or liability with respect to
12 the Taxes or the Tax Expenses. Further, Taxes and Tax Expenses shall be treated as,
13 and considered to be, a cost of administration of the Settlement Fund and shall be
14 timely paid by the Escrow Agent out of the Settlement Fund without prior order from
15 the Court, and the Escrow Agent shall be obligated (notwithstanding anything herein
16 to the contrary) to withhold from distribution to Authorized Claimants any funds
17 necessary to pay such amount, including the establishment of adequate reserves for
18 any Taxes and Tax Expenses (as well as any amounts that may be required to be
19 withheld under Treas. Reg. § 1.468B-2(1)(2)); neither Defendants nor Defendants'
20 Released Persons are responsible therefore, nor shall they have any liability with
21 respect thereto, and shall have no responsibility or liability for the acts or omissions
22 of Lead Counsel or their agents with respect to the payment of Taxes, as described
23 herein. The Parties hereto agree to cooperate with the Escrow Agent, each other, and
24 their tax attorneys and accountants to the extent reasonably necessary to carry out the
25 provisions of this ¶ 2.8.

26 (d) Neither Defendants nor Defendants' Released Persons are responsible
27 for Taxes, Tax Expenses, or Notice and Administration Costs, nor shall they be liable
28

1 for any claims with respect thereto.

2 **d. Termination**

3 2.9 In the event that the Settlement is not approved, is terminated pursuant
4 to ¶ 7.3 or ¶ 7.4, is canceled, or fails to become effective for any reason, including,
5 without limitation, in the event the Order and Final Judgment is reversed or vacated
6 following any appeal taken therefrom, or is successfully collaterally attacked, the
7 Settlement Fund (including accrued interest and income), less Notice and
8 Administration Costs, Taxes or Tax Expenses paid in connection with the Settlement
9 provided for herein, incurred or due and owing, shall be refunded in accordance with
10 the instructions to be provided by Defendants' Counsel no later than ten (10) business
11 days from the termination event or as otherwise agreed upon in writing by
12 Defendants' Counsel.

13 **3. Preliminary Approval Order and Final Approval Hearing**

14 3.1 Promptly after execution of the Stipulation, Lead Plaintiffs shall submit
15 the Stipulation together with its Exhibits to the Court and Lead Counsel shall apply
16 for entry of an order, substantially in the form and content of Exhibit A attached hereto
17 (the "Preliminary Approval Order"), requesting, *inter alia*, the preliminary approval
18 of the Settlement set forth in the Stipulation, approval for the mailing of the Notice of
19 Pendency and Proposed Settlement of Class Action (the "Notice") and the Proof of
20 Claim and Release, substantially in the forms of Exhibits A-1 and A-2 attached hereto,
21 and approval of the publication of a Summary Notice, substantially in the form of
22 Exhibit A-3 attached hereto, or such other substantially similar form agreed to by the
23 Parties. Jazz shall make reasonable efforts to obtain from GW's transfer agent, and
24 provide to the Claims Administrator, no later than twenty-one (21) days after the
25 Court signs the Preliminary Approval Order, a list of holders of record of GW ADSs
26 at any time during the Class Period.

27 3.2 Lead Plaintiffs will request that the Court hold the Final Approval
28

1 Hearing and finally approve the Settlement of the Litigation as set forth herein. At or
2 after the Final Approval Hearing, Lead Counsel also will request that the Court
3 approve the proposed Plan of Allocation, the Fee and Expense Application, and Lead
4 Plaintiffs' service awards under 15 U.S.C. § 78u-4(a)(4).

5 **4. Releases**

6 4.1 Upon the Effective Date, as defined in ¶ 1.9 hereof, without further
7 action by anyone, Lead Plaintiffs, on behalf of themselves and all Settlement Class
8 Members, in his, her or its capacity as a purchaser, seller or holder of GW ADSs, and
9 anyone claiming through or on behalf of any of them, shall be deemed to have, and
10 by operation of the Order and Final Judgment, shall have, fully, finally, and forever
11 resolved, discharged, relinquished, released, waived, settled, and dismissed with
12 prejudice any and all of the Released Claims (including, without limitation, Unknown
13 Claims) against Defendants and each and all of Defendants' Released Persons,
14 regardless of whether a Settlement Class Member executes and delivers a Proof of
15 Claim and Release.

16 4.2 Upon the Effective Date, as defined in ¶ 1.9 hereof, without further
17 action by anyone, Lead Plaintiffs, on behalf of themselves and all Settlement Class
18 Members, in his, her or its capacity as a purchaser, seller or holder of GW ADSs, and
19 anyone claiming through or on behalf of any of them, shall be forever barred and
20 enjoined from commencing, instituting, asserting, maintaining, enforcing, aiding,
21 prosecuting, or continuing to prosecute any action or proceeding in any forum
22 (including, but not limited to, any state or federal court of law or equity, any arbitral
23 forum, any tribunal, administrative forum, or the court of any foreign jurisdiction, or
24 any other forum of any kind), any and all of the Released Claims (including, without
25 limitation, Unknown Claims), against Defendants and each and all of Defendants'
26 Released Persons, regardless of whether such Settlement Class Member executes and
27 delivers a Proof of Claim and Release.

28

1 4.3 Upon the Effective Date, as defined in ¶ 1.9 hereof, without further
2 action by anyone, Lead Plaintiffs, on behalf of themselves and each and every
3 Settlement Class Member, in his, her or its capacity as a purchaser, seller or holder of
4 GW ADSs, and anyone claiming through or on behalf of any of them, shall covenant
5 or be deemed to have covenanted not to sue any of Defendants and Defendants’
6 Released Persons with respect to any and all Released Claims (including, without
7 limitation, Unknown Claims).

8 4.4 The Proof of Claim and Release to be executed by Settlement Class
9 Members shall release any and all Released Claims against Defendants and each and
10 all of Defendants’ Released Persons and shall be substantially in the form contained
11 in Exhibit A-2 attached hereto.

12 4.5 Upon the Effective Date, as defined in ¶ 1.9 hereof, without further
13 action by anyone, Defendants shall be deemed to have, and by operation of the Order
14 and Final Judgment shall have, fully, finally, and forever released, relinquished, and
15 discharged Lead Plaintiffs and Plaintiffs’ Counsel from all Defendants’ Released
16 Claims (including, without limitation, Unknown Claims), and shall forever be
17 enjoined from prosecuting such claims, except for claims relating to the enforcement
18 of the Settlement.

19 4.6 In accordance with the PSLRA as codified at 15 U.S.C. § 78u-4(f)(7)(A),
20 (a) all obligations to any Settlement Class Member of any Defendant arising out of
21 the Litigation are discharged, and (b) any and all claims for contribution arising out
22 of the Litigation or any of the Released Claims (i) by any person or entity against any
23 of the Defendants’ Released Persons, and (ii) by any of Defendants against any person
24 or entity, other than as set out in 15 U.S.C. § 78u-4(f)(7)(A)(ii), are hereby
25 permanently barred, extinguished, discharged, satisfied and unenforceable.

26 4.7 For the avoidance of doubt, nothing in this Stipulation is intended to, nor
27 shall it be deemed to, release any claim that Defendants have against any of
28

1 Defendants' insurers.

2 **5. Administration and Calculation of Claims, Final Awards,**
3 **and Supervision and Distribution of Settlement Fund**

4 5.1 The Claims Administrator, subject to such supervision and direction of
5 the Court and/or Lead Counsel as may be necessary or as circumstances may require,
6 shall administer and calculate the claims submitted by Settlement Class Members and
7 shall oversee distribution of the Net Settlement Fund (defined below) to Authorized
8 Claimants. Except for the Company's obligation to pay or cause payment of the
9 Settlement Amount as set forth herein, Defendants and Defendants' Released Persons
10 shall have no responsibility for, interest in, or liability whatsoever with respect to the
11 investment or distribution of the Settlement Fund, the Plan of Allocation, the
12 determination, administration, or calculation of claims, the payment or withholding
13 of Taxes or Tax Expenses, or any losses incurred in connection therewith.

14 5.2 The Settlement Fund shall be applied as follows: (a) to pay all Notice
15 and Administration Costs; (b) to pay the Taxes and Tax Expenses; (c) to pay
16 Plaintiffs' Counsel's attorneys' fees and expenses with interest thereon (the "Fee and
17 Expense Award"), if and to the extent awarded by the Court, and Lead Plaintiffs'
18 service awards under 15 U.S.C. § 78u-4(a)(4), if and to the extent awarded by the
19 Court; and (d) after the Effective Date, to distribute the balance of the Settlement Fund
20 (the "Net Settlement Fund") to Authorized Claimants as allowed by the Stipulation,
21 the Plan of Allocation, or the Court.

22 5.3 Upon the Effective Date and thereafter, and in accordance with the terms
23 of the Stipulation, the Plan of Allocation, or such further approval and further order(s)
24 of the Court as may be necessary or as circumstances may require, the Net Settlement
25 Fund shall be distributed to Authorized Claimants, subject to and in accordance with
26 the following:

27 (a) Each Settlement Class Member shall be required to submit a Proof of
28

1 Claim and Release, substantially in a form approved by the Court, supported by such
2 documents as are designated therein, including proof of the transactions claimed, or
3 such other documents or proof as the Claims Administrator, in its discretion, may
4 deem acceptable;

5 (b) All Proofs of Claim and Releases must be submitted by the date specified
6 in the Notice unless such period is extended by Court order. Any Settlement Class
7 Member who fails to submit a Proof of Claim and Release by such date, or timely
8 submits a Proof of Claim and Release that is ultimately and finally disallowed or
9 rejected by the Claims Administrator, shall be forever barred from receiving any
10 payment pursuant to this Stipulation, but shall in all other respects be bound by all of
11 the terms of this Stipulation and the Settlement, including the terms of the Order and
12 Final Judgment to be entered in the Litigation and the releases provided for herein,
13 and will be barred from bringing any action against Defendants and Defendants'
14 Released Persons concerning the Released Claims. A Proof of Claim and Release
15 shall be deemed to have been submitted when posted, if received with a postmark
16 indicated on the envelope and if mailed by first-class mail and addressed in
17 accordance with the instructions thereon. In all other cases, the Proof of Claim and
18 Release shall be deemed to have been submitted when actually received by the Claims
19 Administrator. Notwithstanding the foregoing, Lead Counsel shall have the
20 discretion (but not the obligation) to accept for processing late submitted claims so
21 long as the distribution of the Net Settlement Fund to Authorized Claimants is not
22 materially delayed thereby. No Person shall have any claim against Lead Plaintiffs,
23 Lead Counsel or the Claims Administrator by reason of the decision to exercise or not
24 exercise such discretion;

25 (c) Each Proof of Claim and Release shall be submitted to and reviewed by
26 the Claims Administrator, who shall determine in accordance with this Stipulation
27 and the approved Plan of Allocation the extent, if any, to which each claim shall be
28

1 allowed, subject to review by the Court pursuant to subparagraph (e) below;

2 (d) Proofs of Claim and Releases that do not meet the submission
3 requirements may be rejected;

4 (e) Prior to rejection of a Proof of Claim and Release, the Claims
5 Administrator shall communicate with the Claimant in order to attempt to remedy the
6 curable deficiencies. The Claims Administrator shall notify, in a timely fashion and
7 in writing, all Claimants whose Proofs of Claim and Releases it proposes to reject in
8 whole or in part, setting forth the reasons therefor, and shall indicate in such notice
9 that the Claimant whose claim is to be rejected has the right to a review by the Court
10 if the Claimant so desires and complies with the requirements of subparagraph (f)
11 below;

12 (f) If any Claimant whose claim has been rejected in whole or in part desires
13 to contest such rejection, the Claimant must, within twenty (20) days after the date of
14 mailing of the notice required in subparagraph (e) above, serve upon the Claims
15 Administrator a notice and statement of reasons indicating the Claimant's grounds for
16 contesting the rejection, along with any supporting documentation, and requesting a
17 review thereof by the Court. If a dispute concerning a claim cannot be otherwise
18 resolved, Lead Counsel shall thereafter present the request for review to the Court;

19 (g) Each Claimant who submits a Proof of Claim and Release shall be
20 deemed to have submitted to the jurisdiction of the Court with respect to the
21 Claimant's claim, including, but not limited to, all releases provided for herein and in
22 the Order and Final Judgment, and the claim will be subject to investigation and
23 discovery under the Federal Rules of Civil Procedure, provided that such investigation
24 and discovery shall be limited to the Claimant's status as a Settlement Class Member
25 and the validity and amount of the Claimant's claim. In connection with processing
26 the Proofs of Claim and Releases, no discovery shall be allowed on the merits of the
27 Litigation or the Settlement; and

28

1 (h) The Claims Administrator shall calculate the claims of Authorized
2 Claimants in accordance with the Plan of Allocation. Following the Effective Date,
3 the Claims Administrator shall send to each Authorized Claimant his, her or its pro
4 rata share of the Net Settlement Fund. No distributions will be made to Authorized
5 Claimants who would otherwise receive a distribution of less than \$10.00.

6 5.4 Defendants and Defendants' Released Persons shall have no
7 responsibility for, interest in, or liability whatsoever with respect to the investment or
8 distribution of the Settlement Fund, the Plan of Allocation, the determination,
9 administration, or calculation of claims, the payment or withholding of Taxes or Tax
10 Expenses, or any losses incurred in connection therewith.

11 5.5 No Person shall have any claim of any kind against the Defendants,
12 Defendants' Released Persons, or Defendants' Counsel with respect to the matters set
13 forth in this Section 5.

14 5.6 No Person shall have any claim against Lead Plaintiffs, the Escrow
15 Agent, Plaintiffs' Counsel, Defendants or any of Defendants' Released Persons or
16 their counsel, or any claims administrator based on distributions made substantially
17 in accordance with this Stipulation and the Settlement contained herein, the Plan of
18 Allocation, or further order(s) of the Court.

19 5.7 Defendants shall not have a reversionary interest in the Net Settlement
20 Fund. The Net Settlement Fund shall be distributed to the Authorized Claimants in
21 accordance with the Plan of Allocation set forth in the Notice and approved by the
22 Court. The Claims Administrator will make reasonable and diligent efforts to have
23 Settlement Class Members who are entitled to participate in the distribution of the Net
24 Settlement Fund cash their distributions. If there is any balance remaining in the Net
25 Settlement Fund after a reasonable period of time after the initial distribution of the
26 Net Settlement Fund (whether by reason of tax refunds, uncashed checks, or
27 otherwise), Lead Counsel, shall, if feasible, reallocate on a pro rata basis among
28

1 Authorized Claimants who cashed the checks in the initial distribution and who would
2 receive a minimum of \$10.00. These reallocations shall be repeated until the balance
3 remaining in the Net Settlement Fund is *de minimis* and any remainder shall thereafter
4 be donated to the Federal Judicial Center Foundation.

5 5.8 It is understood and agreed by the Parties that any proposed Plan of
6 Allocation of the Net Settlement Fund, including, but not limited to, any adjustments
7 to an Authorized Claimant’s claim set forth therein, is not a part of this Stipulation
8 and is to be considered by the Court separately from the Court’s consideration of the
9 fairness, reasonableness, and adequacy of the Settlement set forth in the Stipulation,
10 and any order or proceeding relating to the Plan of Allocation shall not operate to
11 terminate or cancel the Stipulation or affect the finality of the Court’s Order and Final
12 Judgment approving the Stipulation and the Settlement set forth therein, or any other
13 orders entered pursuant to the Stipulation.

14 5.9 Lead Plaintiffs, Settlement Class Members, and Defendants shall be
15 bound by the terms of this Stipulation, irrespective of whether the Court disapproves
16 or modifies the Plan of Allocation. The time to appeal from approval of the Settlement
17 shall commence upon the Court’s entry of the Order and Final Judgment regardless
18 of whether a Plan of Allocation has been approved.

19 **6. Lead Counsel’s Attorneys’ Fees and Expenses**

20 6.1 Lead Counsel may submit an application (the “Fee and Expense
21 Application”) for: (a) an award of attorneys’ fees; (b) payment of expenses in
22 connection with prosecuting the Litigation; and (c) any interest on such attorneys’
23 fees and expenses at the same rate and for the same periods as earned by the
24 Settlement Fund (until paid). Any and all such fees, expenses, charges and costs
25 awarded by the Court shall be payable solely out of the Settlement Fund. In addition,
26 Lead Plaintiffs may seek payment from the Settlement Fund for service awards
27 pursuant to 15 U.S.C. § 78u4(a)(4). Defendants shall take no position with respect to
28

1 the Fee and Expense Application or any application for payment from the Settlement
2 Fund to Lead Plaintiffs pursuant to 15 U.S.C. § 78u4(a)(4).

3 6.2 The Fee and Expense Award, as awarded by the Court, shall be paid to
4 Lead Counsel from the Settlement Fund, as ordered, immediately upon final approval
5 of the Settlement by the Court and the Court's execution of an order awarding such
6 fees and expenses, notwithstanding the existence of any timely filed objection thereto,
7 any appeal or potential for appeal therefrom, or collateral attack on the Settlement,
8 any part thereof, or the Fee and Expense Award. Lead Counsel may thereafter
9 allocate the attorneys' fees among other Plaintiffs' Counsel, if any, in a manner which
10 they, in good faith, believe reflects the contributions of Plaintiffs' Counsel to the
11 initiation, prosecution, and resolution of the Litigation. Defendants and Defendants'
12 Released Persons shall have no responsibility for, or liability whatsoever with respect
13 to, the Fee and Expense Award or its allocation.

14 6.3 In the event that the Effective Date does not occur, or the Order and Final
15 Judgment or Fee and Expense Award is reversed or modified, or the Stipulation is
16 canceled or terminated for any other reason, and such reversal, modification,
17 cancellation or termination becomes final and not subject to review, and in the event
18 that the Fee and Expense Award has been paid to any extent, then such of Plaintiffs'
19 Counsel who have received any portion of the Fee and Expense Award shall within
20 ten (10) business days from receiving notice from the Defendants' Counsel or from a
21 court of appropriate jurisdiction, refund to the Settlement Fund such fees and expenses
22 previously paid to them from the Settlement Fund plus the interest earned thereon at
23 the same rate as earned on the Settlement Fund consistent with such reversal or
24 modification. Any refunds required pursuant to this ¶ 6.3 shall be the several
25 obligations of Plaintiffs' Counsel receiving fees or expenses to make appropriate
26 refunds or repayments to the Settlement Fund. Each such Plaintiffs' Counsel's law
27 firm receiving fees and expenses, as a condition of receiving such fees and expenses,
28

1 on behalf of itself and each partner and/or shareholder of it, agrees that the law firm
2 and its partners and/or shareholders are subject to the jurisdiction of the Court for the
3 purpose of enforcing the provisions of this paragraph.

4 6.4 The procedure for and the allowance or disallowance by the Court of the
5 Fee and Expense Application, or Lead Plaintiffs' expenses to be paid out of the
6 Settlement Fund, are not part of the Settlement, and are to be considered by the Court
7 separately from the Court's consideration of the fairness, reasonableness, and
8 adequacy of the Settlement, and any determination by the Court regarding the Fee and
9 Expense Application or Lead Plaintiffs' expenses shall not impact the finality,
10 validity, and enforceability of the Settlement, this Stipulation, or the releases
11 contained herein. Any order or proceeding relating to the Fee and Expense
12 Application or Lead Plaintiffs' expenses or any appeal from any order relating thereto
13 or reversal or modification thereof, shall not operate to terminate or cancel the
14 Settlement, or affect or delay the finality of the Order and Final Judgment approving
15 this Stipulation and the Settlement of the Litigation.

16 6.5 Any fees and expenses awarded by the Court shall be paid solely from
17 the Settlement Fund. Defendants and Defendants' Released Persons shall have no
18 responsibility for any payment of any kind except as set forth in ¶¶ 2.1 and 2.2 above.

19 **7. Conditions of Settlement, Effect of Disapproval, Cancellation**
20 **or Termination**

21 7.1 The Effective Date of the Stipulation shall be conditioned on the
22 occurrence of all of the following events:

23 (a) Execution of this Stipulation and such other documents as may be
24 required to obtain final Court approval of the Stipulation in a form satisfactory to the
25 Parties;

26 (b) the Court has entered the Preliminary Approval Order, as required
27 by ¶ 3.1 hereof;

28

1 (c) the Settlement Amount has been deposited in the Escrow Account,
2 as required by ¶ 2.1 above;

3 (d) the Defendants have not exercised their option to terminate the
4 Stipulation pursuant to ¶ 7.4 hereof;

5 (e) the Court has approved this Stipulation, following notice to the
6 Settlement Class Members and the Final Approval Hearing, as prescribed by Rule 23
7 of the Federal Rules of Civil Procedure;

8 (f) the Court has entered the Order and Final Judgment in the form of
9 Exhibit B attached hereto; and

10 (g) the Order and Final Judgment has become Final, as defined in
11 ¶ 1.12 hereof.

12 7.2 This is not a claims-made settlement. As of the Effective Date, no
13 Defendant or other Person shall have any right to the return of the Settlement Fund or
14 any portion thereof for any reason. Upon the occurrence of all of the events referenced
15 in ¶ 7.1 above, any and all remaining interest or right of Defendants in or to the
16 Settlement Fund, if any, shall be absolutely and forever extinguished. If all of the
17 conditions specified in ¶ 7.1 hereof are not met, then this Stipulation shall be cancelled
18 and terminated subject to ¶ 7.5 below unless Lead Counsel and Defendants' Counsel
19 mutually agree in writing to proceed with the Settlement.

20 7.3 The Parties shall have the right to terminate the Settlement and this
21 Stipulation by providing written notice of their election to do so ("Termination
22 Notice") to all other parties hereto within thirty (30) days of: (a) the Court's declining
23 to enter a Preliminary Approval Order substantially identical to the Preliminary
24 Approval Order submitted by the Parties; (b) the Court's refusal to approve this
25 Stipulation or a substantially identical Stipulation; (c) the Court's declining to enter
26 the Order and Final Judgment, or a substantially identical document; (d) the Order
27 and Final Judgment being modified or reversed by the United States Court of Appeals
28

1 for the Ninth Circuit or the Supreme Court of the United States in any manner that
2 results in a document that is not substantially identical to the document submitted by
3 the Parties; (e) the occurrence of any condition set forth in the Parties' Supplemental
4 Agreement, as provided in ¶ 7.4 below; or (f) the Effective Date not otherwise
5 occurring. No order of the Court or modification or reversal on appeal of any order
6 of the Court concerning the Plan of Allocation, or Exhibit A-2 to this Stipulation, or
7 the amount of any attorneys' fees, costs, expenses, and interest awarded by the Court
8 to Plaintiffs' Counsel or Lead Plaintiffs, shall constitute grounds for cancellation or
9 termination of the Settlement.

10 7.4 Notwithstanding any other provision or paragraph of this Stipulation,
11 Defendants shall have the option to terminate the Settlement in the event that a portion
12 of the Settlement Class, equal or greater than the portion specified in the separate
13 supplemental agreement between Lead Counsel and Defendants' Counsel (the
14 "Supplemental Agreement") delivers timely and valid requests for exclusion from the
15 Settlement Class. The Supplemental Agreement, which is being executed
16 concurrently herewith, will not be filed with the Court unless requested by the Court
17 or unless a dispute among the Parties concerning its interpretation or application
18 arises, and in that event, the Parties will use their reasonable best efforts to file the
19 Supplemental Agreement for the Court's *in camera* review and/or under seal.

20 7.5 In the event that the Stipulation is not approved by the Court or the
21 Settlement set forth in the Stipulation is terminated or fails to become effective in
22 accordance with its terms, the Parties shall not forfeit or waive any factual or legal
23 defense or contention in the Litigation and shall be restored to their respective
24 positions in the Litigation as of December 28, 2022. In such event, the terms and
25 provisions of the Stipulation, with the exception of ¶¶ 2.6, 2.9, 6.3, 7.5-7.6, 8.1-8.3,
26 and 10.4-10.5 hereof, shall have no further force and effect with respect to the Parties
27 and shall not be used in the Litigation or in any other proceeding for any purpose, and
28

1 any judgment or order entered by the Court in accordance with the terms of the
2 Stipulation shall be treated as vacated, *nunc pro tunc*. No order of the Court or
3 modification or reversal on appeal of any order of the Court concerning the Plan of
4 Allocation, or Exhibit A-2, or the amount of any attorneys' fees, costs, expenses, and
5 interest awarded by the Court to Plaintiffs' Counsel shall constitute grounds for
6 cancellation or termination of the Stipulation.

7 7.6 If the Effective Date does not occur, or if the Stipulation is terminated
8 pursuant to its terms, neither Lead Plaintiffs nor Plaintiffs' Counsel shall have any
9 obligation to repay any amounts actually and properly disbursed from the Settlement
10 Fund for the Notice and Administration Costs of the Settlement pursuant to ¶ 2.7
11 hereof. In addition, any expenses already incurred and properly chargeable to the
12 Settlement Fund for the Notice and Administration Costs of the Settlement pursuant
13 to ¶ 2.7 hereof at the time of such termination or cancellation, but which have not
14 been paid, shall be paid by the Escrow Agent in accordance with the terms of the
15 Stipulation prior to the balance being refunded in accordance with ¶ 2.9 hereof.

16 **8. No Admission of Wrongdoing**

17 8.1 Lead Plaintiffs' execution of this Stipulation does not constitute an
18 admission by Lead Plaintiffs: (i) of the lack of any wrongdoing, violation of law, or
19 liability on behalf of any Defendant whatsoever; or (ii) that recovery could not be had
20 should the action not be settled.

21 8.2 This Stipulation constitutes a compromise of matters that are in dispute
22 between the Parties. The Stipulation shall in no event be construed or deemed to be
23 evidence of an admission or concession on the part of any Defendant with respect to
24 any claim or allegation of any fault, liability, wrongdoing, or damage whatsoever, or
25 any infirmity in the defenses that Defendants have asserted. Defendants' decision to
26 settle the Action was based solely on the conclusion that further conduct of the Action
27 would be protracted, burdensome and expensive, and that it would be beneficial to
28

1 avoid the costs, uncertainty, burdens and risks inherent in any litigation, especially in
2 complex cases like this Action. Defendants have therefore determined to settle the
3 Action on the terms and conditions set forth in this Stipulation solely to put the
4 Released Claims to rest, finally and forever, without in any way acknowledging any
5 wrongdoing, fault, liability, or damages. Defendants expressly maintain that their
6 conduct was at all times proper, in the best interest of GW and its shareholders, and
7 in compliance with all applicable provisions of law. Defendants deny each of the
8 claims alleged in the Action, including all charges of wrongdoing or liability arising
9 out of any of the conduct, statement, acts, or omissions alleged in the Action. Among
10 other things, Defendants expressly deny the allegations that they made materially
11 false statements or omissions or otherwise acted other than in the best interest of GW
12 and its shareholders; that Lead Plaintiffs or any other GW shareholders have suffered
13 damage; that Lead Plaintiffs or any other GW shareholders were harmed by the
14 conduct alleged in the Action; or that Defendants have any liability to Lead Plaintiffs
15 or any other GW shareholder. Defendants affirmatively assert that they acted in the
16 best interest of GW and its shareholders at all relevant times and maintain that they
17 have meritorious defenses to all claims alleged in the Action.

18 8.3 Neither the Stipulation nor the Settlement, whether or not they are
19 consummated, nor any act performed or document executed pursuant to or in
20 furtherance of the Stipulation or the Settlement shall be offered against any of the
21 Defendants or Defendants' Released Persons as evidence of, or construed as, or
22 deemed to be evidence of any presumption, concession, or admission with respect to
23 the truth of any fact alleged by Lead Plaintiffs, the validity of any claim that was or
24 could have been asserted, or the deficiency of any defense that has been or could have
25 been asserted in this Litigation or in any other litigation, or of any liability, negligence,
26 fault, or other wrongdoing of any kind or in any way referred to for any other reason
27 as against any of Defendants or Defendants' Released Persons, in any civil, criminal
28

1 or administrative action or proceeding, other than such proceedings as may be
2 necessary to effectuate the provisions of this Stipulation.

3 **9. Stipulation to Certification of the Settlement Class for**
4 **Settlement Purposes Only**

5 9.1 For purposes of this Settlement only, the Settlement Class comprises all
6 Members of the Settlement Class, as defined in ¶ 1.30 above. Nothing in this
7 Stipulation shall serve in any fashion, either directly or indirectly, as evidence or
8 support for certification of a class other than for settlement purposes, and the Parties
9 intend that the provisions herein concerning certification of the Settlement Class shall
10 have no effect whatsoever in the event the Settlement does not become Final, as
11 defined in ¶ 1.12 above.

12 9.2 The Parties therefore stipulate to: (i) certification, for settlement
13 purposes only, of the Settlement Class (as defined above), pursuant to Rules 23(a) and
14 (b)(3) of the Federal Rules of Civil Procedure; (ii) appointment of Lead Plaintiffs as
15 the class representatives; and (iii) appointment of Lead Counsel as class counsel.
16 Certification of the Settlement Class shall be binding only with respect to the
17 Settlement and only if the Order and Final Judgment contemplated by this Stipulation
18 becomes Final and the Effective Date occurs.

19 **10. Miscellaneous Provisions**

20 10.1 The Parties (a) acknowledge that it is their intent to consummate this
21 Settlement; and (b) agree to cooperate to the extent reasonably necessary to effectuate
22 and implement all terms and conditions of the Stipulation, including in seeking Court
23 approval of the Preliminary Approval Order, and to exercise their best efforts to
24 accomplish the foregoing terms and conditions of the Stipulation expeditiously and to
25 obtain final approval by the Court of the Settlement. GW agrees to provide Lead
26 Plaintiffs with a shareholder list and securities position report for GW necessary to
27 provide notice to the Settlement Class.

28

1 10.2 This Stipulation, the Exhibits attached hereto, and the Supplemental
2 Agreement constitute the entire agreement between the Parties as to the subject matter
3 hereof and supersede any prior or contemporaneous written or oral agreements or
4 understandings between the Parties. No representations, warranties, or inducements
5 have been made to any party concerning the Stipulation, its Exhibits, or the
6 Supplemental Agreement other than the representations, warranties, and covenants
7 contained and memorialized in such documents.

8 10.3 Except as otherwise provided for herein, each party shall bear his, her or
9 its own costs.

10 10.4 The Parties intend this Settlement to be a final and complete resolution
11 of all disputes between them with respect to the Litigation. The Settlement
12 compromises all claims that were contested in the Litigation and that could have been
13 asserted in the Litigation and shall not be deemed an admission by any Party as to the
14 merits of any claim or defense. Pursuant to 15 U.S.C. § 78u-4(c)(1), the Parties agree
15 and the Order and Final Judgment will contain a statement that, during the course of
16 the Litigation, the Parties and their respective counsel at all times complied with the
17 requirements of Federal Rule of Civil Procedure 11. The Parties agree that the amount
18 paid to the Settlement Fund and the other terms of the Settlement were negotiated in
19 good faith by the Parties, and reflect a settlement that was reached voluntarily after
20 consultation with competent legal counsel. Whether or not the Stipulation is approved
21 by the Court and whether or not the Stipulation is consummated, or the Effective Date
22 occurs, the Parties and their counsel shall use their best efforts to keep all settlement
23 negotiations, settlement discussions and draft documents confidential; provided,
24 however, that this paragraph ¶ 10.4 (i) shall not prevent the Parties from making
25 disclosures to their insurers, auditors, attorneys, officers, directors or associates, or
26 disclosures to others as may be required by law, and (ii) shall not limit the materials
27 or evidence that may be offered or referred to by the Parties in disputes, actions, or
28

1 proceedings arising with any insurer. The Parties reserve their right to rebut, in a
2 manner that such party determines to be appropriate, any contention made in any
3 public forum that the Litigation was brought or defended in bad faith or without a
4 reasonable basis.

5 10.5 Except as otherwise provided for herein, all agreements made and orders
6 entered during the course of the Litigation relating to the confidentiality of
7 information shall survive this Stipulation.

8 10.6 The Parties agree to take no action in connection with the Settlement that
9 is intended to, or that would reasonably be expected to, harm the reputation of any of
10 the Parties (including a party's officers, directors, employees, agents, or attorneys), or
11 that would reasonably be expected to lead to unfavorable publicity for any of the
12 Parties.

13 10.7 This Stipulation shall be construed and interpreted to effectuate the intent
14 of the Parties, which is to resolve completely those claims and disputes, including in
15 this Litigation, and as more fully described herein.

16 10.8 All of the Exhibits to the Stipulation are material and integral parts hereof
17 and are fully incorporated herein by this reference.

18 10.9 The Stipulation may be amended or modified only by a written
19 instrument signed by or on behalf of all Parties or their respective successors-in-
20 interest.

21 10.10 Neither the Lead Plaintiffs nor Defendants shall be bound by the
22 Stipulation if the Court substantively modifies any terms thereof; provided, however,
23 that it shall not be a basis for Lead Plaintiffs to terminate the Settlement if the Court
24 modifies any proposed Plan of Allocation or criteria for allocation of the Net
25 Settlement Fund amongst Authorized Claimants, or Exhibit A-2 hereto, or if the Plan
26 of Allocation is modified on appeal. Nor shall it be a basis to terminate the Stipulation
27 if the Court disapproves of or modifies the terms of this Stipulation with respect to
28

1 attorneys' fees or expenses, or service awards awarded by the Court to Lead Plaintiffs,
2 or interest as may be awarded by the Court, or the distribution of the Net Settlement
3 Fund.

4 10.11 Lead Plaintiffs and Lead Counsel represent and warrant that none of the
5 Lead Plaintiffs' claims or causes of action referred to in this Litigation or this
6 Stipulation has been assigned, encumbered, or in any manner transferred in whole or
7 in part.

8 10.12 Each counsel or other Person executing the Stipulation or any of its
9 Exhibits on behalf of any party hereto hereby warrants that such Person has the full
10 authority to do so.

11 10.13 All notices, requests, demands, claims, and other communications
12 hereunder shall be in writing and shall be deemed duly given: (i) when delivered to
13 the recipient by email at the addresses set forth below; (ii) five (5) business days after
14 being sent to the recipient by reputable overnight courier service (charges prepaid);
15 or (iii) eight (8) business days after being mailed to the recipient by certified or
16 registered mail, return receipt requested, and postage prepaid, and addressed to the
17 intended recipient as set forth below:

18 ***If to Lead Plaintiffs or to Plaintiffs' Counsel:***

19 Juan E. Monteverde
20 **Monteverde & Associates PC**
21 The Empire State Building
22 350 Fifth Avenue, Suite 4405
23 New York, New York 10118
24 Tel: (212) 971-1341
25 jmonteverde@monteverdelaw.com

26 Michael Palestina
27 **Kahn Swick & Foti, LLC**
28 1100 Poydras Street, Suite 960
New Orleans, LA 70163
Tel: (504) 455-1400
Fax: (504) 455-1498

1 michael.palestina@ksfcounsel.com

2 ***If to Defendants or to Defendants' Counsel:***

3
4 Rachelle Silverberg
5 **Wachtell, Lipton, Rosen & Katz**
6 51 W. 52nd Street
7 New York, New York 10019
8 Tel: (212) 403-1000
9 RSilverberg@wlrk.com

10 10.14 The Stipulation may be executed in one or more counterparts. All
11 executed counterparts and each of them shall be deemed to be one and the same
12 instrument. A complete set of executed counterparts shall be filed with the Court.
13 Signatures sent by facsimile or PDF via email shall be deemed originals.

14 10.15 The Stipulation shall be binding upon, and inure to the benefit of, the
15 heirs, successors and assigns of the Parties.

16 10.16 The Court shall retain jurisdiction with respect to implementation and
17 enforcement of the terms of the Stipulation, and the Parties submit to the jurisdiction
18 of the Court for purposes of implementing and enforcing the Settlement embodied in
19 the Stipulation.

20 10.17 The waiver by any Party of any breach of this Stipulation by any other
21 Party shall not be deemed a waiver by any other Party or a waiver of any other prior
22 or subsequent breach of this Stipulation.

23 10.18 Pending approval of the Court of the Stipulation and its Exhibits, all
24 proceedings in this Litigation shall be stayed and all Settlement Class Members shall
25 be barred and enjoined from prosecuting any of the Released Claims against
26 Defendants and Defendants' Released Persons.

27 10.19 The Stipulation and the Exhibits attached hereto and the Supplemental
28 Agreement shall be considered to have been negotiated, executed, and delivered, and
to be wholly performed, in the State of California, and the rights and obligations of

1 the Parties to the Stipulation shall be construed and enforced in accordance with, and
2 governed by, the internal, substantive laws of the State of California without giving
3 effect to that State's choice-of-law principles.

4 10.20 The headings herein are used for the purpose of convenience only and
5 are not meant to have legal effect.

6 10.21 This Stipulation shall not be construed more strictly against one Party
7 than another merely by virtue of the fact that it, or any part of it, may have been
8 prepared by counsel for one of the Parties, it being recognized that it is the result of
9 arm's-length negotiations between the Parties and each of the Parties have contributed
10 substantially and materially to the preparation of this Stipulation.

11 **IN WITNESS WHEREOF**, the parties hereto have caused the Stipulation to
12 be executed, by their duly authorized attorneys, dated March 16, 2023.

13 
14 _____
15 Paula R. Brown

16 Paula R. Brown (Bar No. 254142)
17 pbrown@bholaw.com
18 **BLOOD HURST & O'REARDON, LLP**
19 501 West Broadway, Suite 1490
20 San Diego, CA 92101
21 Tel: 619.338.1100 / Fax: 619.338.1101

22 *Local counsel for Lead Plaintiffs and the*
23 *Putative Class*

24
25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

David E. Bower

David E. Bower (Bar No. 119546)
MONTEVERDE & ASSOCIATES PC
600 Corporate Pointe, Suite 1170
Culver City, CA 90230
Tel: (213) 446-6652
Fax: (212) 202-7880
dbower@monteverdelaw.com

Lead Counsel for Lead Plaintiffs and the Putative Class


Juan E. Monteverde

MONTEVERDE & ASSOCIATES PC
Juan E. Monteverde
The Empire State Building
350 Fifth Avenue, Suite 4405
New York, NY 10118
Tel.: (212) 971-1341
Fax: (212) 202-7880
jmonteverde@monteverdelaw.com

KAHN SWICK & FOTI, LLC
Michael Palestina
1100 Poydras Street, Suite 960
New Orleans, LA 70163
Tel: (504) 455-1400
Fax: (504) 455-1498
michael.palestina@ksfcounsel.com

Lead Counsel for Lead Plaintiffs and the Putative Class

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28



Noah A. Katsell

Noah A. Katsell (Bar No. 217090)
DLA PIPER LLP
4563 Executive Dr., Suite 1100
San Diego, CA 92121
Tel: (619) 699-2632
Fax: (858) 677-1401
noah.katsell@dlapiper.com



Rachelle Silverberg

Rachelle Silverberg (*pro hac vice*)
**WACHTELL, LIPTON, ROSEN &
KATZ**
51 W. 52nd Street
New York, New York 10019
Tel: (212) 403-1000
RSilverberg@wlrk.com

*Counsel for Defendants
GW Pharmaceuticals, PLC, Justin Gover,
Geoffrey Guy, Cabot Brown, David Gryska,
Catherine Mackey, James Noble, Alicia
Secor, and Lord William Waldegrave*