



2.	<i>Renner v. Sequans Communications S.A. et al.</i>	No. 17-cv-04665-FB-SJB
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WHEREAS, on September 29, 2017, the Court consolidated the aforementioned cases;

WHEREAS, on February 6, 2018, the Court appointed Plaintiffs Kulwant Johal and Matthew McGee to be Lead Plaintiffs, and appointed Pomerantz LLP and the Rosen Law Firm P.A. as Co-Lead Counsel;

WHEREAS, on April 9, 2018, Plaintiffs filed a Consolidated Amended Class Action Complaint;

WHEREAS, on November 30, 2018, Defendants moved to dismiss the Consolidated Amended Class Action Complaint;

WHEREAS, on February 7, 2019, the Parties participated in an in-person mediation session before Michelle Yoshida, Esq.;

WHEREAS, on September 30, 2019, the Court issued an Order granting in part and denying in part Defendants' motion to dismiss the Consolidated Amended Class Action Complaint;

WHEREAS, on March 19, 2020, the parties participated via teleconference in a second mediation session before Michelle Yoshida, Esq.;

WHEREAS, on March 20, 2020, the mediator made a mediator's proposal to all Parties recommending the settlement of this Action for the Settlement Amount, as defined below;

WHEREAS, on March 25, 2020, the Parties accepted the mediator's proposal; and

WHEREAS, the Parties have agreed to enter into this Stipulation solely to avoid the uncertainties, burden and expense of further litigation and to put the Released Claims to rest finally and forever. Nothing in this Stipulation shall be construed as or deemed evidence

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supporting an admission by either Defendants or any of the Released Parties with respect to any of Plaintiffs' allegations or claims, or of any wrongdoing, fault, liability or damages whatsoever.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED between Plaintiffs and Defendants, by and through their undersigned counsel, that the Action and the Released Claims shall be settled, compromised, and dismissed with prejudice, subject to the approval of the Court, in the manner and upon the terms and conditions hereafter set forth.

**I. DEFINITIONS**

To the extent not otherwise defined herein, as used in this Stipulation, the following terms have the meanings specified below:

A. "Authorized Claimant" means a member of the Settlement Class who submits a timely and valid Proof of Claim and Release form to the Settlement Administrator and whose proof of claim is not rejected. Only those members of the Settlement Class filing valid and timely Proofs of Claim and Releases shall be entitled to receive any distributions from the Net Settlement Fund.

B. "Court" means the United States District Court for the Eastern District of New York.

C. "Defendants' Counsel" means the law firm of Orrick Herrington & Sutcliffe LLP.

D. "Effective Date" means the first date by which all of the conditions to the Settlement specified in Section X.A of this Stipulation have been satisfied.

E. "Escrow Account" means an interest bearing escrow account established by the Escrow Agent to receive the Settlement Amount. The Escrow Account shall be managed by the Escrow Agent, subject to the Court's supervisory authority, for the benefit of the Settlement Class in accordance with the terms of the Stipulation and any order of the Court.

F. “Escrow Agent” means The Huntington National Bank.

G. “Final” as used herein with respect to the judgment means the date by which the judgment shall have been entered by the Court and either: (i) the time for appeal from the judgment has expired with no appeal taken; or (ii) if the judgment is appealed, such appeal is dismissed or withdrawn, or the judgment has been affirmed in all material respects and is no longer subject to further appeal or other review; provided, however, that no order of the Court or modification or reversal on appeal or any other order relating solely to the amount, payment, or allocation of attorneys’ fees and expenses or to the Plan of Allocation shall constitute grounds for cancellation or termination of this Settlement or affect its terms, including the release in ¶ X.B hereof, or shall affect or delay the date on which the judgment becomes Final.

H. “Final Approval Hearing” means the final hearing to be held by the Court to determine whether the proposed Settlement should be approved as fair, reasonable and adequate; whether an order approving the Settlement should be entered thereon; whether the Plan of Allocation of the Net Settlement Fund should be approved; and whether and in what amounts to award attorneys’ fees and expenses to Class Counsel and reimbursement award to Plaintiffs.

I. “Gross Settlement Fund” means the Settlement Amount defined herein (or any proceeds therefrom), plus all interest earned thereon.

J. “Judgment” means the proposed final order and judgment to be entered by the Court approving the Settlement, substantially in the form attached hereto as Exhibit E or in such other form as may be approved in writing by all of the Parties acting by and through their respective counsel of record in the Action.

K. “Net Settlement Fund” means the Gross Settlement Fund, less: (i) attorneys’ fees and expenses; (ii) taxes and tax expenses; (iii) Notice and Administration Expenses; and (iv) reimbursement awards to Plaintiffs, if any.

L. “Notice and Administration Expenses” means all expenses incurred (whether or not paid) in connection with the Settlement administration, and shall include, among other things, the cost of publishing Summary Notice (as defined in Section V.A below) on a national business internet wire service; printing and mailing the Mailed Notice (as defined in Section V.A, below), as directed by the Court; and the cost of processing proofs of claim and distributing the Net Settlement Fund to Settlement Class Members who timely submit a valid Proof of Claim and Release.

M. “Preliminary Approval Order” means the proposed order preliminarily approving the Settlement and directing notice thereof to the Settlement Class substantially in the form attached hereto as Exhibit A, or in such other form as may be approved in writing by all of the Parties acting by and through their respective counsel of record in the Action.

N. “Person” means an individual, corporation, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and their spouses, heirs, predecessors, successors, representatives, or assigns.

O. “Plaintiffs’ Counsel” means the law firms of Pomerantz LLP and the Rosen Law Firm P.A.

P. “Plan of Allocation” means a plan or formula for allocating the Net Settlement Fund to Authorized Claimants. The Plan of Allocation is not part of this Stipulation and Defendants shall have no responsibility or liability with respect thereto.

Q. “Proof of Claim and Release” means the Proof of Claim and Release to be submitted by Claimants, substantially in the form attached as Exhibit C to.

R. “Released Parties” means Defendants and former defendant Deborah Choate, each of the their past or present directors, officers, employees, partners, insurers, co-insurers, reinsurers, principals, attorneys, contractors, accountants, auditors, creditors, underwriters, investment advisers, personal or legal representatives, agents, predecessors, successors, parents, subsidiaries, divisions, joint ventures, assigns, devisees, spouses, heirs, executors, trustees, estates, administrators, related or affiliated entities, any member of Dr. Karam’s or Ms. Choate’s immediate family, and any entity in which a Defendant or Ms. Choate has a controlling interest.

S. “Released Claims” means and includes any and all Claims (including Unknown Claims as defined below), demands, rights, liabilities, and causes of action of every nature and description whatsoever (including, but not limited to, any claims for damages, restitution, rescission, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses, or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether known or unknown, contingent or absolute, mature or immature, discoverable or undiscoverable, whether concealed or hidden, suspected or unsuspected, which now exist, or heretofore have existed, asserted or that could have been asserted by or on behalf of any of Plaintiffs and the Settlement Class, in any capacity, arising out of or relating to the purchase of the Company’s ADRs during the class period and the acts, facts, statements, or omissions that were or could have been alleged by the Plaintiffs in the action. Notwithstanding the foregoing, “Released Claims” does not include claims to enforce the terms of this Stipulation or orders or judgments issued by the Court in connection with this Settlement.

T. “Settlement” means the settlement contemplated by this Stipulation.

U. “Settlement Administrator” means A.B. Data, Ltd., which shall administer the Settlement.

V. “Settlement Amount” means two million and seven hundred and fifty thousand U.S. Dollars in cash (\$2,750,000). The Settlement Amount includes all Administrative Costs, Plaintiffs’ Counsel’s attorneys’ fees and expenses (as allowed by the Court), Award to Lead Plaintiffs (as allowed by the Court), Settlement Class Member benefits, as well as any other costs, expenses, or fees of any kind whatsoever associated with the Settlement.

W. “Settlement Class” means the Settlement Class for which Plaintiffs will seek certification by the Court for the purpose of this Settlement only, consisting of:

All persons who purchased or otherwise acquired Sequans’ American Depository Receipt shares (“ADRs”) between April 29, 2016 and July 31, 2017, both dates inclusive.

Excluded from the Class are anyone named as a defendant in this litigation, the present and former officers and directors of Sequans or any subsidiary thereof, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which any Defendant (or combination of Defendants) have or had a controlling interest.

X. “Settlement Class Member” means a member of the Settlement Class.

Y. “Supplemental Agreement” means the agreement executed by Plaintiffs’ Counsel and Defendants’ Counsel simultaneously herewith and described in Section X.H of this Stipulation.

Z. “Unknown Claims” shall collectively mean all claims, demands, rights, liabilities, and causes of action of every nature and description which Plaintiffs or any Settlement

Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties that, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Parties, or might have affected his, her or its decision not to object to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date, Plaintiffs shall expressly waive, and each of the Settlement Class Members shall be deemed to have waived, and by operation of the Judgment shall have waived, the provisions, rights and benefits of California Civil Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

## **II. SETTLEMENT CONSIDERATION**

A. In consideration of the full and final release, settlement and discharge of all Released Claims against the Released Parties (effective as provided in Section X), within fourteen (14) business days after the Court enters preliminary approval of the settlement agreement, Sequans shall wire or cause its insurers to wire the Settlement Amount to the Escrow Account maintained by the Escrow Agent on behalf of Plaintiffs and the Settlement Class, provided that, at least five (5) days before the Court enters preliminary approval, Defendants and their insurers have received written payment instructions to issue and deliver the Settlement Amount by check or ACH transfer to the Escrow Account (including telephone and e-mail contact information and a physical address for the designated recipient of the Settlement Amount) and an Internal Revenue Service Form W-9 for the Escrow Account.

B. Defendants and their insurers will not be required to pay, or cause payment of,



more than the Settlement Amount pursuant to this Stipulation and the Settlement for any reason whatsoever, including, without limitation, as compensation to any Settlement Class Member, as payment of attorneys' fees and expenses awarded by the Court, or in payment of any fees or expenses incurred by any Settlement Class Member or Plaintiffs' Counsel.

### **III. THE ESCROW ACCOUNT**

A. The Escrow Account, including any interest earned thereon net of any taxes on the income thereof, shall be used to pay: (i) attorneys' fees and expenses; (ii) taxes and tax expenses; (iii) Notice and Administration Expenses, and (iv) reimbursement awards to Plaintiffs. The balance of the Escrow Account shall be the Net Settlement Fund and shall be distributed to the Authorized Claimants as set forth in the Plan of Allocation. Plaintiffs and Settlement Class Members shall look solely to the Net Settlement Fund for payment and satisfaction of any and all Released Claims.

B. All funds and instruments held by the Escrow Agent shall be deemed *in custodia legis* of the Court and shall remain subject to the jurisdiction of the Court until such time as such funds shall be distributed pursuant to an order of the Court.

C. Escrow Agent shall invest the Settlement Cash exclusively in instruments or accounts backed by the full faith and credit of the United States Government or fully insured by the United States Government or an agency thereof, including a U.S. Treasury Fund or a bank account that is either (a) fully insured by the Federal Deposit Insurance Corporation ("FDIC") or (b) secured by instruments backed by the full faith and credit of the United States Government. The Escrow Agent shall reinvest the proceeds of these instruments or accounts as they mature in similar instruments or accounts at their then-current market rates.

D. Prior to the Effective Date, the Escrow Agent shall not disburse the Gross

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Settlement Fund except as provided in this Stipulation, by order of the Court, or with the prior written agreement of counsel for Sequans Defendants and Class Counsel.

E. After the Effective Date, Sequans Defendants shall have no interest in the Gross Settlement Fund or in the Net Settlement Fund.

F. The Escrow Agent shall be authorized to execute only such transactions as are consistent with the terms of this Stipulation and the order(s) of the Court.

G. Defendants and Sequans' insurers shall have no liability for any losses arising from (a) the investment of any portion of the Gross Settlement Fund, or (b) the disbursement of any portion of the Gross Settlement Fund.

#### **IV. NOTICE AND ADMINISTRATION EXPENSES**

All Notice and Administration costs shall be paid from funds in the Gross Settlement Fund. The Settlement Administrator shall invoice only such Notice and Administration Expenses as are necessary and reasonable to provide Notice to the Settlement Class and to administer the Settlement. At any time after the Court grants preliminary approval of the Settlement, the Escrow Agent is authorized to pay up to \$200,000 in invoices for Notice and Administration Expenses upon the approval of Plaintiffs' Counsel without further Court approval. No further Notice and Administrative Expenses may be paid prior to final approval except by Court order. Plaintiffs, Plaintiffs' Counsel, Defendants, and Defendants' Counsel shall not bear any liability for Notice and Administration Expenses.

#### **V. PRELIMINARY APPROVAL ORDER**

A. The Parties shall submit this Stipulation together with its exhibits to the Court, and Plaintiffs shall apply for entry of an Preliminary Approval Order substantially in the form and content of Exhibit A attached hereto, requesting, inter alia, the preliminary approval of the

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Settlement as set forth in the Stipulation, and final approval of forms of notice to be mailed to all potential Settlement Class Members who can be identified with reasonable effort (the “Mailed Notice”) and to be published (the “Summary Notice”), substantially in the forms and contents of Exhibits B and D hereto, respectively.

For the sole and limited purpose of this Settlement, the Parties stipulate, agree and consent to: (i) certification of this Action as a class action pursuant to Rule 23(a) and 23(b) of the Federal Rules of Civil Procedure; (ii) appointment of Plaintiffs as Settlement Class Representatives; and (iii) appointment of Plaintiffs’ Counsel as Settlement Class Counsel pursuant to Rule 23(g) of the Federal Rules of Civil Procedure. The Parties agree that the proposed Preliminary Approval Order attached hereto as Exhibit A will conditionally certify the Action to proceed as a class action for settlement purposes only. In the event that the Judgment does not become final or the Settlement fails to become effective for any reason, all Parties reserve all their rights on all issues, including class certification.

The Mailed Notice shall include a proof of claim, substantially in the form of Exhibit C attached hereto (the “Proof of Claim and Release”), the general terms of the Settlement set forth in the Stipulation, and shall set forth the procedure by which Persons who otherwise would be Settlement Class Members may request to be excluded from the Settlement Class.

B. The Parties shall request that, after the Mailed Notice and Summary Notice have been mailed and published, respectively, in accordance with this Stipulation, the Court hold the Final Approval Settlement Hearing and finally approve the settlement of the Action with respect to the Parties.

**VI. JUDGMENT APPROVING THE SETTLEMENT**

At the Final Approval Hearing, the Parties shall jointly request entry of the Judgment as defined herein, and substantially in the form attached hereto as Exhibit E or in such other form as may be approved in writing by all of the Parties acting by and through their respective counsel of record in the Action.

**VII. ATTORNEYS' FEES AND EXPENSES**

A. Plaintiffs' Counsel may submit an application or applications (the "Fee and Expense Application") for distributions to Plaintiffs' Counsel from the Gross Settlement Fund for: (a) an award of attorneys' fees; plus (b) reimbursement of actual costs and expenses, including experts and consultants, incurred in connection with prosecuting the Action plus any interest on such attorneys' fees, costs and expenses at the same rate and for the same periods as earned by the Gross Settlement Fund (until paid) as may be awarded by the Court. Plaintiffs' Counsel reserves the right to make additional applications for fees and expenses incurred, if necessary.

B. Any attorneys' fees and expense reimbursement awarded by the Court ("Fee Award") shall be paid, including any interest thereon, from the Gross Settlement Fund immediately after the Court enters an order awarding such fees and expenses. This payment shall be subject to Plaintiffs' Counsel's obligation to make appropriate refund or repayment within thirty (30) days of the date that any condition to establishing the Effective Date has not occurred and shall not occur, or if the Court or any appellate court enters an order reversing or reducing any award of attorneys' fees or litigation expenses.

C. The procedure for and allowance or disallowance by the Court of any application for attorneys' fees and expenses are not part of the Settlement set forth in this Stipulation and

are to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement set forth in this Stipulation. Any order or proceedings relating to the Fee and Expense Application, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to modify, terminate, or cancel this Stipulation, or affect or delay the finality of the Judgment approving this Stipulation and the Settlement of the Action.

D. Defendants and their Released Parties shall have no responsibility for, and no liability whatsoever with respect to, any payment to Plaintiffs' Counsel or any other Plaintiffs' counsel and/or any other Person who receives payment from the Gross Settlement Fund beyond the obligation to cause the funding of the Settlement Amount.

E. Defendants and their Released Parties shall have no responsibility for, and no liability whatsoever with respect to, the allocation among Plaintiffs' Counsel and/or any other Person who may assert some claim thereto, of any Fee Award that the Court may make in the Action.

F. Plaintiffs' Counsel may apply to the Court to authorize the payment of Reimbursement Awards for the time and expenses expended by Plaintiffs in assisting Plaintiffs' Counsel in the litigation of this Action. Any Reimbursement Award to Plaintiffs shall be payable five (5) days after the Effective Date, in cash, and from the Gross Settlement Fund only.

G. The procedure for, and allowance or disallowance by the Court of any application for a Reimbursement Award are not a condition of the Settlement set forth in this Stipulation and are to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement set forth in this Stipulation. Any order of or proceeding relating to the Reimbursement Award, or any objection to, motion regarding, or

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appeal from any order or proceeding relating thereto or reversal or modification thereof, shall not operate to modify, terminate, or cancel this Stipulation, or affect or delay the finality of the Judgment or the releases contained therein or any other orders entered pursuant to this Stipulation.

**VIII. ADMINISTRATION AND CALCULATION OF CLAIMS, FINAL AWARDS, AND DISTRIBUTION OF THE NET SETTLEMENT FUND**

A. Each Settlement Class Member wishing to participate in the Settlement shall be required to submit a Proof of Claim and Release in the form annexed hereto as Exhibit C, signed under penalty of perjury by the beneficial owner(s) of the stock or by someone with documented authority to sign for the beneficial owner(s), and supported by such documentation as specified in the instructions accompanying the Proof of Claim and Release.

B. All Proofs of Claim and Releases must be received within the time prescribed in the Preliminary Approval Order unless otherwise ordered by the Court. Any Settlement Class Member who fails to submit a properly completed Proof of Claim and Release within such period as shall be authorized by the Court shall be forever barred from receiving any payments pursuant to this Stipulation or from the Net Settlement Fund, but will in all other respects be subject to the provisions of this Stipulation and the Judgment, including, without limitation, the release of the Released Claims and dismissal of the Action with prejudice.

C. The Settlement Administrator shall administer the Settlement subject to such approvals by the Court as circumstances may require.

D. Each Proof of Claim and Release shall be submitted to the Settlement Administrator to determine Authorized Claimants' pro rate share of the Net Settlement Fund pursuant to this Stipulation and the Plan of Allocation for approval by the Court.

E. The Settlement Administrator shall administer and calculate the claims submitted by persons seeking recovery from the Settlement, determine the extent to which claims shall be allowed, and oversee distribution of the Net Settlement Fund subject to appeal to, and jurisdiction of, the Court. Neither Plaintiffs' Counsel, its designees or agents, Plaintiffs, Defendants' Counsel, nor the Defendants shall have any liability arising out of such determination.

F. The administrative determination of the Settlement Administrator accepting and rejecting claims shall be presented to the Court, on notice to the Defendants' Counsel, for approval by the Court.

G. Following the Effective Date and upon application to the Court by Plaintiffs' Counsel, the Net Settlement Fund shall be distributed to Authorized Claimants by the Settlement Administrator.

H. The Net Settlement Fund shall be distributed to the Authorized Claimants substantially in accordance with the terms of this Stipulation and a Plan of Allocation to be approved by the Court, subject to and in accordance with the following:

1. Any such Plan of Allocation is not a part of this Stipulation and it is not a condition of this Settlement that any particular Plan of Allocation be approved.
2. No funds from the Net Settlement Fund shall be distributed to Authorized Claimants until after the Effective Date.
3. Each Person who claims to be an Authorized Claimant shall be required to submit to the Settlement Administrator a completed Proof of Claim and Release signed under penalty of perjury and supported by such documents as specified in the Proof of Claim and Release and as are reasonably available to such Person.

4. Except as otherwise ordered by the Court, all Settlement Class Members who fail to submit a Proof of Claim and Release within such period as may be ordered by the Court, or otherwise allowed by the Court, shall be forever barred from receiving any payments pursuant to the Stipulation and the Settlement set forth herein, but shall in all other respects be subject to and bound by the provisions of the Stipulation, the releases contained herein, and the Judgment.

5. All Persons who fall within the definition of the Settlement Class and who do not timely and validly request to be excluded from the Settlement Class in accordance with the instructions set forth in the Mailed Notice (as defined in Section V.A, above) shall be subject to and bound by the provisions of this Stipulation, the releases contained herein, and the Judgment with respect to all Released Claims, regardless of whether such Persons seek or obtain by any means any distribution from the Gross Settlement Fund or the Net Settlement Fund.

I. Neither the Defendants nor their counsel shall have any responsibility for, interest in, or liability whatsoever with respect to the investment or distribution of the Gross Settlement Fund, the Plan of Allocation, the determination, administration, or calculation of claims, the distribution of the Net Settlement Fund, or any losses incurred in connection with any such matters.

J. This is not a claims-made settlement, and if all conditions of the Stipulation are satisfied and the Judgment becomes Final, no portion of the Gross Settlement Fund will be returned to Defendants or any of their insurers. Defendants, their counsel, their insurers and the other Released Parties shall have no responsibility for, involvement in, interest in, or liability whatsoever with respect to the investment or distribution of the Net Settlement Fund, the Plan

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of Allocation, the determination, administration, or calculation of claims, the payment or withholding of taxes or tax expenses, or any losses incurred in connection therewith. No Person shall have any claims against Plaintiffs' Counsel, the Settlement Administrator, or any other agent designated by Plaintiffs' Counsel based on distribution determinations or claim rejections made substantially in accordance with this Stipulation and the Settlement contained herein, the Plan of Allocation, or orders of the Court. Plaintiffs' Counsel shall have the right, but not the obligation, to waive what they deem to be formal or technical defects in any Proofs of Claim filed, where doing so is in the interest of achieving substantial justice.

K. The Defendants shall have no involvement in the solicitation or review of Proofs of Claim and Releases, or involvement in the administration process, which will be conducted by the Settlement Administrator in accordance with this Stipulation.

L. It is understood and agreed by the Parties that any proposed Plan of Allocation of the Net Settlement Fund including, but not limited to, any adjustments to a Settlement Class Member's claim set forth therein, is not a condition of this Stipulation and is to be considered by the Court in connection with the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement set forth in this Stipulation. Any order or proceedings relating to the Plan of Allocation, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to modify, terminate, or cancel this Stipulation, or affect or delay the finality of the Judgment and the releases contained therein, or any other orders entered pursuant to this Stipulation.

M. No Person shall have any claim against Plaintiffs or Plaintiffs' Counsel, the Settlement Administrator, Defendants or Defendants' Counsel based on investments or

distributions made substantially in accordance with this Stipulation and the Settlement contained herein, the Plan of Allocation or further orders of the Court.

#### **IX. TAX TREATMENT**

A. The Parties, their counsel, the Court, and the Escrow Agent shall treat the Escrow Account as being at all times a “qualified settlement fund” within the meaning of Treas. Reg. § 1.468B-1 for all periods on and after the date of the Court order preliminarily approving this Stipulation. The Parties, their counsel, the Court and the Escrow Agent agree to take no action inconsistent with the treatment of the Escrow Account in such manner. In addition, the Settlement Administrator, Escrow Agent, and as necessary, the Defendants, shall make the “relation back election” (as defined in Treas. Reg. § 1.468B-1(j)) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Settlement Administrator to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties and thereafter to cause the appropriate filing to occur. All provisions of this Stipulation shall be interpreted in a manner that is consistent with the Escrow Account being a “qualified settlement fund” within the meaning of Treas. Reg. § 1.468B-1.

B. For the purpose of § 1.468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the “administrator” shall be the Settlement Administrator. The Settlement Administrator shall satisfy the administrative requirements imposed by Treas. Reg. § 1.468B-2 by, e.g., (i) obtaining a taxpayer identification number, (ii) timely and properly satisfying any information reporting or withholding requirements imposed on distributions from the Escrow Account, and (iii) timely and properly filing or causing to be filed on a timely basis, all federal, state, local and foreign tax returns and other tax related

statements necessary or advisable with respect to the Escrow Account (including, without limitation, all income tax returns, all informational returns, and all returns described in Treas. Reg. § 1.468B-2(1), and timely and properly paying any taxes imposed on the Escrow Account. Such returns and Statements (as well as the election described in IX.A hereof) shall be consistent with this IX.B and in all events shall reflect that all taxes (including any estimated taxes, interest or penalties) on the income earned by the Escrow Account shall be paid out of the Escrow Account as provided in IX.C hereof.

C. All (i) taxes arising with respect to the income earned by the Escrow Account and (ii) tax expenses shall be paid out of the Escrow Account. Further, taxes and the tax expenses shall be treated as, and considered to be, a cost of administration of the Settlement and shall be timely paid by the Escrow Agent out of the Escrow Account without prior order from the Court, and the Escrow Agent shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized Claimants any funds necessary to pay such amounts (as well as any amounts that may be required to be deducted or withheld under Treas. Reg. § 1.468B-2(1)(2)). The Parties agree to cooperate with each other, and their tax attorneys and accountants, to the extent reasonably necessary to carry out the provisions of paragraphs A-C of this Section.

D. The Defendants shall have no responsibility to make any filings relating to the Escrow Account and will have no responsibility to pay tax on any income earned by the Escrow Account.

**X. SETTLEMENT CONDITIONS, TERMINATION, AND RELEASES**

A. This Stipulation shall be subject to the following conditions and, except as provided herein, may be canceled and terminated (by providing written notice of a Party's election to terminate) unless:

1. Counsel for all Persons listed on the signature pages of this Stipulation have executed this Stipulation;

2. The Court enters the Preliminary Approval Order substantially as provided in Section V;

3. Sequans or its insurers shall have timely delivered the Settlement Amount to the Escrow Fund;

4. The Court has approved the Settlement as described herein following notice to the Settlement Class, and has entered the Judgment, substantially as provided in Section VI;

5. The time within which Sequans may exercise its option to terminate this Stipulation in accordance with the terms of the Supplemental Agreement shall have expired without the exercise of that option;

6. The Action has been dismissed with prejudice; and

7. The Judgment has become Final.

B. Upon the Effective Date, Plaintiffs and the Settlement Class Members, on behalf of themselves, and to the fullest extent permitted by law, their heirs, executors, administrators, personal representatives, attorneys, agents, partners, successors and assigns, and any other Person claiming (now or in the future) to have acted through or on behalf of them, shall hereby be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever,

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released, relinquished, settled and discharged the Released Parties from the Released Claims and shall be permanently barred and enjoined from instituting, commencing, or prosecuting any Released Claim against any of the Released Parties directly, indirectly or in any other capacity, whether or not such Settlement Class Members execute and deliver a Proof of Claim and Release to the Settlement Administrator. Defendants also release and shall be permanently barred and enjoined from instituting, commencing, or prosecuting any claim against Plaintiffs, Settlement Class Members or Plaintiffs' Counsel related to this Action or the prosecution thereof.

C. If either (a) the Effective Date does not occur, (b) this Stipulation is canceled or terminated pursuant to its terms, or (c) this Stipulation does not become final for any reason, then the Gross Settlement Fund and all interest earned on the Gross Settlement Fund while held in escrow (less Notice and Administration Expenses paid or incurred), including both interest paid and accrued (less expenses and costs which have not yet been paid but which are properly chargeable Notice and Administration Expenses), shall be refunded by the Settlement Administrator and/or the Escrow Agent as directed by Defendants' Counsel within thirty (30) days of such cancellation or termination.

D. Upon the Effective Date, and provided the Stipulation is not canceled or terminated pursuant to its terms or fails to become final, the obligation of the Settlement Administrator and/or the Escrow Agent to return funds from the Gross Settlement Fund to Sequans pursuant to paragraph D of this Section, shall be absolutely and forever extinguished.

E. If either (a) the Effective Date does not occur, (b) this Stipulation is canceled or terminated pursuant to its terms, or (c) this Stipulation does not become final for any reason, all of the Parties to this Stipulation shall be deemed to have reverted to their respective status as of March 25, 2020, the Parties' counsel shall meet and confer on an appropriate schedule to propose

to the Court, and they shall proceed in all respects as if this Stipulation had not been executed and the related orders had not been entered, preserving in that event all of their respective claims and defenses in the Action. Notwithstanding the foregoing language, the following provisions of this Stipulation shall survive any termination or cancellation of the Settlement: this Section X.F; Section X.C; Section XI; and, to the extent applicable, Section XII.

F. No order of the Court concerning the Plan of Allocation or the Fee and Expense Application or modification or reversal on appeal of any such order shall constitute grounds for cancellation or termination of the Stipulation.

G. Notwithstanding any other provision, section, or paragraph in this Stipulation, Defendants shall have the sole and absolute discretion, in accordance with the terms set forth in the Parties' Supplemental Agreement, to terminate the Settlement and this Stipulation in writing if the opt-out threshold defined in the Supplemental Agreement is exceeded and not cured in accordance with the terms of the Supplemental Agreement. Unless otherwise directed by the Court, the Supplemental Agreement will not be filed with the Court.

## **XI. DENIAL OF WRONGDOING AND LIABILITY**

A. Defendants have denied and continue to deny each, any and all allegations of wrongdoing, fault, liability or damage whatsoever that have or could have been asserted in the Action. Defendants have also denied and continue to deny, *inter alia*, the allegations and claims that have been or could have been asserted by Plaintiffs, as well as the allegations that Plaintiffs or the Settlement Class have suffered damages or that Plaintiffs or the Settlement Class were harmed by the conduct alleged in the Action. Defendants continue to believe the claims asserted against them in the Action are without merit and that the Action itself should not be certified as a class action for purposes of trial and adjudication of liability and damages. Defendants have

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not conceded or admitted any wrongdoing or liability, are not doing so by entering into this Stipulation, and disclaim any and all wrongdoing and liability whatsoever.

B. Defendants have agreed to enter into this Stipulation solely to avoid the uncertainties, burden and expense of further litigation and to put the Released Claims to rest finally and forever. Nothing in this Stipulation shall be construed as or deemed evidence supporting an admission by either Defendants or any of the Released Parties with respect to any of Plaintiffs' allegations or claims, or of any wrongdoing, fault, liability or damages whatsoever.

C. The Parties hereto intend the Settlement as described herein to be a final and complete resolution of all disputes between them with respect to the Action and entry in this Settlement shall not be deemed an admission by any Plaintiff or Defendant as to the merits of any claim or defense or any allegation made in the Action.

D. Neither this Stipulation nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of this Stipulation or the Settlement: (a) is or may be deemed to be or may be used as an admission of, or evidence of, the validity or infirmity of any Released Claim, of any allegation made in the Action, or of any wrongdoing or liability of any of the Released Parties; (b) is or may be deemed to be or may be used as an admission of, or evidence of, any liability, fault or omission of any of the Released Parties in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal; or (c) is or may be deemed to be or may be used as an admission or evidence that Plaintiffs and the Settlement Class Members would have received less than the Settlement Amount had the Action been prosecuted to conclusion. Neither this Stipulation nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of this Stipulation or the Settlement shall be admissible in any proceeding for any purpose, except to enforce the terms of

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the Settlement, and except that any of the Released Parties may file this Stipulation and/or the Judgment in any action that may be brought against any of them in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

## **XII. MISCELLANEOUS PROVISIONS**

A. Within forty-five (45) days after the Effective Date, and subject to commercially reasonable efforts, all designated Confidential Information and copies thereof, shall at each person's own option either be returned to counsel for the Disclosing Party or destroyed, with the Receiving Party certifying such destruction, unless the Confidential Information has been offered into evidence or filed without restriction as to disclosure. The Receiving Party shall not be required to locate, isolate, or destroy/return emails generated in connection with legal representation in this Action (including attachments to emails) that may include Confidential Information, or Confidential Information contained in deposition transcripts or exhibits or draft or final expert reports. Nothing in this paragraph requires any party, its counsel, or their respective consultants, vendors or other affiliates, to delete or destroy data which may reside on one or more backup tapes or other media maintained for the purpose of disaster recovery, business continuity or other reasons, or requires more than reasonable and practical actions to locate, identify, or destroy any other electronic data.

B. Notwithstanding the requirements of paragraph A of this Section, counsel may retain (1) attorney work product, including an index that refers or relates to Confidential Information; (2) deposition transcripts and draft or final expert reports, including exhibits thereto; and (3) one complete set of all documents filed with the Court, including those filed



under seal. Any retained Confidential Information shall continue to be protected under the Confidentiality Protective Order entered by the Court (Dkt. No. 66). An attorney may use his or her work product in subsequent litigation, provided that its use does not disclose or use Confidential Information.

C. The Parties hereto: (a) acknowledge that it is their intent to consummate the Settlement contemplated by this Stipulation; (b) agree to cooperate to the extent necessary to effectuate and implement all terms and conditions of this Stipulation; and (c) agree to exercise their best efforts and to act in good faith to accomplish the foregoing terms and conditions of the Stipulation.

D. All counsel who execute this Stipulation represent and warrant that they have authority to do so on behalf of their respective clients.

E. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein.

F. This Stipulation may be amended or modified only by a written instrument signed by counsel for all Parties hereto or their successors in interest.

G. This Stipulation, exhibits attached hereto, and the Supplemental Agreement constitute the entire agreement between Plaintiffs on the one hand, and Defendants on the other hand, and supersede any and all prior agreements, written or oral, between the Parties. No representations, warranties or inducements have been made concerning this Stipulation or its exhibits other than the representations, warranties and covenants contained and memorialized in such documents.

H. This Stipulation may be executed in one or more original, photocopied or facsimile counterparts. All executed counterparts and each of them shall be deemed to be one

and the same instrument. Counsel for the Parties hereto shall exchange among themselves signed counterparts and a complete set of executed counterparts shall be filed with the Court.

I. This Stipulation shall be binding upon, and inure to the benefit of the successors, assigns, executors, administrators, affiliates (including parent companies), heirs and legal representatives of the Parties hereto. No assignment shall relieve any Party hereto of obligations hereunder.

J. All terms of this Stipulation and all exhibits hereto shall be governed and interpreted according to the internal laws of the State of New York without regard to its conflicts of law rules and in accordance with the laws of the United States.

K. The Parties to this Stipulation intend the Settlement to be a final and complete resolution of all disputes asserted or which could be asserted by Plaintiffs or other Settlement Class Members against the Released Parties with respect to the Released Claims, and any potential counterclaims Defendants and Released Parties could have asserted against Plaintiffs, Settlement Class Members and their attorneys with respect to the allegations and prosecution of this Action. Accordingly, Plaintiffs and Defendants agree not to assert in any forum that the litigation was brought by Plaintiffs or Plaintiffs' Counsel, or defended by Defendants, or their counsel, in bad faith or without a reasonable basis. The Parties hereto shall assert no claims of any violation of Rule 11 of the Federal Rules of Civil Procedure relating to the prosecution, defense, or settlement of the Action. The Parties agree that the amount paid and the other terms of the Settlement were negotiated at arm's-length and in good faith by the Parties, and reflect a settlement that was reached voluntarily after consultation with experienced legal counsel, and with the assistance of an experienced mediator, Michelle Yoshida, Esq.

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

M. To assist in dissemination of notice, Sequans will make reasonable efforts to assist Plaintiffs' Counsel in obtaining information concerning the identity of Settlement Class Members, including any names and addresses of Settlement Class Members and nominees or custodians that exists in the Company's transfer records ("Settlement Class Information"). The Parties acknowledge that any information provided to Plaintiffs' Counsel by Sequans pursuant to this Paragraph shall be treated as confidential and will be used by Plaintiffs' Counsel solely to deliver the Notice and/or implement the Settlement, including the Plan of Allocation.

N. Except as otherwise provided herein, each Party shall bear its own fees and costs.

O. The headings herein are used for the purpose of convenience and are not intended to have legal effect.

P. Notices required or permitted by this Stipulation shall be submitted either by overnight mail or in person as follows:

**Notice to Plaintiffs:**  
Joshua B. Silverman  
POMERANTZ LLP  
10 South LaSalle Street  
Suite 3505  
Chicago, IL 60603

**Notice to Defendants:**  
James N. Kramer  
ORRICK HERRINGTON & SUTCLIFFE  
LLP  
405 Howard Street  
San Francisco, CA 94105-2669

**IN WITNESS WHEREOF**, the Parties hereto, intending to be legally bound.

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Dated: May 7, 2020

POMERANTZ LLP

By: \_\_\_\_\_

Patrick V. Dahlstrom  
Joshua B. Silverman  
Omar Jafri  
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*Counsel for Defendants Sequans Communications S.A. and  
Georges Karam*

Dated: May 7, 2020

POMERANTZ LLP

By:  \_\_\_\_\_

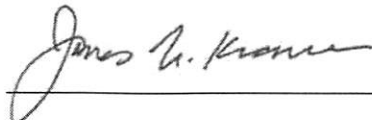
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*Counsel for Defendants Sequans Communications S.A. and  
Georges Karam*