



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE THE BEAUTY HEALTH COMPANY)
CONSOLIDATED STOCKHOLDER) C.A. No. 2024-0114-LWW
LITIGATION

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Stipulation”) is made and entered into as of February 9, 2026, between and among, (a)(i) plaintiffs Margie Elstein and Richard Montague (“Plaintiffs”) in the above-captioned consolidated derivative action (the “Action”), (ii) stockholder Monica Stan (“Stockholder”), who served a litigation demand on the board of directors (the Board”) of The Beauty Health Company (“Beauty Health” or the “Company”) on May 28, 2025, (b) defendants Brenton Saunders, Marla Beck, Michael Capellas, Julius Few, Desiree Gruber, Michelle C. Kerrick, Brian Miller, Doug Schillinger, Andrew Stanleick (“Stanleick”), Liyuan Woo (“Woo”) (collectively, the “Individual Defendants”), and (c) nominal defendant Beauty Health (together with the Individual Defendants, the “Defendants,” and collectively with Plaintiffs and Stockholder, the “Parties” and each a “Party”). This Stipulation sets forth the terms and conditions of the settlement of this Action and the related May 28, 2025 demand (the “Settlement”), subject to the approval of the Court of Chancery of the State of Delaware (the “Court”), and is intended to fully, finally, and forever compromise, discharge, resolve, release, and settle the Released Claims (as defined in paragraph 1.10 below).

SUMMARY OF THE PROCEEDINGS

A. Plaintiffs in the Action allege that the Individual Defendants breached their fiduciary duties to Beauty Health, and engaged in other wrongdoing, by allegedly failing to properly oversee a new product introduction and, thereafter, the Company's dissemination of certain purportedly false and misleading statements about the market-readiness of the HydraFacial Syndeo Delivery System ("Syndeo"), its new flagship product, its acceptance by customers, the extent of problems besetting both the software and hardware of Syndeo, as well as the Company's financial results and financial guidance.

B. On November 13, 2023, Beauty Health announced that: (i) the Company would only market and sell Syndeo 3.0 devices due to issues with prior generation Syndeo devices; (ii) customers had the option of upgrading earlier models to Syndeo 3.0 standards or receive a replacement Syndeo 3.0 for their existing device; (iii) Beauty Health was extending all Syndeo warranties by one year; (iv) all Syndeo 1.0 and 2.0 devices on-hand were designated obsolete, resulting in an inventory write-down in cost of sales of \$18.8 million for the three month period ended September 30, 2023; and (v) the Company incurred costs of \$12.3 million associated with the Syndeo program and accrued an additional \$32.1 million for the estimated cost to remediate or upgrade or exchange the remaining earlier generation devices. Following this news, the price of Beauty Health stock declined and has not

recovered.

C. On November 16, 2023, a case alleging federal securities laws violations was filed in the Central District of California against the Company, Stanleick and Woo entitled *Abduladhim A. Alghazwi v. The Beauty Health Company, et al.*, Case No 2:23-cv-09733-MAA (C.D. Cal.) (“Federal Securities Action”). As of the date of this Stipulation, the Federal Securities Action is ongoing.

D. On December 5, 2023, plaintiff Margie Elstein transmitted a books and records demand to the Company pursuant to 8 *Del. C.* § 220 (“220 Demand”), requesting several categories of documents, including books and records relating to the Company’s post-launch efforts to remediate Syndeo’s hardware and software issues. Subsequently, plaintiff Richard Montague separately submitted a 220 Demand. In response, Beauty Health produced over 1,500 documents, including relevant Board minutes of meetings and corresponding presentations provided to the Board (as well as questionnaires completed by the directors).

E. On February 8, 2024, following review of the documents produced pursuant to her 220 Demand, plaintiff Elstein filed her Verified Stockholder Derivative Complaint against the Individual Defendants and Nominal Defendant Beauty Health (D.I. 1).

F. On May 1, 2024, plaintiff Montague, having also reviewed documents produced pursuant to his 220 Demand, filed his Verified Complaint against the

Individual Defendants and Nominal Defendant Beauty Health.

G. On May 22, 2024, Plaintiffs and counsel for Defendants submitted a Stipulation and [Proposed] Order Governing Consolidation, Appointment of Lead Counsel and Deadline to Respond to Operative Complaint (the “Consolidation Order”) (D.I. 14)

H. On May 24, 2024, the Court entered the Consolidation Order (D.I.15).

I. On September 6, 2024, Plaintiffs filed their Verified Amended Stockholder Derivative Complaint (“Complaint”) against the Individual Defendants and Nominal Defendant (D.I. 17).

J. On September 16, 2024, Defendants filed a Motion to Dismiss the Verified Consolidated Amended Derivative Complaint or Stay the Proceeding (D.I. 18).

K. Thereafter, counsel engaged in discussions regarding briefing on a motion to dismiss.

L. On February 28, 2025, Defendants filed their Opening Brief in Support of Motion to Dismiss Plaintiffs’ Verified Consolidated Amended Stockholder Derivative Complaint pursuant to Rules 23.1 and 12(b)(6) or Stay the Proceedings (“Motion to Dismiss”) (D.I. 28).

M. On May 2, 2025, Plaintiffs filed their Answering Brief in Opposition to Defendants’ Motion to Dismiss (D.I. 32).

N. On May 28, 2025, Stockholder sent a litigation demand to the Company requesting that the Board investigate and pursue claims for breach of fiduciary duty against the Individual Defendants and certain other officers of the Company based on substantially the same alleged underlying wrongdoing asserted by Plaintiffs Elstein and Montague in the Complaint.

O. On June 3, 2025, Defendants filed their Reply Brief in Further Support of Their Motion to Dismiss (D.I. 34).

P. The Court scheduled oral argument on Defendants' Motion to Dismiss for January 27, 2026.

Q. Following briefing on the Motion to Dismiss, the Parties agreed to participate in a mediation, and selected Greg Danilow, Esq. of Phillips ADR, as mediator (the "Mediator"). Mediation was scheduled for November 3, 2025.

R. On September 25, 2025, the court in the Federal Securities Action denied defendants' motion to dismiss the complaint. Federal Securities Action, ECF No. 78.

S. On November 3, 2025, the Parties participated in a full-day mediation with the Mediator. During the mediation, the Parties reached an agreement on Corporate Governance Reforms that would be instituted by Beauty Health in connection with the Settlement, subject to approval of the Court, and entered into a term sheet on which the Parties agreed to use best efforts to draft and execute a final

and binding Stipulation of Settlement.

T. Following agreement on the substantive terms of the proposed settlement, the Parties were unable to agree on an amount of fees and expenses to be paid by Beauty Health and/or its insurance carriers in consideration of the substantial benefits conferred on the Company by the efforts of Plaintiffs' Counsel. The Parties continued arm's-length negotiations and discussions for several weeks, all of which were overseen by the Mediator.

U. On December 3, 2025, the Parties reached agreement on a fee and expense award of \$737,500.00 ("Fee Award").

V. The Parties agree that Plaintiffs commenced and pursued the Action in good faith. Plaintiffs maintain that entry by Plaintiffs into this Stipulation is not an admission as to the lack of any merit of any claims asserted by Plaintiffs in this Action.

W. Defendants have denied, and continue to deny, that they committed any breach of duty, violated any law, or engaged in any wrongdoing, expressly maintain that they diligently and scrupulously complied with their fiduciary and other legal duties, to the extent such duties exist, and further believe that this derivative litigation is without merit. Defendants are entering into this Stipulation to eliminate the uncertainty, burden and expense of further protracted litigation. This Stipulation shall in no event be construed or deemed to be evidence of or an admission or

concession on the part of any of the Defendants, with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that Defendants have, or could have, asserted in this Action. Defendants expressly deny that Plaintiffs have asserted any valid claims as to any of them, and expressly deny any and all allegations of fault, liability, wrongdoing or damages whatsoever.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, BY AND AMONG THE PARTIES TO THIS STIPULATION, subject to the approval of the Court pursuant to Rule 23.1 of the Rules of the Court of Chancery of the State of Delaware, that the Action shall be fully and finally compromised and settled, that the Released Claims shall be released by the Releasing Parties (as defined in paragraph 1.14 below) as against the Released Parties (as defined in paragraph 1.12 below), and that the Action shall be dismissed with prejudice, upon and subject to the following terms and conditions, and further subject to the approval of the Court:

DEFINITIONS

1. In addition to the terms defined elsewhere in this Stipulation, the following terms have the meanings specified below:

1.1 “Applicable Beauty Health Stockholders” means any and all individuals or entities who hold of record, or beneficially own, directly or indirectly, common stock of Beauty Health as of the close of business on the date the Court

enters the Scheduling Order (as defined in paragraph 12 below).

1.2 “Corporate Governance Reforms” means the corporate governance reforms set forth in Exhibit A attached to this Stipulation.

1.3 “Defendants’ Released Claims” means any and all manner of claims, known or unknown, whether based on federal, state, local, contract, or the law of any foreign jurisdiction, whether fixed or contingent, known or unknown, liquidated or unliquidated, suspected or unsuspected, asserted or unasserted, matured or unmatured, arising out of the commencement, litigation, or settlement of the Action. For the avoidance of doubt, the claims released by Defendants shall not include any claims to enforce this Stipulation, the Settlement, Final Order and Judgment, or any other document memorializing the Settlement of the Action and shall not include claims, if any that any Party may have against its insurer with respect to any payment obligations under this Stipulation or the Settlement.

1.4 “Defendants’ Releasing Parties” means Defendants and their current and former parents, affiliates, subsidiaries, officers, directors, agents, successors, predecessors, assigns, assignees, partnerships, partners, trustees, trusts, employees, immediate family members, insurers, reinsurers and attorneys.

1.5 “Federal Securities Action” means the class action captioned *Abduladhim A. Alghazwi v. The Beauty Health Company, et al.*, Case No 2:23-cv-09733-MAA (C.D. Cal.), which is presently pending in the United States District

Court for the Central District of California.

1.6 “Final Approval” means the later of (a) the expiration of the time for the filing or noticing of an appeal or motion for reargument or rehearing from the Court’s Order and Final Judgment (as defined below in paragraph 15) approving the Settlement; (b) the date of final affirmance of the Court’s Order and Final Judgment on any appeal or reargument or rehearing; or (c) the final dismissal of any appeal.

1.7 “Plaintiffs’ Counsel” means Gainey McKenna & Egleston, Komlossy Law, P.A., The Paskowitz Law Firm, P.C., Bielli & Klauder, LLC and Cooch & Taylor, P.A. “Stockholder’s Counsel” means Rigrodsky Law, P.A.,

1.8 “Plaintiffs’ Released Claims” means all manner of claims against all Defendants and Defendants Releasing Parties individually on behalf of themselves, and derivatively on behalf of Beauty Health, including any unknown claims, debts, demands, rights, interests, actions, suits, causes of action, cross-claims, counter-claims, charges, judgments, obligations, setoffs, or liabilities for any obligations of any kind whatsoever (however denominated), for fees, costs, penalties, damages whenever incurred, and liabilities of any nature whatsoever (including, without limitation, direct or indirect claims or demands for rescission, damages, interest, attorneys’ fees, and any other costs, expenses or liabilities whatsoever, including joint and several), whether based on federal, state, local, statutory or common law, in equity, or on any other law, rule, regulation, ordinance, contract, or the law of any

foreign jurisdiction, whether fixed or contingent, known or unknown, liquidated or unliquidated, suspected or unsuspected, asserted or unasserted, matured or unmatured, arising from any act or omission alleged or claims asserted in the Action or that could have been alleged or asserted on behalf of Beauty Health derivatively, including those that were threatened, asserted, or could have been asserted by any of Beauty Health's stockholders derivatively, or that Beauty Health could have asserted directly, in any court, tribunal, forum or proceeding, against any of the Defendants or other released parties. For the avoidance of doubt, Plaintiffs' Released Claims shall not include: (i) the class claims asserted in the pending Federal Securities Action; or (ii) any claims to enforce this Stipulation, the Settlement, the Final Order and Judgment, or any other document memorializing the Settlement of the Action.

1.9 "Plaintiffs' Releasing Parties" means Plaintiffs, Stockholder, Beauty Health, and all Applicable Beauty Health Stockholders, whether acting directly, representatively, or derivatively on behalf of Beauty Health, and on behalf of their agents, spouses, heirs, executors, administrators, personal representatives, predecessors, successors, transferors, transferees, representatives, and assigns, in their capacities as such.

1.10 "Released Claim(s)" means Plaintiffs' Released Claims and Defendants' Released Claims; provided, however, for the avoidance of doubt, that Released Claims shall not include any claims relating to the enforcement of this

Stipulation or Settlement or any claims by Beauty Health or the Individual Defendants for insurance coverage or any claims by the Individual Defendants for indemnification or advancement and does not include any claims as asserted in the Federal Securities Action.

1.11 “Released Defendant Parties” means all Defendants in the Action, and any and all of their and Beauty Health’s respective current or former agents, parents, controlling persons, general or limited partners, members, managers, managing members, direct or indirect equity holders, subsidiaries, affiliates, employees, officers, directors, predecessors, successors, attorneys, heirs, assigns, insurers, reinsurers, consultants, and other representatives, servants and related persons, in their capacities as such.

1.12 “Released Party” or “Released Parties” means each and all of the Released Plaintiff Parties and the Released Defendant Parties.

1.13 “Released Plaintiff Parties” means Plaintiffs, Plaintiffs’ Counsel, Stockholder, Stockholder’s Counsel and all current Beauty Health stockholders (solely in their capacity as Beauty Health stockholders) and each of their respective agents, assigns, and related persons.

1.14 “Releasing Parties” means Plaintiffs’ Releasing Parties and Defendants’ Releasing Parties.

1.15 “Relevant Period” means March 7, 2022 through the date of Final

Approval.

1.16 “Stockholder” means Monica Stan, who served a litigation demand on the Company’s Board on May 28, 2025.

1.17 “Unknown Claims” means any Released Claim which the Releasing Party does not know or suspect to exist in his, her or its favor at the time of Final Approval of the Released Claims as against the Released Parties, including without limitation those which, if known, might have affected the decision to enter into or object to the Settlement.

RELEASES

2. Upon Final Approval of the Settlement, Plaintiffs’ Releasing Parties, by operation of the Settlement and to the fullest extent permitted by law, shall completely, fully, finally and forever release, relinquish, settle and discharge each and all of the Released Defendant Parties from any and all of the Defendants’ Released Claims.

3. Upon Final Approval of the Settlement, Defendants’ Releasing Parties, by operation of the Settlement and to the fullest extent permitted by law, shall completely, fully, finally and forever release, relinquish, settle and discharge each and all of the Released Plaintiff Parties from any and all of the Plaintiffs’ Released Claims.

4. The Settlement is intended to extinguish all of the Released Claims by the

Releasing Parties as against the Released Parties and, consistent with such intention, upon Final Approval of the Settlement, the Releasing Parties shall waive and relinquish, to the fullest extent permitted by law, the provisions, rights, and benefits of any state, federal, or foreign law or principle of common law, which may have the effect of limiting the Released Claims. This shall include a waiver of any rights pursuant to California Civil Code § 1542 (and equivalent, comparable, or analogous provisions of the laws of the United States or any state or territory thereof, or of the common law), which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR THE RELEASED PARTY.

5. Plaintiffs and Stockholder acknowledge, and Plaintiffs' Releasing Parties shall be deemed by operation of the entry of the Order and Final Judgment upon Final Approval of the Settlement to have acknowledged, that the foregoing waiver in paragraph 4 was expressly bargained for, is an integral term of the Settlement, and was relied upon by each and all of the Released Defendant Parties in entering into the Settlement.

6. Nothing herein shall in any way release, waive, impair, or restrict the rights of any Party to enforce the terms of this Stipulation.

SETTLEMENT CONSIDERATION

7. The Parties agree that as a direct result of Plaintiffs' investigation, 220 Demands, initiation and litigation of the Action, in consideration for the full Settlement and release of the Released Claims, and upon Court approval of the Settlement, Beauty Health will implement the Corporate Governance Reforms, of which Plaintiffs were the primary cause.

8. The independent members of Beauty Health's Board shall unanimously approve a resolution reflecting its determination, in a good faith exercise of its business judgment, that the Settlement and each of its terms are fair, reasonable and in the best interests of Beauty Health and its stockholders, and that the Settlement confers substantial benefits upon Beauty Health and its stockholders. Beauty Health also acknowledges and agrees that the Corporate Governance Reforms confer substantial benefits upon Beauty Health and its stockholders.

9. The Corporate Governance Reforms shall remain in effect for a period of at least four (4) years from the date of adoption; *provided, however*, that the Corporate Governance Reforms shall not be binding upon any successor or acquirer of the Company in the event of a change in control transaction.

STAY OF PROCEEDINGS

10. Pending Final Approval of the Settlement by the Court, Plaintiffs agree to stay the Action, and Stockholder agrees to stay her demand and Plaintiffs, Stockholder,

Plaintiffs' Counsel and Stockholder's Counsel agree not to initiate any other proceedings related to the Action other than those incident to the Settlement itself.

11. The Parties will request that the Court order that, pending Final Approval of the Settlement, Plaintiffs, Stockholder and all Applicable Beauty Health Stockholders are barred and enjoined from commencing, prosecuting, instigating or in any way participating in the commencement, prosecution, or instigation of any action asserting any of the Released Claims, either directly, representatively, derivatively, or in any other capacity, against Beauty Health, the Individual Defendants, or any of the Released Defendant Parties.

SUBMISSION AND APPLICATION TO THE COURT

12. As soon as reasonably practicable after this Stipulation has been executed, the Parties shall jointly apply for a scheduling order (the "Scheduling Order"), substantially in the form attached hereto as Exhibit B, establishing the procedures for providing notice, substantially in the form attached hereto as Exhibit C (the "Notice") and Exhibit D (the "Summary Notice"), to Applicable Beauty Health Stockholders.

NOTICE

13. Beauty Health shall undertake the primary responsibility for giving notice to Applicable Beauty Health Stockholders in accordance with the terms of the Scheduling Order (with the exception of the notice procedures set forth in Paragraph

13.6 hereof), and shall be solely responsible for paying the costs and expenses associated with providing the notice described in this paragraph. Notice of the Settlement and the Settlement Hearing (defined below) shall be given as follows:

13.1 Within twenty-one (21) days after the entry of a scheduling order by the Court in connection with the Settlement Hearing (defined below) and no fewer than sixty (60) days before the Settlement Hearing (the “Notice Date”) Beauty Health shall file a copy of the Notice as an exhibit to a Form 8-K with the United States Securities and Exchange Commission and such Form 8-K shall note that the Stipulation and Notice can be found on Beauty Health’s website and include the specific webpage address;

13.2 No later than the Notice Date, Beauty Health shall post a copy of the Notice and this Stipulation (and exhibits thereto) on the Stock Information – Legal Notices page of Beauty Health’s website, and such documents shall remain posted to that website through the date of the Settlement Hearing;

13.3 No later than the Notice Date, Beauty Health shall mail a copy of the Notice to Beauty Health’s stockholders of record;

13.4 No later than the Notice Date, Beauty Health shall publish the Summary Notice in *Investor’s Business Daily*;

13.5 No later than the Notice Date, Beauty Health shall publish the Summary Notice on an electronic newswire such as *PRNewswire* or *GlobeNewswire*; and

13.6 No later than the Notice Date, Plaintiffs' Counsel shall cause the Stipulation and Notice to be posted on the respective websites of Plaintiffs' Counsel in the consolidated action, which documents shall remain posted to their respective websites through the date of the Settlement Hearing.

14. Counsel for the Parties shall, at least ten (10) business days before the Settlement Hearing, file with the Court an appropriate affidavit with respect to compliance with the requirements set forth in the foregoing paragraph.

ORDER AND FINAL JUDGMENT

15. If the Settlement (including any modifications thereto made with the consent of the Parties as provided for herein) shall be approved by the Court following a hearing (the "Settlement Hearing") as fair, reasonable, and adequate and in the best interests of Beauty Health, the Parties shall jointly request that the Court enter an order substantially in the form attached hereto as Exhibit E (the "Order and Final Judgment").

16. The Order and Final Judgment shall, among other things, provide for full and complete dismissal of the Action with prejudice, and the Settlement and release of the Released Claims by the Releasing Parties as against the Released Parties.

COOPERATION

17. The Parties and their respective counsel agree to cooperate fully with one another in seeking the Court's approval the Settlement, and to use their best efforts

to take, or cause to be taken, all actions, and to do, or cause to be done, all things reasonably necessary, proper, or advisable under applicable laws, regulations, and agreements to obtain the Court's approval of the Settlement, consummate and make effective, as promptly as practicable, this Stipulation and the Settlement provided for hereunder (including, but not limited to, using their best efforts to resolve any objections raised to the Settlement).

18. Without further order of the Court, the Parties may agree to reasonable extensions of time not expressly set forth by the Court in order to carry out any provisions of this Stipulation.

CONDITIONS OF SETTLEMENT

19. The Settlement is conditioned upon the fulfillment of each of the following:

19.1 The entry by the Court of an Order and Final Judgment substantially in the form attached hereto as Exhibit E approving the proposed Settlement and dismissing the Action with prejudice without the award of any damages, costs, fees or the grant of any further relief except for an award of fees and expenses to Plaintiffs' Counsel that the Court may make as contemplated herein; and

19.2 Final Approval of the Settlement.

20. In the event that the proposed Settlement is rendered null and void for any reason, the existence of or the provisions contained in this Stipulation or any term sheet or other document relating to the terms of the proposed Settlement shall not be

deemed to prejudice in any way the respective positions of the Parties with respect to the Action; nor shall they be deemed a presumption, a concession, or an admission by the Parties of any fault, liability, wrongdoing or damages whatsoever as to any facts, claims or defenses that have been or could have been alleged or asserted in the Action, or any other action or proceeding or each thereof; nor shall they be interpreted, construed, deemed, invoked, offered, or received in evidence or otherwise used by any person in the Action, or in any other action or proceeding.

WARRANTY AND NON-ASSIGNMENT OF CLAIMS

21. Plaintiffs, Stockholder, Plaintiffs' Counsel and Stockholder's Counsel represent and warrant that Plaintiffs and Stockholder are current Beauty Health stockholders and that none of Defendants' Released Claims have been assigned, encumbered, or in any manner transferred in whole or in part, and that neither Plaintiffs, Stockholder nor Plaintiffs' Counsel and Stockholder's Counsel will attempt to assign, encumber, or in any way transfer, in whole or in part, any of Defendants' Released Claims.

ATTORNEYS' FEES

22. Plaintiffs' Counsel will apply to the Court for a Fee Award not to exceed \$737,500.00 in the aggregate, and Defendants will not oppose or object to the requested Fee Award.

23. The Court may consider and rule upon the fairness, reasonableness, and

adequacy of the Settlement independently of Plaintiffs' Counsel's requested Fee Award. The failure of the Court to approve the requested Fee Award, in whole or in part, shall have no effect on the validity of the Settlement or delay the enforceability of the Settlement, and final resolution by the Court of the requested Fee Award shall not be a precondition to the dismissal with prejudice of the Action. Any failure of the Court to approve the requested Fee Award, in whole or in part, shall not provide any of the Parties with the right to terminate the Settlement.

24. Beauty Health has agreed not to object to Plaintiffs' application to the Court for reasonable service awards ("Service Awards") to be paid to Plaintiffs and the Stockholder from the Fee Award.

25. Beauty Health shall pay and/or cause to be paid any Fee Award entered by the Court as provided by the terms of such order to an escrow account designated by Plaintiffs' Counsel within thirty (30) days of entry of the Final Order and Judgment approving the Settlement and Fee Award and receipt of payment information from Plaintiffs' Counsel including providing Beauty Health's counsel with the necessary information required for payment by check or a wire-transfer and a signed W-9 and a tax ID number. Any payment of any Fee Award provided herein shall be subject to Plaintiffs' Counsel's and Stockholder's Counsel's obligation to make refunds or repayments to Beauty Health of any amounts paid, if the Settlement is terminated pursuant to the terms of this Stipulation or fails to become effective for any reason,

or if, as a result of any appeal of further proceedings on remand or successful collateral attack, the Fee Award is reduced or reversed by final non-appealable court order.

26. Plaintiffs' Counsel shall allocate the Fee Award among themselves and Stockholder's Counsel. Plaintiffs' Counsel and Stockholder's Counsel agree that any disputes regarding the allocation of the Fee Award shall be presented to and be mediated, and, if necessary, finally decided and resolved by the Mediator on the terms and subject to the processes and procedures set forth by the Mediator. The Mediator's fees and costs for any such mediation and/or arbitration shall be borne solely by Plaintiffs' Counsel and Stockholder's Counsel and allocated among Plaintiffs' Counsel and Stockholder's Counsel equally or as otherwise agreed. Defendants and their counsel take no position with respect to, and shall have no liability for, the allocation of any Fee Award among Plaintiffs' Counsel and Stockholder's Counsel, including, for the avoidance of doubt, any fees or costs associated with a mediation and/or arbitration before the Mediator.

STIPULATION NOT AN ADMISSION

27. Neither this Stipulation nor the Settlement, nor any act or omission taken in connection with this Stipulation or the Settlement, is intended or shall be deemed to be a presumption, concession or admission by: (a) any of the Individual Defendants or any of the Released Defendant Parties as to the validity of any claims, causes of

action or other issues that were or could have been raised in the Action or in any other litigation, or to be evidence of or constitute an admission of wrongdoing or liability by any of them, and each of them expressly denies any such wrongdoing or liability; or (b) Plaintiffs as to the lack of merit of any claim or the validity of any defense.

28. Any communications related to the Settlement, its contents or any of the negotiations, statements, or proceedings in connection therewith shall not be offered or admitted in evidence or referred to, interpreted, construed, invoked, or otherwise used by any person for any purpose in the Action or otherwise, except as may be necessary to effectuate the Settlement.

NO WAIVER

29. Any failure by any Party to insist upon the strict performance by any other Party of any of the provisions of the Settlement shall not be deemed a waiver of any of the provisions of the Settlement, and such Party shall have the right thereafter to insist upon the strict performance of any and all of the provisions of the Settlement. All waivers must be in writing and signed by the Party against whom the waiver is asserted.

30. No waiver, express or implied, by any Party of any breach or default in the performance by any other Party of its obligations pursuant to the Settlement shall be deemed or construed to be a waiver of any other breach, whether prior, subsequent or contemporaneous, under the terms of the Settlement.

BREACH

31. The Parties agree that in the event of any breach of the Settlement, all of the Parties' rights and remedies at law, equity, or otherwise, are expressly reserved.

32. Any disputes, other than the Fee Award, that arise out of the finalization of the settlement documentation, including but not limited to, the terms of this agreement and related exhibits and filings, will be finally determined and resolved by the Mediator according to expedited procedures determined by the Mediator. Each Party shall bear their own costs and expenses in connection with any such mediation or arbitral proceedings.

GOVERNING LAW

33. This Stipulation and the Settlement contemplated by it shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to conflict of laws principles.

ENTIRE AGREEMENT; AMENDMENTS

34. This Stipulation and its exhibits constitute the entire agreement among the Parties with respect to the subject matter hereof, and may be modified or amended only by a writing signed by the signatories hereto.

COUNTERPARTS

35. This Stipulation may be executed in multiple counterparts by any of the signatories hereto, including by facsimile, and as so executed shall constitute one

agreement.

SUCCESSORS AND ASSIGNS

36. Except as expressly provided for herein, this Stipulation, and all rights and powers granted hereby, shall be binding upon and inure to the benefit of the Parties and their respective agents, executors, heirs, successors, affiliates and assigns.

COMPLIANCE WITH ETHICAL RULES

37. The Parties agree that throughout the course of the litigation, all Parties and their counsel complied with the good faith litigation provisions of Rule 11 of the Rules of the Court of Chancery of the State of Delaware and that the Order and Final Judgment submitted to the Court will contain a statement to reflect this compliance.

BANKRUPTCY

38. In the event any proceedings by or on behalf of Defendants, whether voluntary or involuntary, are initiated under any chapter of the United States Bankruptcy Code, or similar federal or state law action, including an act of receivership or asset seizure (“Bankruptcy Proceedings”), the Parties agree to use their reasonable best efforts to obtain all necessary orders, consents, releases and approvals for effectuation of the Settlement Agreement in a timely and expeditious manner, as permitted by the United States Bankruptcy Code, or similar federal or state law.

39. In the event of any Bankruptcy Proceedings by or on behalf of Defendants, the Parties agree that all dates and deadlines set forth in this agreement will be

extended for such periods of time as are necessary to obtain necessary orders, consents, releases and approvals from the applicable court to carry out the terms and conditions of the Settlement Agreement.

40. Defendants represent and acknowledge that they are receiving consideration through the Settlement that provides reasonably equivalent value for the terms and conditions imposed on the Company through the Settlement. The Parties further agree that this is not, and expressly waive any argument that this agreement is an “executory contract” as that term is used in the U.S. Bankruptcy Code that can be rejected pursuant to 11 U.S.C § 365 on motion filed with the Bankruptcy Court.

JURISDICTION

41. Any action related to: (i) implementing and enforcing the Settlement; or (ii) the allocation of any Fee Award among Plaintiffs’ Counsel and Stockholder’s Counsel should alternative dispute resolution before the Mediator prove unsuccessful, shall be filed and litigated exclusively in the Court of Chancery. Each Party (i) consents to personal jurisdiction in any such action brought in the Court of Chancery (or any other state or federal court sitting in New Castle County Delaware if the Court of Chancery does not have jurisdiction), (ii) consents to service of process by registered mail (with a copy to be delivered at the time of such mailing to counsel for each Party by facsimile or electronic mail) upon such Party and/or such Party’s agent for purposes of such action, (iii) waives any objection to venue in the

Court and any claim that Delaware or the Court is an inconvenient forum for such action, and (iv) waives any right to demand a jury trial as to any such action.

AUTHORITY

42. The undersigned attorneys represent and warrant that they have the authority from their client(s) to enter into this Stipulation and bind their client(s) thereto.

Dated: February 9, 2026

COOCH AND TAYLOR, P.A.

/s/ Blake A. Bennett

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