

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re SAIC, INC. SECURITIES LITIGATION	:	Master File No. 1:12-cv-01353-DAB
_____	:	
	:	<u>CLASS ACTION</u>
This Document Relates To:	:	
	:	STIPULATION OF SETTLEMENT
ALL ACTIONS.	:	
_____	:	
	X	

This Stipulation of Settlement, dated December 12, 2017 (the “Stipulation”), is made and entered into by and among: (i) Lead Plaintiffs Indiana Public Retirement System, Indiana State Teachers’ Retirement Fund and Indiana Public Employees’ Retirement Fund (collectively, “Lead Plaintiffs” or the “Indiana Retirement System”) (on behalf of themselves and each of the Class Members), by and through their counsel of record in the Litigation; and (ii) Leidos, Inc. (f/k/a SAIC, Inc.) (“Defendant,” “Leidos” or the “Company”),<sup>1</sup> by and through its attorneys of record in the Litigation.<sup>2</sup> Lead Plaintiffs and Defendant are referred to herein as the “Settling Parties.”<sup>3</sup> This Stipulation is intended to fully, finally and forever resolve, discharge and settle the Released Claims, subject to the approval of the Court and the terms and conditions set forth in this Stipulation.

## **I. THE LITIGATION**

The Litigation is pending before the Honorable Deborah A. Batts in the United States District Court for the Southern District of New York (the “Court”). The initial complaint in this action was filed on February 22, 2012. On June 14, 2012, the Court appointed Lead Plaintiffs and Lead Counsel. On August 30, 2012, Lead Plaintiffs filed their Amended Class Action Complaint for Violations of the Federal Securities Laws (“Complaint”), which alleged claims on behalf of a putative class of purchasers of SAIC common stock between April 11, 2007 and September 1, 2011, inclusive.

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<sup>1</sup> In September 2013, SAIC, Inc. (“SAIC”) changed its name to Leidos and spun off a separate, publicly traded company under its former name. For the avoidance of doubt, SAIC, as used herein, shall refer to the company before the spinoff.

<sup>2</sup> All capitalized terms not otherwise defined shall have the meanings ascribed to them in §IV.1 herein.

<sup>3</sup> Formerly named as defendants are Kenneth C. Dahlberg, Walter P. Havenstein, Mark W. Sopp, Deborah A. Alderson, and Gerard Denault (collectively, the “Former Defendants”).

Specifically, the Complaint alleged that SAIC and the Former Defendants violated §§10(b) and 20(a) of the Securities Exchange Act of 1934 by, *inter alia*, issuing false and misleading statements and failing to disclose loss contingencies and uncertainties associated with an overbilling scheme, perpetrated by two former employees and others, that defrauded New York City out of hundreds of millions of dollars in connection with the CityTime Project over a multi-year period. The Complaint further alleged that as a result of their material misrepresentations and omissions, SAIC common stock traded at artificially inflated prices.

On November 9, 2012, SAIC and the Former Defendants filed Motions to Dismiss the Complaint. Lead Plaintiffs filed their opposition to the motions on February 8, 2013, and SAIC and the Former Defendants filed their replies on March 25, 2013. On September 30, 2013, the Court denied the motions to dismiss with respect to two claims alleged against SAIC based on the alleged CityTime-related omissions, and granted them with respect to the Former Defendants.<sup>4</sup>

On October 15, 2013, Leidos moved for partial reconsideration of the Court's decision on the motions to dismiss, which motion was opposed by Lead Plaintiffs on October 25, 2013. Leidos filed its reply on November 4, 2013, and on January 30, 2014, the Court granted the motion for reconsideration and dismissed the Litigation.<sup>5</sup>

On March 4, 2014, Lead Plaintiffs filed a motion to vacate the judgment to reinstate the dismissed claims against Leidos and/or for leave to further amend the Complaint, together with a [Proposed] Second Amended Class Action Complaint for Violations of the Federal Securities Laws.

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<sup>4</sup> On September 9, 2013, Lead Plaintiffs requested the Court to schedule a pre-motion conference in connection with an application to partially lift the automatic stay of discovery imposed by the Private Securities Litigation Reform Act of 1995 during the pendency of the motions to dismiss. On September 16, 2013, SAIC opposed the request. On September 30, 2013, the Court denied the request as moot when it rendered its decision on the motions to dismiss.

<sup>5</sup> SAIC filed its answer to the Complaint on December 2, 2013.

Leidos filed an opposition to the motion on April 2, 2014, and Lead Plaintiffs filed their reply on April 18, 2014. On September 30, 2014, the Court denied Lead Plaintiffs' motion to vacate or amend, and on October 30, 2014, Lead Plaintiffs filed a Notice of Appeal to the Second Circuit Court of Appeals.

On February 11, 2015, Lead Plaintiffs filed their opening brief in the Second Circuit Court of Appeals, and on May 13, 2015, Leidos and the Former Defendants filed their answering brief. On June 22, 2015, Lead Plaintiffs filed their reply briefs, and oral argument on the appeal was held on October 6, 2015. On March 29, 2016, the Second Circuit reinstated the two claims alleged against Leidos based on the alleged CityTime-related omissions and affirmed the dismissal of others. The Second Circuit Court of Appeals also confirmed that the Class Period begins on March 25, 2011.

On April 12, 2016, Leidos filed in the Second Circuit Court of Appeals a Petition for Panel Rehearing and Rehearing en Banc. The Second Circuit denied the petition on August 2, 2016.

On September 6, 2016, Leidos requested a pre-motion conference in contemplation of a motion establishing that the Class Period must end on June 2, 2011 instead of September 1, 2011. On September 9, 2016, Lead Plaintiffs opposed the request, and the parties submitted additional letters to the Court thereafter. On September 23, 2016, the Court granted Leidos' request to end the Class Period on June 2, 2011. On October 7, 2016, Lead Plaintiffs filed a motion for reconsideration or certification of an appeal of the September 23, 2016 decision, and Leidos filed its opposition to the motion on October 24, 2016. Lead Plaintiffs filed their reply to the motion on November 3, 2016, and on February 2, 2017, the Court denied the motion.

On October 31, 2016, Leidos filed its petition for a writ of certiorari with the U.S. Supreme Court, and Lead Plaintiffs filed their Second Amended Class Action Complaint for Violations of the Federal Securities Laws (the "SAC"), alleging a Class Period covering March 25, 2011 to June 2,

2011, inclusive. SAIC filed its answer to the SAC on November 30, 2016. Lead Plaintiffs opposed the certiorari petition on February 8, 2017, and Leidos filed its reply on February 21, 2017.

On March 27, 2017, the Supreme Court granted Leidos' petition for certiorari, and on April 5, 2017, after letter briefing from the parties, the District Court stayed all proceedings pending resolution of the appeal. Leidos filed its opening brief in the Supreme Court on June 21, 2017. Lead Plaintiffs filed their answering brief on August 31, 2017. Leidos filed its reply brief on October 2, 2017.

In an effort to settle the Litigation, Lead Plaintiffs and Leidos engaged the services of Bruce A. Friedman, Esq. of JAMS, an experienced mediator. They prepared detailed mediation statements and engaged in a full-day in-person mediation session with Mr. Friedman on September 14, 2017. These efforts culminated with the parties agreeing to settle the Litigation for Six Million Five Hundred Thousand Dollars (\$6,500,000), subject to the negotiation of the terms of a Stipulation of Settlement and approval by the Court.

## **II. DEFENDANT'S DENIALS OF WRONGDOING AND LIABILITY**

Defendant has denied, and continues to deny, that it has committed any act or omission giving rise to any liability under §§10(b) or 20(a) of the Securities Exchange Act of 1934 or any other federal securities laws. Specifically, Leidos, formerly known as SAIC, expressly has denied, and continues to deny, each and all of the claims alleged by Lead Plaintiffs in the Litigation, including, without limitation, any liability arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Litigation. Leidos also has denied and continues to deny, among other things, the allegations that it made, knowingly or otherwise, any material misstatements or omissions; that it acted recklessly or with culpable intent; that any Member of the Class has suffered any damages; that the price of its securities was artificially inflated

by reason of the alleged misrepresentations, omissions, or otherwise; or that the Members of the Class were harmed by the conduct alleged in the Litigation or that could have been alleged as part of the Litigation. In addition, Defendant maintains that it has meritorious defenses to all claims alleged in the Litigation.

As set forth below, neither the Settlement nor any of the terms of this Stipulation shall constitute an admission or finding of any fault, liability, wrongdoing or damage whatsoever or any infirmity in the defenses that Defendant has, or could have, asserted. Defendant is entering into this Stipulation to eliminate the burden, expense and uncertainties of further litigation. Defendant has determined that it is desirable and beneficial to it that the Litigation be settled in the manner and upon the terms and conditions set forth in this Stipulation.

### **III. LEAD PLAINTIFFS' CLAIMS AND THE BENEFITS OF SETTLEMENT**

Lead Plaintiffs believe that the claims asserted in the Litigation have merit and that the evidence developed to date supports their claims. However, Lead Plaintiffs and their counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Litigation against Defendant through trial and any appeals. Lead Plaintiffs and their counsel also have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as this Litigation, as well as the difficulties and delays inherent in such litigation. Lead Plaintiffs and their counsel also are mindful of the inherent problems of proof under and possible defenses to the securities law violations asserted in the Litigation. Lead Plaintiffs and their counsel believe that the Settlement set forth in this Stipulation confers substantial benefits upon the Class. Based on their evaluation, Lead Plaintiffs and their counsel have determined that the Settlement set forth in this Stipulation is in the best interests of Lead Plaintiffs and the Class.

#### **IV. TERMS OF THE STIPULATION AND AGREEMENT OF SETTLEMENT**

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among Lead Plaintiffs (for themselves and the Class Members) and Defendant, by and through their counsel or attorneys of record, that, subject to the approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure in consideration of the benefits flowing to the parties from the Settlement, the Litigation and the Released Claims shall be finally and fully compromised, settled, and released, and the Litigation shall be dismissed with prejudice, as to all Settling Parties, upon and subject to the terms and conditions of this Stipulation, as follows.

##### **1. Definitions**

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

1.1 “Authorized Claimant” means any Class Member whose claim for recovery has been allowed pursuant to the terms of this Stipulation.

1.2 “Claims Administrator” means the firm of Gilardi & Co. LLC.

1.3 “Class” means all Persons who purchased or otherwise acquired SAIC common stock between March 25, 2011 and June 2, 2011, inclusive. Excluded from the Class are: the Former Defendants, the officers and directors of Leidos, formerly SAIC, during the Class Period, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendant or the Former Defendants have or had a controlling interest. Also excluded from the Class is any Class Member that validly and timely requests exclusion in accordance with the requirements set by the Court.

1.4 “Class Member” or “Member of the Class” means a Person who falls within the definition of the Class as set forth in ¶1.3 above.

1.5 “Class Period” means the period from March 25, 2011 to June 2, 2011, inclusive.

1.6 “Defendant” means Leidos, formerly known as SAIC.

1.7 “Effective Date,” or the date upon which this Settlement becomes “effective,” means the date on which all of the events and conditions specified in ¶8.1 of the Stipulation have been met and have occurred.

1.8 “Escrow Agent” means the law firm of Robbins Geller Rudman & Dowd LLP or its successor(s).

1.9 “Final” means, with respect to any order or Judgment of the Court, that such order or Judgment represents a final and binding determination of all issues within its scope and has not been reversed, vacated, or modified in any way and is no longer subject to appellate review, either because of disposition on appeal and conclusion of the appellate process or because of passage, without action, of time for seeking appellate review. Without limitation, an order or Judgment becomes final when: (a) either no appeal therefrom has been filed and the time has passed for any notice of appeal to be timely filed therefrom; or (b) an appeal has been filed and either (i) the court of appeals has either affirmed the order or Judgment or dismissed that appeal and the time for any reconsideration or further appellate review has passed; or (ii) a higher court has granted further appellate review and that court has either affirmed the underlying order or judgment or affirmed the court of appeals’ decision affirming the Judgment or dismissing the appeal. For purposes of this paragraph, an “appeal” shall include any petition for a writ of certiorari or other writ that may be filed in connection with approval or disapproval of this Settlement. Any appeal or proceeding seeking subsequent judicial review pertaining solely to costs and expenses, the Plan of Allocation, or the procedures for determining Authorized Claimants’ recognized claims shall not in any way delay or affect the time set forth above for the Judgment to become Final, or otherwise preclude the Judgment from becoming Final.



1.10 “Former Defendants” means Kenneth C. Dahlberg, Walter P. Havenstein, Mark W. Sopp, Deborah H. Alderson, and Gerard Denault.

1.11 “Judgment” means the Order and Final Judgment to be rendered by the Court, substantially in the form attached hereto as Exhibit B.

1.12 “Lead Counsel” means Robbins Geller Rudman & Dowd LLP.

1.13 “Lead Plaintiffs” means Indiana Public Retirement System, Indiana State Teachers’ Retirement Fund and Indiana Public Employees’ Retirement Fund.

1.14 “Lead Plaintiffs’ Counsel” means any attorney or firm that has appeared in the Litigation on behalf of Lead Plaintiffs or the Class.

1.15 “Litigation” means the action captioned *In re SAIC, Inc. Securities Litigation*, Master File No. 1:12-cv-01353-DAB, pending in the United States District Court for the Southern District of New York.

1.16 “Net Settlement Fund” means the Settlement Fund less: (i) any Court-awarded costs, expenses and interest thereon; (ii) Notice and Administration Expenses; (iii) Taxes and Tax Expenses; and (iv) other Court-approved deductions.

1.17 “Person” means an individual, corporation, partnership, limited partnership, limited liability company, joint venture, 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 assignees.

1.18 “Plan of Allocation” means a plan or formula of allocation of the Net Settlement Fund whereby the Net Settlement Fund shall be distributed to Authorized Claimants. Any Plan of

Allocation is not part of the Stipulation and neither Defendant nor its Related Parties shall have any responsibility or liability with respect thereto.

1.19 “Proof of Claim and Release” means the Proof of Claim and Release form for submitting a claim, which, subject to approval of the Court, shall be substantially in the form attached hereto as Exhibit A-2.

1.20 “Related Parties” means each of Leidos’, formerly SAIC’s, direct controlling persons, associates, related or affiliated entities, and each and all of their respective past or present officers, directors, employees, partners, members, principals, agents, representatives, attorneys, auditors, financial or investment advisors, consultants, underwriters, accountants, investment bankers, commercial bankers, entities providing fairness opinions, advisors, insurers, reinsurers, heirs, spouses, executors, trustees, general or limited partners or partnerships, limited liability companies, members, joint ventures, personal or legal representatives, estates, administrators, predecessors, successors or assigns, or any member of their immediate families, marital communities or any trusts for which any of them are trustees, settlers or beneficiaries or anyone acting or purporting to act for or on behalf of them or their successors.

1.21 “Released Claims” means any and all claims, rights, duties, controversies, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, losses, judgments, liabilities, allegations, arguments and causes of action of every nature and description, whether known or unknown, whether arising under federal, state, local, common, statutory, administrative or foreign law, or any other law, rule, ordinance, administrative provision or regulation, at law or in equity, whether class or individual in nature, whether fixed or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, whether matured or unmatured, which arise out of or relate in any way to: (i) the purchase or acquisition of SAIC common stock during the Class Period,

and (ii) the allegations, transactions, facts, matters, events, disclosures, registration statements, public filings, acts, occurrences, representations, statements, omissions or failures to act that were or could have been alleged by Lead Plaintiffs or any Class Member in the Litigation. “Released Claims” does not include claims to enforce the Settlement. “Released Claims” includes “Unknown Claims” as defined in ¶1.29 hereof.

1.22 “Released Defendant’s Claims” means any and all claims, rights, duties, controversies, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, losses, judgments, liabilities, allegations, arguments, and causes of action of every nature and description (including Unknown Claims), whether arising under federal, state, local, common, statutory, administrative, or foreign law, or any other law, rule or regulation, at law or in equity, that arise out of or relate in any way to the institution, prosecution or settlement of the claims against Defendant and the Former Defendants in the Litigation, except for claims relating to the enforcement of the Settlement.

1.23 “Released Persons” means the Defendant Leidos (formerly SAIC) and its Related Parties.

1.24 “Settlement” means the resolution of the Litigation in accordance with the terms and provisions of this Stipulation.

1.25 “Settlement Amount” means Six Million Five Hundred Thousand Dollars (\$6,500,000.00) in cash to be paid by check or wire transfer to the Escrow Agent pursuant to ¶3.1 of this Stipulation.

1.26 “Settlement Fund” means the Settlement Amount plus all interest and accretions thereto, and which may be reduced by payments or deductions as provided for herein or by Court

order. Such amount is paid as consideration for the full and complete settlement of all the Released Claims.

1.27 “Settling Parties” means, collectively, Defendant and Lead Plaintiffs, on behalf of themselves and the Class.

1.28 “Tax” or “Taxes” mean any and all taxes, fees, levies, duties, tariffs, imposts and other charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any governmental authority, including, but not limited to, any local, state and federal taxes.

1.29 “Unknown Claims” means any and all Released Claims which Lead Plaintiffs, Lead Plaintiffs’ Counsel or any Class Members do not know or suspect to exist in his, her, or its favor at the time of the release of the Released Persons and any and all Released Defendant’s Claims that the Released Persons do not know or suspect to exist in his, her or its favor at the time of the release of the Lead Plaintiffs, Lead Plaintiffs’ Counsel, or any Class Members, which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, Lead Plaintiffs, Lead Plaintiffs’ Counsel or Class Members, or might have affected his, her or its decision(s) with respect to the Settlement, including, but not limited to, whether or not to object to this Settlement or to the release of the Released Persons, Lead Plaintiffs, Lead Plaintiffs’ Counsel or Class Members. With respect to any and all Released Claims and Released Defendant’s Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Settling Parties shall expressly waive and each of the Settling Parties shall be deemed to have, and by operation of the Judgment shall have, expressly waived to the fullest extent permitted by law, 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.**

The Settling Parties shall expressly waive and each of the Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, principle of common law or any provision of foreign law, which is similar, comparable or equivalent to California Civil Code §1542. The Settling Parties acknowledge that they may hereafter discover facts in addition to or different from those which he, she, it or their counsel now knows or believes to be true with respect to the subject matter of the Released Claims or Released Defendant's Claims, but the Settling Parties shall expressly settle and release, and each Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally and forever settled and released any and all Released Claims and Released Defendant's Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Settling Parties acknowledge, and the Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the Settlement of which this release is a part.

## **2. CAFA Notice**

2.1 Pursuant to the Class Action Fairness Act, 28 U.S.C. §1715 ("CAFA"), no later than ten (10) calendar days after this Stipulation is filed with the Court, Leidos, at its own costs, shall serve or cause to be served proper notice of the proposed Settlement upon those who are entitled to notice pursuant to CAFA.

**3. The Settlement**

**a. The Settlement Amount**

3.1 In full settlement of the claims asserted in the Litigation against Defendant and in consideration of the releases specified in ¶5 herein, Leidos shall use its best efforts to cause the Settlement Amount to be deposited into an interest-bearing escrow account (“Escrow Account”) controlled by Lead Counsel serving as Escrow Agent on or before thirty (30) business days after the later of (i) entry of the Preliminary Approval Order, as defined in ¶4.1 herein, or (ii) the provision to Defendant of the information necessary to effectuate a payment of funds, including a completed W-9 for the Settlement Fund, all necessary wire transfer instructions, and check payee and address information.

3.2 If the entire Settlement Amount is not timely deposited into the Escrow Account, Lead Counsel may terminate the Settlement but only if: (i) Lead Counsel has notified Defendant’s counsel in writing of Lead Counsel’s intention to terminate the Settlement; and (ii) the entire Settlement Amount is not transferred to the Escrow Account within ten (10) business days after Lead Counsel has provided such written notice.

3.3 Other than the obligation to pay or cause to be paid the Settlement Amount into the Settlement Fund set forth in ¶3.1 herein, Defendant shall have no obligation to make any other payment into the Settlement Fund pursuant to this Stipulation and shall have no responsibility or liability with respect to the Escrow Account or the monies maintained in the Escrow Account, including, without limitation, any responsibility or liability related to any fees, Taxes, investment decisions, maintenance, supervision or distribution of any portion of the Settlement Amount.

**b. The Escrow Agent**

3.4 The Escrow Agent shall invest the Settlement Amount deposited pursuant to ¶3.1 hereof in United States Agency or Treasury Securities or other instruments backed by the full faith & credit of the United States Government or an agency thereof, or fully insured by the United States Government or an agency thereof and shall reinvest the proceeds of these instruments as they mature in similar instruments at their then-current market rates. All costs and risks related to the investment of the Settlement Fund in accordance with the investment guidelines set forth in this paragraph shall be borne by the Settlement Fund, and the Released Persons shall have no responsibility for, interest in, or liability whatsoever with respect to investment decisions or the actions of the Escrow Agent, or any transactions executed by the Escrow Agent. The Escrow Agent, through the Settlement Fund, shall indemnify and hold each of the Released Persons and their counsel harmless for the actions of the Escrow Agent.

3.5 The Escrow Agent shall not disburse the Settlement Fund except as provided in this Stipulation, by an order of the Court, or with the written agreement of counsel for Defendant.

3.6 Subject to further order(s) and/or directions as may be made by the Court, or as provided in this Stipulation, the Escrow Agent is authorized to execute such transactions as are consistent with the terms of this Stipulation. The Released Persons shall have no responsibility for, interest in, or liability whatsoever with respect to the actions of the Escrow Agent or any transaction executed by the Escrow Agent. The Escrow Agent, through the Settlement Fund, shall indemnify and hold each of the Released Persons and their counsel harmless for any transaction executed by the Escrow Agent.

3.7 All funds held by the Escrow Agent shall be deemed and considered to be 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 this Stipulation and/or further order(s) of the Court.

3.8 Without further order of the Court, the Settlement Fund may be used by Lead Counsel to pay reasonable costs and expenses actually incurred in connection with providing notice of the Settlement to the Class by mail, publication, and other means, locating Class Members, assisting with the submission of claims, processing Proof of Claim and Release forms, administering the Settlement, and paying escrow fees and costs, if any (“Notice and Administration Expenses”). The Released Persons shall have no responsibility for or liability whatsoever with respect to the Notice and Administration Expenses, nor shall they have any responsibility or liability whatsoever for any claims with respect thereto. The Escrow Agent, through the Settlement Fund, shall indemnify and hold each of the Released Persons and their counsel harmless for any Notice and Administration Expenses.

**c. Taxes**

3.9 (a) The Settling Parties and the Escrow Agent agree to treat the Settlement Fund as being at all times a “qualified settlement fund” within the meaning of Treas. Reg. §1.468B-1. The Settling Parties and the Escrow Agent further agree that the Settlement Fund shall be established pursuant to the Court’s subject matter jurisdiction within the meaning of Treas. Reg. §1.468B-1(c)(1). In addition, the Escrow Agent shall timely make such elections as necessary or advisable to carry out the provisions of this ¶3.9, including the “relation-back election” (as defined in Treas. Reg. §1.468B-1) 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



Escrow Agent 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.

(b) For the purpose of §1.468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the “administrator” (as defined in Treas. Reg. §1.468B-2(k)(3)) shall be the Escrow Agent. The Escrow Agent shall timely and properly file all informational and other federal, state, or local tax returns necessary or advisable with respect to the earnings on the Settlement Fund (including, without limitation, the returns described in Treas. Reg. §1.468B-2(k)). Such returns (as well as the elections described in ¶3.9(a) hereof) shall be consistent with this ¶3.9 and in all events shall reflect that all Taxes (including any estimated Taxes, interest, or penalties) on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided in ¶3.9(c) hereof.

(c) All (i) Taxes (including any estimated Taxes, interest, or penalties) arising with respect to the income earned by the Settlement Fund, including any Taxes or tax detriments that may be imposed upon the Released Persons or their counsel with respect to any income earned by the Settlement Fund for any period, after the deposit of the Settlement Amount, during which the Settlement Fund does not qualify as a “qualified settlement fund” for federal or state income tax purposes; and (ii) expenses and costs incurred in connection with the operation and implementation of this ¶3.9 (including, without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing (or failing to file) the returns described in this ¶3.9) (“Tax Expenses”), shall be paid out of the Settlement Fund; in all events the Released Persons and their counsel shall have no liability or responsibility whatsoever for the Taxes or the Tax Expenses. The Escrow Agent, through the Settlement Fund, shall indemnify and hold each of the Released Persons and their counsel harmless for Taxes and Tax Expenses (including, without

limitation, Taxes payable by reason of any such indemnification). Further, Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlement Fund and shall be timely paid by the Escrow Agent out of the Settlement Fund without prior order from the Court and the Escrow Agent shall be authorized (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized Claimants any funds necessary to pay such amounts, including the establishment of adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be required to be withheld under Treas. Reg. §1.468B-2(1)(2)); neither the Released Persons nor their counsel are responsible nor shall they have any liability for any Taxes or Tax Expenses. The Settling Parties hereto agree to cooperate with the Escrow Agent, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this ¶3.9.

3.10 This is not a claims-made settlement. As of the Effective Date, Defendant, and/or any other Person funding the Settlement on Defendant's behalf, shall not have any right to the return of the Settlement Fund or any portion thereof for any reason.

**d. Termination of Settlement**

3.11 In the event that this Stipulation is not approved or this Stipulation or the Settlement is terminated or canceled, or the Effective Date otherwise fails to occur for any reason, the Settlement Fund less Notice and Administration Expenses or Taxes or Tax Expenses paid, incurred, or due and owing pursuant to ¶¶3.8 and 3.9 hereof in connection with the Settlement provided for herein, shall be refunded pursuant to written instructions from counsel for Defendant in accordance with ¶8.5 herein.

**4. Preliminary Approval Order and Settlement Hearing**

4.1 Promptly after execution of this Stipulation, Lead Counsel shall submit this Stipulation together with its Exhibits to the Court and shall apply for entry of an order (the

“Preliminary Approval Order”), substantially in the form of Exhibit A attached hereto, requesting, *inter alia*, the preliminary approval of the Settlement set forth in this Stipulation, certification of the Class for settlement purposes only and approval for the mailing of a settlement notice (the “Notice”) and publication of a summary notice (“Summary Notice”), substantially in the forms of Exhibits A-1 and A-3 attached hereto. The Notice shall include the general terms of the Settlement set forth in this Stipulation, the proposed Plan of Allocation, the general terms of the Expense Application, as defined in ¶7.1 hereof, and the date of the Settlement Hearing as defined below.

4.2 Leidos shall provide to the Claims Administrator, at no cost to Lead Plaintiffs or the Class, within ten (10) business days of execution of this Stipulation, those transfer records in the possession of the transfer agent that reflect the names and addresses of Persons who purchased or otherwise acquired Leidos common stock during the Class Period. Leidos shall provide such transfer records in electronic searchable form, such as Excel.

4.3 It shall be solely Lead Counsel’s responsibility to disseminate the Notice and Summary Notice to the Class in accordance with this Stipulation and as ordered by the Court. Class Members shall have no recourse as to the Released Persons with respect to any claims they may have that arise from any failure of the notice process.

4.4 Lead Counsel shall request that after notice is given, the Court hold a hearing (the “Settlement Hearing”) and approve the Settlement of the Litigation as set forth herein. At or after the Settlement Hearing, Lead Counsel also shall request that the Court approve the proposed Plan of Allocation and the Expense Application.

## **5. Releases**

5.1 Upon the Effective Date, as defined in ¶1.7 hereof, Lead Plaintiffs shall, and each of the Class Members and their predecessors, successors, agents, representatives, attorneys, affiliates

and the heirs, executors, administrators, successors and assigns of each of them, in their capacity as such, shall be deemed to have, and by operation of the Judgment shall have, fully, finally and forever released, relinquished and discharged all Released Claims against the Released Persons, whether or not such Class Member executes and delivers the Proof of Claim and Release or shares in the Net Settlement Fund. Claims to enforce the terms of this Stipulation are not released.

5.2 Any Proof of Claim and Release that is executed by Class Members shall release all Released Claims against the Released Persons and shall be substantially in the form contained in Exhibit A-2 attached hereto.

5.3 Upon the Effective Date, all Class Members and anyone claiming through or on behalf of any of them, will be forever barred and enjoined from commencing, instituting, prosecuting, or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration tribunal or administrative forum, asserting the Released Claims against any of the Released Persons.

5.4 Upon the Effective Date, each of the Released Persons shall be deemed to have, and by operation of the Judgment shall have, fully, finally and forever released, relinquished and discharged all Released Defendant's Claims against the Lead Plaintiffs, each and all of the Class Members and Lead Plaintiffs' Counsel (including Unknown Claims). Claims to enforce the terms of this Stipulation are not released.

**6. Administration and Calculation of Claims, Final Awards and Supervision and Distribution of the Settlement Fund**

6.1 The Claims Administrator, subject to such supervision and direction of Lead Counsel and the Court as may be necessary or as circumstances may require, shall administer and calculate the claims submitted by Class Members and shall oversee distribution of the Net Settlement Fund to Authorized Claimants.

6.2 The Settlement Fund shall be applied as follows:

- (a) to pay all Notice and Administration Expenses;
- (b) to pay the Taxes and Tax Expenses;
- (c) to pay costs and expenses of Lead Plaintiffs' Counsel (the "Expense Award"),

if and to the extent allowed by the Court; and

(d) after the Effective Date, to distribute the Net Settlement Fund to Authorized Claimants as allowed by this Stipulation, the Plan of Allocation, or the Court.

6.3 After the Effective Date, and in accordance with the terms of this Stipulation, the Plan of Allocation, or such further approval and further order(s) of the Court as may be necessary or as circumstances may require, the Net Settlement Fund shall be distributed to Authorized Claimants subject to and in accordance with the following provisions of this Stipulation.

6.4 Within one hundred (100) calendar days after the first mailing of the Notice or such other time as may be set by the Court, each Class Member shall be required to submit to the Claims Administrator a completed Proof of Claim and Release, substantially in the form of Exhibit A-2 attached hereto, signed under penalty of perjury and supported by such documents as are specified in the Proof of Claim and Release.

6.5 Except as otherwise ordered by the Court, all Class Members who fail to timely submit a valid Proof of Claim and Release within such period, or such other period as may be ordered by the Court, or otherwise allowed, shall be forever barred from receiving any payments pursuant to this Stipulation and the Settlement set forth herein, but will in all other respects be subject to and bound by the provisions of this Stipulation, the releases contained herein and the Judgment. Notwithstanding the foregoing, Lead Counsel shall have the discretion (but not an obligation) to accept late-submitted claims for processing by the Claims Administrator so long as the

distribution of the Net Settlement Fund to Authorized Claimants is not materially delayed thereby. No Person shall have any claim against Lead Plaintiffs, their counsel, the Claims Administrator or any Class Member by reason of the exercise or non-exercise of such discretion.

6.6 Each Proof of Claim and Release shall be submitted to and reviewed by the Claims Administrator, under the supervision of Lead Counsel, who shall determine in accordance with this Stipulation the extent, if any, to which each claim shall be allowed.

6.7 Proof of Claim and Release forms that do not meet the submission requirements may be rejected. Prior to rejecting a Proof of Claim and Release in whole or in part, the Claims Administrator shall communicate with the claimant in writing to give the claimant the chance to remedy any curable deficiencies in the Proof of Claim and Release submitted. The Claims Administrator, under the supervision of Lead Counsel, shall notify in a timely fashion and in writing all claimants whose claims the Claims Administrator proposes to reject in whole or in part for curable deficiencies setting forth the reasons therefor, and shall indicate in such notice that the claimant whose claim is to be rejected has the right to a review by the Court if the claimant so desires and complies with the requirements of ¶6.8 below.

6.8 If any claimant whose timely claim has been rejected in whole or in part for curable deficiency desires to contest such rejection, the claimant must, within twenty (20) calendar days after the date of mailing of the notice required in ¶6.7 above, or within ten (10) business days if the claim was untimely, serve upon the Claims Administrator a notice and statement of reasons indicating the claimant's grounds for contesting the rejection, along with any supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a claim cannot be otherwise resolved, Lead Counsel shall thereafter present the claimant's request for review to the Court.

6.9 Each claimant who declines to be excluded from the Class shall be deemed to have submitted to the jurisdiction of the Court with respect to the claimant's claim including, but not limited to, all releases provided for herein and in the Judgment and the claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to the claimant's status as a Class Member and the validity and amount of the claimant's claim. In connection with processing the Proofs of Claim and Release, no discovery shall be allowed on the merits of the Litigation or the Settlement.

6.10 The Net Settlement Fund shall be distributed to the Authorized Claimants substantially in accordance with the Plan of Allocation set forth in the Notice and approved by the Court. If there is any balance remaining in the Net Settlement Fund after a reasonable period of time after the date of the initial distribution of the Net Settlement Fund, Lead Counsel shall, if feasible and economical, reallocate (which reallocation may occur on multiple occasions) such balance among Authorized Claimants in an equitable and economical fashion. Any *de minimis* balance that still remains in the Net Settlement Fund after such reallocation(s) and payments, which is not feasible or economical to reallocate, shall be donated to any appropriate non-sectarian, non-profit charitable organization(s) serving the public interest selected by Lead Counsel and approved by the Court.

6.11 Defendant and its Related Parties shall have no responsibility for, interest in or liability whatsoever with respect to the distribution of the Net Settlement Fund, the Plan 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 claim of any kind against Defendant, its Related Parties or counsel for Defendant with respect to the matters set forth in §§6.1-6.13 hereof; and the Class Members, Lead Plaintiffs and Lead Counsel

release the Defendant and its Related Parties from any and all liability and claims arising from or with respect to the administration, investment or distribution of the Settlement Fund.

6.12 No Person shall have any claim against Defendant or its Related Parties, counsel for Defendant, Lead Plaintiffs, Lead Plaintiffs' Counsel or the Claims Administrator, or any other Person designated by Lead Counsel based on determinations or distributions made substantially in accordance with this Stipulation and the Settlement contained herein, the Plan of Allocation, or further order(s) of the Court.

6.13 It is understood and agreed by the Settling Parties that any proposed Plan of Allocation of the Net Settlement Fund, including, but not limited to, any adjustments to an Authorized Claimant's claim set forth therein, is not a part of this Stipulation and is 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, and any order or proceeding relating to the Plan of Allocation shall not operate to terminate or cancel this Stipulation or affect the finality of the Court's Judgment approving this Stipulation and the Settlement set forth herein, or any orders entered pursuant to the Stipulation.

## **7. Lead Plaintiffs' Counsel's Costs and Expenses**

7.1 Lead Counsel may submit an application or applications (the "Expense Application") from the Settlement Fund for: (a) an award of expenses or charges in connection with prosecuting the Litigation; plus (b) any interest on such expenses at the same rate and for the same periods as earned by the Settlement Fund (until paid) as may be awarded by the Court. An application for expenses may include a request for reimbursement of Lead Plaintiffs' reasonable costs and expenses pursuant to the Private Securities Litigation Reform Act of 1995. Lead Counsel reserves the right to make additional applications for expenses incurred.



7.2 Any costs and expenses, as awarded by the Court, shall be paid to Lead Counsel from the Settlement Fund, as ordered, immediately after the Court executes the Judgment and an order awarding such costs and expenses, notwithstanding the existence of any timely filed objections thereto or to the Settlement, or potential for appeal therefrom, or collateral attack on the Settlement or any part thereof.

7.3 In the event that the Effective Date does not occur, or the Judgment or the order making the Expense Award is reversed or modified, or this Stipulation is canceled or terminated for any other reason, and such reversal, modification, cancellation or termination becomes Final and not subject to review and in the event that the Expense Award has been paid to any extent, then Lead Counsel and such other Lead Plaintiffs' Counsel and Lead Plaintiffs who have received any portion of the Expense Award shall, within fifteen (15) business days from receiving notice from Defendant's counsel or from a court of appropriate jurisdiction, refund to the Settlement Fund all such costs and expenses previously paid to them from the Settlement Fund plus interest thereon at the same rate as earned on the Settlement Fund in an amount consistent with such reversal, modification, cancellation or termination. Any refunds required pursuant to ¶7.3 shall be the joint and several obligation of Lead Counsel, Lead Plaintiffs' Counsel and Lead Plaintiffs that received costs or expenses to make appropriate refunds or repayments to the Settlement Fund. Each such Lead Counsel, Lead Plaintiffs' Counsel or Lead Plaintiffs receiving costs and expenses, as a condition of receiving such costs and expenses, on behalf of itself and each partner and/or shareholder of it, agrees that such Person and its partners, shareholders and/or members are subject to the jurisdiction of the Court for the purpose of enforcing the provisions of this paragraph.

7.4 The procedure for and the allowance or disallowance by the Court of any applications by any Lead Plaintiffs' Counsel for expenses to be paid out of the Settlement Fund is not part of the

Settlement set forth in this Stipulation and is 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 and any order or proceeding relating to the Expense Application, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel this Stipulation or affect or delay the finality of the Judgment approving this Stipulation and the Settlement of the Litigation set forth therein.

7.5 Any costs and/or expenses awarded by the Court shall be paid solely from the Settlement Fund. With the sole exception of Leidos' obligation to pay or cause the Settlement Amount to be paid into the Escrow Account as provided for in ¶3.1, Defendant and its Related Parties shall have no responsibility for, and no liability whatsoever with respect to, any payment of expenses (including Taxes) to Lead Plaintiffs' Counsel, or any other counsel or Person who receives payment from the Net Settlement Fund.

7.6 Defendant and its Related Parties shall have no responsibility for the allocation among Lead Plaintiffs' Counsel and/or any other Person who may assert some claim thereto of any Expense Award that the Court may make in the Litigation.

7.7 The Released Persons shall have no responsibility for, and no liability whatsoever with respect to, any attorneys' fees, costs, or expenses (including Taxes) incurred by or on behalf of any Class Member, whether or not paid from the Escrow Account.

**8. Conditions of Settlement, Effect of Disapproval, Cancellation, or Termination**

8.1 The Effective Date of the Settlement shall be conditioned on the occurrence of all of the following events:

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

(b) the Court has entered the Preliminary Approval Order, as required by ¶4.1 hereof;

(c) the Settlement Amount has been deposited into the Escrow Account;

(d) Defendant has not exercised its option to terminate the Stipulation pursuant to ¶8.3 hereof;

(e) the Court has entered the Judgment, or a judgment substantially in the form of Exhibit B attached hereto, that, *inter alia* dismisses with prejudice the Litigation; and

(f) the Judgment has become Final, as defined in ¶1.9 hereof.

8.2 Upon the Effective Date, any and all remaining interest or right of Defendant in or to the Settlement Fund, if any, shall be absolutely and forever extinguished. If the conditions specified in ¶8.1 hereof are not met, then the Settlement shall be canceled and terminated subject to ¶¶8.4, 8.5 and 8.6 hereof unless Lead Counsel and counsel for the Defendant mutually agree in writing to proceed with the Settlement.

8.3 Defendant shall have the right to terminate the Settlement and render it null and void in the event that Class Members who purchased or otherwise acquired more than a certain percentage of SAIC common stock subject to this Settlement exclude themselves from the Class, as set forth in a separate agreement (the “Supplemental Agreement”) executed between Lead Plaintiffs and Defendant, by and through their counsel. The Supplemental Agreement, which is being executed concurrently herewith, shall not be filed with the Court and its terms shall not be disclosed in any other manner (other than the statements herein, to the extent necessary, or as otherwise provided in the Supplemental Agreement), unless and until the Court otherwise directs or a dispute arises between the Settling Parties concerning its interpretation or application. If submission of the Supplemental Agreement is required for resolution of a dispute or is otherwise ordered by the Court,

the Settling Parties will seek to have the Supplemental Agreement submitted to the Court *in camera* or filed under seal. Copies of all requests for exclusion received, together with copies of all written revocations of requests for exclusion, shall be delivered to Leidos' counsel by Lead Counsel within the sooner of two (2) days of Lead Counsel's receipt or ten (10) days prior to the Settlement Hearing.

8.4 If, before the Settlement becomes Final, Leidos files for protection under the Bankruptcy Code, or any similar law, or a trustee, receiver, conservator or other fiduciary is appointed under bankruptcy, or any similar law, and in the event of the entry of a final order of a court of competent jurisdiction determining the transfer of money or any portion thereof to the Escrow Agent by Leidos to be a preference, voidable transfer, fraudulent transfer or similar transaction and any portion thereof is required to be returned to Leidos out of the Escrow Account, and such amount is not promptly placed in the Escrow Account by others, then, at the election of Lead Plaintiffs, the Settling Parties shall jointly move the Court to vacate and set aside the Judgment, including the releases pursuant thereto, and the Settlement and this Stipulation shall terminate.

8.5 Unless otherwise ordered by the Court, in the event this Stipulation is not approved or this Stipulation or the Settlement is terminated, or canceled, or the Effective Date otherwise fails to occur for any reason, within fifteen (15) business days after written notification of such event is sent by counsel for the Defendant or Lead Counsel to the Escrow Agent, the Settlement Fund, less Taxes, Tax Expenses and Notice and Administration Expenses which have either been disbursed pursuant to ¶¶3.8 or 3.9 hereof, or are chargeable to the Settlement Fund pursuant to ¶¶3.8 or 3.9 hereof, shall be refunded by the Escrow Agent to the Persons who contributed to the Settlement Fund in proportion to their respective contribution. Such refunds shall be pursuant to written instructions from Defendant's counsel. The Escrow Agent or its designee shall apply for any tax refund owed on the Settlement Amount and pay the proceeds, after deduction of any fees or expenses incurred in

connection with such application(s) for refund to the same Persons in the same manner as the Settlement Fund described in this ¶8.5. Such payments shall be pursuant to written instructions from Defendant's counsel.

8.6 In the event that this Stipulation is not approved or this Stipulation or the Settlement is terminated, canceled, or the Effective Date otherwise fails to occur for any reason, the Settling Parties shall be restored to their respective positions in the Litigation as of September 14, 2017. In such event, the terms and provisions of the Stipulation, with the exception of ¶¶1.1-1.29, 3.3, 3.5, 3.6-3.11, 7.3-7.4, 8.5-8.7, and 9.4 hereof, shall have no further force and effect with respect to the Settling Parties and shall not be used in this Litigation or in any other proceeding for any purpose, and any judgment or order entered by the Court in accordance with the terms of this Stipulation shall be treated as vacated, *nunc pro tunc*. No order of the Court or modification or reversal on appeal of any order of the Court concerning the Plan of Allocation or any Expense Award shall operate to terminate or cancel this Stipulation or constitute grounds for cancellation or termination of this Stipulation.

8.7 If the Effective Date does not occur, or if this Stipulation is terminated pursuant to its terms, neither Lead Plaintiffs nor any of their counsel shall have any obligation to repay any amounts disbursed pursuant to ¶¶3.8 or 3.9. In addition, any amounts already incurred pursuant to ¶¶3.8 or 3.9 hereof at the time of such termination or cancellation but which have not been paid, shall be paid by the Escrow Agent in accordance with the terms of this Stipulation prior to the balance being refunded in accordance with ¶¶3.11 and 8.5 hereof.

## **9. Miscellaneous Provisions**

9.1 The Settling Parties: (a) acknowledge that it is their intent to consummate this agreement; and (b) agree to cooperate to the extent reasonably necessary to effectuate and implement

all terms and conditions of this Stipulation and to exercise their best efforts to accomplish the foregoing terms and conditions of this Stipulation.

9.2 The Settling Parties intend this Settlement to be a final and complete resolution of all disputes between them with respect to the Litigation. The Settlement compromises claims that are contested and shall not be deemed an admission by any Settling Party as to the merits of any claim or defense. The Judgment will contain a finding that, during the course of the Litigation, the Settling Parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11. The Settling Parties agree that the Settlement Amount and the other terms of the Settlement were negotiated in good faith by the Settling Parties and reflect a settlement that was reached voluntarily after consultation with competent legal counsel. The Settling Parties reserve their right to rebut, in a manner that such party determines to be appropriate, any contention made in any public forum regarding the Litigation, including that the Litigation was brought or defended in bad faith or without a reasonable basis.

9.3 Neither this Stipulation nor the Settlement contained herein, 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 or a basis for the validity of any Released Claim or of any wrongdoing or liability of Defendant or its respective Related Parties, or (b) is or may be deemed to be or may be used as an admission of, evidence of or basis for any fault or omission of Defendant or its Related Parties in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal. Defendant and/or its respective Related Parties may file this Stipulation and/or the Judgment from this action in any other action that may be brought against 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 theory of claim preclusion or issue preclusion or similar defense or counterclaim.

9.4 Not later than ten (10) business days after the Judgment has become Final, Leidos shall withdraw its appeal to the United States Supreme Court.

9.5 All agreements made and orders entered during the course of the Litigation relating to the confidentiality of information shall survive this Stipulation.

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

9.7 This Stipulation may be amended or modified only by a written instrument signed by or on behalf of all Settling Parties or their respective successors-in-interest.

9.8 This Stipulation and the Exhibits attached hereto and the Supplemental Agreement constitute the entire agreement among the Settling Parties hereto and no representations, warranties or inducements have been made to any party concerning this Stipulation or its Exhibits other than the representations, warranties and covenants contained and memorialized in such documents. Except as otherwise provided herein, each party shall bear its own fees and costs. Lead Counsel, on behalf of the Class, is expressly authorized by Lead Plaintiffs to take all appropriate action required or permitted to be taken by the Class pursuant to this Stipulation to effectuate its terms and also is expressly authorized to enter into any modifications or amendments to this Stipulation on behalf of the Class which it deems appropriate.

9.9 Lead Plaintiffs and Lead Plaintiffs' Counsel represent and warrant that none of the Lead Plaintiffs' claims or causes of action that were asserted or that could have been asserted in this Litigation or in this Stipulation has been assigned, encumbered, or in any manner transferred in whole or in part.

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

9.11 This Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. A complete set of executed counterparts shall be filed with the Court. Signatures sent by facsimile or pdf'd via e-mail shall be deemed originals.

9.12 All notices, requests, demands, claims and other communications hereunder shall be in writing and shall be deemed duly given (i) when delivered personally to the recipient; (ii) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid) or by email; or (iii) seven (7) business days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below:

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

ROBBINS GELLER RUDMAN  
& DOWD LLP  
Ellen Gusikoff Stewart  
655 West Broadway, Suite 1900  
San Diego, CA 92101

***If to Leidos or to Leidos' Counsel:***

GIBSON, DUNN & CRUTCHER LLP  
Jason J. Mendro  
1050 Connecticut Avenue, N.W.  
Washington, DC 20036

9.13 This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the parties hereto.

9.14 The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of this Stipulation, and all Settling Parties submit to the jurisdiction of the Court for



purposes of implementing and enforcing the Settlement embodied in this Stipulation and matters related to the Settlement.

9.15 Pending approval of the Court of this Stipulation and its Exhibits, all proceedings in this Litigation shall be stayed and all Members of the Class shall be barred and enjoined from prosecuting any of the Released Claims against any of the Released Persons.

9.16 This Stipulation and the Exhibits hereto shall be considered to have been negotiated, executed and delivered, and to be wholly performed, in the State of New York, and the rights and obligations of the parties to the Stipulation shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of New York without giving effect to its choice-of-law principles.

9.17 The headings to the Sections of this Stipulation are inserted for convenience of reference only, shall not be deemed to be a part of this Stipulation for any purpose and shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused the Stipulation to be executed, by their duly authorized attorneys, dated December 12, 2017.

ROBBINS GELLER RUDMAN  
& DOWD LLP  
SAMUEL H. RUDMAN  
JOSEPH RUSSELLO



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Counsel for Defendant Leidos, Inc.

CERTIFICATE OF SERVICE

I, Samuel H. Rudman, hereby certify that on December 13, 2017, I authorized a true and correct copy of the STIPULATION OF SETTLEMENT to be electronically filed with the Clerk of the Court using the CM/ECF system, which will send notification of such public filing to all counsel registered to receive such notice.

s/ Samuel H. Rudman  
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SAMUEL H. RUDMAN