

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF  
CALIFORNIA

IN RE QUANTUMSCAPE SECURITIES CLASS  
ACTION LITIGATION

Case No. 3:21-cv-00058-WHO

Honorable William H. Orrick III

**NOTICE OF (I) PENDENCY OF CLASS ACTION, CERTIFICATION OF CLASS, AND PROPOSED SETTLEMENT;  
(II) SETTLEMENT FAIRNESS HEARING; AND (III) MOTION FOR AN AWARD OF  
ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

***A Federal Court authorized this Notice. This is not a solicitation from a lawyer.***

**NOTICE OF PENDENCY OF CLASS ACTION:** Please be advised that your rights may be affected by the above-captioned securities class action (the “Action”) pending in the United States District Court for the Northern District of California (the “Court”), if you (i) purchased or otherwise transacted in securities of QuantumScape Corporation (“QuantumScape”) from November 27, 2020 to April 14, 2021, inclusive (the “Class Period”).<sup>1</sup>

**NOTICE OF SETTLEMENT:** Please also be advised that Plaintiff Frank Fish (“Lead Plaintiff”) and additional plaintiffs Kathy Stark and Mary Cranny (together with Lead Plaintiff, “Plaintiffs”), on behalf of themselves and the Class (as defined in ¶ 1 below), have reached a proposed settlement of the Action for \$47,500,000 in cash that, if approved, will resolve all claims in the Action (the “Settlement”).

**PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a member of the Class, your legal rights will be affected whether or not you act.**

**If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact QuantumScape, any other Defendants in the Action, or their counsel. All questions should be directed to Plaintiffs’ Counsel or the Claims Administrator (see ¶ 86 below).**

1. **Description of the Action and the Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action brought by investors alleging, among other things, that Defendants QuantumScape, Jagdeep Singh, Kevin Hettrich, and Timothy Holme (collectively, the “Defendants”) violated the federal securities laws by making false and misleading statements and/or concealing material adverse facts regarding QuantumScape’s battery technology. Defendants deny all claims of wrongdoing, that they engaged in any wrongdoing, that they are liable to Plaintiffs and/or the Class and that Plaintiffs or other Class Members suffered any injury as a result of Defendants’ conduct.

The proposed Settlement, if approved by the Court, will apply to the following Class: all Persons who (i) purchased or otherwise acquired QuantumScape common stock or warrants during the Class Period; and/or (ii) transacted in publicly traded call options and/or put options of QuantumScape during the Class Period. Excluded from the Class are QuantumScape and its subsidiaries and affiliates, the other Defendants, any of Defendants’ respective officers and directors at all relevant times, and any of their immediate families, legal representatives, heirs, successors, or assigns, and any entity in which any Defendant has or had a Controlling Interest. Also excluded from the Class are any persons or entities who exclude themselves by submitting a Request for Exclusion in connection with the Notice. A more detailed description of the Action is set forth in ¶¶ 12-21 below.

2. **Statement of the Class’s Recovery:** Subject to Court approval, Plaintiffs, on behalf of themselves and the Class, have agreed to settle the Action in exchange for a settlement payment of \$47,500,000 in cash (the “Settlement Amount”) to be deposited by QuantumScape into an escrow account. The Net Settlement Fund (*i.e.*, the Settlement Amount plus any and all interest earned thereon (the “Gross Settlement Fund”) less: (i) Taxes on the income thereof and any Tax Expenses; (ii) Notice and Administration Expenses as

<sup>1</sup> All capitalized terms not defined in this Notice have the meanings provided in the Stipulation and Agreement of Settlement dated June 11, 2024 (“Stipulation”). The Stipulation can be viewed at [www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com).

authorized by the Stipulation; (iii) Attorneys' Fees and Expenses authorized by the Court; (iv) any Award to Plaintiffs authorized by the Court; and (v) any other fees and expenses authorized by the Court) will be distributed in accordance with a plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Class. The proposed plan of allocation (the "Plan of Allocation") is set forth on pages 8-13 below.

3. **Estimate of Average Amount of Recovery Per Share:** Based on Plaintiffs' damages expert's estimates of the number of QuantumScape securities purchased or otherwise acquired during the Class Period that may be eligible to participate in the Settlement and assuming that all Class Members elect to participate in the Settlement, the estimated average recovery (before the deduction of any Court-approved fees, expenses and costs as described herein) per eligible share is \$0.47. Class Members should note, however, that the foregoing average recovery per share is only an estimate. Some Class Members may recover more or less than this estimated amount depending on, among other factors, the number of shares they purchased or otherwise acquired, when and at what prices they purchased/acquired or sold their QuantumScape securities, and the total number of valid Proof of Claim and Release Forms submitted (collectively "Claim Forms" and individually, a "Claim Form"). Distributions to Class Members will be made based on the Plan of Allocation set forth herein (*see* pages 8-16 below) or such other plan of allocation as may be ordered by the Court.

4. **Statement of the Parties' Position on Damages:** Defendants deny all claims of wrongdoing, that they engaged in any wrongdoing, that they are liable to Plaintiffs and/or the Class and that Plaintiffs or other Class Members suffered any injury as a result of Defendants' conduct. Moreover, the Parties do not agree on the amount of recoverable damages if Plaintiffs were to prevail on each of their claims. The issues on which the Parties disagree include, but are not limited to, whether: (i) the statements made or facts allegedly omitted were material, false, or misleading; (ii) Defendants are otherwise liable under the securities laws for those statements or omissions or any alleged scheme to defraud; and (iii) all or part of the damages allegedly suffered by the Class were caused by economic conditions or factors other than the allegedly false or misleading statements or omissions.

5. **Attorneys' Fees and Expenses Sought:** Plaintiffs' Counsel, which has been prosecuting the Action on a wholly contingent basis since its inception in 2021, have not received any payment of attorneys' fees for their representation of the Class and have advanced the funds to pay expenses necessarily incurred to prosecute this Action. Court-appointed Plaintiffs' Counsel, Levi & Korsinsky, LLP, will apply to the Court for an award of attorneys' fees in an amount not to exceed 33% of the Settlement Fund. In addition, Plaintiffs' Counsel will apply for reimbursement of expenses paid or incurred in connection with the institution, prosecution and resolution of the claims against the Defendants, in an amount not to exceed \$2,200,000 and an "award of reasonable costs and expenses" to Plaintiffs not to exceed \$40,000 in total. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses. Estimates of the average cost per affected QuantumScape security, if the Court approves Plaintiffs' Counsel's fee and expense application, is \$0.18 per eligible security. Copies of the Fee and Expense Application will be available on the settlement website.

6. **Identification of Attorneys' Representatives:** Plaintiffs and the Class are represented by Nicholas Porritt, Esq. of Levi & Korsinsky, LLP, 33 Whitehall St., Floor 17, New York, NY 10004, (212) 363-7500, [nporritt@zlk.com](mailto:nporritt@zlk.com).

7. **Reasons for the Settlement:** Plaintiffs' principal reason for entering into the Settlement is the substantial immediate cash benefit for the Class without the risk or the delays inherent in further litigation. Moreover, the substantial cash benefit provided under the Settlement must be considered against the significant risk that a smaller recovery – or indeed no recovery at all – might be achieved after contested motions, a trial of the Action and the likely appeals that would follow after trial. This process could be expected to last several years. Defendants, who have denied and continue to deny all allegations of wrongdoing, fault, liability, or damages whatsoever asserted by Plaintiffs, are entering into the Settlement solely to eliminate the uncertainty, burden, and expense of further protracted litigation. Defendants have also denied, *inter alia*, the allegations that Plaintiffs or the Class have suffered damages or that Plaintiffs or the Class were harmed by the conduct alleged in the Action. Defendants have also raised credible loss causation issues surrounding the January 4, 2021 Seeking Alpha report by Brian Morin and the April 15, 2021 Scorpion Capital report. Defendants continue to believe the claims asserted against them in the Action are without merit. Defendants have not conceded or admitted any wrongdoing or liability, are not doing so by entering into this Settlement, and disclaim any and all wrongdoing and liability whatsoever.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:</b>	
<b>SUBMIT A CLAIM FORM ONLINE OR POSTMARKED NO LATER THAN DECEMBER 13, 2024.</b>	This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Class Member and you remain in the Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Claims (defined in ¶ 31 below) that you have against Defendants and the other Released Defendant Persons (defined in ¶ 32 below), so it is in your interest to submit a Claim Form.
<b>EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN OCTOBER 9, 2024.</b>	If you exclude yourself from the Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against any of the Defendants or the other Released Defendant Persons concerning the Released Claims.
<b>OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN OCTOBER 23, 2024.</b>	If you do not like the proposed Settlement, the proposed Plan of Allocation, the request for attorneys’ fees and reimbursement of expenses, or the proposed award to Plaintiffs you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation or the fee and expense request unless you are a Class Member and do not exclude yourself from the Class.
<b>GO TO A HEARING ON NOVEMBER 13, 2024 AT 2:00 P.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN OCTOBER 23, 2024.</b>	Filing a written objection and notice of intention to appear by October 23, 2024 allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, the request for attorneys’ fees and reimbursement of expenses, and/or award to Plaintiffs. If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.
<b>DO NOTHING.</b>	If you are a member of the Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.

**WHAT THIS NOTICE CONTAINS**

Why Did I Get The Postcard Notice? .....4

What Is This Case About? What Has Happened So Far? .....4

How Do I Know If I Am Affected By The Settlement? Who Is Included In The Class? .....5

What Are Plaintiffs’ Reasons For The Settlement? .....5

What Might Happen If There Were No Settlement?.....6

How Are Class Members Affected By The Action And The Settlement?.....6

How Do I Participate In The Settlement? What Do I Need To Do? .....7

How Much Will My Payment Be?.....7

What Payment Are The Attorneys For The Class Seeking? How Will The Lawyers Be Paid? .....14

What If I Do Not Want To Be A Member Of The Class? How Do I Exclude Myself?.....14

When And Where Will The Court Decide Whether To Approve The Settlement? Do I Have To Come To The Hearing?  
May I Speak At The Hearing If I Don’t Like The Settlement?.....15

What If I Bought Securities On Someone Else’s Behalf?.....15

Can I See The Court File? Whom Should I Contact If I Have Questions? .....16

## WHY DID I GET THE POSTCARD NOTICE?

8. The Court directed that the Postcard Notice be mailed to you because you or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired QuantumScape securities during the Class Period. The Court also directed that this Notice be posted online at [www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com) and mailed to you upon request to the Claims Administrator. The Court has directed us to disseminate these notices because, as a potential Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how this class action lawsuit may generally affect your legal rights. If the Court approves the Settlement, and the Plan of Allocation (or some other plan of allocation), the Claims Administrator selected by Plaintiffs and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved.

9. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement and the proposed Plan of Allocation, and the reasonableness of Plaintiffs' Counsel's Fee and Expense Application (the "Fairness Hearing").

10. The Settlement Hearing will be held on November 13, 2024, at 2:00 p.m., before the Honorable William H. Orrick III, at the United States District Court, Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94102, for the following purposes:

- (a) to determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate and should be approved by the Court;
- (b) to determine whether the Judgment as provided for under the Stipulation and Agreement of Settlement dated June 11, 2024 (the "Stipulation") should be entered;
- (c) to determine whether the proposed Plan of Allocation for the net proceeds of the Settlement is fair, reasonable, and adequate and should be approved by the Court;
- (d) to determine whether the application by Plaintiffs' Counsel for an award of Attorneys' Fees and Expenses should be approved;
- (e) to determine whether any applications for awards to Plaintiffs pursuant to 15 U.S.C. §78u-4(a)(4) should be approved; and
- (f) to rule upon such other matters as the Court may deem appropriate.

11. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

## WHAT IS THIS CASE ABOUT? WHAT HAS HAPPENED SO FAR?

12. On January 5, 2021, the initial complaint in this Action was filed, captioned *Malriat v. QuantumScape Corporation F/K/A Kensington Capital Acquisition Corp., and Jagdeep Singh*, Case No. 3:21-cv-00058 WHO (N.D. Cal.), alleging violations of the federal securities laws. On April 20, 2021, the Court appointed Frank Fish as lead plaintiff and approved Plaintiff's selection of Levi & Korsinsky, LLP as Plaintiffs' Counsel for the proposed Class.

13. On June 21, 2021, Lead Plaintiff filed the Consolidated Class Action Complaint captioned *In re QuantumScape Securities Class Action Litigation* against QuantumScape, Jagdeep Singh, Kevin Hettrich, and Timothy Holme (collectively "Defendants"). In pertinent part, Lead Plaintiff alleged that Defendants violated the federal securities laws by making materially false and misleading statements relating to QuantumScape's battery technology during the Class Period. On August 20, 2021, a motion to dismiss Plaintiff's Consolidated Class Action Complaint was filed by the Defendants. On January 14, 2022, the Court entered an order granting in part and denying in part Defendants' motion to dismiss. Discovery then commenced.

14. On July 14, 2022, Lead Plaintiff and additional plaintiffs Kathy Stark and Mary Cranny (collectively, "Plaintiffs") filed the Second Amended Consolidated Class Action Complaint against Defendants. Defendants filed an Answer to the Second Amended Consolidated Class Action Complaint, denying the complaint's allegations and asserting affirmative defenses. A copy of the Second Amended Consolidated Class Action Complaint and the Court's order on Defendants' motion to dismiss may be accessed at [www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com).

15. On July 29, 2022, Plaintiffs moved for certification of the Class. By order dated December 19, 2022, the Court certified the Class.

16. During fact and class discovery, over one million pages of documents were produced by the Parties and non-parties and twenty depositions were taken by the Parties. Following the conclusion of fact discovery, Plaintiffs served initial expert reports on Defendants.

17. Beginning in August of 2023, while fact discovery was ongoing, the Parties began preliminary discussions regarding settlement. On October 24, 2023, after exchanging mediation briefs detailing their respective theories of liability and damages, the Parties, including Lead Plaintiff and representatives from QuantumScape and its insurers, attended a full-day mediation with David Murphy, Esq. in New York, New York. The Parties did not reach a settlement during the mediation.

18. On March 26, 2024, after the conclusion of fact discovery and while expert discovery was ongoing, the Parties had a second mediation. They exchanged supplemental mediation briefs detailing their respective theories of liability and damages, and then attended a second full-day mediation with Mr. Murphy in New York, New York. The Parties did not reach a settlement during the mediation but continued to engage in post-mediation discussions. Following a proposal from Mr. Murphy, the Parties came to an agreement in principle on April 8, 2024 to settle and release all claims asserted against Defendants in the Action in return for a cash payment of \$47,500,000 for the benefit of the Class, subject to certain terms and conditions and the execution of a customary “long form” stipulation and agreement of settlement and related papers.

19. Based on the investigation and mediation of the case and Plaintiffs’ direct oversight of the prosecution of this matter and with the advice of their counsel, each of the Plaintiffs has agreed to settle and release the claims raised in the Action pursuant to the terms and provisions of the Settlement, after considering, among other things, (a) the substantial financial benefit that Plaintiffs and the other members of the Class will receive under the proposed Settlement; and (b) the significant risks and costs of continued litigation and trial.

20. Defendants are entering into the Settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation. Each of the Defendants has denied and continues to deny each, any, and all allegations of wrongdoing, fault, liability, or damage whatsoever asserted in the Action, and the Settlement and 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, or any other of the Released Defendant Persons (defined in ¶ 32 below), with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Defendants have, or could have, asserted. Similarly, the Settlement and Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any Plaintiff of any infirmity in any of the claims asserted in the Action, or an admission or concession that any of the Defendants’ defenses to liability had any merit. The Settlement resolves all of the claims in the Action against the Defendants, as well as certain other claims or potential claims, whether known or unknown.

21. On July 18, 2024, the Court preliminarily approved the Settlement, authorized the Postcard Notice to be mailed to potential Class Members and this Notice to be posted online and mailed to potential Class Members upon request, and scheduled the Fairness Hearing to consider whether to grant final approval to the Settlement.

**HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?  
WHO IS INCLUDED IN THE CLASS?**

22. If you are a member of the Class, you are subject to the Settlement, unless you timely request to be excluded. The Class consists of: all Persons that purchased or otherwise acquired QuantumScape securities between November 27, 2020 and April 14, 2021, inclusive, and were damaged thereby. Excluded from the Class are QuantumScape and its subsidiaries and affiliates, the other Defendants, and any of the Defendants’ or QuantumScape’s respective officers and directors at all relevant times, and any of their immediate families, legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest. Also excluded from the Class are any persons or entities who or which exclude themselves by submitting a Request for Exclusion in accordance with the requirements set forth in this Notice. *See* “What If I Do Not Want To Be A Member Of The Class? How Do I Exclude Myself,” on page 14 below.

**PLEASE NOTE: RECEIPT OF THE POSTCARD NOTICE DOES NOT MEAN THAT YOU ARE A CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT.**

**If you are a Class Member and you wish to be eligible to participate in the distribution of proceeds from the Settlement Fund, you are required to submit the Claim Form that is available online at [www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com) or which can be mailed to you upon request to the Claims Administrator, and the required supporting documentation as set forth therein, online or postmarked no later than December 13, 2024.**

**WHAT ARE PLAINTIFFS’ REASONS FOR THE SETTLEMENT?**

23. Plaintiffs and Plaintiffs’ Counsel believe that the claims asserted against Defendants have merit. They recognize, however, the expense and length of continued proceedings necessary to pursue their claims against the Defendants through trial and appeals, as well as the very substantial risks they would face in establishing liability and damages. To recover damages, Plaintiffs would have to prevail at several stages – motions for summary judgment, trial, and if they prevailed on those, on the appeals that were likely to follow. Additionally, there was no guarantee that Plaintiffs would succeed on appeal. Thus, there were very significant risks attendant to the continued prosecution of the Action.

24. In light of these risks, the amount of the Settlement and the immediacy of recovery to the Class, Plaintiffs and Plaintiffs’ Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Class. Plaintiffs and Plaintiffs’ Counsel believe that the Settlement provides a substantial benefit to the Class, namely \$47,500,000 in cash (less the various

deductions described in this Notice), as compared to the risk that the claims in the Action would produce a smaller, or no recovery after summary judgment, trial and appeals, possibly years in the future.

25. Defendants have denied and continue to deny the claims asserted against them in the Action and have denied and continue to deny having engaged in any wrongdoing or violation of law of any kind whatsoever. Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation. Accordingly, the Settlement may not be construed as an admission of any wrongdoing by Defendants.

#### WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

26. If there were no Settlement and Plaintiffs failed to establish any essential legal or factual element of their claims against Defendants, neither Plaintiffs nor the other Class Members would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, either at summary judgment, at trial or on appeal, the Class could recover substantially less than the amount provided in the Settlement, or nothing at all.

#### HOW ARE CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?

27. As a Class Member, you are represented by Plaintiffs and Plaintiffs' Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?," on page 15 below.

28. If you are a Class Member and do not wish to remain a Class Member, you may exclude yourself from the Class by following the instructions in the section entitled, "What If I Do Not Want To Be A Member Of The Class? How Do I Exclude Myself?," on page 14 below.

29. If you are a Class Member and you wish to object to the Settlement, the Plan of Allocation, or Plaintiffs' Counsel's application for attorneys' fees and reimbursement of expenses, or the award to Plaintiffs and if you do not exclude yourself from the Class, you may present your objections by following the instructions in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?," on page 15 below.

30. If you are a Class Member and you do not exclude yourself from the Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the "Judgment"). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Plaintiffs and each of the other Class Members, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such, will have fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Claim (as defined in ¶ 31 below) against the Defendants and the other Released Defendant Persons (as defined in ¶ 32 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Claims against any of the Released Defendant Persons.

31. "Released Claims" means any and all claims, rights, demands, obligations, damages, actions or causes of action, or liabilities whatsoever, of every nature and description, including both known claims and Unknown Claims, that have been or could have been asserted in this Action, or any other action arising under federal, state, local, common, statutory, administrative or foreign law, or any other law, rule, or regulation, at law or in equity that (a) arise out of, are based upon, or relate in any way to any of the allegations, acts, transactions, facts, events, matters, occurrences, representations or omissions involved, set forth, alleged or referred to in this Action, or which could have been alleged in this Action, or (b) arise out of, are based upon, or relate in any way to the purchase, acquisition, sale, disposition, or holding of any QuantumScape securities acquired during the Class Period. "Released Claims" does not include any claims to enforce any of the terms of the Stipulation or any claims that have been brought in any derivative action based on allegations similar to the allegations in this Action.

32. "Released Defendant Persons" means QuantumScape, Jagdeep Singh, Kevin Hettrich, Timothy Holme, and their Related Persons (as defined in ¶ 35 below).

33. "Released Defendants' Claims" means all claims, demands, rights, remedies, liabilities, and causes of action of every nature and description whatsoever, including both known claims and Unknown Claims, by any of the Released Defendant Persons (or any of their successors or assigns) against any of the Plaintiffs or any of Plaintiffs' attorneys which arise out of or relate in any way to the institution, prosecution, assertion, settlement, or resolution of this Action or the Released Claims, except for claims to enforce any of the terms of the Stipulation.

34. "Released Plaintiff Persons" means (i) the Plaintiffs and all Class Members; and (ii) each of their Related Persons.

35. "Related Persons" means (a) with respect to an individual, their immediate family members and any trust that such Person is the settlor of or which is for their benefit and/or the benefit of any of their family members; *provided however*, that with respect to the Individual Defendants, "Related Persons" also includes the Individual Defendants' respective past and present representatives, insurers (including the D&O Insurers), reinsurers, auditors, underwriters, trustees, trustors, agents, attorneys, predecessors, successors, assigns,



heirs, executors, and administrators, in their capacities as such; and (b) with respect to a corporation, partnership, limited liability company or partnership, limited partnership, professional corporation, association, joint stock company, trust, estate, unincorporated association, government or any political subdivision or agency thereof, and any other type of legal or political entity, their subsidiaries, parent entities, divisions, and departments, and their respective past and present officers, directors, employees, representatives, insurers (including the D&O Insurers), reinsurers, auditors, trustees, trustors, agents, attorneys, predecessors, successors, assigns, heirs, executors, and administrators, in their capacities as such. For purposes of the Stipulation and Agreement of Settlement, the Individual Defendants and QuantumScape are also each other's Related Persons.

36. "Unknown Claims" means any and all Released Claims that Plaintiffs or any other Class Members do not know or suspect to exist in their favor at the time of the release of the Released Defendant Persons, and any and all Released Defendants' Claims that any Defendant does not know or suspect to exist in his, her, or its favor, which if known by any of them, might have affected his, her, or its decision(s) to enter into this Settlement, execute this Stipulation, and agree to all the various releases set forth herein, or might have affected his, her, or its decision not to object to this Settlement or not exclude himself, herself, or itself from the Class. Unknown Claims include, without limitation, those claims in which some or all of the facts composing the claim may be unsuspected, undisclosed, concealed, or hidden.

37. With respect to any and all Released Claims and Released Defendants' Claims, the Parties stipulate and agree that, upon the Effective Date, Plaintiffs and Class Members (as regards to the Released Claims) and Defendants (as regards to the Released Defendants' Claims) shall expressly waive and relinquish, and each Class Member shall be deemed to have, and by operation of law and of the Judgment shall have, expressly waived and relinquished, to the fullest extent permitted by law, any and all provisions, rights and benefits conferred by California Civil Code §1542, or any law of any state or territory of the United States, or principle of common law or of international or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, 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 released party.**

The Parties may hereafter discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of the Action, but they stipulate and agree that, upon the Effective Date of the Settlement, the Parties shall expressly waive and by operation of the Judgment, or Alternative Judgment, if applicable, shall have, fully, finally, and forever settled and released, any and all Released Claims or Released Defendants' Claims, known or unknown, suspected or unsuspected, contingent or non contingent, whether or not concealed or hidden, that 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 that is negligent, intentional, with or without malice, or a breach of fiduciary duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Plaintiffs and Defendants acknowledge, and each of the Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

38. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such, will have fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Defendants' Claim (as defined in ¶ 33 above) against Plaintiffs and the other Released Plaintiff Persons (as defined in ¶ 34 above), and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants' Claims against any of the Released Plaintiff Persons.

#### **HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?**

39. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Class and you must timely complete and return the Claim Form with adequate supporting documentation **online or postmarked no later than December 13, 2024**. A Claim Form is available on the website maintained by the Claims Administrator for the Settlement, [www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com), or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll-free at 866-778-9623. Please retain all records of your ownership of and transactions in QuantumScape securities and/or options, as they may be needed to document your Claim. If you request exclusion from the Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

#### **HOW MUCH WILL MY PAYMENT BE?**

40. At this time, it is not possible to make any determination as to how much any individual Class Member may receive from the Settlement.

41. Pursuant to the Settlement, QuantumScape has agreed to pay or cause to be paid forty-seven million five hundred thousand dollars (\$47,500,000) in cash. The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any interest earned thereon is referred to as the "Gross Settlement Fund." If the Settlement is approved by the Court and the Effective Date occurs, the "Net Settlement Fund" (that is, the Gross Settlement Fund less (i) Taxes on the income thereof and any Tax Expenses; (ii) Notice and Administration Expenses as authorized by the Stipulation; (iii) Attorneys' Fees and Expenses authorized by the Court; (iv) any Award to Plaintiffs authorized by the Court; and (v) any other fees and expenses authorized by the Court) will be distributed to

Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

42. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, has expired.

43. Neither Defendants nor any other person or entity that paid any portion of the Settlement Amount on their behalf are entitled to get back any portion of the Settlement Fund once the Court's order or judgment approving the Settlement becomes final. Defendants shall not have any liability, obligation or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund or the Plan of Allocation.

44. Approval of the Settlement is independent from approval of a Plan of Allocation. Any determination with respect to a Plan of Allocation will not affect the Settlement, if approved.

45. Unless the Court otherwise orders, any Class Member who fails to submit a Claim Form online or postmarked on or before December 13, 2024, shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Class Member releases the Released Claims (as defined in ¶ 31 above) against the Released Defendant Persons (as defined in ¶ 32 above) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Claims against any of the Released Defendant Persons whether or not such Class Member submits a Claim Form.

46. Participants in and beneficiaries of a plan covered by ERISA ("ERISA Plan") should NOT include any information relating to their transactions in QuantumScape securities held through the ERISA Plan in any Claim Form that they may submit in this Action. They should include ONLY those shares that they purchased or acquired outside of the ERISA Plan. Claims based on any ERISA Plan's purchases or acquisitions of QuantumScape securities during the Class Period may be made by the plan's trustees.

47. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Class Member.

48. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Claim Form.

49. Only Class Members, *i.e.*, persons and entities who purchased or otherwise acquired QuantumScape securities during the Class Period will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities that are excluded from the Class by definition or that exclude themselves from the Class pursuant to request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms.

#### **PLAN OF ALLOCATION**

50. The Settlement Amount of \$47.5 million and any interest earned thereon shall be the "Gross Settlement Fund." The "Net Settlement Fund" means the Gross Settlement Fund less: (i) Taxes on the income thereof and any Tax Expenses; (ii) the Notice and Administration Expenses as authorized by the Stipulation; (iii) Attorneys' Fees and Expenses authorized by the Court; (iv) any Award to Plaintiffs authorized by the Court; and (v) any other fees and expenses authorized by the Court. The Net Settlement Fund shall be distributed to Class Members who submit timely and valid Proofs of Claim to the Claims Administrator ("Authorized Claimant(s)").

51. The Plan of Allocation set forth herein is the plan that is being proposed by Plaintiffs and their counsel to the Court for approval. Any order modifying the Plan of Allocation will be posted on the Settlement website at: [www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com).

52. The objective of this Plan of Allocation is to equitably distribute the Net Settlement Fund among Authorized Claimants who suffered economic losses as a result of the alleged violations of the federal securities laws during the Class Period (November 27, 2020 through April 14, 2021). To design this Plan of Allocation, Plaintiffs' Counsel has conferred with their damages expert. The Plan of Allocation, however, is not a formal damages analysis.

53. The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Claim." The Recognized Claim formula is not intended to be an estimate of the amount of what a Class Member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. Because the Net Settlement Fund is less than the total losses alleged to be suffered by Class Members, the Recognized Claim formula under the Plan of Allocation is only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

#### **CALCULATION OF RECOGNIZED LOSS AMOUNTS**

54. For losses to be compensable damages under the federal securities laws, the disclosure of the alleged misrepresented information must be the cause of the change in the price of the securities at issue. In this case, Plaintiffs allege that Defendants issued false statements and omitted material facts during the Class Period which allegedly artificially inflated the price of QuantumScape common stock, warrants, and call options, and artificially deflated the price of QuantumScape put options (together, "QuantumScape Securities"). Defendants' alleged false statements affected the market price of QuantumScape Securities on November 27, 2020, December 8, 2020, and December 9, 2020 and introduced artificial inflation on those days. Plaintiffs further allege that corrective information released to the market before markets opened on January 4, 2021 and April 15, 2021 ("Corrective Disclosure Dates") impacted the market price of QuantumScape Securities in a statistically significant manner and removed the alleged artificial inflation on those days. Accordingly, to have a compensable loss in this Settlement, QuantumScape common stock, warrants, or call options



must have been purchased or otherwise acquired during the Class Period and held through at least one of the alleged corrective disclosures listed above, or with respect to put options, those options must have been sold (written) during the Class Period and not closed through at least one of the alleged corrective disclosures.

55. Based on the formulas stated below, a “Recognized Loss Amount” will be calculated for each purchase or acquisition of QuantumScape publicly traded securities and/or options during the Class Period that is listed on the Claim Form and for which adequate documentation is provided. If a Recognized Loss Amount calculates to a negative number or zero under the formula below, that Recognized Loss Amount will be zero.

### COMMON STOCK CALCULATIONS

56. For each share of QuantumScape common stock purchased or otherwise acquired from November 27, 2020 through and including the close of trading on April 14, 2021, and:

- (a) If sold prior to January 4, 2021, the Recognized Loss Amount will be \$0.00;
- (b) If sold from January 4, 2021, through and including the close of trading on April 14, 2021, the Recognized Loss Amount will be **the least of**: (i) the amount of alleged artificial inflation per share on the date of purchase/acquisition as stated in Table A minus the amount of alleged artificial inflation per share on the date of sale as stated in Table A; or (ii) the purchase/acquisition price minus the sale price;
- (c) If sold from April 15, 2021, through but excluding the close of trading on July 13, 2021, the Recognized Loss Amount will be **the least of**: (i) the amount of alleged artificial inflation per share on the date of purchase/acquisition as stated in Table A; (ii) the purchase/acquisition price minus the sale price; or (iii) the purchase/acquisition price minus the “PSLRA Average Trading Price” indicated in Table B on the date of sale;<sup>2</sup>
- (d) If held as of the close of trading on July 13, 2021, the Recognized Loss Amount will be **the lesser of**: (i) the amount of alleged artificial inflation per share on the date of purchase/acquisition as stated in Table A; (ii) the purchase/acquisition price minus the sale price; or (iii) the purchase/acquisition price minus \$29.47 per share.

**Table A: Alleged Artificial Inflation in QuantumScape Securities**

Date Range	Alleged Artificial Inflation Per Share	Alleged Artificial Inflation Per Warrant
November 27, 2020 through December 7, 2020	\$0.53	\$0.32
December 8, 2020	\$13.78	\$8.11
December 9, 2020 through January 3, 2021	\$28.51	\$16.79
January 4, 2021 through April 14, 2021	\$3.50	\$5.54
April 15, 2021 and thereafter	\$0.00	\$0.00

<sup>2</sup> Under Section 21D(e)(1) of the Exchange Act, “in any private action arising under this [Act] in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” Consistent with the requirements of the statute, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of QuantumScape securities during the 90-day look-back period. The mean (average) closing price for QuantumScape securities at the end of this 90-day look-back period was \$29.47 per share.

**Table B: Common Stock 90-Day Lookback Values**

<u>Sale/Disposition Date</u>	<u>90-Day Lookback Value</u>	<u>Sale/Disposition Date</u>	<u>90-Day Lookback Value</u>	<u>Sale/Disposition Date</u>	<u>90-Day Lookback Value</u>
4/15/2021	\$35.85	5/14/2021	\$33.15	6/15/2021	\$30.51
4/16/2021	\$35.69	5/17/2021	\$32.91	6/16/2021	\$30.44
4/19/2021	\$34.33	5/18/2021	\$32.81	6/17/2021	\$30.37
4/20/2021	\$33.49	5/19/2021	\$32.64	6/18/2021	\$30.30
4/21/2021	\$33.49	5/20/2021	\$32.44	6/21/2021	\$30.22
4/22/2021	\$33.60	5/21/2021	\$32.23	6/22/2021	\$30.16
4/23/2021	\$33.94	5/24/2021	\$31.98	6/23/2021	\$30.13
4/26/2021	\$34.56	5/25/2021	\$31.71	6/24/2021	\$30.09
4/27/2021	\$34.90	5/26/2021	\$31.55	6/25/2021	\$30.07
4/28/2021	\$35.19	5/27/2021	\$31.38	6/28/2021	\$30.09
4/29/2021	\$35.34	5/28/2021	\$31.20	6/29/2021	\$30.09
4/30/2021	\$35.44	6/1/2021	\$31.06	6/30/2021	\$30.08
5/3/2021	\$35.43	6/2/2021	\$30.99	7/1/2021	\$30.03
5/4/2021	\$35.38	6/3/2021	\$30.92	7/2/2021	\$29.97
5/5/2021	\$35.21	6/4/2021	\$30.86	7/6/2021	\$29.91
5/6/2021	\$34.95	6/7/2021	\$30.84	7/7/2021	\$29.83
5/7/2021	\$34.72	6/8/2021	\$30.83	7/8/2021	\$29.74
5/10/2021	\$34.37	6/9/2021	\$30.84	7/9/2021	\$29.66
5/11/2021	\$34.11	6/10/2021	\$30.76	7/12/2021	\$29.58
5/12/2021	\$33.77	6/11/2021	\$30.69	7/13/2021	\$29.47
5/13/2021	\$33.43	6/14/2021	\$30.59		

**WARRANT CALCULATIONS**

57. For each warrant that was purchased or otherwise acquired from November 27, 2020 through and including the close of trading on April 14, 2021, and:

- (a) If sold or exercised prior to January 4, 2021, the Recognized Loss Amount will be \$0.00;
- (b) If sold or exercised from January 4, 2021, through and including the close of trading on April 14, 2021, the Recognized Loss Amount will be *the least of*: (i) the amount of alleged artificial inflation per warrant on the date of purchase/acquisition as stated in Table A minus the amount of alleged artificial inflation per warrant on the date of sale as stated in Table A; or (ii) the purchase/acquisition price minus the sale price;

- (c) If sold or exercised from April 15, 2021, through but excluding the close of trading on July 13, 2021, the Recognized Loss Amount will be **the least of**: (i) the amount of alleged artificial inflation per warrant on the date of purchase/acquisition as stated in Table A; (ii) the purchase/acquisition price minus the sale price; or (iii) the purchase/acquisition price minus the “90-Day Lookback Value” on the date of sale/exercise as indicated in Table C below;<sup>3</sup>
- (d) If held as of the close of trading on July 13, 2021 the Recognized Loss Amount will be **the lesser of**: (i) the amount of alleged artificial inflation per warrant on the date of purchase/acquisition as stated in Table A; (ii) the purchase/acquisition price minus the sale price or (iii) the purchase/acquisition price minus \$18.17 per warrant.

**Table C: Warrants 90-Day Lookback Values**

<u>Sale/Disposition Date</u>	<u>90-Day Lookback Value</u>	<u>Sale/Disposition Date</u>	<u>90-Day Lookback Value</u>	<u>Sale/Disposition Date</u>	<u>90-Day Lookback Value</u>
4/15/2021	\$25.00	5/14/2021	\$21.77	6/15/2021	\$19.21
4/16/2021	\$24.48	5/17/2021	\$21.56	6/16/2021	\$19.14
4/19/2021	\$22.98	5/18/2021	\$21.46	6/17/2021	\$19.07
4/20/2021	\$22.15	5/19/2021	\$21.27	6/18/2021	\$18.99
4/21/2021	\$22.12	5/20/2021	\$21.07	6/21/2021	\$18.90
4/22/2021	\$22.22	5/21/2021	\$20.89	6/22/2021	\$18.84
4/23/2021	\$22.53	5/24/2021	\$20.66	6/23/2021	\$18.81
4/26/2021	\$23.13	5/25/2021	\$20.40	6/24/2021	\$18.77
4/27/2021	\$23.43	5/26/2021	\$20.24	6/25/2021	\$18.74
4/28/2021	\$23.72	5/27/2021	\$20.07	6/28/2021	\$18.76
4/29/2021	\$23.87	5/28/2021	\$19.91	6/29/2021	\$18.76
4/30/2021	\$23.97	6/1/2021	\$19.77	6/30/2021	\$18.74
5/3/2021	\$23.98	6/2/2021	\$19.69	7/1/2021	\$18.70
5/4/2021	\$23.84	6/3/2021	\$19.61	7/2/2021	\$18.64
5/5/2021	\$23.66	6/4/2021	\$19.55	7/6/2021	\$18.58
5/6/2021	\$23.40	6/7/2021	\$19.55	7/7/2021	\$18.50
5/7/2021	\$23.18	6/8/2021	\$19.54	7/8/2021	\$18.41
5/10/2021	\$22.85	6/9/2021	\$19.53	7/9/2021	\$18.34
5/11/2021	\$22.68	6/10/2021	\$19.45	7/12/2021	\$18.26
5/12/2021	\$22.35	6/11/2021	\$19.38	7/13/2021	\$18.17
5/13/2021	\$22.02	6/14/2021	\$19.28		

<sup>3</sup> The mean (average) price for QuantumScape warrants at the end of the 90-day look-back period was \$18.17 per warrant.

## OPTIONS CALCULATIONS

58. Exchange-traded options are traded in units called “contracts,” which entitle the holder to buy (in the case of a call option) or sell (in the case of a put option) 100 shares of the underlying security, which in this case is QuantumScape common stock. Throughout this Plan of Allocation, all price quotations of exchange-traded options are per share of the underlying security (*i.e.*, 1/100 of a contract).

**59. For each exchange-traded QuantumScape call option purchased or otherwise acquired during the Class Period,<sup>4</sup> the Recognized Loss Amount per option shall be calculated as follows:**

- A. For each call option not held at the opening of trading on at least one of the Corrective Disclosure Dates as defined above, the Recognized Loss Amount per option is zero.
- B. For each call option purchased during the Class Period and held at the opening of trading on one or more of the Corrective Disclosure Dates as defined above,
  1. that was subsequently sold prior to the close of trading on April 15, 2021, the Recognized Loss Amount is the purchase price *minus* the sale price;
  2. that was subsequently exercised prior to the close of trading on April 15, 2021, the Recognized Loss Amount is the purchase price *minus* the intrinsic value of the call option on the date of exercise, where the intrinsic value shall be the *greater of*: (i) \$0.00 or (ii) the closing price of QuantumScape common stock on the date of exercise *minus* the strike price of the call option;
  3. that expired unexercised prior to the close of trading on April 15, 2021, the Recognized Loss Amount is equal to the purchase price;
  4. that was still held as of the close of trading on April 15, 2021, the Recognized Loss Amount is the purchase price *minus* the intrinsic value of the call option as of the close of trading on April 15, 2021 where the intrinsic value shall be the *greater of*: (i) \$0.00 or (ii) \$38.85<sup>5</sup> *minus* the strike price of the call option.
- C. No Recognized Loss Amount shall be calculated based on the purchase or acquisition of any QuantumScape call options that had been previously sold or written.

**60. For each exchange-traded QuantumScape put option sold (written) from during the Class Period,<sup>6</sup> the Recognized Loss Amount per option shall be calculated as follows:**

- A. For each put option not held (*i.e.*, not outstanding) at the opening of trading on at least one of the Corrective Disclosure Dates as defined above, the Recognized Loss Amount is \$0.00.
- B. For each put option sold (written) during the Class Period and still outstanding at the opening of trading on one or more of the Corrective Disclosure Dates as defined above,
  1. that was subsequently purchased prior to the close of trading on April 15, 2021, the Recognized Loss Amount is the purchase price *minus* the sale price;
  2. that was subsequently exercised (*i.e.*, assigned) prior to the close of trading on April 15, 2021, the Recognized Loss Amount is the purchase price *minus* the intrinsic value of the put option on the date of exercise, where the intrinsic value shall be the *greater of*: (i) \$0.00 or (ii) the strike price of the put option *minus* the closing price of QuantumScape common stock on the date of exercise;
  3. that expired unexercised prior to the close of trading on April 15, 2021, the Recognized Loss Amount is \$0.00;
  4. that was still outstanding as of the close of trading on April 15, 2021, the Recognized Loss Amount is the intrinsic value of the put option as of the close of trading on April 15, 2021 *minus* the purchase price where the intrinsic value shall be the *greater of*: (i) \$0.00 or (ii) the strike price of the put option *minus* \$38.85.
- C. No Recognized Loss Amount shall be calculated based on the sale or writing of any QuantumScape put options that had been previously purchased or acquired.

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<sup>4</sup> With regard to call options purchased on November 27, 2020, a Recognized Loss Amount will be calculated for such purchases only if the Claimant provides documentation that establishes that such call option purchases were made after market close on that day.

<sup>5</sup> \$35.85 is the closing price of QuantumScape common stock on April 15, 2021.

<sup>6</sup> As explained in footnote 4 above with regard to put options sold (written) on November 27, 2020, a Recognized Loss Amount will be calculated for such put options only if the Claimant provides documentation that establishes that such put option transactions were made after market close on that day.

61. **Maximum Recovery for Options:** The Settlement proceeds available for QuantumScape call options purchased during the Class Period and QuantumScape put options sold (written) during the Class Period shall be limited to a total amount equal to 2% of the Net Settlement Fund.

#### **ADDITIONAL PROVISIONS**

62. Given the costs of distribution, the Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined in ¶ 65 below) is \$10.00 or greater.

63. If a claimant has more than one purchase or sale of QuantumScape publicly traded securities, purchases and sales will be matched on a First In, First Out (“FIFO”) basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

64. A claimant’s “Recognized Claim” under the Plan of Allocation will be the sum of his, her, or its Recognized Loss Amounts.

65. The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a “Distribution Amount” will be calculated for each Authorized Claimant, which will be the Authorized Claimant’s Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If any Authorized Claimant’s Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

66. Purchases, acquisitions, and sales of QuantumScape publicly traded securities will be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance, or operation of law of QuantumScape securities during the Class Period will not be deemed a purchase, acquisition, or sale of QuantumScape securities for the calculation of an Authorized Claimant’s Recognized Loss Amount, nor will the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of QuantumScape securities unless: (i) the donor or decedent purchased or otherwise acquired the shares during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to those shares; and (iii) it is specifically so provided in the instrument of gift or assignment.

67. To the extent a Claimant had a market gain with respect to his, her, or its overall transactions in QuantumScape common stock, QuantumScape warrants, QuantumScape call options, and QuantumScape put options during the Class Period, the value of the Claimant’s Recognized Claim shall be zero. To the extent that a Claimant suffered an overall market loss with respect to his, her, or its overall transactions in QuantumScape common stock, QuantumScape warrants, QuantumScape call options, and QuantumScape put options during the Class Period, but that market loss was less than the total Recognized Loss Amount calculated above, then the Claimant’s Recognized Loss Amount shall be limited to the amount of the actual market loss.

68. With respect to QuantumScape common Stock, QuantumScape warrants, and QuantumScape call options acquired during the Class Period, for purposes of determining whether a Claimant had a market gain with respect to his, her, or its overall transactions during the Class Period or suffered a market loss, the Claims Administrator shall determine the difference between (i) the Total Purchase Amount<sup>7</sup> and (ii) the sum of the Total Sales Proceeds<sup>8</sup> and the Total Holding Value.<sup>9</sup> If the Claimant’s Total Purchase Amount minus the sum of the Total Sales Proceeds and the Total Holding Value is a positive number, that number will be the Claimant’s market loss on such securities; if the number is a negative number or zero, that number will be the Claimant’s market gain on such securities. With respect to QuantumScape put options sold (written) during the Class Period, the Claims Administrator shall determine the difference

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<sup>7</sup> The “Total Purchase Amount” is the total amount the Claimant paid (excluding commissions and other charges) for QuantumScape securities purchased or acquired during the Class Period.

<sup>8</sup> For the QuantumScape securities, the Claims Administrator shall match a Claimant’s dispositions (*i.e.*, sales, redemptions) during the Class Period against his, her, or its opening position in like securities, if any, on a FIFO basis (the proceeds of those dispositions will not be considered for purposes of calculating market gains or losses). The total amount received for the remaining dispositions during the Class Period (excluding commissions and other charges) shall be the Claimant’s “Total Sales Proceeds.”

<sup>9</sup> The Claims Administrator shall ascribe a “Holding Value” to shares of QuantumScape common Stock acquired during the Class Period and still held as of the close of trading on April 15, 2021 of \$38.85 per share (*i.e.*, the closing price of the common stock on the last Corrective Disclosure Date). For each QuantumScape Warrant acquired during the Class Period and still held as of the close of trading on April 15, 2021, the Claims Administrator shall ascribe a “Holding Value” of \$25.00 per warrant (*i.e.*, the closing price of the warrants on the last Corrective Disclosure Date). For each QuantumScape call option acquired during the Class Period that was still held as of the close of trading on April 15, 2021, the Claims Administrator shall ascribe a “Holding Value” for that option which shall be the greater of: (i) \$0.00 or (ii) \$38.85 *minus* the strike price of the option. A Claimant’s total Holding Values for QuantumScape common stock, QuantumScape warrants, and QuantumScape call options acquired during the Class Period that were still held as of the close of trading on April 15, 2021, shall be the Claimant’s “Total Holding Value.”

between (i) the sum of the Total Purchase Amount<sup>10</sup> and the Total Holding Value;<sup>11</sup> and (ii) the Total Sales Proceeds.<sup>12</sup> For QuantumScape put options, if the sum of the Total Purchase Amount and the Total Holding Value minus the Total Sales Proceeds is a positive number, that number will be the Claimant's market loss; if the number is a negative number or zero, that number will be the Claimant's market gain.

69. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against Plaintiffs, Plaintiffs' Counsel, Plaintiffs' damages expert, Defendants, Defendants' Counsel, any of the other Released Plaintiff Persons or Released Defendant Persons, or the Claims Administrator or other agent designated by Plaintiffs' Counsel arising from distributions made substantially in accordance with the Settlement, the Plan of Allocation approved by the Court, or further orders of the Court. Plaintiffs, Defendants and their respective counsel, and all other Released Defendant Persons, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund; the Plan of Allocation; the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator; the payment or withholding of Taxes; or any losses incurred in connection therewith.

70. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Class Member or claimant.

71. Each claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Claim Form.

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASS SEEKING?  
HOW WILL THE LAWYERS BE PAID?**

72. Plaintiffs' Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Class, nor have Plaintiffs' Counsel been reimbursed for their out-of-pocket expenses. Before final approval of the Settlement, Plaintiffs' Counsel will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed 33% of the Settlement Fund. At the same time, Plaintiffs' Counsel also intends to apply for reimbursement of expenses in an amount not to exceed \$2,200,000, and an "award of reasonable costs and expenses" to Plaintiffs not to exceed \$40,000 in total. The Court will determine the amount of any award of attorneys' fees or reimbursement of expenses as well as any reasonable costs and expenses to Plaintiffs. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

**WHAT IF I DO NOT WANT TO BE A MEMBER OF THE CLASS?  
HOW DO I EXCLUDE MYSELF?**

73. Each Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Class, addressed to QuantumScape Settlement, EXCLUSIONS, c/o A.B. Data, Ltd., P.O. Box 173001 Milwaukee, WI 53217. The exclusion request must be *received* no later than October 9, 2024. You will not be able to exclude yourself from the Class after that date. Each Request for Exclusion must: (a) state the name, address and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone number of the appropriate contact person; (b) state that such person or entity "requests exclusion from the Class in *In re QuantumScape Securities Class Action Litigation*, Case No. 3:21-cv-00058-WHO"; (c) state the number of QuantumScape securities that the person or entity requesting exclusion purchased/acquired during the Class Period; and (d) be signed by the person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

74. If you do not want to be part of the Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Claim against any of the Released Defendant Persons.

75. If you ask to be excluded from the Class, you will not be eligible to receive any payment out of the Net Settlement Fund.

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<sup>10</sup> For QuantumScape put options, the Claims Administrator shall match any purchases during the Class Period to close out positions in the options first against the Claimant's opening position in the options (the total amount paid with respect to those purchases will not be considered for purposes of calculating market gains or losses). The total amount paid for the remaining purchases during the Class Period to close out positions in put options is the "Total Purchase Amount."

<sup>11</sup> For each QuantumScape put option sold (written) during the Class Period that was still outstanding as of the close of trading on April 15, 2021 the Claims Administrator shall ascribe a "Holding Value" for that option which shall be the *greater of*: (i) \$0.00 or (ii) the strike price of the option *minus* \$38.85. A Claimant's total Holding Values for all QuantumScape put options sold during the Class Period that were still outstanding as of the close of trading on March 31, 2021, shall be the Claimant's "Total Holding Value."

<sup>12</sup> For QuantumScape put options, the total amount received for put options sold (written) during the Class Period is the "Total Sales Proceeds."



76. QuantumScape has the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be Class Members in an amount that exceeds an amount agreed to by Plaintiffs and QuantumScape.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?  
DO I HAVE TO COME TO THE HEARING?  
MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?**

77. **Class Members do not need to attend the Fairness Hearing. The Court will consider any submission made in accordance with the provisions below even if a Class Member does not attend the hearing. You can participate in the Settlement without attending the Fairness Hearing.**

78. **The Fairness Hearing will be held on November 13, 2024, at 2:00 p.m., before the Honorable William H. Orrick III at the United States District Court for the Northern District of California, United States Courthouse, Courtroom 2, 17th Floor, 450 Golden Gate Avenue, San Francisco, CA 94102 or via Zoom (in the Court's discretion). The Court reserves the right to approve the Settlement, the Plan of Allocation, Plaintiffs' Counsel's Fee and Expense Application, awards to Plaintiffs and/or any other matter related to the Settlement at or after the Fairness Hearing without further notice to the Class Members. The Court reserves the right to hold the Fairness Hearing telephonically or by other virtual means. Please check the settlement website or the Court's Public Access to Court Electronic Records (PACER) site to confirm that the date has not been changed.**

79. Any Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation or Plaintiffs' Counsel's Fee and Expense Application, or the Award to Plaintiffs. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the Northern District of California at the address set forth below on or before October 23, 2024.

United States District Court  
Northern District of California  
Office of the Clerk  
450 Golden Gate Avenue  
San Francisco, CA 94102

80. Any objection: (a) must state the name, address and telephone number of the person or entity objecting and must be signed by the objector; and (b) must contain a statement of the Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Class Member wishes to bring to the Court's attention. You may not object to the Settlement, the Plan of Allocation or Plaintiffs' Counsel's Fee and Expense Application or Plaintiffs' award if you exclude yourself from the Class or if you are not a member of the Class.

81. You may file a written objection without having to appear at the Fairness Hearing.

82. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation or Plaintiffs' Counsel's Fee and Expense Application or Plaintiffs' award, and if you timely file and serve a written objection as described above, you should also file a notice of appearance with the Clerk's Office and serve it on Plaintiffs' Counsel and Defendants' Counsel so that it is received on or before October 23, 2024. Persons who intend to object and desire to present evidence at the Fairness Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

83. You are not required to hire an attorney to represent you in making written objections or in appearing at the Fairness Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Plaintiffs' Counsel and Defendants' Counsel at the address set forth in ¶ 79 above so that the notice is **received on or before October 23, 2024**.

84. The Fairness Hearing may be adjourned by the Court without further written notice to the Class. If you intend to attend the Fairness Hearing, you should confirm the date and time with Plaintiffs' Counsel.

**WHAT IF I BOUGHT SECURITIES ON SOMEONE ELSE'S BEHALF?**

85. If you purchased or otherwise acquired any securities of QuantumScape during the Class Period for the beneficial interest of persons or organizations other than yourself, you must either: (a) within seven (7) calendar days of receipt of the Postcard Notice, request from the Claims Administrator sufficient copies of the Postcard Notice to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Postcard Notices forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of the Postcard Notice, provide a list of the names and addresses of all such beneficial owners to QuantumScape Settlement, c/o A.B. Data, Ltd., P.O. Box 173131 Milwaukee, WI 53217. If you choose the second option, the Claims Administrator will send a copy of the Postcard Notice to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, up to a maximum of \$0.04 per Postcard Notice actually mailed, plus postage at the pre-sort rate used by the Claims Administrator; \$0.03 per link to the Notice and Claim Form emailed; or \$0.04 per name, address, and email

address provided to the Claims Administrator, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Any dispute concerning the reasonableness of reimbursement costs shall be resolved by the Court. Copies of this Notice and the Claim Form may be obtained from the website maintained by the Claims Administrator, [www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com), or by calling the Claims Administrator toll-free at 866-778-9623.

**CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?**

86. This Notice contains only a summary of the terms of the proposed Settlement. For the precise terms and conditions of the settlement, please see the Stipulation and Agreement of Settlement available at [www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com), by contacting Plaintiffs' Counsel, by accessing the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94102, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

All inquiries concerning this Notice and the Claim Form should be directed to the Claims Administrator or Plaintiffs' Counsel at:

QuantumScape Securities Settlement  
A.B. DATA, LTD.  
P.O. Box 173131  
Milwaukee, WI 53217  
866-778-9623  
[info@QuantumScapeSettlement.com](mailto:info@QuantumScapeSettlement.com)  
[www.QuantumScapeSettlement.com](http://www.QuantumScapeSettlement.com)

and/or

Nicholas Porritt, Esq.  
LEVI & KORSINSKY, LLP  
33 Whitehall Street  
Floor 17  
New York, NY 10004  
Telephone: 212-363-7500  
Email: [nporritt@zlk.com](mailto:nporritt@zlk.com)

**DO NOT CALL OR WRITE THE COURT, THE OFFICE OF THE CLERK OF THE COURT,  
DEFENDANTS OR THEIR COUNSEL REGARDING THIS NOTICE.**

Dated: August 15, 2024

By Order of the Court  
United States District Court  
Northern District of California