

EXECUTION VERSION

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and for the Proposed Class Appear on the Signature Page)*

**UNITED STATES DISTRICT COURT
DISTRICT OF ARIZONA**

Miguel Avila, on Behalf of Himself and All
Others Similarly Situated,

Plaintiffs,

v.

LifeLock Inc., Todd Davis, Chris G.
Power, and Hilary A. Schneider,

Defendants.

CASE NO. 2:15-cv-01398-SRB

CLASS ACTION

Hon. Susan R. Bolton

**STIPULATION AND
AGREEMENT OF
SETTLEMENT**

This Stipulation and Agreement of Settlement (the “Stipulation”) is made and entered into by and between Oklahoma Police Pension and Retirement System and Oklahoma Firefighters Pension and Retirement System (collectively, “Lead Plaintiffs”), on behalf of themselves and all other members of the Settlement Class (defined below), on the one hand, and LifeLock, Inc. (“LifeLock,” or “the Company”), Todd Davis (“Davis”), Chris Power (“Power”), and Hilary Schneider (“Schneider”) (collectively,

1 “Defendants”), on the other, and embodies the terms and conditions of the settlement of
2 the above-captioned action (the “Action”).

3 **WHEREAS:**

4 A. All words or terms used herein that are capitalized shall have the meanings
5 ascribed to those words or terms herein and in ¶1 hereof entitled “Definitions.”

6 B. On July 22, 2015, the above-captioned securities class action was filed in
7 the United States District Court for the District of Arizona on behalf of investors in
8 LifeLock.

9 C. On October 9, 2015, the Court issued an Order: (i) appointing Oklahoma
10 Police Pension and Retirement System and Oklahoma Firefighters Pension and
11 Retirement Systems as Lead Plaintiff for the proposed class; and (ii) appointing Bernstein
12 Liebhard LLP and Labaton Sucharow LLP as Lead Counsel, and Bonnett, Fairbourn,
13 Friedman, & Balint, P.C. as Liaison Counsel.

14 D. On December 10, 2015, Lead Plaintiffs filed an Amended Class Action
15 Complaint, alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act
16 of 1934 (“Exchange Act”), and Rule 10b-5 promulgated thereunder, by the United States
17 Securities and Exchange Commission (“SEC”), against LifeLock, Todd Davis and Chris
18 Power, on behalf of all persons and entities who purchased LifeLock common stock
19 and/or call options, and/or sold put options during the class period.

20 E. Defendants LifeLock, Davis, and Power filed a motion to dismiss the
21 amended complaint on January 29, 2016, which Lead Plaintiffs opposed on March 21,
22 2016. On April 15, 2016, Defendants LifeLock, Davis, and Power filed a reply brief in
23 further support of their motion. On August 3, 2016, the Court issued an Order granting
24 the motion to dismiss for failure to adequately plead scienter as to statements related to
25 the Company’s alert services and PCI-DSS compliance, and for failure to adequately
26 plead falsity as to statements related to the Federal Trade Commission (“FTC”)
27 investigation of the Company. The Order allowed Lead Plaintiffs to seek leave to amend.
28

1 On October 13, 2016, the Court issued an Order granting Lead Plaintiffs' motion for
2 leave to file a second amended class action complaint.

3 F. On October 14, 2016, Lead Plaintiffs filed the operative, Second Amended
4 Class Action Complaint (the "Complaint"), alleging violations of Sections 10(b) and
5 20(a) of the Exchange Act, and Rule 10b-5 promulgated thereunder, against LifeLock,
6 Davis, Power, and Schneider.

7 G. Defendants filed a motion to dismiss the Complaint on December 16, 2016,
8 which Lead Plaintiffs opposed on February 14, 2017. On March 31, 2017, Defendants
9 filed a reply brief in further support of their motion.

10 H. On August 21, 2017, the Court issued an Order granting Defendants'
11 motion to dismiss the Complaint with prejudice for failure to adequately plead scienter as
12 to statements related to the Company's alert services and PCI-DSS compliance, and for
13 failure to adequately plead falsity as to statements related to the FTC's investigation of
14 the Company (the "MTD Order"). On August 21, 2017, the Court entered judgment in
15 favor of Defendants.

16 I. On September 19, 2017, Lead Plaintiffs filed a notice of appeal to the Ninth
17 Circuit Court of Appeals ("Ninth Circuit") appealing the MTD Order, as well as all prior
18 orders and rulings merged therein. Lead Plaintiffs appealed from the Court's dismissal of
19 those alleged misstatements related to the Company's alert services and did not appeal
20 the dismissal of any alleged misstatements related to LifeLock's PCI-DSS compliance or
21 the FTC investigation.

22 J. On August 29, 2019, the Ninth Circuit issued an Order reversing in part and
23 affirming in part the Court's MTD Order with respect to the Company's alerts services,
24 and remanding the case for further proceedings consistent with the Order. The Ninth
25 Circuit held that Lead Plaintiffs adequately pled claims relating to the Company's alerts
26 (the "Alerts Claims") under Section 10(b) as to Defendants Davis and Schneider, and
27 LifeLock as well as Alerts Claims under Section 20(a) as to Defendants Davis,
28 Schneider, and Power. The Ninth Circuit affirmed the dismissal of claims based on

1 statements prior to the issuance of LifeLock's Form 10-Q after market hours on July 31,
2 2014.

3 K. On October 23, 2019, the parties filed a Proposed Case Management Plan
4 with the Court. The Proposed Case Management Plan contemplated the parties engaging
5 in accelerated fact discovery in order to determine if they could pursue an early resolution
6 of the matter. On December 3, 2019, the Court issued a scheduling order largely
7 adopting the terms of the parties' proposed case management plan.

8 L. Accelerated discovery commenced, and the parties served their respective
9 Rule 26 initial disclosures on November 15, 2019. During the accelerated discovery
10 process the parties negotiated mutually agreeable search parameters and produced
11 documents responsive thereto. Document productions began on November 15, 2019 and
12 were completed by the parties as of February 21, 2020. In total, Lead Plaintiffs produced
13 14,671 pages of documents. Defendants produced approximately 62,385 documents. In
14 addition, the deposition of a former LifeLock employee who provided information
15 concerning the Alerts Claims was taken by the Parties.

16 M. On December 5, 2019, Defendants filed their Answer to the Complaint.

17 N. In November 2019, Lead Plaintiffs and Defendants engaged retired District
18 Court Judge Layn Phillips, Esq., a well-respected and highly experienced mediator, and
19 reserved a date in March 2020, after the scheduled end of accelerated discovery, to assist
20 them in exploring whether a negotiated resolution of the claims against Defendants was
21 possible. On March 4, 2020, the parties engaged in a full-day mediation session before
22 the Mediator. In advance of that session, the parties submitted detailed opening and reply
23 mediation statements to the Mediator, together with numerous supporting exhibits,
24 including experts' reports which addressed both liability and damages issues. The parties
25 were able to reach an agreement in principle to settle the claims against Defendants,
26 resulting in a memorandum of understanding, entered into on March 4, 2020.

27 O. Lead Plaintiffs, through Lead Counsel, conducted a thorough investigation
28 relating to the claims, defenses, and underlying events and transactions that are the

1 subject of the Action. This process included reviewing and analyzing: (i) documents
2 filed publicly by the Company with the SEC; (ii) publicly available information,
3 including press releases, news articles, and other public statements issued by or
4 concerning the Company and the Defendants; (iii) research reports issued by financial
5 analysts concerning the Company; (iv) other publicly available information and data
6 concerning the Company, including information concerning LifeLock's alerting services
7 and data protection; (v) FTC documents, press releases, and filings related to the FTCs
8 regulation and oversight of LifeLock; (vi) documents and communications obtained from
9 the FTC through the Freedom of Information Act ("FOIA"); (vii) pleadings filed in other
10 litigations concerning the events underlying the Complaint, which named certain
11 Defendants herein as defendants or nominal defendants; (viii) 62,385 documents
12 produced by Defendants in connection with accelerated discovery; and (ix) the applicable
13 law governing the claims and potential defenses. Lead Counsel also interviewed 26
14 former LifeLock employees and other persons with relevant knowledge, and consulted
15 with experts on FTC regulations, valuation, damages, and causation issues. The Parties
16 also deposed a former LifeLock employee who provided information concerning the
17 Alerts Claims.

18 P. Defendants have denied and continue to deny any wrongdoing or that they
19 have committed any act or omission giving rise to any liability or violation of law,
20 including the U.S. securities laws. Defendants have denied and continue to deny each
21 and every one of the claims alleged by plaintiffs in the Action on behalf of the proposed
22 class, including all claims in the Complaint. Defendants also have denied, and continue to
23 deny, *inter alia*, the allegations that Lead Plaintiffs or Class Members have suffered damage or
24 were otherwise harmed by the conduct alleged in the Action. Defendants have asserted, and
25 continue to assert, that, at all times, they acted in good faith and in a manner they reasonably
26 believed to be in accordance with all applicable rules, regulations, and laws. Nonetheless,
27 Defendants have determined that it is desirable and beneficial to them that the Action be settled
28 in the manner and upon the terms and conditions set forth in this Stipulation to avoid the further

1 expense, inconvenience, and burden of this Action, the distraction and diversion of personnel and
2 resources, and to obtain the conclusive and complete dismissal and/or release of this Action and
3 the Released Claims.

4 Q. The Stipulation, whether or not consummated, any proceedings relating to
5 any settlement, or any of the terms of any settlement, whether or not consummated, shall
6 in no event be construed as, or deemed to be evidence of, an admission or concession on
7 the part of the Defendants, or any of them, with respect to any fact or matter alleged in
8 the Action, or any claim of fault or liability or wrongdoing or damage whatsoever, or any
9 infirmity in any claim or defense that has been or could have been asserted. Each Defendant
10 reserves all defenses to any claims that may be filed by anyone, including any individual or
11 entity that has sought, or seeks, exclusion from the Settlement Class.

12 R. Lead Plaintiffs believe that the claims asserted in the Action have merit and
13 that the information developed to date supports the claims asserted. However, Lead
14 Plaintiffs and Lead Counsel recognize and acknowledge the expense and length of
15 continued proceedings necessary to prosecute the Action through trial and appeals. They
16 also have taken into account the uncertain outcome and the risk of any litigation,
17 especially in complex actions such as the Action, as well as the difficulties and delays
18 inherent in such litigation. Lead Counsel also are mindful of the inherent problems of
19 proof and the possible defenses to the claims alleged in the Action. Based on their
20 evaluation, Lead Plaintiffs and Lead Counsel believe that the Settlement set forth in this
21 Stipulation confers substantial monetary benefits upon the Settlement Class and is in the
22 best interests of Lead Plaintiffs and the Settlement Class.

23 **NOW THEREFORE**, without any concession by Lead Plaintiffs that the Action
24 lacks merit, and without any concession by the Defendants of any liability or wrongdoing
25 or lack of merit of their defenses, it is hereby **STIPULATED AND AGREED**, by and
26 among the parties to this Stipulation (the "Parties"), through their respective attorneys,
27 subject to approval by the Court pursuant to Rule 23(e) of the Federal Rules of Civil
28 Procedure, that, in consideration of the benefits flowing to the Parties hereto, all Released

Claims and all Released Defendants' Claims, as against all Released Parties, shall be fully, finally, and forever compromised, settled, released, discharged, and dismissed with prejudice, and without costs, upon and subject to the following terms and conditions:

DEFINITIONS

1. As used in this Stipulation, the following terms shall have the meanings set forth below. In the event of any inconsistency between any definition set forth below and any definition in any other document related to the Settlement, the definition set forth below shall control.

(a) "Action" means the civil action captioned *Miguel Avila, et al. v. LifeLock, Inc., et al.*, Case No. 2:15-cv-01398-SRB, pending in the United States District Court for the District of Arizona before the Honorable Susan R. Bolton.

(b) "Alternative Judgment" means a form of final judgment that may be entered by the Court but in a form other than the form of Judgment provided for in this Stipulation and where none of the Parties hereto elects to terminate this Settlement by reason of such variance.

(c) "Authorized Claimant" means a Settlement Class Member who submits a valid Proof of Claim and Release form to the Claims Administrator that is accepted for payment.

(d) "Claims Administrator" means the firm to be retained by Lead Counsel, subject to Court approval, to provide all notices approved by the Court to Settlement Class Members, to process proofs of claim, and to administer the Settlement.

(e) "Class Period" means the period from July 31, 2014 through July 21 2015, inclusive.

(f) "Lead Counsel" means Labaton Sucharow LLP and Bernstein Liebhard LLP.

(g) "Defendants" means LifeLock, Inc., Todd Davis, Chris Power, and Hilary Schneider.

(h) “Defendants’ Counsel” means the law firms of Wilson Sonsini Goodrich & Rosati and Sacks Ricketts & Case.

(i) “Effective Date” means the date upon which the Settlement shall have become effective, as set forth in ¶39 below.

(j) “Escrow Account” means the separate escrow account maintained at Citibank, N.A., wherein the Settlement Amount shall be deposited and held for the benefit of the Settlement Class pursuant to this Stipulation and subject to the jurisdiction of the Court.

(k) “Escrow Agent” means Lead Counsel.

(l) “Fee and Expense Application” means Lead Counsel’s application, on behalf of all Plaintiffs’ Counsel, for an award of attorneys’ fees and payment of litigation expenses incurred in prosecuting the case, including any expenses of Lead Plaintiffs pursuant to 15 U.S.C. § 78u-4(a)(4) of the Private Securities Litigation Reform Act of 1995 (“PSLRA”).

(m) “Final,” with respect to a court order, means the later of: (i) if there is an appeal from a court order, the date of final affirmance on appeal and the expiration of the time for any further judicial review whether by appeal, reconsideration or a petition for a *writ of certiorari* and, if *certiorari* is granted, the date of final affirmance of the order following review pursuant to the grant; or (ii) the date of final dismissal of any appeal from the order or the final dismissal of any proceeding on *certiorari* to review the order; or (iii) the expiration of the time for the filing or noticing of any appeal or petition for *certiorari* from the order (or, if the date for taking an appeal or seeking review of the order shall be extended beyond this time by order of the issuing court, by operation of law or otherwise, or if such extension is requested, the date of expiration of any extension if any appeal or review is not sought), without any such filing or noticing being made. However, any appeal or proceeding seeking subsequent judicial review pertaining solely to the Plan of Allocation of the Net Settlement Fund, or to the Court’s award of attorneys’ fees or expenses, shall not in any way delay or affect the time set forth above for the

1 Judgment or Alternative Judgment to become Final or otherwise preclude the Judgment or
2 Alternative Judgment from becoming Final.

3 (n) “Individual Defendants” mean Todd Davis, Chris Power, and Hilary
4 Schneider.

5 (o) “Judgment” means the proposed judgment to be entered by the Court
6 approving the Settlement, substantially in the form attached hereto as Exhibit B.

7 (p) “Lead Plaintiffs” mean Oklahoma Police Pension and Retirement
8 System and Oklahoma Firefighters Pension and Retirement System.

9 (q) “Liaison Counsel” means Bonnett, Fairbourn, Friedman & Balint,
10 P.C.

11 (r) “Mediator” means Honorable Layn R. Phillips, Ret.

12 (s) “Net Settlement Fund” means the Settlement Fund less: (i) Court-
13 awarded attorneys’ fees and expenses; (ii) Notice and Administration Expenses; (iii)
14 Taxes; and (iv) any other fees or expenses approved by the Court.

15 (t) “Notice” means the Notice of Pendency of Class Action, Proposed
16 Settlement, and Motion for Attorneys’ Fees and Expenses to be sent to Settlement Class
17 Members, which, subject to approval of the Court, shall be substantially in the form
18 attached hereto as Exhibit 1 to Exhibit A hereto.

19 (u) “Notice and Administration Expenses” means all costs, fees, and
20 expenses incurred in connection with providing notice to the Settlement Class and the
21 administration of the Settlement, including but not limited to: (i) providing notice of the
22 proposed Settlement by mail, publication, and other means to Settlement Class Members;
23 (ii) receiving and reviewing claims; (iii) applying the Plan of Allocation; (iv)
24 communicating with Persons regarding the proposed Settlement and claims administration
25 process; (v) distributing the proceeds of the Settlement; and (vi) fees related to the Escrow
26 Account and investment of the Settlement Fund.

27 (v) “Person(s)” means any individual, corporation (including all
28 divisions and subsidiaries), general or limited partnership, association, joint stock

1 company, joint venture, limited liability company, professional corporation, estate, legal
 2 representative, trust, unincorporated association, government or any political subdivision
 3 or agency thereof, and any other business or legal entity.

4 (w) “Plaintiffs’ Counsel” means Lead Counsel and Liaison Counsel.

5 (x) “Plan of Allocation” means the proposed Plan of Allocation of Net
 6 Settlement Fund, which, subject to the approval of the Court, shall be substantially in the
 7 form described in the Notice.

8 (y) “Preliminary Approval Order” means the proposed Order Granting
 9 Preliminary Approval of Class Action Settlement, Approving Form and Manner of
 10 Notice, and Setting Date for Hearing on Final Approval of Settlement, which, subject to
 11 the approval of the Court, shall be substantially in the form attached hereto as Exhibit A.

12 (z) “Proof of Claim” or “Claim Form” means the Proof of Claim and
 13 Release form for submitting a claim, which, subject to approval of the Court, shall be
 14 substantially in the form attached as Exhibit 2 to Exhibit A hereto.

15 (aa) “Released Claims” means any and all claims and causes of action of
 16 every nature and description, including both known claims and Unknown Claims (defined
 17 below), contingent or absolute, mature or not mature, liquidated or not liquidated, accrued
 18 or not accrued, concealed or hidden, regardless of legal or equitable theory and whether
 19 arising under federal, state, common or foreign law, that Lead Plaintiffs or any other
 20 Settlement Class Member: (i) asserted in the Action; or (ii) could have asserted in the
 21 Action or any forum, domestic or foreign, that arise out of, are based upon, or relate to,
 22 directly or indirectly, in whole or in part, to: (a) the allegations, transactions, facts, events,
 23 matters or occurrences, representations or omissions involved, set forth, alleged or
 24 referred to in the Action; and (b) the purchase of LifeLock’s publicly traded common
 25 stock and/or call options and/or sale of LifeLock’s publicly traded put options during the
 26 Class Period. For the avoidance of doubt, Released Claims do not include: (i) claims
 27 relating to the enforcement of the Settlement; (ii) any claims arising out of the shareholder
 28 derivative action, *In re: LifeLock, Inc. Derivative Litigation*, No. CV2015-054087 (Ariz.

1 Super. Court); and (iii) any claims of Persons who submit a request for exclusion that is
2 accepted by the Court.

3 (bb) “Released Defendant Parties” means Defendants, Defendants’
4 Counsel, and each of their respective past or present direct or indirect subsidiaries,
5 parents, affiliates, principals, successors and predecessors, assigns, officers, directors,
6 shareholders, trustees, partners, agents, fiduciaries, contractors, employees, attorneys,
7 auditors, insurers; the spouses, members of the immediate families, representatives, and
8 heirs of the Individual Defendants, as well as any trust of which any Individual Defendant
9 is the settlor or which is for the benefit of any of their immediate family members; any
10 firm, trust, corporation, or entity in which any Defendant has a controlling interest; and
11 any of the legal representatives, heirs, successors in interest or assigns of Defendants.

12 (cc) “Released Defendants’ Claims” means all claims and causes of action
13 of every nature and description, including both known claims and Unknown Claims (as
14 defined below), whether arising under federal, state, common or foreign law, that
15 Defendants could have asserted against any of the Released Plaintiff Parties that arise out
16 of or relate in any way to the institution, prosecution, or settlement of the claims in the
17 Action, except for claims relating to the enforcement of the Settlement or any claims
18 against any Person who submits a request for exclusion that is accepted by the Court.

19 (dd) “Released Parties” means the Released Defendant Parties and the
20 Released Plaintiff Parties.

21 (ee) “Released Plaintiff Parties” means each and every Settlement Class
22 Member, Lead Plaintiffs, Plaintiffs’ Counsel, and each of their respective past or present
23 trustees, officers, directors, partners, employees, affiliates, contractors, auditors,
24 principals, agents, attorneys, predecessors, successors, assigns, insurers, parents,
25 subsidiaries, general or limited partners or partnerships, and limited liability companies;
26 and the spouses, members of the immediate families, representatives, and heirs of any
27 Released Plaintiff Party who is an individual, as well as any trust of which any Released
28 Plaintiff Party is the settlor or which is for the benefit of any of their immediate family

1 members. Released Plaintiff Parties does not include any Person who timely and validly
2 seeks exclusion from the Settlement Class.

3 (ff) “Settlement” means the resolution of the Action in accordance with
4 the terms and provisions of this Stipulation.

5 (gg) “Settlement Amount” means the total principal amount of twenty
6 million U.S. dollars (\$20,000,000) in cash.

7 (hh) “Settlement Class” or “Settlement Class Member” means all persons
8 and entities who or which purchased or otherwise acquired shares of LifeLock publicly
9 traded common stock and/or call options, and/or sold LifeLock publicly traded put options
10 during the period from July 31, 2014 through July 21, 2015, inclusive, and who were
11 damaged thereby. Excluded from the Settlement Class are: (i) Defendants; (ii) members
12 of the immediate families of the Individual Defendants; (iii) LifeLock’s subsidiaries and
13 affiliates, including LifeLock’s employee retirement and benefit plan(s); (iv) any Person
14 who is or was an officer or director of LifeLock or any of LifeLock’s subsidiaries or
15 affiliates during the Class Period; (v) any entity in which any Defendant has a controlling
16 interest; and (vi) the legal representatives, heirs, successors and assigns of any such
17 excluded Person or entity. Also excluded from the Settlement Class will be any Person
18 who or which timely and validly seeks exclusion from the Settlement Class.

19 (ii) “Settlement Fund” means the Settlement Amount and any interest
20 earned thereon.

21 (jj) “Settlement Hearing” means the hearing to be held by the Court to
22 determine whether the proposed Settlement is fair, reasonable, and adequate and should be
23 approved.

24 (kk) “Stipulation” means this Stipulation and Agreement of Settlement.

25 (ll) “Summary Notice” means the Summary Notice of Pendency of Class
26 Action, Proposed Settlement, and Motion for Attorneys’ Fees and Expenses for
27 publication, which, subject to approval of the Court, shall be substantially in the form
28 attached as Exhibit 3 to Exhibit A hereto.

(mm) “Taxes” means all federal, state, or local taxes of any kind on any income earned by the Settlement Fund and the expenses and costs incurred in connection with the taxation of the Settlement Fund (including, without limitation, interest, penalties and the reasonable expenses of tax attorneys and accountants).

(nn) “Unknown Claims” means any and all Released Claims that Lead Plaintiffs or any other Settlement Class Member do not know or suspect to exist in his, her, or its favor at the time of the release of the Released Defendant Parties, and any and all Released Defendants’ Claims that any Defendant does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Plaintiff Parties, which if known by him, her, or it might have affected his, her, or its decision(s) with respect to the Settlement, including the decision to object to the terms of the Settlement or to exclude himself, herself, or itself from the Settlement Class. With respect to any and all Released Claims and Released Defendants’ Claims, the Parties stipulate and agree that, upon the Effective Date, Lead Plaintiffs and Defendants shall expressly, and each other Settlement Class Member shall be deemed to have, and by operation of the Judgment or Alternative Judgment shall have, to the fullest extent permitted by law, expressly waived and relinquished any and all provisions, rights and benefits conferred by any law of any state or territory of the United States or foreign law, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. 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.

Lead Plaintiffs, other Settlement Class Members, or Defendants may hereafter discover facts, legal theories, or authorities in addition to or different from those which any of them now knows or believes to be true with respect to the subject matter of the Released Claims and the Released Defendants’ Claims, but Lead Plaintiffs and Defendants shall expressly, fully, finally, and forever settle and release, and each Settlement Class Member shall be deemed to have settled and released, and upon the Effective Date and by operation of the

1 Judgment or Alternative Judgment shall have settled and released, fully, finally, and
2 forever, any and all Released Claims and Released Defendants' Claims as applicable,
3 without regard to the subsequent discovery or existence of such different or additional
4 facts, legal theories, or authorities. Lead Plaintiffs and Defendants acknowledge, and
5 other Settlement Class Members by operation of law shall be deemed to have
6 acknowledged, that the inclusion of "Unknown Claims" in the definition of Released
7 Claims and Released Defendants' Claims was separately bargained for and was a material
8 element of the Settlement.

9 **SCOPE AND EFFECT OF SETTLEMENT**

10 2. The obligations incurred pursuant to this Stipulation are: (i) subject to
11 approval by the Court and the Judgment, or Alternative Judgment, reflecting such approval
12 becoming Final; and (ii) in full and final disposition of the Action with respect to the
13 Released Parties and any and all Released Claims and Released Defendants' Claims.

14 3. For purposes of this Settlement only, the Parties agree to: (i) certification of
15 the Action as a class action, pursuant to Fed. R. Civ. P. 23(a) and 23(b)(3), on behalf of the
16 Settlement Class as defined in ¶1(hh); (ii) the appointment of Lead Plaintiffs as Class
17 Representatives for the Settlement Class; and (iii) the appointment of Lead Counsel as
18 Class Counsel for the Settlement Class pursuant to Federal Rule of Civil Procedure 23(g).

19 4. By operation of the Judgment or Alternative Judgment, as of the Effective
20 Date, Lead Plaintiffs and each and every other Settlement Class Member, on behalf of
21 themselves and each of their respective heirs, executors, trustees, administrators,
22 predecessors, successors, and assigns, in their capacities as such, shall be deemed to have
23 fully, finally, and forever waived, released, discharged, and dismissed each and every one
24 of the Released Claims against each and every one of the Released Defendant Parties and
25 shall forever be barred and enjoined from commencing, instituting, prosecuting, or
26 maintaining any and all of the Released Claims against any and all of the Released
27 Defendant Parties.
28

1 5. By operation of the Judgment or Alternative Judgment, as of the Effective
2 Date, Defendants, on behalf of themselves and each of their respective heirs, executors,
3 trustees, administrators, predecessors, successors, and assigns, in their capacities as such,
4 shall be deemed to have fully, finally, and forever waived, released, discharged, and
5 dismissed each and every one of the Released Defendants' Claims against each and every
6 one of the Released Plaintiff Parties and shall forever be barred and enjoined from
7 commencing, instituting, prosecuting, or maintaining any and all of the Released
8 Defendants' Claims against any and all of the Released Plaintiff Parties.

9 **THE SETTLEMENT CONSIDERATION**

10 6. In full settlement of the claims asserted in the Action against Defendants and
11 in consideration of the releases specified in ¶¶4-5, above, all of which the Parties agree are
12 good and valuable consideration, LifeLock (on behalf of all Defendants) shall pay, or
13 cause to be paid, the Settlement Amount into the Escrow Account on or before April 4,
14 2020 following (i) execution of the Stipulation and (ii) Labaton Sucharow providing to
15 Defendants' Counsel the information necessary to effectuate a transfer of funds to the
16 Escrow Account, including but not limited to, wire transfer instructions, payment address,
17 and a complete and executed Form W-9 for the Settlement Fund that reflects a valid tax
18 identification number on or before March 31, 2020. The Individual Defendants have no
19 responsibility with respect to the obligations set forth in this paragraph. Once the
20 Settlement Amount is deposited by LifeLock, LifeLock shall have no right to the return of
21 such funds except as provided in the termination provisions in ¶¶40-44 below.

22 7. With the sole exception of LifeLock's obligation to secure payment of the
23 Settlement Amount into the Escrow Account as provided for in ¶6, Defendants' obligation
24 pursuant to ¶21, and LifeLock's obligation pursuant to ¶37, Defendants and Defendants'
25 Counsel shall have no responsibility for, interest in, or liability whatsoever with respect to:
26 (i) any act, omission, or determination by Lead Counsel or the Claims Administrator, or
27 any of their respective designees or agents, in connection with the administration of the
28 Settlement or otherwise; (ii) the management, investment, or distribution of the Settlement

1 Fund; (iii) the Plan of Allocation; (iv) the determination, administration, calculation, or
 2 payment of any claims asserted against the Settlement Fund; (v) any loss suffered by, or
 3 fluctuation in value of, the Settlement Fund; or (vi) the payment or withholding of any
 4 Taxes, expenses, and/or costs incurred in connection with the taxation of the Settlement
 5 Fund, distributions or other payments from the Escrow Account, or the filing of any
 6 federal, state, or local returns.

7 8. Other than the obligation of LifeLock to cause the payment of the Settlement
 8 Amount pursuant to ¶6, Defendants shall have no obligation to make any other payments
 9 into the Escrow Account or to any Settlement Class Member pursuant to this Stipulation.

10 **USE AND TAX TREATMENT OF SETTLEMENT FUND**

11 9. The Settlement Fund shall be used: (i) to pay any Taxes; (ii) to pay Notice
 12 and Administration Expenses; (iii) to pay any attorneys' fees and expenses awarded by the
 13 Court; (iv) to pay any other fees and expenses awarded by the Court; and (v) to pay the
 14 claims of Authorized Claimants.

15 10. The Net Settlement Fund shall be distributed to Authorized Claimants as
 16 provided in ¶¶22-35 hereof. The Net Settlement Fund shall remain in the Escrow Account
 17 prior to the Effective Date. All funds held in the Escrow Account, and all earnings
 18 thereon, shall be deemed to be in the custody of the Court and shall remain subject to the
 19 jurisdiction of the Court until such time as the funds shall have been disbursed or returned,
 20 pursuant to the terms of this Stipulation, and/or further order of the Court. The Escrow
 21 Agent shall invest funds in the Escrow Account in instruments backed by the full faith and
 22 credit of the United States Government (or a mutual fund invested solely in such
 23 instruments), or deposit some or all of the funds in non-interest-bearing transaction
 24 account(s) that are fully insured by the Federal Deposit Insurance Corporation ("FDIC") in
 25 amounts that are up to the limit of FDIC insurance. Defendants and Defendants' Counsel
 26 shall have no responsibility for, interest in, or liability whatsoever with respect to
 27 investment decisions executed by the Escrow Agent. All risks related to the investment of
 28 the Settlement Fund shall be borne solely by the Settlement Fund.

11. After the Settlement Amount has been paid into the Escrow Account, the Parties agree to treat the Settlement Fund as a “qualified settlement fund” within the meaning of Treas. Reg. § 1.468B-1. All provisions of this Stipulation shall be interpreted in a manner that is consistent with the Settlement Amount being a “qualified settlement fund” within the meaning of Treasury Regulation § 1.468B-1. In addition, the Escrow Agent shall timely make, or cause to be made, such elections as necessary or advisable to carry out the provisions of this paragraph 11, including the “relation-back election” (as defined in Treas. Reg. § 1.468B-1) back to the earliest permitted date. Such election 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, or cause to be prepared and delivered, the necessary documentation for signature by all necessary parties, and thereafter take all such actions as may be necessary or appropriate to cause the appropriate filing(s) to timely occur. Consistent with the foregoing:

(a) For the purposes of Section 468B of the Internal Revenue Code of 1986, as amended, and Treas. Reg. § 1.468B promulgated thereunder, the “administrator” shall be the Escrow Agent or its successors, who shall timely and properly file, or cause to be filed, all federal, state, or local tax returns and information returns (together, “Tax Returns”) necessary or advisable with respect to the earnings on the funds deposited in the Escrow Account (including without limitation the returns described in Treas. Reg. § 1.468B-2(k)). Such Tax Returns (as well as the election described above) shall be consistent with this subparagraph and in all events shall reflect that all Taxes (including any estimated taxes, earnings, or penalties) on the income earned on the funds deposited in the Escrow Account shall be paid out of such funds as provided in subparagraph (c) of this paragraph 11.

(b) All Taxes shall be paid out of the Settlement Fund. In all events, Defendants and Defendants’ Counsel shall have no liability or responsibility whatsoever for the Taxes or the filing of any Tax Return or other document with the Internal Revenue

1 Service or any other state or local taxing authority. Defendants shall have no liability or
2 responsibility for the Taxes of the Escrow Account with respect to the Settlement Amount
3 nor the filing of any Tax Returns or other documents with the Internal Revenue Service or
4 any other taxing authority. In the event any Taxes are owed by any of the Defendants on
5 any earnings on the funds on deposit in the Escrow Account, such amounts shall also be
6 paid out of the Settlement Fund.

7 (c) Taxes with respect to the Settlement Amount and the Escrow
8 Account shall be treated as, and considered to be, a cost of administration of the
9 Settlement and shall be timely paid, or caused to be paid, by the Escrow Agent out of the
10 Settlement Fund without prior order from the Court or approval by Defendants. The
11 Escrow Agent shall be obligated (notwithstanding anything herein to the contrary) to
12 withhold from distribution to Authorized Claimants any funds necessary to pay such
13 amounts (as well as any amounts that may be required to be withheld under Treas. Reg.
14 § 1.468B-2(1)(2)). The Parties agree to cooperate with each other, and their tax attorneys
15 and accountants to the extent reasonably necessary, to carry out the provisions of this
16 paragraph 11.

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

20 **ATTORNEYS' FEES AND EXPENSES**

21 13. Lead Counsel, on behalf of all Plaintiffs' Counsel, will apply to the Court for
22 an award from the Settlement Fund of attorneys' fees and payment of litigation expenses
23 incurred in prosecuting the Action, including reimbursement to Lead Plaintiffs pursuant to
24 the PSLRA, plus earnings on such amounts at the same rate and for the same periods as
25 earned by the Settlement Fund. Defendants shall take no position with respect to any Fee
26 and Expense Application.

27 14. The amount of attorneys' fees and expenses awarded by the Court is within
28 the sole discretion of the Court. Any attorneys' fees and expenses awarded by the Court

1 shall be paid from the Settlement Fund to Lead Counsel immediately after entry of the
2 Order awarding such attorneys' fees and expenses and entry of the Judgment or
3 Alternative Judgment, notwithstanding the existence of any timely filed objections thereto
4 or to the Settlement, or potential for appeal therefrom, or collateral attack on the Fee and
5 Expense Application, the Settlement, or any part thereof. Lead Counsel shall allocate any
6 Court-awarded attorneys' fees and expenses among Plaintiffs' Counsel.

7 15. Any payment of attorneys' fees and expenses pursuant to ¶¶13-14 above
8 shall be subject to Lead Counsel's obligation to make refunds or repayments to the
9 Settlement Fund of any paid amounts, plus accrued earnings at the same net rate as is
10 earned by the Settlement Fund, if the Settlement is terminated pursuant to the terms of this
11 Stipulation or fails to become effective for any reason, or if, as a result of any appeal or
12 further proceedings on remand or successful collateral attack, the award of attorneys' fees
13 and/or expenses is reduced or reversed by Final non-appealable court order. Lead Counsel
14 shall make the appropriate refund or repayment in full no later than fifteen (15) business
15 days after receiving notice of the termination of the Settlement pursuant to this Stipulation,
16 notice from a court of appropriate jurisdiction of the disapproval of the Settlement by Final
17 non-appealable court order, or notice of any reduction or reversal of the award of
18 attorneys' fees and/or expenses by Final non-appealable court order.

19 16. With the sole exception of LifeLock's obligation to pay the Settlement
20 Amount into the Escrow Account as provided for in ¶6, Defendants shall have no
21 responsibility for, and no liability whatsoever with respect to, any payment whatsoever to
22 Plaintiffs' Counsel in the Action that may occur at any time.

23 17. Defendants shall have no responsibility for, and no liability whatsoever with
24 respect to, any allocation of any attorneys' fees or expenses among Plaintiffs' Counsel in
25 the Action, or to any other Person who may assert some claim thereto, or any fee or
26 expense awards the Court may make in the Action.

27 18. Defendants shall have no responsibility for, and no liability whatsoever with
28 respect to, any attorneys' fees, costs, or expenses incurred by or on behalf of Settlement

1 Class Members, whether or not paid from the Escrow Account. The Settlement Fund will
2 be the sole source of payment from Defendants for any award of attorneys' fees and
3 expenses ordered by the Court.

4 19. The procedure for and the allowance or disallowance by the Court of any Fee
5 and Expense Application are not part of the Settlement set forth in this Stipulation, and are
6 separate from the Court's consideration of the fairness, reasonableness, and adequacy of
7 the Settlement set forth in the Stipulation, and any order or proceeding relating to any Fee
8 and Expense Application, including an award of attorneys' fees or expenses in an amount
9 less than the amount requested by Lead Counsel, or any appeal from any order relating
10 thereto or reversal or modification thereof, shall not operate to terminate or cancel the
11 Stipulation, or affect or delay the finality of the Judgment or Alternative Judgment
12 approving the Stipulation and the Settlement set forth herein. Lead Plaintiffs and Lead
13 Counsel may not cancel or terminate the Stipulation or the Settlement in accordance with
14 ¶40 or otherwise based on the Court's or any appellate court's ruling with respect to fees
15 and expenses in the Action.

16 **NOTICE AND ADMINISTRATION EXPENSES**

17 20. Except as otherwise provided herein, the Net Settlement Fund shall be held
18 in the Escrow Account until the Effective Date.

19 21. Prior to the Effective Date, without further approval from Defendants or
20 further order of the Court, Lead Counsel may expend up to \$450,000 from the Settlement
21 Fund to pay Notice and Administration Expenses actually incurred. Additional sums for
22 this purpose prior to the Effective Date may be paid from the Settlement Fund upon
23 agreement of the Parties or order of the Court. Taxes and fees related to the Escrow
24 Account and investment of the Settlement Fund may be paid as incurred, without further
25 approval of Defendants or further order of the Court. After the Effective Date, without
26 approval of Defendants or further order of the Court, Notice and Administration Expenses
27 may be paid as incurred. Defendants shall be responsible for providing any required notice
28 under the Class Action Fairness Act of 2005, if any, at their own expense.

DISTRIBUTION TO AUTHORIZED CLAIMANTS

22. Except as otherwise provided herein, the Settlement Fund shall be held in the Escrow Account until the Effective Date.

23. The Claims Administrator, subject to such supervision and direction of Lead Counsel and/or the Court as may be necessary or as circumstances may require, shall administer the Settlement in accordance with the terms of this Stipulation, the Court-approved Plan of Allocation, and subject to the jurisdiction of the Court. Defendants and Defendants' Counsel shall have no responsibility for (except as stated in ¶¶6 and 37 hereof), interest in, or liability whatsoever with respect to the administration of the Settlement or the actions or decisions of the Claims Administrator, and shall have no liability to the Settlement Class in connection with such administration.

24. The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's recognized loss, as defined in the Plan of Allocation included in the Notice, or in such other plan of allocation as the Court may approve.

25. Defendants have no role in the development of, and will take no position with respect to, the Plan of Allocation. Any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the proposed Settlement. The Plan of Allocation is not a necessary term of this Stipulation and it is not a condition of this Stipulation that any particular plan of allocation be approved by the Court. Lead Plaintiffs and Lead Counsel may not cancel or terminate the Stipulation or the Settlement in accordance with ¶40 or otherwise based on the Court's or any appellate court's ruling with respect to the Plan of Allocation or any plan of allocation in the Action. Defendants and Defendants' Counsel shall have no responsibility or liability for reviewing or challenging claims, the allocation of the Net Settlement Fund, or the distribution of the Net Settlement Fund.

26. Upon the Effective Date and thereafter, and in accordance with the terms of the Stipulation, the Plan of Allocation, or such further approval and further order(s) of the

1 Court as may be necessary or as circumstances may require, the Net Settlement Fund shall
2 be distributed to Authorized Claimants.

3 27. If there is any balance remaining in the Net Settlement Fund (whether by
4 reason of tax refunds, uncashed checks or otherwise) after at least six (6) months from the
5 date of initial distribution of the Net Settlement Fund, the Claims Administrator shall, if
6 feasible and economical after payment of Notice and Administration Expenses, Taxes, and
7 attorneys' fees and expenses, if any, redistribute such balance among Authorized
8 Claimants who have cashed their checks in an equitable and economic fashion. Once it is
9 no longer feasible or economical to make further distributions, any balance that still
10 remains in the Net Settlement Fund after re-distribution(s) and after payment of
11 outstanding Notice and Administration Expenses, Taxes, and attorneys' fees and expenses,
12 if any, shall be contributed to a non-sectarian, not-for-profit charitable organization serving
13 the public interest designated by Lead Plaintiffs and approved by the Court.

14 **ADMINISTRATION OF THE SETTLEMENT**

15 28. Any Settlement Class Member who fails to timely submit a valid Proof of
16 Claim (substantially in the form of Exhibit 2 to Exhibit A) will not be entitled to receive
17 any of the proceeds from the Net Settlement Fund, except as otherwise ordered by the
18 Court or allowed by Lead Counsel in their discretion, but will otherwise be bound by all of
19 the terms of this Stipulation and the Settlement, including the terms of the Judgment or
20 Alternative Judgment to be entered in the Action and all releases provided for herein, and
21 will be barred from bringing any action against the Released Defendant Parties concerning
22 the Released Claims.

23 29. Lead Counsel shall be responsible for supervising the administration of the
24 Settlement and disbursement of the Net Settlement Fund by the Claims Administrator.
25 Lead Counsel shall have the right, but not the obligation, to advise the Claims
26 Administrator to waive what Lead Counsel deems to be *de minimis* or formal or technical
27 defects in any Proof of Claim submitted. Defendants and Defendants' Counsel shall have
28 no liability, obligation or responsibility for the administration of the Settlement, the

1 allocation of the Net Settlement Fund, or the reviewing or challenging claims. Lead
2 Counsel shall be solely responsible for designating the Claims Administrator, subject to
3 approval by the Court.

4 30. For purposes of determining the extent, if any, to which a claimant shall be
5 entitled to be treated as an Authorized Claimant, the following conditions shall apply:

6 (a) Each claimant shall be required to submit a Claim Form, substantially
7 in the form attached hereto as Exhibit 2 to Exhibit A, supported by such documents as are
8 designated therein, including proof of the claimant's loss, or such other documents or
9 proof as the Claims Administrator or Lead Counsel, in their discretion, may deem
10 acceptable;

11 (b) All Claim Forms must be submitted by the date set by the Court in
12 the Preliminary Approval Order and specified in the Notice, unless such deadline is
13 extended by Lead Counsel in their discretion or by Order of the Court. Any Settlement
14 Class Member who fails to submit a Claim Form by such date shall be barred from
15 receiving any distribution from the Net Settlement Fund or payment pursuant to this
16 Stipulation (unless, by Order of the Court or the discretion of Lead Counsel, late-filed
17 Claim Forms are accepted), but shall in all other respects be bound by all of the terms of
18 this Stipulation and the Settlement, including the terms of the Judgment or Alternative
19 Judgment and all releases provided for herein, and will be permanently barred and
20 enjoined from bringing any action, claim or other proceeding of any kind against any
21 Released Defendant Party. A Claim Form shall be deemed to be submitted when mailed,
22 if received with a postmark on the envelope and if mailed by first-class or overnight U.S.
23 Mail and addressed in accordance with the instructions thereon. In all other cases, the
24 Claim Form shall be deemed to have been submitted when actually received by the
25 Claims Administrator;

26 (c) Each Claim Form shall be submitted to and reviewed by the Claims
27 Administrator, under the supervision of Lead Counsel, which shall determine in
28 accordance with this Stipulation the extent, if any, to which each claim shall be allowed;

1 (d) Claim Forms that do not meet the submission requirements may be
2 rejected. Prior to rejecting a Claim Form in whole or in part, the Claims Administrator
3 shall communicate with the claimant in writing to give the claimant the chance to remedy
4 any curable deficiencies in the Claim Form submitted. The Claims Administrator, under
5 supervision of Lead Counsel, shall notify, in a timely fashion and in writing, all claimants
6 whose claims the Claims Administrator proposes to reject in whole or in part for curable
7 deficiencies, setting forth the reasons therefor, and shall indicate in such notice that the
8 claimant whose claim is to be rejected has the right to a review by the Court if the
9 claimant so desires and complies with the requirements of subparagraph (e) below; and

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

18 31. Each claimant who submits a Claim Form shall be deemed to have submitted
19 to the jurisdiction of the Court with respect to the claimant's claim, including but not
20 limited to, all releases provided for herein and in the Judgment or Alternative Judgment,
21 and the claim will be subject to investigation and discovery under the Federal Rules of
22 Civil Procedure, provided that such investigation and discovery shall be limited to the
23 claimant's status as a Settlement Class Member and the validity and amount of the
24 claimant's claim. In connection with processing the Claim Forms, no discovery shall be
25 allowed on the merits of the Action or the Settlement.

26 32. Payment pursuant to the Stipulation and Court-approved Plan of Allocation
27 shall be deemed final and conclusive against any and all claimants. All Settlement Class
28 Members whose claims are not approved shall be barred from participating in distributions

1 from the Net Settlement Fund, but otherwise shall be bound by all of the terms of this
 2 Stipulation and the Settlement, including the terms of the Judgment or Alternative
 3 Judgment to be entered in the Action and the releases provided for herein and therein, and
 4 will be barred from bringing any action against the Released Defendant Parties concerning
 5 the Released Claims.

6 33. All proceedings with respect to the administration, processing and
 7 determination of claims described by this Stipulation and the determination of all
 8 controversies relating thereto, including disputed questions of law and fact with respect to
 9 the validity of claims, shall be subject to the jurisdiction of the Court, but shall not in any
 10 event delay or affect the finality of the Judgment or Alternative Judgment.

11 34. No Person shall have any claim of any kind against the Released Defendant
 12 Parties or Defendants' Counsel with respect to the matters set forth in this section (*i.e.*,
 13 ¶¶28-34) or any of its subsections, or otherwise related in any way to the administration of
 14 the Settlement, including without limitation the processing of claims and distributions.

15 35. No Person shall have any claim against Lead Plaintiffs, Lead Counsel, or the
 16 Claims Administrator, or other agent designated by Lead Counsel, based on the
 17 distributions made substantially in accordance with this Stipulation and the Settlement
 18 contained herein, the Plan of Allocation, or further order(s) of the Court.

19 **TERMS OF THE PRELIMINARY APPROVAL ORDER**

20 36. Concurrently with their application for preliminary approval by the Court of
 21 the Settlement contemplated by this Stipulation and promptly upon execution of this
 22 Stipulation, Lead Counsel shall apply to the Court for entry of the Preliminary Approval
 23 Order, which shall be substantially in the form annexed hereto as Exhibit A. The
 24 Preliminary Approval Order will, *inter alia*, preliminarily approve the Settlement, set the
 25 date for the Settlement Hearing, approve the form of notice, and prescribe the method for
 26 giving notice of the Settlement to the Settlement Class.

27 37. LifeLock shall provide, or cause to be provided, to Lead Counsel or the
 28 Claims Administrator, at no cost to Lead Plaintiffs or the Settlement Class, promptly after

entry of the Preliminary Approval Order, transfer records in electronic searchable form, such as Excel, containing the names and addresses of Persons who purchased or acquired LifeLock publicly traded common stock during the Class Period.

TERMS OF THE JUDGMENT

38. If the Settlement contemplated by this Stipulation is approved by the Court, Lead Counsel and Defendants' Counsel shall jointly request that the Court enter a Judgment substantially in the form annexed hereto as Exhibit B.

EFFECTIVE DATE OF SETTLEMENT

39. The Effective Date of this Settlement shall be the first business day on which all of the following shall have occurred or been waived:

(a) entry of the Preliminary Approval Order, which shall be in all material respects substantially in the form set forth in Exhibit A annexed hereto;

(b) payment of the Settlement Amount into the Escrow Account;

(c) approval by the Court of the Settlement, following notice to the Settlement Class and the Settlement Hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure; and

(d) a Judgment, which shall be in all material respects substantially in the form set forth in Exhibit B annexed hereto, has been entered by the Court and has become Final; or in the event that an Alternative Judgment has been entered, the Alternative Judgment has become Final.

WAIVER OR TERMINATION

40. Defendants and Lead Plaintiffs shall have the right to terminate the Settlement and this Stipulation by providing written notice of their election to do so ("Termination Notice"), through counsel, to all other Parties hereto within fourteen (14) calendar days of: (i) the Court's Final refusal to enter the Preliminary Approval Order in any material respect; (ii) the Court's Final refusal to approve this Stipulation or any material part of it; (iii) the Court's Final refusal to enter (a) the Judgment in any material respect or (b) an Alternative Judgment; or (iv) the date upon which the Judgment or

1 Alternative Judgment is modified or reversed in any material respect by a Final order of
2 the Court, the United States Court of Appeals, or the Supreme Court of the United States.
3 For the avoidance of doubt, Lead Plaintiffs shall not have the right to terminate the
4 Settlement due to any decision, ruling, or order respecting the Fee and Expense
5 Application or any plan of allocation. For the further avoidance of doubt, Defendants shall
6 deem any decision, ruling, or order that purports to limit the scope of the Released Claims
7 or the Released Defendant Parties to constitute a material change for purposes of the
8 foregoing.

9 41. In addition to the foregoing, LifeLock shall also have the right to terminate
10 the Settlement in the event the Opt-Out Threshold (defined below) has been reached.

11 (a) Simultaneously herewith, Defendants' Counsel and Lead Counsel are
12 executing a Confidential Supplemental Agreement Regarding Requests for Exclusion
13 ("Supplemental Agreement"). The Supplemental Agreement sets forth certain conditions
14 under which LifeLock shall have the sole option to terminate the Settlement and render
15 this Stipulation null and void in the event that requests for exclusion from the Settlement
16 Class exceed certain agreed-upon criteria (the "Opt-Out Threshold"). The Parties agree to
17 maintain the confidentiality of the Supplemental Agreement, which shall not be filed with
18 the Court unless a dispute arises as to its terms, or as otherwise ordered by the Court, nor
19 shall the Supplemental Agreement otherwise be disclosed unless ordered by the Court. If
20 submission of the Supplemental Agreement is required for resolution of a dispute or is
21 otherwise ordered by the Court, the Parties will undertake to have the Opt-Out Threshold
22 submitted to the Court *in camera* or under seal. In the event of a termination of this
23 Settlement pursuant to the Supplemental Agreement, this Stipulation shall become null
24 and void and of no further force and effect, with the exception of the provisions of ¶¶46-
25 48 which shall continue to apply.

26 42. The Preliminary Approval Order, attached hereto as Exhibit A, shall provide
27 that requests for exclusion shall be received no later than twenty-one (21) calendar days
28 prior to the Settlement Hearing. Upon receiving any request for exclusion pursuant to the

1 Notice, Lead Counsel shall promptly, and in no event no later than three (3) calendar days
2 after receiving a request for exclusion or fifteen (15) calendar days prior to the Settlement
3 Hearing, whichever is earlier, notify Defendants' Counsel of such request for exclusion
4 and provide copies of such request for exclusion and any documentation accompanying it
5 by email.

6 43. In addition to all of the rights and remedies that Lead Plaintiffs have under
7 the terms of this Stipulation, Lead Plaintiffs shall also have the right to terminate the
8 Settlement in the event that the Settlement Amount has not been paid in the time period
9 provided for in ¶6 above, by providing written notice of the election to terminate to all
10 other Parties and, thereafter, there is a failure to pay the Settlement Amount within
11 fourteen (14) calendar days of such written notice.

12 44. If, before the Settlement becomes Final, any Defendant files for protection
13 under the Bankruptcy Code or any similar law or a trustee, receiver, conservator, or other
14 fiduciary is appointed under Bankruptcy, or any similar law, and in the event of the entry
15 of a final order of a court of competent jurisdiction determining the transfer of money or
16 any portion thereof to the Settlement Fund by or on behalf of such Defendant to be a
17 preference, voidable transfer, fraudulent transfer or similar transaction and any portion
18 thereof is required to be returned, and such amount is not promptly deposited into the
19 Settlement Fund by others, then, at the election of Lead Plaintiffs, the Parties shall jointly
20 move the Court to vacate and set aside the release given and the Judgment or Alternative
21 Judgment entered in favor of that Defendant and that Defendant and Lead Plaintiffs and
22 the members of the Settlement Class shall be restored to their litigation positions
23 immediately prior to March 4, 2020. All releases and the Judgment or Alternative
24 Judgment as to other Defendants shall remain unaffected.

25 (a) LifeLock warrants as to the payments it makes pursuant to this
26 Stipulation, that, at the time of such payment, it will not be insolvent, nor will payment
27 render it insolvent, within the meaning of and/or for the purposes of the United States
28 Bankruptcy Code, including Sections 101 and 547 thereof.

1 45. If an option to withdraw from and terminate this Stipulation and Settlement
2 arises under any of ¶¶40-44 above: (i) neither Defendants nor Lead Plaintiffs (as the case
3 may be) will be required for any reason or under any circumstance to exercise that option;
4 and (ii) any exercise of that option shall be made in good faith, but in the sole and
5 unfettered discretion of Defendants or Lead Plaintiffs, as applicable.

6 46. With the exception of the provisions of ¶¶46-48 which shall continue to
7 apply, in the event the Settlement is terminated as set forth herein or cannot become
8 effective for any reason, then the Settlement shall be without prejudice, and none of its
9 terms shall be effective or enforceable except as specifically provided herein; the Parties
10 shall be deemed to have reverted to their respective litigation positions in the Action
11 immediately prior to March 4, 2020; and, except as specifically provided herein, the
12 Parties shall proceed in all respects as if this Stipulation and any related order had not been
13 entered. In such event, this Stipulation, and any aspect of the discussions or negotiations
14 leading to this Stipulation shall not be admissible in this Action and shall not be used
15 against or to the prejudice of Defendants or against or to the prejudice of Lead Plaintiffs, in
16 any court filing, deposition, at trial, or otherwise.

17 47. In the event the Settlement is terminated, as provided herein, or fails to
18 become effective, any portion of the Settlement Amount previously paid into the Escrow
19 Account, together with any earnings thereon, less any Taxes paid or due, less Notice and
20 Administration Expenses actually incurred and paid or payable from the Settlement
21 Amount, shall be returned to LifeLock within fifteen (15) business days after written
22 notification of such event in accordance with instructions provided by Defendants'
23 Counsel to Lead Counsel. The Escrow Agent or its designees shall apply for any tax
24 refund owed on the amounts in the Escrow Account and pay the proceeds, after any
25 deduction of any fees or expenses incurred in connection with such application(s), of such
26 refund to LifeLock or as otherwise directed by LifeLock.

NO ADMISSION

48. Except as set forth in ¶49 below, this Stipulation, whether or not consummated, and whether or not approved by the Court, and any discussion, negotiation, proceeding, or agreement relating to the Stipulation, the Settlement, and any matter arising in connection with settlement discussions or negotiations, proceedings, or agreements, shall not be offered or received against or to the prejudice of the Parties or their respective counsel, for any purpose other than in an action to enforce the terms hereof, and in particular:

(a) do not constitute, and shall not be offered or received against or to the prejudice of Defendants as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by Defendants with respect to the truth of any allegation by Lead Plaintiffs and the Settlement Class, or the validity of any claim that has been or could have been asserted in the Action or in any litigation, including but not limited to the Released Claims, or of any liability, damages, negligence, fault or wrongdoing of Defendants or any person or entity whatsoever;

(b) do not constitute, and shall not be offered or received against or to the prejudice of Defendants as evidence of a presumption, concession, or admission of any fault, misrepresentation, or omission with respect to any statement or written document approved or made by Defendants, or against or to the prejudice of Lead Plaintiffs, or any other member of the Settlement Class as evidence of any infirmity in the claims of Lead Plaintiffs, or the other members of the Settlement Class;

(c) do not constitute, and shall not be offered or received against or to the prejudice of Defendants, Lead Plaintiffs, any other member of the Settlement Class, or their respective counsel, as evidence of a presumption, concession, or admission with respect to any liability, damages, negligence, fault, infirmity, or wrongdoing, or in any way referred to for any other reason against or to the prejudice of any of the Defendants, Plaintiffs, other members of the Settlement Class, or their respective counsel, in any other

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

3 (d) do not constitute, and shall not be construed against Defendants,
4 Plaintiffs, or any other member of the Settlement Class, as an admission or concession
5 that the consideration to be given hereunder represents the amount that could be or would
6 have been recovered after trial; and

7 (e) do not constitute, and shall not be construed as or received in
8 evidence as an admission, concession, or presumption against Lead Plaintiffs, or any other
9 member of the Settlement Class that any of their claims are without merit or infirm or that
10 damages recoverable under the Complaint would not have exceeded the Settlement
11 Amount.

12 49. Notwithstanding ¶48 above, the Parties, and their respective counsel, may
13 file this Stipulation and/or the Judgment or Alternative Judgment in any action that may be
14 brought against them in order to support a defense or counterclaim based on principles of
15 *res judicata*, collateral estoppel, release, statute of limitations, statute of repose, good-faith
16 settlement, judgment bar or reduction, or any theory of claim preclusion or issue
17 preclusion or similar defense or counterclaim, or to effectuate any liability protection
18 granted them under any applicable insurance policy. The Parties may file this Stipulation
19 and/or the Judgment or Alternative Judgment in any action that may be brought to enforce
20 the terms of this Stipulation and/or the Judgment or Alternative Judgment. All Parties
21 submit to the jurisdiction of the Court for purposes of implementing and enforcing the
22 Settlement.

23 **MISCELLANEOUS PROVISIONS**

24 50. All of the exhibits to the Stipulation, except any plan of allocation to the
25 extent incorporated in those exhibits, and the Supplemental Agreement are material and
26 integral parts hereof and are fully incorporated herein by this reference.

27 51. The Parties intend the Settlement to be the full, final, and complete
28 resolution of all claims asserted or that could have been asserted by the Parties with respect

1 to the Released Claims and Released Defendants' Claims. Accordingly, the Parties agree
2 not to assert in any forum that the Action was brought, prosecuted, or defended in bad faith
3 or without a reasonable basis. The Parties and their respective counsel agree that each has
4 complied fully with Rule 11 of the Federal Rules of Civil Procedure in connection with the
5 maintenance, prosecution, defense, and settlement of the Action and shall not make any
6 application for sanctions, pursuant to Rule 11 or other court rule or statute, with respect to
7 any claim or defense in this Action. The Parties agree that the amount paid and the other
8 terms of the Settlement were negotiated at arm's-length and in good faith by the Parties
9 and their respective counsel and reflect a settlement that was reached voluntarily based
10 upon adequate information and after consultation with experienced legal counsel.

11 52. This Stipulation, along with its exhibits and the Supplemental Agreement
12 may not be modified or amended, nor may any of its provisions be waived, except by a
13 writing signed by counsel for the Parties hereto, or their successors, that are materially and
14 adversely affected by the modification, amendment, or waiver.

15 53. The headings herein are used for the purpose of convenience only and are
16 not meant to have legal effect.

17 54. The administration and consummation of the Settlement as embodied in this
18 Stipulation shall be under the authority of the Court, and the Court shall retain jurisdiction
19 for the purpose of entering orders providing for awards of attorneys' fees and any expenses
20 and implementing and enforcing the terms of this Stipulation.

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

23 56. This Stipulation, its exhibits, and the Supplemental Agreement constitute the
24 entire agreement among the Parties concerning the Settlement as against the Defendants,
25 and no representation, warranty, or inducement has been made by any Party concerning
26 this Stipulation and its exhibits other than those contained and memorialized in such
27 documents.
28

1 57. Nothing in the Stipulation, or the negotiations relating thereto, is intended to
2 or shall be deemed to constitute a waiver of any applicable privilege or immunity,
3 including, without limitation, attorney-client privilege, joint defense privilege, or work
4 product protection.

5 58. Without further order of the Court, the Parties may agree to reasonable
6 extensions of time to carry out any of the provisions of this Stipulation.

7 59. All designations and agreements made, or orders entered during the course of
8 the Action relating to the confidentiality of documents or information shall survive this
9 Stipulation.

10 60. This Stipulation may be executed in one or more counterparts. All executed
11 counterparts and each of them shall be deemed to be one and the same instrument.
12 Signatures sent by facsimile or via e-mail in pdf format shall be deemed originals.

13 61. This Stipulation shall be binding when signed, but the Settlement shall be
14 effective upon the entry of the Judgment or Alternative Judgment and the payment in full
15 of the Settlement Amount, subject only to the condition that the Effective Date will have
16 occurred.

17 62. This Stipulation shall be binding upon, and inure to the benefit of, the
18 successors and assigns of the Parties.

19 63. The construction, interpretation, operation, effect, and validity of this
20 Stipulation, and all documents necessary to effectuate it, shall be governed by the laws of
21 the State of Arizona without regard to conflicts of laws, except to the extent that federal
22 law requires that federal law govern.

23 64. This Stipulation shall not be construed more strictly against one Party than
24 another merely by virtue of the fact that it, or any part of it, may have been prepared by
25 counsel for one of the Parties, it being recognized that it is the result of arm's-length
26 negotiations among the Parties, and all Parties have contributed substantially and
27 materially to the preparation of this Stipulation.
28

65. All counsel and any other person executing this Stipulation and any of the exhibits hereto, or any related Settlement document, warrant and represent that they have the full authority to do so, and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Stipulation to effectuate its terms.

66. The Parties and their respective counsel agree to cooperate fully with one another in promptly applying for preliminary approval by the Court of the Settlement and for the scheduling of a hearing for consideration of Final approval of the Settlement and Lead Counsel's Fee and Expense Application, and to agree promptly upon and execute all such other documentation as reasonably may be required to obtain Final approval by the Court of the Settlement.

67. If any disputes arise out of the finalization of the settlement documentation or the Settlement itself prior to joint submission to the Court of the application for preliminary approval of the Settlement as set forth in ¶36 above, those disputes will be resolved by the Mediator first by way of expedited telephonic mediation and, if unsuccessful, then by final, binding, non-appealable resolution by the Mediator.

68. Except as otherwise provided herein, each Party shall bear its own costs.

IN WITNESS WHEREOF, the Parties have caused this Stipulation to be executed, by their duly authorized attorneys, as of March 27, 2020.

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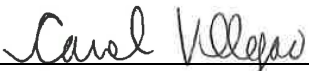
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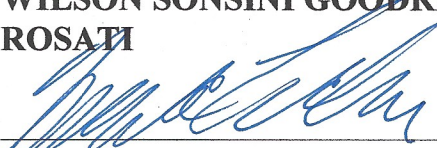
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