

**IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE**

SUBHASH PATEL, derivatively on  
behalf of ALTICE USA INC.,

Plaintiff,

v.

C.A. No. 2020-0499-PAF

PATRICK DRAHI, MANON  
BROUILLETTE, MARK MULLEN, and  
RAYMOND SVIDER,

Defendants,

-and-

ALTICE USA INC., a Delaware  
Corporation,

Nominal Defendant.

**STIPULATION AND AGREEMENT  
OF COMPROMISE, SETTLEMENT, AND RELEASE<sup>1</sup>**

This Stipulation and Agreement of Compromise, Settlement, and Release, dated April 22, 2022, is made and entered into by and among the following parties, and by and through their respective counsel: (i) Subhash Patel, plaintiff in the above-entitled stockholder derivative action; (ii) individual defendants Patrick Drahi, Manon Brouillette, Mark Mullen, and Raymond Svider; and (iii) nominal defendant Altice USA, Inc. The Stipulation is intended by the Settling Parties to fully, finally,

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<sup>1</sup> Unless otherwise noted, all capitalized terms shall have the meanings set forth in ¶1.

and forever resolve, discharge, and settle the Released Claims (as defined below in ¶1.33) upon Court approval and subject to the terms and conditions hereof.

## **I. PROCEDURAL BACKGROUND**

### **A. The Books and Records Demands**

By letters dated November 25, 2019 and February 20, 2020, counsel for Plaintiff made demands on Altice USA for the inspection of certain non-public, Board-level, and senior officer-level corporate books and records pursuant to 8 *Del. C.* § 220. The Books and Records Demands sought to investigate, among other things, alleged breaches of fiduciary duties and waste of corporate assets in connection with certain transactions the Company entered into with Drahi, including but not limited to the June 7, 2018 Stockholders' Agreement with Next Alt S.À R.L. and A4 S.A., and certain compensation awards, specifically the 2017 Award, 2018 Award, and 2020 Award.

### **B. The Action**

On June 23, 2020, Plaintiff filed a plenary stockholder derivative complaint on behalf of Altice USA in this Court, asserting claims for breach of fiduciary duties and waste of corporate assets under Delaware law. The Complaint alleged that Drahi, as controlling stockholder, and the Committee Defendants, as directors of the Company, breached their fiduciary duties and wasted corporate assets in approving the Awards to Drahi, which Plaintiff alleged were not entirely fair to the Company. The Complaint alleged that Individual Defendants are liable to Altice USA for

damages resulting from the Awards, including rescissory damages and disgorgement. On October 15, 2020, the parties filed a stipulation to dismiss defendant Next Alt S.à r.l. without prejudice. On October 15, 2020, Defendants Drahi, Svider, Mullen, and Brouillette filed their Answers and Affirmative Defenses to Plaintiff's Complaint. On March 9, 2021, the Court entered an Order Governing Case Schedule establishing deadlines for fact and expert discovery, summary judgment briefing, and other pre-trial matters, and setting a trial date of October 3, 2022.

**C. Discovery**

From October 2020 through December 2021, the Individual Defendants and the Company produced to Plaintiff documents and information in response to Plaintiff's discovery requests related to the allegations in the Complaint and applicable defenses, which Plaintiff reviewed and analyzed. In total, the Individual Defendants produced over 35,000 responsive documents, comprising over 162,000 pages. Plaintiff also produced multiple sets of documents in response to Defendants' discovery requests. Collectively, Plaintiff and the Individual Defendants propounded and exchanged written responses to dozens of interrogatories, including numerous supplemental responses from all parties. The parties also prepared extensively for the depositions of ten fact witnesses, all of which were noticed and scheduled to take place in early 2022. Plaintiff also served a subpoena on non-party

Sotheby's, Inc. to obtain the relevant communications of Charles Stewart, former Co-President and Chief Financial Officer and current director of Altice.

**D. Settlement Negotiations**

In March 2021, the Settling Parties began engaging in settlement discussions to explore a potential resolution of the Action. Initial settlement talks were unsuccessful, but the Settling Parties made further progress and continued negotiations thereafter. Over the next several months, with discovery ongoing, the Settling Parties engaged in good faith and extensive negotiations over Plaintiff's settlement demands, including exchanging various proposals for corporate governance reform enhancements and rescissory relief. These conversations did not result in an agreement.

The Settling Parties reengaged in settlement discussions in early January 2022. Ultimately, following the extensive, arm's-length negotiations, on January 19, 2022, the Settling Parties reached an agreement-in-principle to settle the Action. The settlement terms include partial rescission and disgorgement of the Awards and requirements for the Company to adopt and implement certain Corporate Governance Policies set forth in ¶3 herein, subject to Court approval.

Prior to reaching an agreement on the material terms of the Settlement, the Parties did not negotiate the amount of attorneys' fees to be requested in any petition by Plaintiff and his counsel for an award of attorneys' fees and expenses.

## **II. CLAIMS OF THE STOCKHOLDER AND BENEFITS OF SETTLEMENT**

Plaintiff and his counsel believe that the claims asserted in the Action have merit but recognize and acknowledge the expense of continued proceedings necessary to prosecute the Action against the Settling Defendants through trial and potential appeal. Plaintiff and his counsel have considered the uncertain outcome and the risk of any litigation, especially in complex actions such as the Action, as well as the difficulties and delays inherent in such litigation. Plaintiff's Counsel are also mindful of the inherent problems of proof of, and possible defenses to, the claims asserted in the Action based upon review of the discovery produced by the Settling Defendants and the Company. Based on Plaintiff's and his counsel's evaluation of these considerations and the extensive evidentiary record, they have determined that the Settlement set forth in this Stipulation will provide substantial value and benefits to Altice USA and its stockholders.

## **III. THE SETTLING DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

The Settling Defendants have denied and continue to expressly deny each of the claims and contentions alleged by Plaintiff. The Settling Defendants have denied and continue to expressly deny all allegations of wrongdoing or liability against them or any of them arising out of, based upon, or related to any of the conduct, statements, acts, or omissions alleged, or that could have been alleged in the Action.

Without limiting the foregoing, the Settling Defendants have denied and continue to deny, among other things, that they breached their fiduciary duties or any other duty owed to Altice USA or its stockholders, or that the Company or its stockholders suffered any damage or were harmed as a result of any conduct alleged in the Action or otherwise. The Settling Defendants have further asserted and continue to assert that at all relevant times, they acted in good faith and in a manner they reasonably believed to be in the best interests of Altice USA and its stockholders.

Nonetheless, the Settling Defendants also have taken into account the expense, uncertainty, and risks inherent in any litigation, especially in complex cases like this Action, and that the proposed Settlement would, among other things: (a) bring to an end the expenses, burdens, and uncertainties associated with the continued litigation of the claims asserted in the Action; (b) finally put to rest those claims; and (c) confer substantial benefits upon them, including further avoidance of disruption of their duties due to the pendency and defense of this Action. Therefore, the Settling Defendants have determined that it is desirable and beneficial that the Derivative Matters and all of the Settling Parties' disputes related thereto, be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation. Pursuant to the terms set forth below, this Stipulation (including all of the Exhibits hereto) shall in no event be construed as or deemed to be evidence

of an admission or concession by the Settling Defendants with respect to any claim of fault, liability, wrongdoing, or damage whatsoever.

#### **IV. BOARD APPROVAL OF THE SETTLEMENT**

The Board reviewed the proposed Settlement and, in an exercise of its independent business judgment, will issue a resolution that the Settlement and its terms provide a substantial benefit to, and are in the best interests of, the Company and its stockholders. A copy of the Board's resolution will be provided to Plaintiff's Counsel.

With the exception of ¶3.1, the Board acknowledges that Plaintiff, through this Action and the Settlement, caused the Consideration (¶2) and was a material factor in the adoption and/or maintenance of the Corporate Governance Policies (¶3).

#### **V. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT**

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among Plaintiff (for himself and derivatively on behalf of Altice USA), by and through his attorneys of record, and the Settling Defendants and Altice USA, by and through their respective attorneys of record, that in exchange for the Consideration (¶2) and the Corporate Governance Policies (¶3) set forth below, the Derivative Matters and Released Claims shall be fully, finally, and forever compromised, settled, discharged, relinquished, and released, and the Action shall be dismissed

with prejudice as to the Settling Defendants, upon and subject to the terms and conditions of this Stipulation, as follows:

**1. Definitions**

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

1.1 “Action” means the above-captioned action, *Patel v. Drahi*, C.A. No. 2020-0499-PAF, pending in this Court.

1.2 “Altice USA” or the “Company” means Altice USA, Inc., including, but not limited to, its predecessors, successors, partners, joint ventures, subsidiaries, affiliates, divisions, and assigns.

1.3 “Altice USA’s Counsel” means any counsel of record that have appeared in this Action or rendered legal services to Altice USA in connection with any of the Derivative Matters.

1.4 “Approval Date” means the date on which the Court enters the Order and Final Judgment.

1.5 “Award” or “Awards” mean the 2017 Award, the 2018 Award, and the 2020 Award, individually or collectively as the context may require.

1.6 “2017 Award” means the options to purchase 600,604 shares of the Company’s Class A common stock awarded to Drahi on or around December 30, 2017 under the Company’s 2017 Long-Term Incentive Plan.

1.7 “2018 Award” means the options to purchase 1,337,400 shares of the Company’s Class A common stock awarded to Drahi on or around December 19, 2018 under the Company’s 2017 Long-Term Incentive Plan.

1.8 “2020 Award” means both the 2020 PSU Award and the 2020 Stock Option Award.

1.9 “2020 PSU Award” means the performance stock units covering 1,189,973 shares of the Company’s Class A common stock awarded to Drahi on or around January 29, 2020 under the Amended and Restated 2017 Long-Term Incentive Plan.

1.10 “2020 Stock Option Award” means the options to purchase 4,000,000 shares of the Company’s Class A common stock at an exercise price of \$28.36 per share awarded to Drahi on or around January 29, 2020 under the Company’s Amended and Restated 2017 Long-Term Incentive Plan.

1.11 “Board” means the board of directors of Altice USA.

1.12 “Books and Records Demands” means the demands for inspection of corporate books and records to Altice USA pursuant to 8 *Del. C.* § 220, dated November 29, 2019 and February 20, 2020, respectively.

1.13 “Change of Control” means the sale of all or substantially all the assets of the Company; any merger, restructuring, consolidation, or acquisition of the Company with, by or into another corporation, entity or person that results in a

change in the ownership of more than fifty percent (50%) of the voting capital stock of the Company; or any change in the ownership of more than fifty percent (50%) of the voting capital stock of the Company in one or more related transactions.

1.14 “Committee Defendants” means defendants Mark Mullen, Manon Brouillette, and Raymond Svider.

1.15 “Complaint” means the plenary stockholder derivative complaint filed on June 23, 2020 in the Action.

1.16 “Court” means the Court of Chancery of the State of Delaware.

1.17 “Current Stockholders” means any Person or Persons who are record or beneficial owners of Altice USA common stock as of the close of business on the date of this Stipulation.

1.18 “Defendants” means Patrick Drahi, Manon Brouillette, Mark Mullen, and Raymond Svider.

1.19 “Defendants’ Counsel” means any counsel of record that have appeared in this Action or rendered legal services to any of the Settling Defendants in connection with the Derivative Matters.

1.20 “Derivative Matters” means both the Action and the Books and Records Demands.

1.21 “Effective Date” means the first date by which all of the events and conditions specified in ¶7.1 of this Stipulation have been met and have occurred.

1.22 “Final” means the expiration of all time to seek appeal or other review of the Order and Final Judgment, or if any appeal or other review of such Order and Final Judgment is filed and not dismissed, after such Order and Final Judgment is upheld on appeal in all material respects and is no longer subject to further review or reargument to the Delaware Supreme Court or U.S. Supreme Court.

1.23 “Individual Defendants” means Patrick Drahi, Manon Brouillette, Mark Mullen, and Raymond Svider.

1.24 “Notice” means the Notice of Pendency and the Settlement of the Action substantially in the form annexed hereto as Exhibit B.

1.25 “Order and Final Judgment” means the Order and Final Judgment substantially in the form attached to this Stipulation as Exhibit C, approving the terms of the Settlement set forth in this Stipulation, dismissing this Action with prejudice, and providing for release of the Released Claims.

1.26 “Person” or “Persons” mean an individual, corporation, limited liability company, professional corporation, limited liability partnership, partnership, limited partnership, association, joint venture, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any other business or legal entity, and each of their spouses, heirs, predecessors, successors, representatives, or assignees.

1.27 “Plaintiff” means Subhash Patel.

1.28 “Plaintiff’s Counsel” means any counsel of record that have appeared in this Action or rendered legal services to Plaintiff in connection with the Derivative Matters.

1.29 “Released Defendant Parties” means, whether or not each or all of the following Persons or entities were named, served with process, or appeared in the Action, the Settling Defendants, the Company, and Next Alt S.à r.l., and their respective successors, successors-in-interest, predecessors, predecessors-in-interest, parents, subsidiaries, affiliates, partners, directors, employees, officers, lawyers, advisors, insurers, reinsurers, trustees, executors, heirs, estates, spouses, marital communities, assigns or transferees, and any person or entity acting for or on behalf of any of them and each of them.

1.30 “Released Plaintiff Parties” means Plaintiff, Plaintiff’s Counsel, and their respective successors, successors-in-interest, predecessors, predecessors-in-interest, parents, subsidiaries, affiliates, partners, directors, employees, officers, lawyers, advisors, insurers, reinsurers, trustees, executors, heirs, estates, spouses, marital communities, assigns or transferees and any person or entity acting for or on behalf of any of them and each of them.

1.31 “Released Claims Against the Defendant Parties” means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys’ fees, actions, potential

actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of any kind, nature, or description whatsoever, whether legal or equitable, known or unknown (as defined in ¶1.40), disclosed or undisclosed, accrued or unaccrued, apparent or nonapparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent that have been or could have been asserted by the Released Plaintiff Parties in any capacity against the Released Defendant Parties or that Altice USA could have asserted directly against the Released Defendant Parties or that any Altice USA stockholder could have asserted derivatively on behalf of Altice USA against the Released Defendant Parties in any court, tribunal, forum, or proceeding, whether direct, derivative, individual, or class in nature, that are based upon, arise out of, or relate in any way, directly or indirectly to the allegations made in, or the subject matter of, the Action or Books and Records Demand, including, but not limited to: (i) the June 7, 2018 Stockholders' Agreement; (ii) the 2017 Award; (iii) the 2018 Award; and (iv) the 2020 Award, except for claims relating to the enforcement of the Settlement.

1.32 "Released Claims Against the Plaintiff Parties" means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and

controversies of any kind, nature, or description whatsoever, whether legal or equitable, known or unknown (as defined in ¶1.40), disclosed or undisclosed, accrued or unaccrued, apparent or nonapparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent that have been or could have been asserted by the Released Defendant Parties against the Released Plaintiff Parties in any court, tribunal, forum, or proceeding that are based upon, arise out of, or relate in any way, directly or indirectly to the institution, prosecution, or settlement of the claims against any or all of the Released Defendant Parties and the Company, except for claims relating to the enforcement of the Settlement.

1.33 “Released Claims” means Released Claims Against the Plaintiff Parties and Released Claims Against the Defendant Parties, individually or collectively as the context may require.

1.34 “Released Parties” means the Released Plaintiff Parties and the Released Defendant Parties, individually or collectively as the context may require.

1.35 “Scheduling Order” means an order, substantially in the form annexed to this Stipulation as Exhibit A, scheduling a hearing on the fairness, reasonableness and adequacy of the Settlement and approving the form of Notice and method of, and directing the giving of, Notice of the Settlement to Altice USA stockholders.

1.36 “Settlement” means the terms and conditions contained in this Stipulation.

1.37 “Settling Defendants” means Defendants Patrick Drahi, Next Alt S.à r.l., Manon Brouillette, Mark Mullen, and Raymond Svider.

1.38 “Settling Parties” means the Plaintiff, the Settling Defendants, and Altice USA, individually or collectively as the context may require.

1.39 “Stipulation” means this Stipulation and Agreement of Compromise, Settlement, and Release and its exhibits.

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

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

Further, with respect to any and all claims released pursuant to ¶5 below, the Settling Parties stipulate and agree that, upon the Effective Date, each of the Released Parties shall expressly waive, and by operation of the Order and Final Judgment shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any jurisdiction or any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code § 1542. The Settling Parties may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law, or rule, without regard to the subsequent discovery or existence of such different facts or additional facts. The Settling Parties acknowledge, and the Altice USA stockholders shall be deemed by operation of the Order and Final Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the Settlement of which this release is a part.

## **2. Consideration**

2.1 Within sixty (60) days of the Effective Date, Drahi and the Board shall take all necessary steps to ensure the following:

(a) Drahi shall remit to the Company the equivalent of 31.25% of the shares that he received upon exercise of the 2017 Award, either in shares or in cash, at his election. If remittance is made in cash, the amount shall be equal to the price of stock as of January 19, 2022 (\$14.82) (*i.e.*, the date of the agreement-in-principle) multiplied by 97,812 shares.

(b) Drahi's 2018 Award shall be reduced by 628,578 shares (47%), Drahi's option to purchase those 628,578 shares shall be rescinded and cancelled, and Drahi shall relinquish any claim to this reduced portion of the 2018 Award.

(c) Drahi's 2020 Stock Option Award shall be reduced by 1,840,000 shares (46%), Drahi's option to purchase those 1,840,000 shares shall be rescinded and cancelled, and Drahi shall relinquish any claim to this reduced portion of the 2020 Stock Option Award.

(d) Drahi's 2020 PSU Award shall be reduced by 46%, or 547,387 shares, prorated among the \$50 and \$60 performance strike price, and Drahi shall relinquish any claim to this reduced portion of the 2020 PSU Award.

2.2 Drahi shall not receive any “make whole” or “replacement” compensation with respect to the rescissions and disgorgement set forth in ¶¶2.1(a)-(d).

2.3 Within sixty (60) days of the Effective Date, the Board (or, where appropriate by designation, the Compensation Committee of the Board) shall adopt resolutions and/or take such steps to ensure the adoption, implementation, and adherence to the Corporate Governance Policies set forth in ¶3 below. In the event any Corporate Governance Policy listed below conflicts with any existing or future law, rule, or regulation (including, but not limited to, regulations of any stock exchange on which the Company’s securities are listed), the Company shall not be required to implement or maintain such modification. If any of the modifications or practices requires stockholder approval, then the implementation of such modifications or practices will remain subject to receipt of such approval.

### **3. The Corporate Governance Policies**

3.1 Appointment of New Independent Director. The Settling Parties acknowledge and agree that the Company has, following consultation with Plaintiff’s Counsel, already replaced one director on the Compensation Committee (the “Committee”) with a new director who meets the standards for independence set by the New York Stock Exchange (“NYSE”). The Settling Parties further

acknowledge and agree the Board has reconstituted the Committee by removing the former director and appointing the new director.

3.2 Any future compensation proposal for Drahi shall be subject *ab initio* to the Committee's approval, which shall be comprised as required by NYSE rules.

3.3 The Settling Parties acknowledge and agree that the Board has revised its independent director compensation program to include an annual award of stock options to independent directors.

3.4 Independent Advisor. In evaluating matters pertaining to Drahi's compensation, the Committee shall engage an independent compensation consultant (the "Independent Advisor"). The Independent Advisor shall assist the Committee in carrying out its responsibilities, including with respect to the negotiation and the evaluation of whether Drahi's compensation would be fair and reasonable to the Company. The Independent Advisor shall prepare a report summarizing its analysis and conclusions and submit the report to the Committee.

3.5 As part of its review of any future compensation proposal for Drahi, the Committee shall, among other things, (a) consider the report prepared by the Independent Advisor, and (b) conduct an evaluation of Drahi's performance and the value provided to the Company from his past and contemplated future services.

3.6 Information pertaining to the Committee's review of Drahi's compensation shall be included in the Company's proxy statement.

3.7 Drahi (and members of his family) shall neither participate in the Committee's review nor attend any portion of any meeting in which Drahi's compensation or performance is discussed.

3.8 The Committee confirms that it shall continue to meet periodically in executive session, as required by its Charter, and shall ensure that appropriate minutes of these sessions are taken.

3.9 The Board shall continue to develop and maintain a viable CEO succession plan.

3.10 The Board shall continue to receive continuing education programs.

3.11 The Board will maintain the Corporate Governance Policies set forth in ¶¶3.2-3.10 for a period of four (4) years, unless the Board, in the exercise of its business judgment, determines in good faith that, due to changed circumstances, any such procedure or practice should be modified, suspended, or discontinued, provided that appropriate disclosure of any such determination, to the extent required, shall be made.

#### **4. Settlement Procedures**

4.1 Immediately after execution of this Stipulation, the Settling Parties shall jointly submit the Stipulation and Exhibits to the Court, and shall apply to the Court for entry of the Scheduling Order, in the form annexed as Exhibit A.

4.2 In accordance with the Scheduling Order, the Company shall mail, or cause to be mailed, by first class U.S. mail or other mail service if mailed outside of the U.S., postage prepaid, the Notice, substantially in the form attached as Exhibit B, to Current Stockholders at their last known address appearing in the stock transfer records maintained by the Company. All Current Stockholders who are record holders of the Company common stock on behalf of beneficial owners shall be directed to forward the Notice promptly to the beneficial owners of those securities.

4.3 Altice USA shall pay any and all costs and expenses related to providing notice of the proposed Settlement (“Notice Costs”) regardless of whether the Court declines to approve the Settlement or the Effective Date otherwise fails to occur. In no event shall Plaintiff, any other Altice USA stockholder, or any of their attorneys (including Plaintiff’s Counsel) be responsible for any Notice Costs.

4.4 The Settling Parties and their attorneys agree to use their individual and collective best efforts to obtain Court approval of the Settlement. The Settling Parties and their attorneys further agree to use their individual and collective best efforts to effect, take, or cause to be taken all actions, and to do, or cause to be done, all things reasonably necessary, proper, or advisable under applicable laws, regulations, and agreements to consummate and make effective, as promptly as practicable, the Settlement provided for hereunder and the dismissal of the Action with prejudice. The Settling Parties and their attorneys agree to cooperate fully with

one another in seeking the Court's approval of this Settlement and to use their best efforts to effect the consummation of the Settlement.

4.5 If the Settlement embodied in this Stipulation is approved by the Court, the Parties shall request that the Court enter the Order and Final Judgment, substantially in the form attached hereto as Exhibit C.

## **5. Releases**

5.1 Upon the Effective Date, as defined in ¶7.1, Plaintiff (acting on his own behalf and derivatively on behalf of Altice USA and its stockholders), all other stockholders of Altice USA, and Altice USA, for good and sufficient consideration, the receipt and adequacy of which are hereby acknowledged, shall be deemed to have, and by operation of law and the Order and Final Judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged and dismissed with prejudice each and every one of the Released Claims Against the Released Defendant Parties.

5.2 Upon the Effective Date, as defined in ¶7.1, the Plaintiff (acting on his own behalf and derivatively on behalf of Altice USA and its stockholders), all other stockholders of Altice USA, and Altice USA, for good and sufficient consideration, the receipt and adequacy of which are hereby acknowledged, shall be forever barred and enjoined from commencing, instituting, or prosecuting any of the Released

Claims Against the Defendant Parties. Nothing herein shall in any way impair or restrict the rights of any Settling Party to enforce the Stipulation's terms.

5.3 Upon the Effective Date, as defined in ¶7.1, the Settling Defendants, for good and sufficient consideration, the receipt and adequacy of which are hereby acknowledged, shall be deemed to have, and by operation of law and the Order and Final Judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged and dismissed with prejudice each and every one of the Released Claims Against the Released Plaintiff Parties.

5.4 Upon the Effective Date, as defined in ¶7.1, the Settling Defendants for good and sufficient consideration, the receipt and adequacy of which are hereby acknowledged, shall be forever barred and enjoined from commencing, instituting, or prosecuting any of the Released Claims Against the Plaintiff Parties. Nothing herein shall in any way impair or restrict the rights of any Settling Party to enforce the Stipulation's terms.

**6. Plaintiff's Counsel's Separately Negotiated Attorneys' Fees and Expenses**

6.1 After negotiating the principal terms of the Settlement, Plaintiff's Counsel and the Settling Defendants, acting by and through their counsel, separately negotiated the attorneys' fees and expenses the Settling Defendants and/or their insurers would pay to Plaintiff's Counsel. In light of the benefits conferred by Plaintiff's Counsel's efforts upon Altice USA and its stockholders, Altice USA,

acting by and through its Board, has agreed the Settling Defendants and/or their insurers will pay an all-in award of attorneys' fees and litigation expenses, in the amount of \$2,475,000 (the "Fee and Expense Amount"), based on the substantial benefits provided to Altice USA and the Company's stockholders from the Settlement and the prosecution of the Action. Plaintiff's Counsel intends to petition the Court for approval of an incentive award for Plaintiff which shall be paid out of any Fee and Expense Amount approved by the Court (the "Incentive Fee Award").

6.2 Subject to approval of the Order and Final Judgment, the separately negotiated Fee and Expense Amount shall be paid to Purcell & Lefkowitz LLP, as receiving agent for Plaintiff's Counsel, within fifteen (15) business days thereafter, notwithstanding the existence of any timely filed objections thereto, or potential for appeal therefrom, or collateral attack on the Settlement or any part thereof, subject to Plaintiff Counsel's several obligation to make appropriate refunds or repayments if, and when, as a result of any appeal and/or further proceedings on remand, or successful collateral attack, approval of the Settlement is denied or overturned. Neither Altice USA nor any other Released Defendant Parties shall have any obligations with respect to Plaintiff's Counsel's fees and/or expenses beyond the Fee and Expense Amount.

6.3 Except for any Incentive Fee Award for Plaintiff approved by the Court as referenced in ¶6.1, neither Plaintiff nor his counsel shall be liable for or obligated

to pay any fees, expenses, costs, or disbursements to, or incur any expenses on behalf of, any Person (including, without limitation, the Settling Defendants, Altice USA, or their counsel), directly or indirectly, in connection with the Action or the Settlement.

**7. Conditions of Settlement; Effect of Disapproval, Cancellation, or Termination**

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

(a) the Board's approval of the Settlement and each of its terms, including the separately negotiated Fee and Expense Amount;

(b) the Court has entered the Scheduling Order, substantially in the form of Exhibit A attached hereto; and the Court has entered the Order and Final Judgment, substantially in the form of Exhibit C attached hereto; and

(c) the Order and Final Judgment has become Final.

7.2 If any of the conditions specified in ¶7.1 are not met, then the Stipulation shall be canceled and terminated subject to the provisions of ¶7.4, unless counsel for the Settling Parties mutually agree in writing to proceed with an alternative or modified Stipulation and submit it for Court approval.

7.3 The Settling Parties shall each have the right to terminate the Settlement and this Stipulation, by providing written notice of their election to do so ("Termination Notice") to the other parties to this Stipulation within thirty (30) days

of any of the following, which notice shall constitute grounds for termination of the Settlement: (a) the Court's refusal to enter the Scheduling Order in any material respect; (b) the Court's refusal to enter the Order and Final Judgment in any material respect as to the Settlement; or (c) the date upon which the Order and Final Judgment is modified or reversed in any material respect by the Delaware Supreme Court. The provisions of ¶7.4 below shall apply to any termination under this paragraph.

7.4 If for any reason this Stipulation is terminated, cancelled, or otherwise fails to become effective for any reason:

(a) The Settling Parties shall be restored to their respective positions that existed immediately prior to the date of execution of this Stipulation;

(b) All negotiations, proceedings, documents prepared, and statements made in connection with this Stipulation shall be without prejudice to the Settling Parties, shall not be deemed or construed to be an admission by a Settling Party of any act, matter, or proposition, and shall not be used in any manner for any purpose (other than to enforce the terms remaining in effect) in any subsequent proceeding in the Derivative Matters or in any other action or proceeding; and

(c) The terms and provisions of the Stipulation, with the exception of the provisions of ¶¶4.3 and 6.3, shall have no further force and effect with respect to the Settling Parties and shall not be used in the Derivative Matters or in any other

proceeding for any purpose, and any judgment or orders entered by the Court in accordance with the Stipulation's terms shall be treated as vacated, *nunc pro tunc*.

7.5 No order of the Court or modification or reversal on appeal of any order of the Court concerning the amount of attorneys' fees, costs, and expenses awarded by the Court to Plaintiff's Counsel shall constitute grounds for cancellation or termination of the Stipulation, affect the enforceability of the Stipulation, or delay or preclude the Order and Final Judgment from becoming Final.

## **8. Miscellaneous Provisions**

8.1 The Settling Parties (a) acknowledge that it is their intent to consummate the terms and conditions of this Stipulation; and (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of the Stipulation and to exercise their best efforts to accomplish the foregoing terms and conditions of the Stipulation.

8.2 The Settling Parties intend this Settlement to be a final and complete resolution of all disputes between the Plaintiff, Altice USA, and Current Stockholders on the one hand, and the Released Defendant Parties on the other hand, arising out of, based upon, or relating to, the Released Claims. The Settlement compromises claims that are contested and shall not be deemed an admission by any Settling Party or Released Party as to the merits of any claim, allegation, or defense. The Order and Final Judgment shall contain a finding that during the course of the

litigation, the parties and their respective counsel at all times complied with the requirements of the Court's rules and all other similar laws relating to the institution, prosecution, defense, or settlement of the Derivative Matters. No Released Party shall assert any claims for violation of the Rules of the Court or any similar laws relating to the institution, prosecution, defense, or settlement of the Derivative Matters. The Settling Parties agree that the Released Claims are being settled voluntarily after consultation with experienced legal counsel who were fully competent to assess the strengths and weaknesses of their respective clients' claims or defenses.

8.5 Pending the Effective Date, the Settling Parties agree not to initiate any proceedings concerning the Released Claims other than those incident to the Settlement itself; provided, however, that Altice USA and the Settling Defendants may seek to prevent or stay any other action or claims brought seeking to assert any Released Claims. The Settling Parties further agree that the Action will be stayed other than to pursue approval of the Settlement until the Settlement is finally approved or terminated.

8.6 Neither the Stipulation nor the Settlement, including any Exhibits attached hereto, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement is or may be deemed to be or may be: (a) offered, attempted to be offered, or used in any way as a concession,

admission, or evidence of the validity of any Released Claims, or of any fault, wrongdoing, or liability of the Released Parties; or (b) used as a presumption, admission, or evidence of any liability, fault, or omission of any of the Released Parties in any civil, criminal, administrative, or other proceeding in any court, administrative agency, tribunal, or other forum. Neither this Stipulation nor the Settlement shall be admissible in any proceeding for any purpose, except to enforce the terms of the Settlement, and except that the Released Parties may file or use the Stipulation, the Scheduling Order, or the Order and Final Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, full faith and credit, release, good faith settlement, standing, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

8.7 All designations and agreements made and orders entered during the course of the Action relating to the confidentiality of documents or information shall survive this Settlement. To avoid doubt, to the extent this Stipulation conflicts with Rule 5.1, Rule 5.1 controls.

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

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

8.10 This Stipulation and the Exhibits attached hereto constitute the entire agreement among the Settling Parties and no representations, warranties, or inducements have been made to any Settling Party concerning the Stipulation and/or any of its Exhibits, other than the representations, warranties, and covenants contained and memorialized in such documents. The Stipulation supersedes and replaces any prior or contemporaneous writing, statement, or understanding pertaining to the Derivative Matters. It is understood by the Settling Parties that, except for matters expressly represented herein, the facts or law with respect to which this Stipulation is entered into may turn out to be other than or different from the facts now known to each party or believed by such party to be true; each party therefore expressly assumes the risk of facts or law turning out to be different, and agrees that this Stipulation shall be in all respects effective and not subject to termination by reason of any such different facts or law.

8.11 Except as otherwise provided herein, all parties, including all the Released Defendant Parties and the Released Plaintiff Parties shall bear their own fees, costs, and expenses.

8.12 Counsel for the Settling Parties are expressly authorized by their respective clients to take all appropriate actions required or permitted to be taken pursuant to the Stipulation to effectuate its terms and conditions.

8.13 Plaintiff represents and warrants that he has not assigned or transferred, or attempted to assign or transfer, to any Person any Released Claims or any portion thereof or interest therein.

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

8.15 Any failure by any party to this Stipulation to insist upon the strict performance by any other party of any of the provisions of the Stipulation shall not be deemed a waiver of any of the provisions, and such party, notwithstanding such failure, shall have the right thereafter to insist upon strict performance of all provisions of the Stipulation to be performed by such other party.

8.16 The Stipulation and Exhibits may be executed in one or more counterparts. A faxed or PDF signature shall be deemed an original signature for purposes of this Stipulation. All executed counterparts including facsimile and/or PDF counterparts shall be deemed to be one and the same instrument. A complete set of counterparts, either originally executed or copies thereof, shall be filed with the Court.

8.17 This Stipulation shall be binding upon, and inure to the benefit of, the Settling Parties and the Released Parties and their respective successors, assigns, heirs, spouses, marital communities, executors, administrators, trustees in bankruptcy, and legal representatives.

8.18 Without affecting the finality of the Order and Final Judgment, entered in accordance with this Stipulation, the Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Stipulation, the Scheduling Order, and the Order and Final Judgment, and the Settling Parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in the Stipulation, the Scheduling Order, and the Order and Final Judgment, and for matters arising out of, concerning, or relating thereto.

8.19 This Stipulation shall survive any Change of Control of the Company, regardless of the effect a change in control will otherwise have on the Action or the Released Claims, including on the Corporate Governance Reforms provided for herein, to the extent they remain applicable following a Change of Control.

8.19 This Stipulation and the Exhibits hereto shall be considered to have been negotiated, executed, and delivered, and to be wholly performed, in the State of Delaware, and the rights and obligations of the Settling Parties to the Stipulation shall be construed and enforced in accordance with, and governed by, the internal

substantive laws of the State of Delaware without giving effect to any choice-of-law principles.

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

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

8.22 Without further order of the Court, the parties may agree to reasonable extensions of time to carry out any of the provisions in this Stipulation.

IN WITNESS WHEREOF, IT IS HEREBY AGREED, by the undersigned as of the date noted above.

ANDREWS & SPRINGER LLC

/s/ David M. Sborz

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Dated: April 27, 2022