

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

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IN RE CHENIERE ENERGY, INC. : C.A. No. 9766-VCL
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IN RE CHENIERE ENERGY, INC. : C.A. No. 9710-VCL
STOCKHOLDERS LITIGATION :
:
KAYANN DAVIDOFF, :
Plaintiff, : C.A. No. 9825-VCL
:
v. :
:
CHARIF SOUKI, et. al. :
:
Defendants. :
:

**STIPULATION AND AGREEMENT OF
COMPROMISE, SETTLEMENT AND
RELEASE**

This Stipulation and Agreement of Compromise, Settlement and Release (together with the exhibits hereto, the "Stipulation") is entered into by and among James B. Jones, Robert Maguire, Robert Shenker and Kayann Davidoff (collectively, the "Plaintiffs"), on behalf of themselves and the Class (as defined in paragraph 3 herein), and derivatively on behalf of Cheniere Energy, Inc. ("Cheniere" or the "Company"), and defendants Charif Souki, Vicky A. Bailey, G. Andrea Botta, Nuno Brandolini, Keith F. Carney, John M. Deutch, David I. Foley,

Randy A. Foutch, Paul J. Hoenmans, David B. Kilpatrick, Walter L. Williams, H. Davis Thames, Meg A. Gentle, R. Keith Teague, Greg W. Rayford and Jean Abiteboul (collectively, the "Individual Defendants") and Cheniere (together with the Individual Defendants, the "Defendants", and together with Plaintiffs, the "Parties"), by and through their respective undersigned counsel. This Stipulation sets forth the terms and conditions of the settlement of the actions captioned *In re Cheniere Energy, Inc. Stockholders Litigation*, Consolidated C.A. No. 9710-VCL (the "Consolidated Action") and *Davidoff v. Souki, et al.*, C.A. No. 9825-VCL (which pursuant to paragraph 2 below shall be consolidated into the Consolidated Action and such consolidated actions shall be collectively referred to as the "Consolidated Stockholder Action"), and the action captioned *In re Cheniere Energy, Inc.*, C.A. No. 9766-VCL (the "205 Action," together with the Consolidated Stockholder Action, the "Actions"), by the Parties (the "Settlement"), subject to the approval of the Delaware Court of Chancery (the "Court" or "Court of Chancery").

WHEREAS, on March 2, 2011, the Cheniere Energy, Inc. Board of Directors (the "Board") adopted the Cheniere Energy, Inc. 2011 Incentive Plan (the "2011 Plan") subject to approval of the Cheniere stockholders;

WHEREAS, the 2011 Plan provided that "the aggregate number of shares of Common Stock that may be issued with respect to Awards granted under the Plan shall not exceed 10,000,000";

WHEREAS, on or about April 28, 2011, the Company issued a Proxy Statement in connection with an Annual Meeting of Cheniere stockholders scheduled for June 16, 2011. The 2011 Plan was among the items of business to be considered at the meeting (the "April 28, 2011 Proxy Statement");

WHEREAS, at Cheniere's Annual Meeting held on June 16, 2011, Cheniere's stockholders approved the 2011 Plan;

WHEREAS, on December 7, 2012, subject to stockholder approval, the Board adopted Amendment No. 1 to the 2011 Plan ("Amendment No. 1") which, among other things, increased the number of shares of common stock available for issuance under the 2011 Plan from 10 million shares to 35 million shares;

WHEREAS, on or about December 31, 2012, Cheniere issued a Proxy Statement in connection with a Special Meeting of Cheniere stockholders scheduled for February 1, 2013. Amendment No. 1 was among the items of business to be considered at the meeting (the "December 31, 2012 Proxy Statement");

WHEREAS, a Special Meeting of Cheniere stockholders occurred on February 1, 2013, at which 77,011,739 shares were voted for Amendment No. 1, 57,907,345 shares were voted against Amendment No. 1 and 36,252,581 shares abstained;

WHEREAS, at the time of the February 1, 2013 vote, Cheniere's Bylaws § 2.7 stated,

Each Stockholder shall be entitled to one vote for each Share held of record by such Stockholder. Except as otherwise provided by law or the Certificate of Incorporation, when a quorum is present at any meeting of Stockholders, the vote of the recordholders of a majority of the Shares entitled to vote thereat, present in person or by proxy, shall decide any question brought before such meeting;

WHEREAS, in a Form 8-K filed with the United States Securities and Exchange Commission ("SEC") on or about February 5, 2013, Cheniere disclosed the vote results and announced that "[t]he stockholders voted in favor of Amendment No. 1 to the 2011 Plan" (the "February 5, 2013 Form 8-K");

WHEREAS, on or about February 4, 2013, the NYSE Amex LLC (now the NYSE MKT LLC) approved for listing the 25 million shares of Cheniere common stock that were the subject of Amendment No. 1;

WHEREAS, on or about February 5, 2013, Cheniere filed a Form S-8 with the SEC registering the 25 million shares that were the subject of Amendment No. 1 (the "February 5, 2013 Form S-8");

WHEREAS, as of October 7, 2014, Cheniere had granted to officers, directors, employees and consultants of the Company pursuant to the 2011 Plan (including Amendment No. 1) awards with respect to approximately 27,154,370 shares (subject to equitable adjustment in accordance with the terms of the 2011 Plan), which awards either had vested or were outstanding subject to vesting conditions (the "Existing Awards");

WHEREAS, as of October 7, 2014, approximately 7,845,630 shares (subject to equitable adjustment in accordance with the terms of the 2011 Plan) of the 25 million shares listed with the NYSE MKT LLC and registered with the SEC subject to Amendment No. 1 either had not been awarded or had again become available for grant following the forfeiture or lapse of awards (the "Available Shares");

WHEREAS, on January 30, 2014, the Cheniere Compensation Committee adopted the 2014-2018 Long-Term Incentive Compensation Program (the "2014-2018 LTIP"), subject to stockholder approval;

WHEREAS, on April 3, 2014, the Board voted to amend and restate the Bylaws of the Company (the "Amended Bylaws");

WHEREAS, Cheniere's Amended Bylaws § 2.8 stated, Except as otherwise provided by the Certificate of Incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share held by such stockholder which has voting power upon the matter in question. On any matter where a

minimum or other vote of stockholders is provided by the Certificate of Incorporation, these Bylaws, the rules or regulations of any stock exchange applicable to the Corporation, or applicable law or pursuant to any regulation applicable to the Corporation or its securities, such minimum or other vote shall be the required vote on such matter (with the effect of abstentions and broker non-votes to be determined based on the vote required). All other matters presented to the stockholders at a meeting at which a quorum is present for which no minimum or other vote is called for by the Certificate of Incorporation, these Bylaws, the rules or regulations of any stock exchange applicable to the Corporation, or applicable law or pursuant to any regulation applicable to the Corporation or its securities, other than for the election of Directors, shall be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock entitled to vote on the matter, present in person or by proxy (with abstentions counting as votes against the matter and broker non-votes not counting as shares entitled to vote on the matter).

WHEREAS, on April 3, 2014, subject to stockholder approval, the Board adopted Amendment No. 2 to the 2011 Plan ("Amendment No. 2") which, among other things, would increase the aggregate number of shares of common stock available for issuance under the 2011 Plan to a maximum of 65 million shares (inclusive of the original 10 million shares and the 25 million shares that were the subject of Amendment No. 1);

WHEREAS, on or about April 28, 2014, Cheniere issued a Proxy Statement in connection with its Annual Meeting of Stockholders, which had been scheduled for June 12, 2014 (the "April 28, 2014 Proxy Statement"), and pursuant to which Amendment No. 2 and the 2014-2018 LTIP were to be presented for stockholder approval at this Annual Meeting of Stockholders;

WHEREAS, on May 29, 2014, James B. Jones, on behalf of himself and all other similarly situated stockholders of Cheniere, and derivatively on behalf of Cheniere, filed the class and derivative action captioned *Jones v. Souki, et al.*, C.A. No. 9710-VCL (the "Jones Action");

WHEREAS, on May 30, 2014, Plaintiff Jones filed a brief in support of the motion to expedite proceedings that Plaintiff Jones had also filed on May 29, 2014;

WHEREAS, on June 6, 2014, Robert Maguire, on behalf of himself and all other similarly situated stockholders of Cheniere, and derivatively on behalf of Cheniere, filed the class and derivative action captioned *Maguire v. Souki, et al.*, C.A. No. 9746-VCL (the "Maguire Action");

WHEREAS, on June 13, 2014, Robert Shenker, on behalf of himself and all other similarly situated stockholders of Cheniere, and derivatively on behalf of Cheniere, filed the class and derivative action captioned *Shenker v. Souki, et al.*, C.A. No. 9763-VCL (the "Shenker Action");

WHEREAS, on June 11, 2014, the Court entered an Order that consolidated the Jones Action and the Maguire Action into *In re Cheniere Energy, Inc. Stockholders Litigation*, Consolidated C.A. No. 9710-VCL, and entered an Order on June 17, 2014 further consolidating the Shenker Action into the consolidated action. On June 19, 2014 the Court entered an Order that appointed

Andrews & Springer LLC, Barrack Rodos & Bacine, Bernstein Litowitz Berger & Grossmann LLP and Grant & Eisenhofer P.A. as co-lead counsel for the class and for the derivative claims (“Plaintiffs’ Lead Counsel”);

WHEREAS, on June 25, 2014, Kayann Davidoff, on behalf of herself and all other similarly situated stockholders of Cheniere, and derivatively on behalf of Cheniere, filed the class and derivative action captioned *Davidoff v. Souki, et al.*, C.A. No. 9825-VCL (the "Davidoff Action");

WHEREAS, Plaintiffs in the Consolidated Stockholder Action allege, among other things, that a “majority of those present and entitled to vote” standard should have been applied to the stockholder vote on Amendment No. 1 and, had such a standard been applied, abstentions would have been counted as the functional equivalent of “no” votes, and further allege that as a consequence, Amendment No. 1 was not validly approved by stockholders; and Plaintiffs further allege that the Amended Bylaws are improper and that certain disclosures made by Cheniere concerning Amendment No. 1 were inaccurate;

WHEREAS, on June 2, 2014, in a Form 8-K filed with the SEC, Cheniere announced that it had decided to postpone the 2014 Annual Meeting of Stockholders until September 11, 2014, “in light of a complaint that has been filed in the Delaware Court of Chancery of the State of Delaware styled *Jones v. Souki*,

et al., C.A. No. 9710-VCL (Del. Ch.) and plaintiff's request to expedite proceedings before the June 12th Annual Meeting;"

WHEREAS, on June 16, 2014, the Company commenced the 205 Action;

WHEREAS, in the 205 Action, Cheniere contended that a "majority of the votes cast standard" applied to the stockholder vote on Amendment No. 1, that the votes were properly tallied and that as a consequence Amendment No. 1 was validly approved by the stockholders. In the alternative, the Company requested that the Court validate Amendment No. 1 and all shares awarded in the past or the future pursuant to Amendment No. 1 as permitted by 8 Del. C. § 205;

WHEREAS, in a letter dated June 23, 2014, the Company advised the Court that the proposals seeking approval of the 2014-2018 LTIP and Amendment No. 2 would not be submitted to a stockholder vote at the Company's annual meeting rescheduled for September 11, 2014;

WHEREAS, on June 25, 2014, the Court of Chancery held a scheduling conference, following which the Court of Chancery entered an Order staying *In re Cheniere Energy, Inc. Stockholders Litigation*, Consolidated C.A. No. 9710-VCL, pending resolution of the 205 Action;

WHEREAS, the Court of Chancery entered Orders permitting James B. Jones, Robert Shenker and Robert Maguire (together, the "Interveners") to intervene in the 205 Action;

WHEREAS, on or about July 25, 2014, the Company filed a Proxy Statement indicating that it had withdrawn Amendment No. 2 and the 2014-2018 LTIP from consideration at the 2014 Annual Stockholder Meeting;

WHEREAS, on July 11, 2014, Cheniere filed a Motion for Judgment on Application I in the 205 Action (the "Motion for Judgment"), which it supported in briefs filed on July 11, August 1 and August 20, 2014;

WHEREAS, the Interveners opposed the Motion for Judgment in an opposition brief filed July 25, 2014 and in a sur-reply brief filed August 13, 2014;

WHEREAS, on August 26, 2014, the Court of Chancery held oral argument on the Motion for Judgment;

WHEREAS, after extensive arm's-length negotiations, the Parties reached an agreement-in-principle to settle the Actions, which was memorialized in a memorandum of understanding (the "MOU") dated October 7, 2014;

WHEREAS, in connection with settlement discussions and negotiations, Plaintiffs' Lead Counsel and counsel for Defendants ("Defendants' Counsel") did not discuss the amount of any application by Plaintiffs' Lead

Counsel for an award of attorneys' fees and expenses until the substantive terms of the settlement were agreed to in principle;

WHEREAS, pursuant to the MOU, the proposed Settlement was conditioned on Defendants' providing Plaintiffs with confirmatory discovery and Plaintiffs being satisfied after completion of the discovery that the Settlement is fair, reasonable and adequate to Plaintiffs, the other members of the Class, Cheniere and Cheniere stockholders;

WHEREAS, on October 9, 2014, the Parties notified the Court that they had entered into the MOU and that Plaintiffs would be conducting confirmatory discovery;

WHEREAS, following the execution of the MOU, and as contemplated therein, Plaintiffs' Lead Counsel reviewed and analyzed the documents produced by Defendants in response to the categories of documents enumerated in the MOU and conducted the depositions of: David B. Kilpatrick, a director of the Company and Chairman of the Compensation Committee on November 20, 2014; and Greg W. Rayford, Senior Vice President and General Counsel, on December 3, 2014;

WHEREAS, based on their investigation and prosecution of the Actions, and further confirmation through the confirmatory discovery taken as described herein, Plaintiffs and Plaintiffs' Lead Counsel have determined that the

terms and conditions of the Settlement set forth herein are fair, reasonable, adequate, and in the best interests of the Plaintiffs, the other members of the Class, Cheniere and Cheniere's stockholders;

WHEREAS, each Defendant has denied, and continues to deny, that he, she, or it committed any breach of duty or contract, was unjustly enriched, breached any other law, or engaged in any of the wrongful acts alleged in the Consolidated Stockholder Action, and expressly maintains that he, she, or it diligently and scrupulously complied with his, her, or its fiduciary and other legal duties, to the extent such duties exist, and is entering into this Stipulation and Settlement solely to eliminate the burden, expense, and uncertainties inherent in further litigation;

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, in consideration of the benefits afforded herein, that the Actions shall be compromised, settled, released and dismissed with prejudice, upon and subject to the following terms and conditions, and further subject to the approval of the Court and pursuant to Delaware Court of Chancery Rules 23(a), 23(b)(1) and (b)(2) and 23.1:

SETTLEMENT CONSIDERATION

1. In consideration for the full settlement and release of all Released Plaintiffs' Claims (as defined in paragraph 10 below) against the Released

Defendant Persons (as defined in paragraph 11 below) and the dismissal with prejudice of the Actions:

A. The Parties will jointly request that the Court validate, pursuant to *8 Del. C.* § 205, all Existing Awards (whether vested or unvested, provided however that all unvested shares shall remain subject to the terms of the award agreements) and all common stock issued or to be issued in connection with the Existing Awards, and further declare that current holders of the Existing Awards are entitled to ownership of such shares (subject to the terms and conditions of the award agreements, including any outstanding requirements for vesting) (the "Validation").

B. Except with respect to the stockholder vote concerning the Available Shares set forth in paragraph 1.F. below, Cheniere will not seek stockholder approval for stock-based compensation beyond that which was the subject of Amendment No. 1 prior to January 1, 2017.

C. Except as permitted by paragraph 1.F. below (and subject to the following sentence), prior to January 1, 2017, Cheniere will not award stock-based compensation to Company executives, directors or consultants other than to the extent stockholders have already approved such compensation or such compensation was subject to the Validation. Notwithstanding the foregoing, authorized stock (unissued or treasury), other than the Available

Shares, may be used to compensate new employees (inclusive of individuals who had a bona fide period of non-employment with the Company) without violating the preceding sentence; and a cash pay award (bonus, incentive, etc.) tied to the performance of the Company's stock shall not constitute stock-based compensation.

D. All compensation-related matters submitted by Cheniere to a stockholder vote on or before September 17, 2022 will be subject to a "majority of the shares present and entitled to vote" standard. For the avoidance of any doubt, pursuant to this standard, abstentions will be counted as the functional equivalent of "no" votes and broker non-votes will not be considered in determining the outcome of the resolution, but will be counted for purposes of establishing a quorum. Nothing set forth herein shall be interpreted as imposing an obligation on the Company to submit any matter to a stockholder vote.

E. The Compensation Committee of the Cheniere Board of Directors will be comprised exclusively of independent directors defined in accordance with the rules of the NYSE MKT (or the rules of the primary exchange on which the Company common stock is listed in the future).

F. With respect to the Available Shares, the Parties will jointly request that the Court enter an order, pursuant to *8 Del. C. § 205*, as follows

(the "Available Share Order" and together with the Validation, the "Section 205 Orders"):

1. No earlier than 90 days after the Court's entry of the Judgment, the Company may hold a stockholder vote to approve or not approve the issuance of awards with respect to the Available Shares. Any such vote will be subject to a "majority of the shares present and entitled to vote" standard. For the avoidance of any doubt, pursuant to this standard, abstentions will be counted as the functional equivalent of "no" votes and broker non-votes will not be considered in determining the outcome of the resolution, but will be counted for purposes of establishing a quorum.

2. The Company will not award any of the Available Shares pending a stockholder vote pursuant to this paragraph 1.F. (including its subparts) (which, until such approving vote and permitted use thereafter or termination of the 2011 Incentive Plan, shall be evidenced by an electronic reserve of approximately [7,845,630] shares solely for use pursuant to Amendment No. 1). If the shareholders do not approve the issuance of the awards with respect to the Available Shares, those shares shall be authorized but unissued

shares and shall not be awarded under Amendment No. 1 or used for any other compensation purpose whatsoever.

3. If the Cheniere stockholders approve the issuance of the awards with respect to the Available Shares pursuant to this paragraph 1.F. (including its subparts), the Available Shares shall be valid for compensation use and may be awarded pursuant to the terms of the 2011 Plan; provided, however, that no more than 1 million of the Available Shares (subject to equitable adjustment) may be awarded to Mr. Charif Souki.

CONSOLIDATION OF STOCKHOLDER ACTIONS

2. The Parties agree to seek a Court order consolidating the Davidoff Action into *In re Cheniere Energy, Inc. Stockholders Litigation*, Consolidated C.A. No. 9710-VCL.

CLASS CERTIFICATION

3. For Settlement purposes only, the Consolidated Stockholder Action shall be certified as a non-opt out class action pursuant to Delaware Court of Chancery Rules 23(a), 23(b)(1) and (b)(2), defined as any and all record and beneficial owners of common stock of Cheniere, together with their successors, predecessors, representatives, trustees, executors, administrators, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf

of, or claiming under any of them, who held shares of Cheniere common stock at any time between and including March 2, 2011 and the Effective Date (the "Class Period"), but excluding Defendants and their immediate family members, any entity controlled by any of the Defendants and any successors in interest thereto (the "Class"). Members of the Class are referred to herein as "Class Members."

4. In the event the Effective Date of the Settlement (as defined in paragraph 18 below) does not occur for any reason, Defendants reserve the right to oppose certification of any plaintiff class in future proceedings.

SUBMISSION AND APPLICATION TO THE COURT

5. Promptly after this Stipulation has been executed, the Parties shall apply jointly for entry in the Consolidated Stockholder Action and the 205 Action of a scheduling order (the "Scheduling Order"), substantially in the form attached hereto as Exhibit A, consolidating the Davidoff Action into *In re Cheniere Energy, Inc. Stockholders Litigation* as set forth in paragraph 2 above and establishing the procedures for: (i) the approval and mailing of notice of the pendency of the Actions and proposed Settlement substantially in the form attached hereto as Exhibit B (the "Notice"), and (ii) the Court's consideration of the proposed Settlement, Class certification, and Plaintiffs' Lead Counsel's application for attorneys' fees and expenses.

NOTICE

6. Cheniere shall, at its own expense, mail the Notice, in substantially the form attached hereto as Exhibit B, to Class Members as of the date of this Stipulation and all Cheniere stockholders of record as of the date of this Stipulation, in accordance with the Scheduling Order. Cheniere also shall post a copy of the Notice on its website. Counsel for Cheniere shall, at least fifteen (15) business days before the Settlement Hearing (as defined in paragraph 7 below), file with the Court an appropriate affidavit with respect to the preparation and mailing of the Notice. In no event shall Plaintiffs, any other Cheniere stockholder, or their attorneys be responsible for any notice costs.

ORDER AND FINAL JUDGMENT

7. If the Settlement (including any modification thereto made with the consent of the Parties as provided for herein) shall be approved by the Court following a hearing (the "Settlement Hearing") as fair, reasonable, and adequate and in the best interests of the Plaintiffs, the other members of the Class, Cheniere and Cheniere's stockholders, the Parties shall jointly request that the Court enter in the Consolidated Stockholder Action and the 205 Action an Order and Final Judgment (the "Judgment") substantially in the form attached hereto as Exhibit C.

8. The Judgment shall, among other things, provide for the full and complete dismissal of the Consolidated Stockholder Action with prejudice and the Section 205 Orders.

9. Pursuant to the Judgment, upon the Effective Date of the Settlement, Plaintiffs, all other Class Members, Cheniere, and each and every other Cheniere stockholder who held stock at any time during the Class Period, on behalf of themselves and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever, settled, released, relinquished, and discharged all Released Plaintiffs' Claims (defined in paragraph 10 below) against any or all of the Released Defendant Persons (defined in paragraph 11 below), and shall forever be enjoined from prosecuting any or all of the Released Plaintiffs' Claims against any or all of the Released Defendant Persons.

10. "Released Plaintiffs' Claims" means any and all claims, demands, rights, actions, causes of action, liabilities, damages, losses, obligations, judgments, duties, suits, costs, expenses, matters and issues, including known claims and Unknown Claims (as defined in paragraph 28 below), whether contingent or absolute, suspected or unsuspected, disclosed or undisclosed, liquidated or unliquidated, matured or unmatured, accrued or unaccrued, apparent or unapparent,

that are, have been, could have been, could now be, or in the future could, can or might be asserted in any court, tribunal or proceeding (including but not limited to any claims arising under federal, state, foreign or common law, including the federal securities laws and any state disclosure law), whether individual, direct, class, derivative, representative, legal, equitable, or any other type or in any other capacity, which have arisen, could have arisen, arise now or hereafter may arise out of, are based upon, relate in any way to, or involve, directly or indirectly: (1) the acts, events, facts, matters, transactions, occurrences, statements, representations, misrepresentations or omissions or any other matter whatsoever set forth in the allegations made by Plaintiffs in the Actions, including in the complaints filed in the Consolidated Stockholder Action or in the briefs filed in opposition to the Motion for Judgment in the 205 Action, and including without limitation those allegations concerning (i) compensation awarded or paid to any of the Company's officers, directors, employees or consultants (including stock-based awards and stock, restricted stock or options), (ii) the 2011 Plan (including the stockholder vote concerning the 2011 Plan), (iii) Amendment No. 1 (including the stockholder vote concerning Amendment No. 1), (iv) Amendment No. 2, (v) the Amended Bylaws, (vi) the April 28, 2011 Proxy Statement, the December 31, 2012 Proxy Statement, the February 5, 2013 Form 8-K, the February 5, 2013 Form S-8, the April 28, 2014 Proxy Statement and/or the proxy statements issued by the

Company on or about April 19, 2012 and April 26, 2013 (including any preliminary proxies), (vii) the 2014-2018 LTIP, and (viii) the disclosures made in connection with any of the foregoing (including the adequacy and completeness of such disclosures); or (2) the institution, prosecution, defense, settlement or resolution of the Actions or any action consolidated therein or any assertion made in any of the Actions. For the avoidance of doubt, Released Plaintiffs Claims shall include any and all claims arising out of, based upon, relating in any way to, or involving, directly or indirectly the compensation awarded or paid to any of the Company's officers, directors, employees or consultants (including stock-based awards and stock, restricted stock or options). Notwithstanding anything contained herein to the contrary: (1) nothing contained herein shall modify, release, or otherwise affect any vesting requirements or other terms and conditions of any awards or compensation paid or payable to any of the Individual Defendants or any present or former officer, director, employee or consultant of the Company, which shall be unaffected by this Settlement and remain in full force and effect; and (2) the Released Plaintiffs' Claims shall not include: (i) any claims to enforce the Settlement; or (ii) any claims by Defendants against any insurer arising out of or related to the obligations of any insurer under any insurance policies applicable to the Actions; or (iii) any claims based on or arising out of the acts, events, facts matters, transactions, occurrences, statements, representations, misrepresentations

or omissions or any matters whatsoever which occur after the Court of Chancery grants the Judgment.

11. "Released Defendant Persons" means the Defendants, any members of their immediate families, parent entities, controlling persons, affiliates and subsidiaries, insurers (except for claims by any Defendant against any insurer) and each and all of their respective past or present officers, directors, principals, representatives, employees, attorneys, advisors (including financial or investment advisors), consultants, accountants, agents, heirs, executors, trustees, general or limited partners or partnerships, limited liability companies, managers, joint ventures, personal or legal representatives, estates, administrators, predecessors, successors or assigns, in their capacities as such.

12. Pursuant to the Judgment, upon the Effective Date of the Settlement, Defendants, on behalf of themselves and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled, released, relinquished, and discharged all Released Defendants' Claims (defined in paragraph 13 below) against any or all of the Released Plaintiff Persons (defined in paragraph 14 below) and shall forever be enjoined from prosecuting any or all of the Released Defendants' Claims against any or all of the Released Plaintiff Persons.

13. "Released Defendants' Claims" means any and all claims, demands, rights, actions, causes of action, liabilities, damages, losses, obligations, judgments, duties, suits, costs, expenses, matters and issues, including known claims and Unknown Claims, whether contingent or absolute, suspected or unsuspected, disclosed or undisclosed, liquidated or unliquidated, matured or unmatured, accrued or unaccrued, apparent or unapparent, that have been, could have been, or in the future can or might be asserted in any court, tribunal or proceeding (including but not limited to any claims arising under federal, state, foreign or common law, including the federal securities laws and any state disclosure law) which have arisen, could have arisen, arise now or hereafter may arise out of or are based upon the institution, prosecution, settlement or resolution of the Consolidated Stockholder Action or any action consolidated therein or any assertion made in any of the Actions; provided, however, that the Released Defendants' Claims shall not include (i) any claims to enforce the Settlement; or (ii) any claims by Defendants against any insurer arising out of or related to the obligations of any insurer under any insurance policies applicable to the Actions.

14. "Released Plaintiff Persons" means Plaintiffs, all other Class Members, and any members of their immediate families, parent entities, controlling persons, affiliates and subsidiaries, and each and all of their respective past or present officers, directors, principals, representatives, employees, attorneys, advisors

(including financial or investment advisors), consultants, accountants, agents, heirs, executors, trustees, general or limited partners or partnerships, limited liability companies, managers, joint ventures, personal or legal representatives, estates, administrators, predecessors, successors or assigns, in their capacities as such.

15. Notwithstanding anything contained herein to the contrary, nothing contained herein shall constitute a release of any claims the Individual Defendants may have in their capacities as officers or directors of the Company, not as stockholders, against the Company, or any claims for advancement or indemnification the Individual Defendants may have against the Company.

CONDITIONS OF SETTLEMENT; EFFECTIVE DATE

16. Defendants deny and continue to deny that they have committed or aided and abetted the commission of any unlawful or wrongful acts alleged in the Consolidated Stockholder Action, and expressly maintain that they diligently and scrupulously complied with their fiduciary duties and other legal duties. Defendants are entering into the Stipulation solely because the proposed Settlement will eliminate the burden and expense of further litigation.

17. Plaintiffs and Plaintiffs' Lead Counsel have taken into consideration the strengths and weaknesses of the claims asserted in the Consolidated Stockholder Action and the 205 Action, and have determined that the terms of the

proposed Settlement are fair, reasonable and adequate, and in the best interest of Plaintiffs, the other members of the Class, Cheniere and Cheniere's stockholders.

18. The Settlement is conditioned upon the fulfillment of each of the following events, and the "Effective Date" of the Settlement shall be the first date by which all of the following events shall have occurred or have been waived:

(i) the Judgment is entered by the Court in the Consolidated Stockholder Action and the 205 Action without material alteration or, in the event of a material alteration, such alteration is consented to by the Parties;

(ii) the Judgment becomes Final (as defined in paragraph 22 below); and

(ii) the Consolidated Stockholder Action is dismissed with prejudice against all Defendants without the award of any damages, costs, fees or the grant of further relief except for the payments contemplated by this Stipulation.

19. In the event that any Released Plaintiffs' Claims are commenced or prosecuted against any of the Released Defendant Persons in any court prior to the Effective Date, the Parties shall cooperate and use their reasonable best efforts to secure the dismissal (or a stay in contemplation of dismissal following the Effective Date) thereof. Each of the Defendants shall have the right to withdraw from the Settlement in the event that any Released Plaintiffs' Claims are commenced or prosecuted against any of the Released Defendant Persons prior to

the Effective Date and such claims are not dismissed with prejudice or stayed in contemplation of dismissal.

20. This Stipulation, with the exceptions of this paragraph 20 and paragraph 21 herein, shall be null and void and of no force and effect if the Effective Date does not occur for any reason. In any such event, any judgment or order entered by the Court in the Actions in accordance with the terms of the Stipulation shall be treated as vacated, *nunc pro tunc*, the Parties shall revert to their respective positions in the Actions as of immediately prior to the execution of the MOU, and this Stipulation shall not be deemed to prejudice in any way the respective positions of the Parties with respect to the Actions or to entitle any Party to the recovery of costs and expenses incurred in connection with the intended implementation of the Settlement; provided, however, that Cheniere shall be responsible for paying the costs of providing the Notice to the Class regardless of whether the Effective Date occurs.

21. In the event that the proposed Settlement is rendered null and void for any reason, the existence of or the provisions contained in the MOU or in this Stipulation shall not be deemed to prejudice in any way the respective positions of Plaintiffs or Defendants with respect to the Actions, including the right of Defendants in the Consolidated Stockholder Action to oppose the certification of the Class in any future proceedings; nor shall they be deemed a presumption, a

concession, or an admission by any of the Plaintiffs or any of the Defendants of any fault, liability, merit or lack of merit, or wrongdoing as to any facts, claims, or defenses that have been or might have been alleged or asserted in the Actions, or any other action or proceeding or each thereof; nor shall they be interpreted, construed, deemed, invoked, offered, or received in evidence or otherwise used by any person in the Actions, or in any other action or proceeding.

FINAL COURT APPROVAL

22. The Judgment entered by the Court approving the Settlement or any other court order shall be considered “Final” for purposes of this Stipulation upon the later of (i) the expiration of the time for the filing or noticing of an appeal or motion for reargument or rehearing from the Judgment or order without such appeal or motion having been made; (ii) the date of affirmance of the Judgment or order on any appeal or reargument or rehearing and such affirmance no longer being subject to further appeal; or (iii) the dismissal of any appeal from the Judgment or order and such dismissal no longer being subject to further appeal.

ATTORNEYS’ FEES

23. Plaintiffs’ Lead Counsel will apply to the Court for a collective award of attorneys’ fees and expenses to Plaintiffs’ Lead Counsel and all other legal counsel who, at the direction and under the supervision of Plaintiffs’ Lead Counsel, performed services on behalf of the Class and/or performed services derivatively

on behalf of nominal defendant Cheniere in the Actions (collectively, “Plaintiffs’ Counsel”). Any attorney's fees and expenses awarded by the Court to any Plaintiffs' Counsel shall be paid by the Company, its successors in interest, and/or its insurers. Defendants agree to the entitlement of Plaintiffs’ Lead Counsel to a fee. Plaintiffs’ Lead Counsel and counsel for Defendants will attempt in good faith to negotiate the amount of attorneys’ fees and expenses that, subject to Court approval, would be paid to Plaintiffs’ Lead Counsel. If the Parties cannot agree upon a fee and expense amount, Defendants reserve the right to oppose the amount of the award sought by Plaintiffs’ Lead Counsel’s application to the Court.

24. Any attorneys' fees and expenses awarded by the Court shall be paid to Plaintiffs’ Lead Counsel, care of Barrack, Rodos & Bacine. Prior to the payment of any fees and expenses Plaintiffs' Lead Counsel shall provide such documentation as required by the Company's standard accounting for the issuance of a payment (including, but not limited to, a form W-9). Any payment shall be subject to Plaintiffs' Lead Counsel's joint and several obligations to make appropriate refunds or repayments if, as a result of any appeal and/or further proceedings on remand, or successful collateral attack, the amount awarded is overturned or reduced and such order overturning or reducing the awarded amount has become Final.

25. Any failure of the Court to approve a request for attorneys' fees and expenses in whole or in part shall not affect the Settlement or the finality of the Judgment.

26. No fees or expenses shall be paid to Plaintiffs' Lead Counsel pursuant to the Settlement in the absence of approval by the Court of the Settlement and entry of the Judgment, substantially in the form set forth in Exhibit C hereto.

27. Except as provided above, Defendants shall have no obligation to pay or reimburse any fees, expenses, costs or damages alleged or incurred by Plaintiffs, by any members of the Class, or by their attorneys, experts, advisors, or representatives with respect to the Released Plaintiffs' Claims defined herein. Defendants shall have no responsibility or liability with respect to any fee and expense allocation among Plaintiffs' counsel.

EFFECT OF RELEASE

28. Plaintiffs and Defendants acknowledge, and each of the other Class Members and Cheniere stockholders by operation of law shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true by them with respect to the Released Plaintiffs' Claims and the Released Defendants' Claims, but that it is the intention of Plaintiffs and by operation of law the intention of the other Class Members and Cheniere stockholders with respect to the Released Plaintiffs' Claims, and the

intention of Defendants with respect to the Released Defendants' Claims, to completely, fully, finally and forever compromise, settle, release, discharge, extinguish, and dismiss any and all Released Plaintiffs' Claims and Released Defendants' Claims respectively, known or unknown, suspected or unsuspected, contingent or absolute, accrued or unaccrued, apparent or unapparent, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. Plaintiffs and Defendants acknowledge, and the other Class Members and Cheniere stockholders by operation of law shall be deemed to have acknowledged, that "Unknown Claims" (as defined below) are expressly included in the definition of "Released Plaintiffs' Claims" and "Released Defendants' Claims" and that such inclusion was expressly bargained for and was a key element of the Settlement and was relied upon by each and all of the Parties in entering into this Stipulation. "Unknown Claims" means (i) any claim that Cheniere, any Plaintiff, the other Class Members or the Cheniere stockholders do not know or suspect exists in his, her or its favor at the time of the release of the Released Plaintiffs' Claims as against the Released Defendant Persons, including without limitation those which, if known, might have affected the decision to enter into the Settlement; and (ii) any claim that any Defendant does not know or suspect exists in his, her or its favor at the time of the release of the Released Defendants' Claims as against the Released Plaintiff Persons,

including without limitation those which, if known, might have affected the decision to enter into the Settlement.

29. The Settlement is intended to extinguish all of the Released Plaintiffs' Claims and all of the Released Defendants' Claims. Consistent with such intention, upon the Effective Date of the Settlement, Plaintiffs and Defendants, and the other Class Members and Cheniere stockholders shall waive and relinquish, to the fullest extent permitted by law, the provisions, rights and benefits of any state, federal, or foreign law or principle of common law, which may have the effect of limiting the respective Released Plaintiffs' Claims and Released Defendant Claims. This shall include a waiver by Plaintiffs and Defendants, and the Class Members and Cheniere stockholders of any rights pursuant to Cal. Civ. Code § 1542 or any law of the United States or any state of the United States or territory of the United States, 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 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.

Plaintiffs and Defendants acknowledge, and the other Class Members and Cheniere stockholders shall be deemed by operation of the entry of the order and final judgment approving the Settlement to have acknowledged, that the foregoing

waiver was separately bargained for, is an integral element of the Settlement, and was relied upon by each of the Parties in entering into the Settlement.

BEST EFFORTS

30. Plaintiffs, Defendants, and their attorneys agree to cooperate fully with one another in seeking the Court's approval of this Stipulation and the Settlement, and to use their 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, this Stipulation and the Settlement provided for hereunder (including, but not limited to, using their best efforts to resolve any objections raised to the Settlement) and the dismissal of the Actions with prejudice and without costs, fees or expenses to any Party (except as provided for by paragraphs 6 and 23 herein).

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

STAY OF PROCEEDINGS

32. Pending Final Approval of the Settlement by the Court, the Parties agree to stay the Actions and not to initiate any other proceedings other than those incident to the Settlement itself.

33. The Parties will request the Court to order (in the Scheduling Order) that, pending final determination of whether the Settlement should be approved, Plaintiffs in the Actions and all other members of the Class and Cheniere's stockholders, and any of them are barred and enjoined from commencing, prosecuting, instigating or in any way participating in the commencement or prosecution of any action asserting any Released Plaintiffs' Claims, either directly, representatively, derivatively, or in any other capacity, against Defendants or any of the other Released Defendants Persons.

STIPULATION NOT AN ADMISSION

34. The provisions contained in this Stipulation shall not be deemed a presumption, concession, or an admission by any of Defendants of any fault, liability, or wrongdoing as to any facts or claims alleged or asserted in the Actions, or any other actions or proceedings, and shall not be deemed a presumption, concession, or an admission by any of Plaintiffs in the Actions of any lack of merit as to any facts or claims alleged or asserted in the Actions, or any other actions or proceedings. The provisions contained in this Stipulation further shall not be interpreted, construed, deemed, invoked, offered, or received in evidence or otherwise used by any person in the Actions, or in any other action or proceeding, whether civil, criminal, or administrative, except for any litigation or judicial

proceeding arising out of or relating to this Stipulation or the Settlement contemplated herein.

35. While retaining their rights to deny that the claims and/or defenses asserted in the Actions were meritorious, the Parties and their counsel, in any statement made to any media representative (whether or not for attribution) will not assert that any of the Actions were commenced, prosecuted or defended in bad faith or that any of the claims or defenses were asserted in bad faith, nor will they deny that the Actions were commenced, prosecuted and defended in good faith, deny that the claims and defenses asserted were asserted in good faith, or deny that the Actions are being settled voluntarily after consultation with competent legal counsel. In all events, Plaintiffs and their counsel and Defendants and their counsel shall not make any accusations of wrongful or actionable conduct by either Party concerning the prosecution, defense, and resolution of the Actions, and shall not otherwise suggest that the Settlement constitutes an admission of any claim or defense alleged.

JURISDICTION

36. The consummation of the Settlement as embodied in this stipulation shall be under the authority of the Court of Chancery. Without affecting the finality of the Settlement, the Court of Chancery shall retain jurisdiction for resolving any disputes hereunder.

ENTIRE AGREEMENT

37. This Stipulation constitutes the entire agreement among the Parties with respect to the subject matter hereof, and this Stipulation supersedes any prior agreements or understandings between them with respect to the Settlement. In entering into this Stipulation, none of the Parties is relying on any promise, warranty, inducement or representation other than those in this Stipulation and the Parties disclaim the existence of any such promise, warranty, inducement or representation.

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

39. The headings herein are used for convenience only and are not meant to have legal effect.

PERFORMANCE

40. Any failure by any Party to insist upon the strict performance by any other Party of any of the provisions of this Stipulation shall not be deemed a waiver of any of the provisions hereof, and such Party, notwithstanding such

failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Stipulation to be performed by such other Party.

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

AMENDMENTS

42. This Stipulation may not be modified or amended nor any of its provisions waived except by a writing signed by all of the Parties hereto.

COUNTERPARTS

43. This Stipulation may be executed in multiple counterparts by facsimile, email, or original signature by any of the signatories hereto and as so executed shall constitute one agreement.

GOVERNING LAW

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

SUCCESSORS AND ASSIGNS

45. This Stipulation, and all rights and powers granted hereby, shall be binding upon and inure to the benefit of the Parties and their respective agents, executors, heirs, successors, affiliates and assigns.

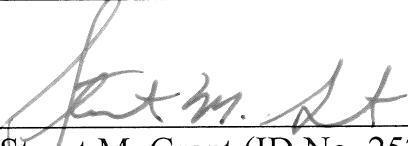
REPRESENTATION AND WARRANTY

46. Plaintiffs' Lead Counsel represent and warrant that (i) each of the Plaintiffs has been a Cheniere stockholder at all relevant times and continued to hold their stock in Cheniere as of the date of execution of the MOU and continues to hold their stock as of the date of execution of this Stipulation, and (ii) none of the Plaintiff's claims or causes of action referred to in any of the complaints filed in the Consolidated Stockholder Action or this Stipulation, or any claims the Plaintiff could have alleged with respect to the Released Plaintiffs' Claims, has been assigned, encumbered, or in any manner transferred in whole or in part.

AUTHORITY

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

Dated: December 12, 2014

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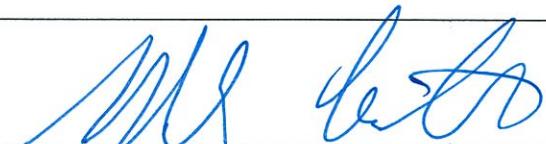
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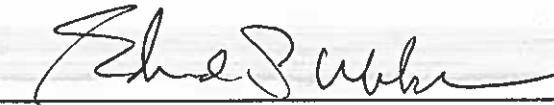
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Attorneys for H. Davis Thames

Exhibit A

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

:
:
IN RE CHENIERE ENERGY, INC. : C.A. No. 9766-VCL
:
:
IN RE CHENIERE ENERGY, INC. : C.A. No. 9710-VCL
STOCKHOLDERS LITIGATION :
:
:
KAYANN DAVIDOFF, :
:
Plaintiff, :
:
v. : C.A. No. 9825-VCL
:
CHARIF SOUKI, et. al. :
:
Defendants. :
:

SCHEDULING ORDER

Plaintiffs (the “Plaintiffs”), by Plaintiffs’ Lead Counsel, and defendants Cheniere Energy, Inc. (“Cheniere” or the “Company”), Charif Souki, Vicky A. Bailey, G. Andrea Botta, Nuno Brandolini, Keith F. Carney, John M. Deutch, David I. Foley, Randy A. Foutch, Paul J. Hoenmans, David B. Kilpatrick, Walter L. Williams, H. Davis Thames, Meg A. Gentle, R. Keith Teague, Greg W. Rayford, and Jean Abiteboul (collectively, the “Individual Defendants” and with Cheniere, the “Defendants,” and together

with Plaintiffs, the “Parties”) having applied pursuant to the Court of Chancery Rules 23 and 23.1 for an order approving the proposed settlement of the above-captioned actions (the “Actions”) and determining certain matters in connection with the proposed settlement of the Actions (the “Settlement”) and for dismissal of the Actions with prejudice, in accordance with the terms and conditions of the Stipulation and Agreement of Compromise, Settlement and Release entered into by the Parties and dated December 12, 2014 (the “Stipulation”);

NOW, upon consent of the Parties, after review and consideration of the Stipulation filed with the Court of Chancery of the State of Delaware (the “Court”) and the Exhibits annexed thereto, and after due deliberation,

IT IS HEREBY ORDERED this _____ day of December 2014,
that:

1. The action captioned *Davidoff v. Souki*, C.A. No. 9825-VCL pending before this Court is hereby consolidated with the action captioned *In re Cheniere Energy, Inc. Stockholders Litigation*, Consolidated C.A. No. 9710-VCL for all purposes (the “Consolidated Stockholder Action”). Hereafter, papers need only be filed in Civil Action No. 9710-VCL. All

documents previously filed to date in any of the cases consolidated herein are deemed a part of the record in the Consolidated Stockholder Action.

2. Unless otherwise defined herein, all defined terms shall have the meanings set forth in the Stipulation.

3. For settlement purposes only, and pending the Settlement Hearing (defined below), the Consolidated Stockholder Action is temporarily certified as a non-opt out class pursuant to Court of Chancery Rules 23(a), 23(b)(1), and 23(b)(2), defined as any and all record and beneficial owners of common stock of Cheniere, together with their successors, predecessors, representatives, trustees, executors, administrators, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under any of them, who held shares of Cheniere common stock at any time between and including March 2, 2011 and the Effective Date (as defined in the Stipulation) (the “Class Period”), but excluding Defendants and their immediate family members, any entity controlled by any of the Defendants and any successors in interest thereto (the “Class”).

4. A hearing (the “Settlement Hearing”) shall be held on _____, 2015 at _____.m., in the New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801 to:

- a. determine whether the temporary class action certification herein should be made final;
- b. determine whether the Settlement should be approved by the Court as fair, reasonable, adequate and in the best interests of the Class, Cheniere and its stockholders;
- c. determine whether an Order and Final Judgment should be entered pursuant to the Stipulation;
- d. consider Plaintiffs' counsel's application for an award of attorneys' fees and expenses; and
- e. rule on such other matters as the Court may deem appropriate.

5. The Court reserves the right to adjourn the Settlement Hearing or any adjournment thereof, including the consideration of the application for attorneys' fees, without further notice of any kind other than oral announcement at the Settlement Hearing or any adjournment thereof.

6. The Court reserves the right to approve the Settlement at or after the Settlement Hearing with such modification(s) as may be consented to by the Parties to the Stipulation and without further notice to the Class or Cheniere stockholders.

7. Within twenty (20) business days after the date of this Order, Cheniere shall cause a notice of the Settlement Hearing in substantially the form annexed as Exhibit C to the Stipulation (the “Notice”) to be mailed to all shareholders of record that are members of the Class and holders of Cheniere stock as of the date of the Stipulation at their last known address appearing in the stock transfer records maintained by or on behalf of Cheniere. All stockholders of record in the Class who were not also the beneficial owners of the shares of Cheniere common stock held by them of record shall be requested to forward the Notice to such beneficial owners of those shares. Cheniere shall use reasonable efforts to give notice to such beneficial owners by making additional copies of the Notice available to any record holder who, prior to the Settlement Hearing, requests the same for distribution to beneficial owners.

8. The form and method of notice herein is the best notice practicable and constitutes due and sufficient notice of the Settlement Hearing to all persons entitled to receive such a notice, and fully satisfies the requirements of due process and of Rules 23 and 23.1 of the Court of Chancery. Counsel for Cheniere shall at least ten (10) business days prior to the Settlement Hearing described herein, file with the Court an appropriate affidavit with respect to the preparation and mailing of the Notice.

9. All proceedings in the Actions, other than such proceedings as may be necessary to carry out the terms and conditions of the Settlement, are hereby stayed and suspended until further order of the Court. Pending final determination of whether the Settlement should be approved, Plaintiffs, Cheniere stockholders and all members of the Class are barred and enjoined from commencing or prosecuting any action asserting either directly, representatively, derivatively or in any other capacity, any Released Plaintiffs' Claims as defined in the Stipulation. Subsequent to the entry of this Scheduling Order, the Parties will negotiate a briefing schedule on papers seeking approval of the Settlement and any application for an award of attorneys' fees and expenses and any responsive papers thereto.

10. Any member of the Class or Cheniere stockholder who objects to the Settlement, the Order and Final Judgment to be entered in the Actions, and/or Plaintiffs' counsel's application for attorneys' fees and expenses, or who otherwise wishes to be heard, may appear in person or by such member's attorney at the Settlement Hearing and present evidence or argument that may be proper and relevant; provided, however, that, except for good cause shown, no person shall be heard and no papers, briefs, pleadings or other documents submitted by any person shall be considered by the Court unless not later than twenty (20) calendar days prior to the

Settlement Hearing such person files with the Court and serves upon counsel listed below: (a) a written notice of intention to appear; (b) a statement of such person's objections to any matters before the Court; and (c) the grounds for such objections and the reasons that such person desires to appear and be heard, documentation evidencing membership in the class or status as a current Cheniere stockholder as well as all documents or writings such person desires the Court to consider. Such filings shall be filed with the Register in Chancery and served upon the following counsel:

Peter B. Andrews Craig J. Springer ANDREWS & SPRINGER LLC 3801 Kennett Pike, Building C, Suite 305 Wilmington, Delaware 19807 Tel.: (302) 504-4957	<i>Attorneys for James B. Jones, Robert Maguire and Kayann Davidoff</i>	Stuart M. Grant Cynthia A. Calder Christine M. Mackintosh GRANT & EISENHOFER, P.A. 123 Justison Street Wilmington, Delaware 19801 Tel.: (302) 622-7000 Fax: (302) 622-7100	<i>Attorneys for Robert Shenker</i>	Edward P. Welch Edward B. Micheletti Sarah R. Martin SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP One Rodney Square P.O. Box 636 Wilmington, Delaware 19899-0636 Tel.: (302) 651-3000 Fax: (302) 651-3001	<i>Attorneys for Cheniere Energy, Inc.</i>
Lewis H. Lazarus Albert H. Manwaring, IV Brett M. McCartney MORRIS JAMES LLP 500 Delaware Avenue, Suite 1500 Wilmington, Delaware	David C. McBride Rolin P. Bissell Emily V. Burton YOUNG CONAWAY STARGATT & TAYLOR, LLP One Rodney Square 1000 North King Street	David E. Ross SEITZ ROSS ARONSTAM & MORITZ LLP 100 S. West Street, Suite 400 Wilmington, Delaware 19801			

19801-1494	Wilmington, Delaware	(302) 576-1600
Tel.: (302) 888-6800	19801	
<i>Attorneys for Charif Souki, Meg A. Gentle, R. Keith Teague, Greg W. Rayford and Jean Abiteboul</i>	Tel.: (302) 571-6600	<i>Attorneys for H. Davis Thames</i>
	<i>Attorneys for Charif Souki, Vicky A. Bailey, G. Andrea Botta, Nuno Brandolini, Keith F. Carney, John M. Deutch, David I. Foley, Randy A. Foutch, Paul J. Hoenmans, David B. Kilpatrick and Walter L. Williams</i>	

11. Unless the Court otherwise directs, no person shall be entitled to object to the approval of the Settlement, any judgment entered thereon, the adequacy of the representation of the Class and Cheniere stockholders by Plaintiffs and Plaintiffs' counsel, any award of attorneys' fees and expenses, or otherwise be heard, except by serving and filing a written objection and supporting papers and documents as described in paragraph 10. Any person who fails to object in the manner described above shall be deemed to have waived the right to object (including any right of appeal) and shall be forever barred from raising such objection in this or any other action or proceeding.

12. If the Settlement, including any amendment made in accordance with the Stipulation, is not approved by the Court or shall not become effective for any reason whatsoever, the Settlement (including any

modification thereof made with the consent of the Parties as provided for in the Stipulation), and temporary Class certification herein and any actions taken or to be taken in connection therewith (including this Order and any judgment entered herein) shall be terminated and shall become void and of no further force and effect, except for the obligation of Cheniere to pay for any expenses incurred in connection with the Notice and administration provided for by this Scheduling Order. In that event, neither the Stipulation, nor any provision contained in the Stipulation, nor any action undertaken pursuant thereto, nor the negotiation thereof by any party shall be deemed an admission or received as evidence in this or any other action or proceeding.

Vice Chancellor Laster

Exhibit B

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE CHENIERE ENERGY, INC.	:	C.A. No. 9766-VCL
	:	
IN RE CHENIERE ENERGY, INC.	:	C.A. No. 9710-VCL
STOCKHOLDERS LITIGATION	:	
	:	

**NOTICE OF PENDENCY OF CLASS AND DERIVATIVE ACTION,
PROPOSED SETTLEMENT OF CLASS AND DERIVATIVE ACTION,
AND SETTLEMENT HEARING**

DERIVATIVE CLAIMS

TO: ALL PERSONS OR ENTITIES WHO HOLD SHARES OF THE COMMON STOCK OF CHENIERE ENERGY, INC. ("CHENIERE" OR THE "COMPANY") AT ANY TIME BETWEEN AND INCLUDING MARCH 2, 2011 AND THE EFFECTIVE DATE (AS DEFINED IN PARAGRAPH 35.G. BELOW).

CLASS CLAIMS

TO: ALL PERSONS OR ENTITIES WHO HELD SHARES OF THE COMMON STOCK OF CHENIERE, EITHER OF RECORD OR BENEFICIALLY, INCLUDING THEIR RESPECTIVE SUCCESSORS IN INTEREST, SUCCESSORS, PREDECESSORS IN INTEREST, PREDECESSORS, REPRESENTATIVES, TRUSTEES, EXECUTORS, ADMINISTRATORS, HEIRS, ASSIGNS OR TRANSFEREES, IMMEDIATE AND REMOTE, AND ANY PERSON OR ENTITY

ACTING FOR OR ON BEHALF OF, OR CLAIMING UNDER, ANY OF THEM, AND EACH OF THEM, TOGETHER WITH THEIR PREDECESSORS AND SUCCESSORS AND ASSIGNS, AT ANY TIME BETWEEN AND INCLUDING MARCH 2, 2011 AND THE EFFECTIVE DATE (AS DEFINED IN PARAGRAPH 35.G. BELOW).

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THIS

NOTICE RELATES TO A PROPOSED SETTLEMENT OF A LAWSUIT AND

CONTAINS IMPORTANT INFORMATION. YOUR RIGHTS WILL BE

AFFECTED BY THESE LEGAL PROCEEDINGS IN THIS LITIGATION.

IF YOU WERE NOT THE BENEFICIAL HOLDER OF COMMON STOCK OF

CHENIERE BUT HELD SUCH STOCK FOR A BENEFICIAL HOLDER,

PLEASE TRANSMIT THIS DOCUMENT PROMPTLY TO SUCH

BENEFICIAL HOLDER.

PLEASE NOTE: THERE IS NO PROOF OF CLAIM FORM FOR CLASS

MEMBERS TO SUBMIT IN CONNECTION WITH THIS SETTLEMENT,

AND CLASS MEMBERS ARE NOT REQUIRED TO TAKE ANY ACTION

IN RESPONSE TO THIS NOTICE.

WHAT IS THE PURPOSE OF THIS NOTICE?

1. The purpose of this Notice is to inform you of a proposed settlement (the "Settlement") of the above-captioned actions (which include class and derivative actions) pending before the Court of Chancery of the State of Delaware (the "Court"), and of a hearing to be held before the Court, in the New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801 on [date and time] (the "Settlement Hearing"). The purpose of the Settlement Hearing is to determine: (a) whether the Court should certify the Class (defined below) for purposes of the Settlement; (b) whether the Court should approve the proposed class action and derivative Settlement; (c) whether the Court should enter an Order and Final Judgment dismissing the claims asserted in the above-captioned actions with prejudice as against Plaintiffs, the Class and Cheniere stockholders who held Cheniere stock at any point between and including March 2, 2011 and the Effective Date, and effectuating the releases described below; (d) whether the Court should grant the application of Plaintiffs' counsel for an award of attorneys' fees and reimbursement of litigation expenses; and (e) such other matters as may properly come before the Court.

2. If you are a member of the Class or a Cheniere stockholder who held Cheniere stock at any point between and including March 2, 2011 and the Effective Date, this Notice will inform you of how, if you so choose, you may

enter your appearance in the actions or object to the proposed Settlement and have your objection heard at the Settlement Hearing.

WHAT IS THIS CASE ABOUT?

**THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS
OF THE COURT AND SHOULD NOT BE UNDERSTOOD AS AN
EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS
OF ANY CLAIMS OR DEFENSES BY ANY OF THE PARTIES. IT IS
BASED ON STATEMENTS OF THE PARTIES AND IS SENT FOR THE
SOLE PURPOSE OF INFORMING YOU OF THE EXISTENCE OF THESE
ACTIONS AND OF A HEARING ON A PROPOSED SETTLEMENT SO
THAT YOU MAY MAKE APPROPRIATE DECISIONS AS TO STEPS
YOU MAY, OR MAY NOT, WISH TO TAKE IN RELATION TO THESE
ACTIONS.**

3. On March 2, 2011, the Cheniere Energy, Inc. Board of Directors (the "Board") adopted the Cheniere Energy, Inc. 2011 Incentive Plan (the "2011 Plan") subject to approval of the Cheniere stockholders. The 2011 Plan provided that "the aggregate number of shares of Common Stock that may be issued with respect to Awards granted under the Plan shall not exceed 10,000,000."

4. On or about April 28, 2011, the Company issued a Proxy Statement in connection with an Annual Meeting of Cheniere stockholders scheduled for June 16, 2011. The 2011 Plan was among the items of business to be considered at the meeting (the "April 28, 2011 Proxy Statement"). At Cheniere's Annual Meeting held on June 16, 2011, Cheniere's stockholders approved the 2011 Plan.

5. On December 7, 2012, subject to stockholder approval, the Board adopted Amendment No. 1 to the 2011 Plan ("Amendment No. 1") which, among other things, increased the number of shares of common stock available for issuance under the 2011 Plan from 10 million shares to 35 million shares.

6. On or about December 31, 2012, Cheniere issued a Proxy Statement in connection with a Special Meeting of Cheniere stockholders scheduled for February 1, 2013. Amendment No. 1 was among the items of business to be considered at the meeting (the "December 31, 2012 Proxy Statement"). A Special Meeting of Cheniere stockholders occurred on February 1, 2013, at which 77,011,739 shares were voted for Amendment No. 1, 57,907,345 shares were voted against Amendment No. 1 and 36,252,581 shares abstained.

7. At the time of the February 1, 2013 vote, Cheniere's Bylaws § 2.7 stated,

Each Stockholder shall be entitled to one vote for each Share held of record by such Stockholder. Except as otherwise provided by law or the Certificate of Incorporation, when a quorum is present at any meeting of Stockholders, the vote of the recordholders of a majority of

the Shares entitled to vote thereat, present in person or by proxy, shall decide any question brought before such meeting.

8. In a Form 8-K filed with the United States Securities and Exchange Commission ("SEC") on or about February 5, 2013, Cheniere disclosed the vote results and announced that "[t]he stockholders voted in favor of Amendment No. 1 to the 2011 Plan" (the "February 5, 2013 Form 8-K").

9. On or about February 4, 2013, the NYSE Amex LLC (now the NYSE MKT LLC) approved for listing the 25 million shares of Cheniere common stock that were the subject of Amendment No. 1. On or about February 5, 2013, Cheniere filed a Form S-8 with the SEC registering the 25 million shares that were the subject of Amendment No. 1 (the "February 5, 2013 Form S-8").

10. As of October 7, 2014, Cheniere had granted to officers, directors, employees and consultants of the Company pursuant to the 2011 Plan (including Amendment No. 1) awards with respect to approximately 27,154,370 shares (subject to equitable adjustment in accordance with the terms of the 2011 Plan), which awards either had vested or were outstanding subject to vesting conditions (the "Existing Awards").

11. As of October 7, 2014, approximately 7,845,630 shares (subject to equitable adjustment in accordance with the terms of the 2011 Plan) of the 25 million shares listed with the NYSE MKT LLC and registered with the SEC subject to Amendment No. 1 either had not been awarded or had again become

available for grant following the forfeiture or lapse of awards (the "Available Shares").

12. On January 30, 2014, the Cheniere Compensation Committee adopted the 2014-2018 Long-Term Incentive Compensation Program (the "2014-2018 LTIP"), subject to stockholder approval.

13. On April 3, 2014, the Board voted to amend and restate the Bylaws of the Company (the "Amended Bylaws"). Cheniere's Amended Bylaws § 2.8 stated,

Except as otherwise provided by the Certificate of Incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share held by such stockholder which has voting power upon the matter in question. On any matter where a minimum or other vote of stockholders is provided by the Certificate of Incorporation, these Bylaws, the rules or regulations of any stock exchange applicable to the Corporation, or applicable law or pursuant to any regulation applicable to the Corporation or its securities, such minimum or other vote shall be the required vote on such matter (with the effect of abstentions and broker non-votes to be determined based on the vote required). All other matters presented to the stockholders at a meeting at which a quorum is present for which no minimum or other vote is called for by the Certificate of Incorporation, these Bylaws, the rules or regulations of any stock exchange applicable to the Corporation, or applicable law or pursuant to any regulation applicable to the Corporation or its securities, other than for the election of Directors, shall be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock entitled to vote on the matter, present in person or by proxy (with abstentions counting as votes against the matter and broker non-votes not counting as shares entitled to vote on the matter).

14. On April 3, 2014, subject to stockholder approval, the Board adopted Amendment No. 2 to the 2011 Plan ("Amendment No. 2") which, among other

things, would increase the aggregate number of shares of common stock available for issuance under the 2011 Plan to a maximum of 65 million shares (inclusive of the original 10 million shares and the 25 million shares that were the subject of Amendment No. 1).

15. On or about April 28, 2014, Cheniere issued a Proxy Statement in connection with its Annual Meeting of Stockholders, which had been scheduled for June 12, 2014 (the "April 28, 2014 Proxy Statement"), and pursuant to which Amendment No. 2 and the 2014-2018 LTIP were to be presented for stockholder approval at this Annual Meeting of Stockholders.

16. On May 29, 2014, James B. Jones, on behalf of himself and all other similarly situated stockholders of Cheniere, and derivatively on behalf of Cheniere, filed the class and derivative action captioned *Jones v. Souki, et al.*, C.A. No. 9710-VCL (the "Jones Action").

17. On May 30, 2014, Plaintiff Jones filed a brief in support of the motion to expedite proceedings that Plaintiff Jones had also filed on May 29, 2014.

18. On June 6, 2014, Robert Maguire, on behalf of himself and all other similarly situated stockholders of Cheniere, and derivatively on behalf of Cheniere, filed the class and derivative action captioned *Maguire v. Souki, et al.*, C.A. No. 9746-VCL (the "Maguire Action").

19. On June 13, 2014, Robert Shenker, on behalf of himself and all other similarly situated stockholders of Cheniere, and derivatively on behalf of Cheniere, filed the class and derivative action captioned *Shenker v. Souki, et al.*, C.A. No. 9763-VCL (the "Shenker Action").

20. On June 11, 2014, the Court entered an Order that consolidated the Jones Action and the Maguire Action into *In re Cheniere Energy, Inc. Stockholders Litigation*, Consolidated C.A. No. 9710-VCL, and entered an Order on June 17, 2014 further consolidating the Shenker Action into the consolidated action. On June 19, 2014 the Court entered an Order that appointed Andrews & Springer LLC, Barrack Rodos & Bacine, Bernstein Litowitz Berger & Grossmann LLP and Grant & Eisenhofer P.A. as co-lead counsel for the class and for the derivative claims ("Plaintiffs' Lead Counsel").

21. On June 25, 2014, Kayann Davidoff, on behalf of herself and all other similarly situated stockholders of Cheniere, and derivatively on behalf of Cheniere, filed the class and derivative action captioned *Davidoff v. Souki, et al.*, C.A. No. 9825-VCL (the "Davidoff Action," and, with the Consolidated Action, the "Consolidated Stockholder Action").

22. Plaintiffs James B. Jones, Robert Maguire, Robert Shenker and Kayann Davidoff (collectively, the "Plaintiffs") in the Consolidated Stockholder Action allege, among other things, that a "majority of those present and entitled to

"vote" standard should have been applied to the stockholder vote on Amendment No. 1 and, had such a standard been applied, abstentions would have been counted as the functional equivalent of "no" votes, and further allege that as a consequence, Amendment No. 1 was not validly approved by stockholders; and Plaintiffs further allege that the Amended Bylaws are improper and that certain disclosures made by Cheniere concerning Amendment No. 1 were inaccurate.

23. On June 2, 2014, in a Form 8-K filed with the SEC, Cheniere announced that it had decided to postpone the 2014 Annual Meeting of Stockholders until September 11, 2014, "in light of a complaint that has been filed in the Delaware Court of Chancery of the State of Delaware styled *Jones v. Souki, et al.*, C.A. No. 9710-VCL (Del. Ch.) and plaintiff's request to expedite proceedings before the June 12th Annual Meeting."

24. On June 16, 2014, the Company commenced an action captioned *In re Cheniere Energy, Inc.*, C.A. No. 9766-VCL (the "205 Action," and, with the Consolidated Stockholder Action, the "Actions").

25. In the 205 Action, Cheniere contended that a "majority of the votes cast standard" applied to the stockholder vote on Amendment No. 1, that the votes were properly tallied and that as a consequence Amendment No. 1 was validly approved by the stockholders. In the alternative, the Company requested that the

Court validate Amendment No. 1 and all shares awarded in the past or the future pursuant to Amendment No. 1 as permitted by *8 Del. C.* § 205.

26. In a letter dated June 23, 2014, the Company advised the Court that the proposals seeking approval of the 2014-2018 LTIP and Amendment No. 2 would not be submitted to a stockholder vote at the Company's annual meeting rescheduled for September 11, 2014.

27. On June 25, 2014, the Court of Chancery held a scheduling conference, following which the Court of Chancery entered an Order staying *In re Cheniere Energy, Inc. Stockholders Litigation*, Consolidated C.A. No. 9710-VCL, pending resolution of the 205 Action. The Court of Chancery entered Orders permitting James B. Jones, Robert Shenker and Robert Maguire (together, the "Intervenors") to intervene in the 205 Action.

28. On or about July 25, 2014, the Company filed a Proxy Statement indicating that it had withdrawn Amendment No. 2 and the 2014-2018 LTIP from consideration at the 2014 Annual Stockholder Meeting.

29. On July 11, 2014, Cheniere filed a Motion for Judgment on Application I in the 205 Action (the "Motion for Judgment"), which it supported in briefs filed on July 11, August 1 and August 20, 2014.

30. The Intervenors opposed the Motion for Judgment in an opposition brief filed July 25, 2014 and in a sur-reply brief filed August 13, 2014.

On August 26, 2014, the Court of Chancery held oral argument on the Motion for Judgment.

31. After extensive arm's-length negotiations, Plaintiffs and defendants Charif Souki, Vicky A. Bailey, G. Andrea Botta, Nuno Brandolini, Keith F. Carney, John M. Deutch, David I. Foley, Randy A. Foutch, Paul J. Hoenmans, David B. Kilpatrick, Walter L. Williams, H. Davis Thames, Meg A. Gentle, R. Keith Teague, Greg W. Rayford and Jean Abiteboul (collectively, the "Individual Defendants") and Cheniere (together with the Individual Defendants, the "Defendants", and together with Plaintiffs, the "Parties"), reached an agreement-in-principle to settle the Actions, which was memorialized in a memorandum of understanding (the "MOU") dated October 7, 2014.

32. Following the execution of the MOU, and as contemplated therein, Plaintiffs' Lead Counsel conducted a further investigation of the facts and circumstances underlying the claims asserted in the Actions, which included, among other things, reviewing and analyzing documents produced by the Company, and conducting the depositions of David B. Kilpatrick, a director of the Company and Chairman of the Compensation Committee on November 20, 2014, and Greg W. Rayford, Senior Vice President and General Counsel on December 3, 2014.

33. Based on their investigation and prosecution of the Actions, and further confirmation through the confirmatory discovery taken as described herein, Plaintiffs and Plaintiffs' Lead Counsel have determined that the terms and conditions of the Settlement are fair, reasonable, adequate, and in the best interests of the Plaintiffs, the other members of the Class, Cheniere and Cheniere's stockholders.

34. On [date], the Court entered a scheduling order providing for, among other things, the scheduling of the Settlement Hearing; the temporary certification, for settlement purposes only, of a non-opt out Class consisting of any and all record and beneficial owners of common stock of Cheniere, together with their successors, predecessors, representatives, trustees, executors, administrators, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under any of them, who held shares of Cheniere common stock at any time between and including March 2, 2011 and the Effective Date (defined below) (the "Class Period"), but excluding Defendants and their immediate family members, any entity controlled by any of the Defendants and any successors in interest thereto (the "Class") (members of the Class are referred to herein as "Class Members"); a stay of the Actions pending a hearing on the proposed Settlement; and an injunction against the commencement or prosecution

of any action by any member of the Class or Cheniere stockholders asserting any of the claims subject to the Settlement of the Actions.

WHAT ARE THE TERMS OF THE SETTLEMENT?

35. In consideration for the full settlement and release of all Released Plaintiffs' Claims (as defined herein) against the Released Defendant Persons (as defined herein) and the dismissal with prejudice of the Actions:

A. The Parties will jointly request that the Court validate, pursuant to *8 Del. C. § 205*, all Existing Awards (whether vested or unvested, provided however that all unvested shares shall remain subject to the terms of the award agreements) and all common stock issued or to be issued in connection with the Existing Awards, and further declare that current holders of the Existing Awards are entitled to ownership of such shares (subject to the terms and conditions of the award agreements, including any outstanding requirements for vesting) (the "Validation").

B. Except with respect to the stockholder vote concerning the Available Shares set forth in paragraph F below (paragraph 1.F. of the Stipulation), Cheniere will not seek stockholder approval for stock-based compensation beyond that which was the subject of Amendment No. 1 prior to January 1, 2017.

C. Except as permitted by paragraph F (paragraph 1.F. of the Stipulation) below (and subject to the following sentence), prior to January 1, 2017, Cheniere will not award stock-based compensation to Company executives, directors or consultants other than to the extent stockholders have already approved such compensation or such compensation was subject to the Validation. Notwithstanding the foregoing, authorized stock (unissued or treasury), other than the Available Shares, may be used to compensate new employees (inclusive of individuals who had a bona fide period of non-employment with the Company) without violating the preceding sentence; and a cash pay award (bonus, incentive, etc.) tied to the performance of the Company's stock shall not constitute stock-based compensation.

D. All compensation-related matters submitted by Cheniere to a stockholder vote on or before September 17, 2022 will be subject to a "majority of the shares present and entitled to vote" standard. For the avoidance of any doubt, pursuant to this standard, abstentions will be counted as the functional equivalent of "no" votes and broker non-votes will not be considered in determining the outcome of the resolution, but will be counted for purposes of establishing a quorum. Nothing set forth herein

shall be interpreted as imposing an obligation on the Company to submit any matter to a stockholder vote.

E. The Compensation Committee of the Cheniere Board of Directors will be comprised exclusively of independent directors defined in accordance with the rules of the NYSE MKT (or the rules of the primary exchange on which the Company common stock is listed in the future).

F. With respect to the Available Shares, the Parties will jointly request that the Court enter an order, pursuant to 8 *Del. C.* § 205, as follows (the "Available Share Order" and together with the Validation, the "Section 205 Orders"):

1. No earlier than 90 days after the Court's entry of the Judgment, the Company may hold a stockholder vote to approve or not approve the issuance of awards with respect to the Available Shares. Any such vote will be subject to a "majority of the shares present and entitled to vote" standard. For the avoidance of any doubt, pursuant to this standard, abstentions will be counted as the functional equivalent of "no" votes and broker non-votes will not be considered in determining the outcome of the resolution, but will be counted for purposes of establishing a quorum.

2. The Company will not award any of the Available Shares pending a stockholder vote pursuant to this paragraph F (including its subparts) (which, until such approving vote and permitted use thereafter or termination of the 2011 Incentive Plan, shall be evidenced by an electronic reserve of approximately 7,845,630 shares solely for use pursuant to Amendment No. 1). If the shareholders do not approve the issuance of the awards with respect to the Available Shares, those shares shall be authorized but unissued shares and shall not be awarded under Amendment No. 1 or used for any other compensation purpose whatsoever.

3. If the Cheniere stockholders approve the issuance of the awards with respect to the Available Shares pursuant to this paragraph F (including its subparts), the Available Shares shall be valid for compensation use and may be awarded pursuant to the terms of the 2011 Plan; provided, however, that no more than 1 million of the Available Shares (subject to equitable adjustment) may be awarded to Mr. Charif Souki.

G. The Settlement is conditioned upon the fulfillment of each of the following events, and the "Effective Date" of the Settlement shall be the

first date by which all of the following events shall have occurred or have been waived:

- (i) the Judgment (defined below) is entered by the Court in the Consolidated Stockholder Action and the 205 Action without material alteration or, in the event of a material alteration, such alteration is consented to by the Parties;
- (ii) the Judgment becomes final; and
- (ii) the Consolidated Stockholder Action is dismissed with prejudice against all Defendants without the award of any damages, costs, fees or the grant of further relief except for the payments contemplated by the Stipulation.

WHAT ARE PLAINTIFFS' REASONS FOR THE SETTLEMENT?

36. Plaintiffs and Plaintiffs' Lead Counsel thoroughly considered the facts and law underlying the claims asserted in the Consolidated Stockholder Action. Although Plaintiffs and Plaintiffs' Lead Counsel believe that the claims asserted have merit, the Court could have found, among other things, that (a) the stockholder vote taken on February 1, 2013 had approved the proposal made in Amendment No. 1 to increase the number of shares in the 2011 Plan share reserve by 25 million shares, (b) there were no misrepresentations in the December 31,

2012 proxy statement or in subsequent proxy statements concerning the voting standard for or the result of the vote taken on February 1, 2013, and/or (c) even if the Court had concluded that abstentions should have been counted as “no” votes in connection with the February 1, 2013 vote, equitable factors supported a declaration under *8 Del. C.* § 205 that any stock issued or to be issued pursuant to Amendment No. 1 was valid, and could have entered judgment for the Defendants dismissing Plaintiffs’ claims. Plaintiffs and Plaintiffs’ Lead Counsel also considered the expense and length of continued proceedings necessary to pursue the claims asserted through trial, as well as the uncertainty of appeals, and the fact that the relief provided for in the Settlement may not have been able to be achieved through judicial resolution.

37. As a result of the Settlement achieved herein, Plaintiffs and Plaintiffs’ Lead Counsel have obtained Defendants’ agreement: (i) to make certain restrictions on the use for compensation purposes of the 7.845 million Available Shares absent a new stockholder vote, which would be held under a voting standard of a majority of the shares present and entitled to vote; (ii) to make certain restrictions on the amount of stock Cheniere’s CEO could receive of the Available Shares in the event of stockholder approval; (iii) to modify the voting standard for all compensation-related votes over approximately the next eight years; (iv) to defer seeking stockholder approval for any more stock-based compensation until

2017, irrespective of the outcome of the vote on the 7.845 million Available Shares; and (v) that the Compensation Committee of the Company will be comprised exclusively of independent directors.

38. In light of the valuable benefits that Plaintiffs and Plaintiffs' Lead Counsel believe are provided to the Class, Cheniere and its stockholders under the Settlement, and on the basis of information available to them, including but not limited to publicly available information and the additional discovery described above, Plaintiffs and Plaintiffs' Lead Counsel have determined that the proposed Settlement is fair, reasonable and adequate to the Class, Cheniere and its stockholders. Plaintiffs and Plaintiffs' Lead Counsel believe that the Settlement provides substantial immediate benefits to the Class, Cheniere and its stockholders without the risk that continued litigation could result in obtaining similar or lesser relief after continued extensive and expensive litigation, including trial and the appeals that were likely to follow.

39. Defendants each has denied, and continues to deny, that he, she, or it committed any breach of duty or contract, was unjustly enriched, breached any other law, or engaged in any of the wrongful acts alleged in the Consolidated Stockholder Action, and expressly maintains that he, she, or it diligently and scrupulously complied with his, her, or its fiduciary and other legal duties, to the

extent such duties exist, and is entering into the Settlement solely to eliminate the burden, expense, and uncertainties inherent in further litigation.

WHEN AND WHERE WILL THE SETTLEMENT HEARING BE HELD? DO I HAVE A RIGHT TO APPEAR AT THE SETTLEMENT HEARING?

40. The Settlement Hearing shall be held on [date and time], in the New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801 to: (a) determine whether the temporary class action certification should be made final; (b) determine whether the Settlement should be approved by the Court as fair, reasonable, adequate and in the best interests of the Class, Cheniere and its stockholders pursuant to Court of Chancery Rules 23 and 23.1; (c) determine whether an Order and Final Judgment should be entered pursuant to the Stipulation; (d) consider Plaintiffs' Lead Counsel's application for an award of attorneys' fees and expenses (see paragraph 47 below); and (e) rule on such other matters as the Court may deem appropriate.

41. The Court reserves the right to adjourn the Settlement Hearing or any adjournment thereof, including the consideration of the application for attorneys' fees, without further notice of any kind other than oral announcement at the Settlement Hearing or any adjournment thereof.

42. The Court reserves the right to approve the Settlement at or after the Settlement Hearing with such modification(s) as may be consented to by the

Parties to the Stipulation and without further notice to the Class or Cheniere stockholders.

43. Any Class Member or Cheniere stockholder who held Cheniere stock at any point during the Class Period who objects to the Settlement, the Judgment to be entered in the Actions, and/or Plaintiffs' Lead Counsel's application for attorneys' fees, or who otherwise wishes to be heard, may appear in person or by his attorney at the Settlement Hearing and present evidence or argument that may be proper and relevant; provided, however, that, except for good cause shown, no person shall be heard and no papers, briefs, pleadings or other documents submitted by any person shall be considered by the Court unless not later than twenty (20) calendar days prior to the Settlement Hearing, *i.e.*, by _____, 2015, such person files with the Court and serves upon counsel listed below: (a) a written notice of intention to appear; (b) a statement of such person's objections to any matters before the Court; (c) documentation evidencing that the objector held Cheniere common stock during the Class Period; and (d) the grounds for such objections and the reasons that such person desires to appear and be heard, as well as all documents or writings such person desires the Court to consider. Such filings shall be served upon the following counsel:

Peter B. Andrews
Craig J. Springer
ANDREWS &
SPRINGER LLC

Stuart M. Grant
Cynthia A. Calder
Christine M. Mackintosh
GRANT &

Edward P. Welch
Edward B. Micheletti
Sarah R. Martin
SKADDEN, ARPS,

3801 Kennett Pike, Building C, Suite 305 Wilmington, Delaware 19807 Tel.: (302) 504-4957	EISENHOFER, P.A. 123 Justison Street Wilmington, Delaware 19801 Tel.: (302) 622-7000 Fax: (302) 622-7100	SLATE, MEAGHER & FLOM LLP One Rodney Square P.O. Box 636 Wilmington, Delaware 19899-0636 Tel.: (302) 651-3000 Fax: (302) 651-3001
<i>Attorneys for James B. Jones, Robert Maguire and Kayann Davidoff</i>	<i>Attorneys for Robert Shenker</i>	<i>Attorneys for Cheniere Energy, Inc.</i>
Lewis H. Lazarus Albert H. Manwaring, IV Brett M. McCartney MORRIS JAMES LLP 500 Delaware Avenue, Suite 1500 Wilmington, Delaware 19801-1494 Tel.: (302) 888-6800	David C. McBride Rolin P. Bissell Emily V. Burton YOUNG CONAWAY STARGATT & TAYLOR, LLP One Rodney Square 1000 North King Street Wilmington, Delaware 19801 Tel.: (302) 571-6600	David E. Ross SEITZ ROSS ARONSTAM & MORITZ LLP 100 S. West Street, Suite 400 Wilmington, Delaware 19801 (302) 576-1600
<i>Attorneys for Charif Souki, Meg A. Gentle, R. Keith Teague, Greg W. Rayford and Jean Abiteboul</i>	<i>Attorneys for Charif Souki, Vicky A. Bailey, G. Andrea Botta, Nuno Brandolini, Keith F. Carney, John M. Deutch, David I. Foley, Randy A. Foutch, Paul J. Hoenmans, David B. Kilpatrick and Walter L. Williams</i>	<i>Attorneys for H. Davis Thames</i>

and filed with the Register in Chancery, Court of Chancery in the State of
Delaware, 500 North King Street, Wilmington, Delaware 19801.

44. Unless the Court otherwise directs, no person shall be entitled to object to the approval of the Settlement, any judgment entered thereon, the adequacy of the representation of the Class and Cheniere stockholders by Plaintiffs and Plaintiffs' Lead Counsel, any award of attorneys' fees or expenses, or otherwise be heard, except by serving and filing a written objection and supporting papers and documents as prescribed above. Any person who fails to object in the manner described above shall be deemed to have waived the right to object (including any right of appeal) and shall be forever barred from raising such objection in this or any other action or proceeding. Any Class Member or Cheniere stockholder who does not object to the Settlement or the request by Plaintiffs' Lead Counsel for an award of attorneys' fees and expenses (described below) or to any other matter stated above need not do anything.

WHAT WILL HAPPEN IF THE SETTLEMENT IS APPROVED? WHAT CLAIMS WILL THE SETTLEMENT RELEASE?

45. If the Court determines that the Settlement, as provided for in the Stipulation, is fair, reasonable, adequate and in the best interests of Cheniere, its stockholders and the Class, the parties to the Actions will ask the Court to enter the Order and Final Judgment (the "Judgment"), which will, among other things:

- a. approve the Settlement as fair, reasonable, adequate and in the best interests of Cheniere, its stockholders and the Class and direct

- consummation of the Settlement in accordance with its terms and conditions;
- b. permanently certify the Class as a non-opt out class pursuant to Delaware Court of Chancery Rules 23(a), 23(b)(1), and 23(b)(2) and designate Plaintiffs in the Consolidated Stockholder Action as the class representatives with Plaintiffs' Lead Counsel as Class counsel;
 - c. determine that the requirements of the rules of the Court and due process have been satisfied in connection with this Notice;
 - d. dismiss the Actions with prejudice on the merits and grant the releases more fully described below in accordance with the terms and conditions of the Stipulation;
 - e. enter the Section 205 Orders;
 - f. permanently bar and enjoin Plaintiffs, Cheniere stockholders and all Class Members from instituting, commencing or prosecuting any of the Released Plaintiffs' Claims against any of the Released Defendant Persons (as defined below); and
 - g. award any attorneys' fees and expenses to Plaintiffs' Lead Counsel.
46. The Stipulation provides that upon Final Approval of the Settlement and in consideration of the benefits provided by the Settlement:

A. The Judgment shall, among other things, provide for the full and complete dismissal of the Consolidated Stockholder Action with prejudice and the Section 205 Orders.

B. Pursuant to the Judgment, upon the Effective Date of the Settlement, Plaintiffs, all other Class Members, Cheniere, and each and every other Cheniere stockholder who held stock at any time during the Class Period, on behalf of themselves and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever, settled, released, relinquished, and discharged all Released Plaintiffs' Claims (defined below) against any or all of the Released Defendant Persons (defined below), and shall forever be enjoined from prosecuting any or all of the Released Plaintiffs' Claims against any or all of the Released Defendant Persons.

"Released Plaintiffs' Claims" means any and all claims, demands, rights, actions, causes of action, liabilities, damages, losses, obligations, judgments, duties, suits, costs, expenses, matters and issues, including known claims and Unknown Claims (defined below), whether contingent or absolute, suspected or unsuspected, disclosed or undisclosed,

liquidated or unliquidated, matured or unmatured, accrued or unaccrued, apparent or unapparent, that are, have been, could have been, could now be, or in the future could, can or might be asserted in any court, tribunal or proceeding (including but not limited to any claims arising under federal, state, foreign or common law, including the federal securities laws and any state disclosure law), whether individual, direct, class, derivative, representative, legal, equitable, or any other type or in any other capacity, which have arisen, could have arisen, arise now or hereafter may arise out of, are based upon, relate in any way to, or involve, directly or indirectly: (1) the acts, events, facts, matters, transactions, occurrences, statements, representations, misrepresentations or omissions or any other matter whatsoever set forth in the allegations made by Plaintiffs in the Actions, including in the complaints filed in the Consolidated Stockholder Action or in the briefs filed in opposition to the Motion for Judgment in the 205 Action, and including without limitation those allegations concerning (i) compensation awarded or paid to any of the Company's officers, directors, employees or consultants (including stock-based awards and stock, restricted stock or options), (ii) the 2011 Plan (including the stockholder vote concerning the 2011 Plan), (iii) Amendment No. 1 (including the stockholder vote concerning

Amendment No. 1), (iv) Amendment No. 2, (v) the Amended Bylaws, (vi) the April 28, 2011 Proxy Statement, the December 31, 2012 Proxy Statement, the February 5, 2013 Form 8-K, the February 5, 2013 Form S-8, the April 28, 2014 Proxy Statement and/or the proxy statements issued by the Company on or about April 19, 2012 and April 26, 2013 (including any preliminary proxies), (vii) the 2014-2018 LTIP, and (viii) the disclosures made in connection with any of the foregoing (including the adequacy and completeness of such disclosures); or (2) the institution, prosecution, defense, settlement or resolution of the Actions or any action consolidated therein or any assertion made in any of the Actions. For the avoidance of doubt, Released Plaintiffs Claims shall include any and all claims arising out of, based upon, relating in any way to, or involving, directly or indirectly the compensation awarded or paid to any of the Company's officers, directors, employees or consultants (including stock-based awards and stock, restricted stock or options). Notwithstanding anything contained herein to the contrary: (1) nothing contained herein shall modify, release, or otherwise affect any vesting requirements or other terms and conditions of any awards or compensation paid or payable to any of the Individual Defendants or any present or former officer, director, employee or consultant of the Company, which shall be

unaffected by this Settlement and remain in full force and effect; and (2) the Released Plaintiffs' Claims shall not include: (i) any claims to enforce the Settlement; or (ii) any claims by Defendants against any insurer arising out of or related to the obligations of any insurer under any insurance policies applicable to the Actions; or (iii) any claims based on or arising out of the acts, events, facts matters, transactions, occurrences, statements, representations, misrepresentations or omissions or any matters whatsoever which occur after the Court of Chancery grants the Judgment.

"Released Defendant Persons" means the Defendants, any members of their immediate families, parent entities, controlling persons, affiliates and subsidiaries, insurers (except for claims by any Defendant against any insurer) and each and all of their respective past or present officers, directors, principals, representatives, employees, attorneys, advisors (including financial or investment advisors), consultants, accountants, agents, heirs, executors, trustees, general or limited partners or partnerships, limited liability companies, managers, joint ventures, personal or legal representatives, estates, administrators, predecessors, successors or assigns, in their capacities as such.

C. Pursuant to the Judgment, upon the Effective Date of the Settlement, Defendants, on behalf of themselves and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled, released, relinquished, and discharged all Released Defendants' Claims (defined below) against any or all of the Released Plaintiff Persons (defined below) and shall forever be enjoined from prosecuting any or all of the Released Defendants' Claims against any or all of the Released Plaintiff Persons.

"Released Defendants' Claims" means any and all claims, demands, rights, actions, causes of action, liabilities, damages, losses, obligations, judgments, duties, suits, costs, expenses, matters and issues, including known claims and Unknown Claims, whether contingent or absolute, suspected or unsuspected, disclosed or undisclosed, liquidated or unliquidated, matured or unmatured, accrued or unaccrued, apparent or unapparent, that have been, could have been, or in the future can or might be asserted in any court, tribunal or proceeding (including but not limited to any claims arising under federal, state, foreign or common law, including the federal securities laws and any state disclosure law) which have arisen, could have arisen, arise now or hereafter may arise out of or

are based upon the institution, prosecution, settlement or resolution of the Consolidated Stockholder Action or any action consolidated therein or any assertion made in any of the Actions; provided, however, that the Released Defendants' Claims shall not include (i) any claims to enforce the Settlement; or (ii) any claims by Defendants against any insurer arising out of or related to the obligations of any insurer under any insurance policies applicable to the Actions.

"Released Plaintiff Persons" means Plaintiffs, all other Class Members, and any members of their immediate families, parent entities, controlling persons, affiliates and subsidiaries, and each and all of their respective past or present officers, directors, principals, representatives, employees, attorneys, advisors (including financial or investment advisors), consultants, accountants, agents, heirs, executors, trustees, general or limited partners or partnerships, limited liability companies, managers, joint ventures, personal or legal representatives, estates, administrators, predecessors, successors or assigns, in their capacities as such.

D. Notwithstanding anything contained in the Stipulation to the contrary, nothing contained in the Stipulation shall constitute a release of any claims the Individual Defendants may have in their capacities as officers or

directors of the Company, not as stockholders, against the Company, or any claims for advancement or indemnification the Individual Defendants may have against the Company.

E. Plaintiffs and Defendants acknowledge, and each of the other Class Members and Cheniere stockholders by operation of law shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true by them with respect to the Released Plaintiffs' Claims and the Released Defendants' Claims, but that it is the intention of Plaintiffs and by operation of law the intention of the other Class Members and Cheniere stockholders with respect to the Released Plaintiffs' Claims, and the intention of Defendants with respect to the Released Defendants' Claims, to completely, fully, finally and forever compromise, settle, release, discharge, extinguish, and dismiss any and all Released Plaintiffs' Claims and Released Defendants' Claims respectively, known or unknown, suspected or unsuspected, contingent or absolute, accrued or unaccrued, apparent or unapparent, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. Plaintiffs and Defendants acknowledge, and the other Class Members and Cheniere stockholders by operation of law shall be deemed to have acknowledged,

that "Unknown Claims" (as defined below) are expressly included in the definition of "Released Plaintiffs' Claims" and "Released Defendants' Claims" and that such inclusion was expressly bargained for and was a key element of the Settlement and was relied upon by each and all of the Parties in entering into the Stipulation. "Unknown Claims" means (i) any claim that Cheniere, any Plaintiff, the other Class Members or the Cheniere stockholders do not know or suspect exists in his, her or its favor at the time of the release of the Released Plaintiffs' Claims as against the Released Defendant Persons, including without limitation those which, if known, might have affected the decision to enter into the Settlement; and (ii) any claim that any Defendant does not know or suspect exists in his, her or its favor at the time of the release of the Released Defendants' Claims as against the Released Plaintiff Persons, including without limitation those which, if known, might have affected the decision to enter into the Settlement.

F. The Settlement is intended to extinguish all of the Released Plaintiffs' Claims and all of the Released Defendants' Claims. Consistent with such intention, upon the Effective Date of the Settlement, Plaintiffs and Defendants, and the other Class Members and Cheniere stockholders shall waive and relinquish, to the fullest extent permitted by law, the provisions, rights and benefits of any state, federal, or foreign law or principle of

common law, which may have the effect of limiting the respective Released Plaintiffs' Claims and Released Defendant Claims. This shall include a waiver by Plaintiffs and Defendants, and the Class Members and Cheniere stockholders of any rights pursuant to Cal. Civ. Code § 1542 or any law of the United States or any state of the United States or territory of the United States, 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 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.

Plaintiffs and Defendants acknowledge, and the other Class Members and Cheniere stockholders shall be deemed by operation of the entry of the order and final judgment approving the Settlement to have acknowledged, that the foregoing waiver was separately bargained for, is an integral element of the Settlement, and was relied upon by each of the Parties in entering into the Settlement.

HOW WILL PLAINTIFFS' COUNSEL BE PAID?

47. Plaintiffs' Lead Counsel will apply to the Court for a collective award of attorneys' fees and expenses to Plaintiffs' Lead Counsel and all other legal

counsel who, at the direction and under the supervision of Plaintiffs' Lead Counsel, performed services on behalf of the Class and/or performed services derivatively on behalf of nominal defendant Cheniere in the Actions (collectively, "Plaintiffs' Counsel"). Plaintiffs' Lead Counsel's fee and expense application will not exceed \$ _____ in total. Defendants agree to the entitlement of Plaintiffs' Lead Counsel to a fee, but Defendants reserve the right to oppose the amount of the award sought by Plaintiffs' Lead Counsel's application to the Court. Any attorneys' fees and expenses awarded by the Court to any Plaintiffs' Counsel shall be paid by the Company, its successors in interest, and/or its insurers.

48. Any failure of the Court to approve a request for attorneys' fees and expenses in whole or in part shall not affect the Settlement. No fees or expenses shall be paid to Plaintiffs' Lead Counsel pursuant to the Settlement in the absence of approval by the Court of the Settlement and entry of the Judgment. Class Members are not personally liable for any fees or expenses awarded by the Court and will not be required to make any payment of fees to Plaintiffs' Lead Counsel.

**NOTICE TO PERSONS OR ENTITIES HOLDING RECORD OWNERSHIP
ON BEHALF OF OTHERS**

49. Brokerage firms, banks and/or other persons or entities who held shares of the common stock of Cheniere during the period from and including March 2, 2011 to the Effective Date, for the benefit of others, are requested

promptly to send this Notice to all of their respective beneficial owners. If additional copies of the Notice are needed for forwarding to such beneficial owners, any requests for such copies may be made to [name of mailing agent].

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

50. The foregoing description of the Settlement Hearing, the Actions, the terms of the proposed Settlement and other matters described herein do not purport to be comprehensive. Accordingly, for more detailed information about the matters involved in the Actions, you are referred to the documents filed with the Court in the Actions. **PLEASE DO NOT WRITE OR CALL THE COURT.**

51. Inquiries or comments about the Settlement may be directed to the attention of Plaintiffs' Lead Counsel as follows:

Peter B. Andrews
Craig J. Springer
ANDREWS & SPRINGER LLC
3801 Kennett Pike, Building C,
Suite 305
Wilmington, Delaware 19807
Tel.: (302) 504-4957

Jeffrey W. Golan
Julie B. Palley
BARRACK, RODOS & BACINE
Two Commerce Square
2001 Market Street, Suite 3300
Philadelphia, Pennsylvania 19103
Tel.: (215) 963-0600

Stuart M. Grant
Cynthia A. Calder
Christine M. Mackintosh
GRANT & EISENHOFER, P.A.
123 Justison Street
Wilmington, Delaware 19801
Tel.: (302) 622-7000

Mark Lebovitch
Jeroen Van Kwawegen
BERNSTEIN LITOWITZ BERGER
& GROSSMANN LLP
1285 Avenue of the Americas, 38th Fl.
New York, New York 10019
Tel.: (212) 554-1400

Dated: []

BY ORDER OF THE COURT

/s/

Exhibit C

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

:
:
IN RE CHENIERE ENERGY, INC. : C.A. No. 9766-VCL
:
:
IN RE CHENIERE ENERGY, INC. : C.A. No. 9710-VCL
STOCKHOLDERS LITIGATION :
:

ORDER AND FINAL JUDGMENT

The Stipulation and Agreement of Compromise, Settlement and Release, dated December 12, 2014 (the "Stipulation"), of the above-captioned actions (the "Actions"), and the settlement contemplated thereby (the "Settlement") having been presented at the Settlement Hearing on [], 2015, pursuant to the Scheduling Order entered herein on [], 2014 (the "Scheduling Order"), which Stipulation was entered into between James B. Jones, Robert Maguire, Robert Shenker and Kayann Davidoff (collectively, the "Plaintiffs"), on behalf of themselves and the Class (as defined herein), and derivatively on behalf of Cheniere Energy, Inc. ("Cheniere" or the "Company"), and defendants Charif Souki, Vicky A. Bailey, G. Andrea Botta, Nuno Brandolini, Keith F. Carney, John M. Deutch, David I. Foley, Randy A. Foutch, Paul J. Hoenmans, David B. Kilpatrick, Walter L. Williams, H. Davis Thames, Meg A. Gentle, R. Keith Teague, Greg W.

Rayford and Jean Abiteboul (collectively, the "Individual Defendants") and Cheniere (together with the Individual Defendants, the "Defendants", and together with Plaintiffs, the "Parties") all by and through their undersigned attorneys; and the Court of Chancery of the State of Delaware (the "Court") having determined that notice of said hearing was given to the Class and Cheniere stockholders in accordance with the Scheduling Order and that said notice was adequate and sufficient; and the Parties having appeared by their attorneys of record; and the attorneys for the respective Parties having been heard in support of the Settlement of the Actions, and an opportunity to be heard having been given to all other persons desiring to be heard as provided in the notice; and the entire matter of the Settlement having been considered by the Court;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED, this _____ day of _____, 2015, as follows:¹

1. The Notice of Pendency of Class Action, Proposed Settlement And Settlement Hearing ("Notice") has been given to the Class (as defined below) and Cheniere stockholders pursuant to and in the manner directed by the Scheduling Order, proof of the mailing of the Notice has been filed with

¹ To the extent not otherwise defined in this Order, capitalized terms herein shall have the same definition as in the Stipulation.

the Court and a full opportunity to be heard has been offered to all parties to the Actions, the Class, Cheniere stockholders and persons in interest. The form and manner of the Notice is hereby determined to have been the best notice practicable under the circumstances and to have been given in full compliance with each of the requirements of Delaware Court of Chancery Rule 23 and Rule 23.1 and due process, and it is further determined that all members of the Class and Cheniere stockholders are bound by the Order and Final Judgment herein.

2. The Court hereby finds, pursuant to Delaware Court of Chancery Rule 23 and Rule 23.1, as follows:
 - a. Each of the provisions of Delaware Court of Chancery Rule 23.1 has been satisfied and the *In re Cheniere Energy, Inc. Stockholders Litigation*, Consolidated C.A. No. 9710-VCL (the “Consolidated Stockholder Action”) has been properly maintained according to the provisions of Delaware Court of Chancery Rule 23.1. Plaintiffs and their counsel have at all times adequately represented the interests of Cheniere and its stockholders with respect to the Consolidated Stockholder Action and the claims asserted therein.
 - b. That (i) the Class, as defined below, is so numerous that joinder of all members (“Class Members”) is impracticable, (ii) there are

questions of law and fact common to the Class, (iii) the claims of Plaintiffs are typical of the claims of the Class, and (iv) Plaintiffs and Plaintiffs' counsel have fairly and adequately protected the interests of the Class;

- c. that the requirements of Delaware Court of Chancery Rule 23 and Rule 23.1 have been satisfied;
- d. that the requirements of the Delaware Court of Chancery Rules and due process have been satisfied in connection with the Notice;
- e. that the Consolidated Stockholder Action is hereby certified as a non-opt out class action pursuant to Delaware Court of Chancery Rules 23(a), 23(b)(1) and (b)(2), defined as any and all record and beneficial owners of common stock of Cheniere, together with their successors, predecessors, representatives, trustees, executors, administrators, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under any of them, who held shares of Cheniere common stock at any time between and including March 2, 2011 and the Effective Date (the "Class Period"), but excluding Defendants and their immediate family members, any entity controlled by any of the Defendants and any successors in interest thereto (the "Class"); and
- f. that Plaintiffs are hereby certified as the Class representatives, and Plaintiffs' counsel as Lead Class Counsel.

3. The Settlement is found to be fair, reasonable and adequate and in the best interests of the Class, Cheniere and Cheniere stockholders, and it is hereby approved pursuant to Delaware Court of Chancery Rules 23 and 23.1. The Parties are hereby authorized and directed to comply with and to consummate the Settlement in accordance with its terms and provisions, and the Register in Chancery is directed to enter and docket this Order and Final Judgment in the Actions.

4. This Order and Final Judgment shall not constitute any evidence or admission by any of the Parties herein that any acts of wrongdoing have been committed by any of the Parties to the Actions and should not be deemed to create any inference that there is any liability therefor.

5. The Actions are hereby dismissed with prejudice in their entirety as to the Defendants and against Plaintiffs, Cheniere stockholders and all other Class Members on the merits and, except as provided in the Stipulation, without costs.

6. Plaintiffs, all other Class Members, Cheniere, and each and every other Cheniere stockholder who held stock at any time during the Class Period, on behalf of themselves and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, shall be deemed to have, and by operation of the Judgment shall have,

fully, finally, and forever, settled, released, relinquished, and discharged all Released Plaintiffs' Claims (defined below) against any or all of the Released Defendant Persons (defined below), and shall forever be enjoined from prosecuting any or all of the Released Plaintiffs' Claims against any or all of the Released Defendant Persons.

- a) "Released Plaintiffs' Claims" means any and all claims, demands, rights, actions, causes of action, liabilities, damages, losses, obligations, judgments, duties, suits, costs, expenses, matters and issues, including known claims and Unknown Claims (defined below), whether contingent or absolute, suspected or unsuspected, disclosed or undisclosed, liquidated or unliquidated, matured or unmatured, accrued or unaccrued, apparent or unapparent, that are, have been, could have been, could now be, or in the future could, can or might be asserted in any court, tribunal or proceeding (including but not limited to any claims arising under federal, state, foreign or common law, including the federal securities laws and any state disclosure law), whether individual, direct, class, derivative, representative, legal, equitable, or any other type or in any other capacity, which have arisen, could have arisen, arise now or hereafter may arise out of, are based upon, relate in any way to, or involve,

directly or indirectly: (1) the acts, events, facts, matters, transactions, occurrences, statements, representations, misrepresentations or omissions or any other matter whatsoever set forth in the allegations made by Plaintiffs in the Actions, including in the complaints filed in the Consolidated Stockholder Action or in the briefs filed in opposition to the Motion for Judgment in the 205 Action, and including without limitation those allegations concerning (i) compensation awarded or paid to any of the Company's officers, directors, employees or consultants (including stock-based awards and stock, restricted stock or options), (ii) the 2011 Plan (defined below) (including the stockholder vote concerning the 2011 Plan), (iii) Amendment No. 1 (including the stockholder vote concerning Amendment No. 1), (iv) Amendment No. 2, (v) the Amended Bylaws, (vi) the April 28, 2011 Proxy Statement, the December 31, 2012 Proxy Statement, the February 5, 2013 Form 8-K, the February 5, 2013 Form S-8, the April 28, 2014 Proxy Statement and/or the proxy statements issued by the Company on or about April 19, 2012 and April 26, 2013 (including any preliminary proxies), (vii) the 2014-2018 LTIP, and (viii) the disclosures made in connection with any of the foregoing (including the adequacy and completeness of such

disclosures); or (2) the institution, prosecution, defense, settlement or resolution of the Actions or any action consolidated therein or any assertion made in any of the Actions. For the avoidance of doubt, Released Plaintiffs Claims shall include any and all claims arising out of, based upon, relating in any way to, or involving, directly or indirectly the compensation awarded or paid to any of the Company's officers, directors, employees or consultants (including stock-based awards and stock, restricted stock or options). Notwithstanding anything contained herein to the contrary: (1) nothing contained herein shall modify, release, or otherwise affect any vesting requirements or other terms and conditions of any awards or compensation paid or payable to any of the Individual Defendants or any present or former officer, director, employee or consultant of the Company, which shall be unaffected by this Settlement and remain in full force and effect; and (2) the Released Plaintiffs' Claims shall not include: (i) any claims to enforce the Settlement; or (ii) any claims by Defendants against any insurer arising out of or related to the obligations of any insurer under any insurance policies applicable to the Actions; or (iii) any claims based on or arising out of the acts, events, facts matters, transactions, occurrences, statements,

representations, misrepresentations or omissions or any matters

whatsoever which occur after the date of this Order.

b) "Released Defendant Persons" means the Defendants, any members of their immediate families, parent entities, controlling persons, affiliates and subsidiaries, insurers (except for claims by any Defendant against any insurer) and each and all of their respective past or present officers, directors, principals, representatives, employees, attorneys, advisors (including financial or investment advisors), consultants, accountants, agents, heirs, executors, trustees, general or limited partners or partnerships, limited liability companies, managers, joint ventures, personal or legal representatives, estates, administrators, predecessors, successors or assigns, in their capacities as such.

7. Defendants, on behalf of themselves and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled, released, relinquished, and discharged all Released Defendants' Claims (defined below) against any or all of the Released Plaintiff Persons (defined below) and shall forever be enjoined from prosecuting any or all of the Released Defendants' Claims against any or all of the Released Plaintiff Persons.

a) “Released Defendants’ Claims” means any and all claims, demands, rights, actions, causes of action, liabilities, damages, losses, obligations, judgments, duties, suits, costs, expenses, matters and issues, including known claims and Unknown Claims, whether contingent or absolute, suspected or unsuspected, disclosed or undisclosed, liquidated or unliquidated, matured or unmatured, accrued or unaccrued, apparent or unapparent, that have been, could have been, or in the future can or might be asserted in any court, tribunal or proceeding (including but not limited to any claims arising under federal, state, foreign or common law, including the federal securities laws and any state disclosure law) which have arisen, could have arisen, arise now or hereafter may arise out of or are based upon the institution, prosecution, settlement or resolution of the Consolidated Stockholder Action or any action consolidated therein or any assertion made in any of the Actions; provided, however, that the Released Defendants’ Claims shall not include (i) any claims to enforce the Settlement; or (ii) any claims by Defendants against any insurer arising out of or related to the obligations of any insurer under any insurance policies applicable to the Actions.

b) "Released Plaintiff Persons" means Plaintiffs, all other Class Members, and any members of their immediate families, parent entities, controlling persons, affiliates and subsidiaries, and each and all of their respective past or present officers, directors, principals, representatives, employees, attorneys, advisors (including financial or investment advisors), consultants, accountants, agents, heirs, executors, trustees, general or limited partners or partnerships, limited liability companies, managers, joint ventures, personal or legal representatives, estates, administrators, predecessors, successors or assigns, in their capacities as such.

8. The Released Plaintiffs' Claims and Released Defendants' Claims contemplated by this Order extend to "Unknown Claims," which means (i) any claim that Cheniere, any Plaintiff, the other Class Members or Cheniere stockholders do not know or suspect exists in his, her or its favor at the time of the release of the Released Plaintiffs' Claims as against the Released Defendant Persons, including without limitation those which, if known, might have affected the decision to enter into the Settlement; and (ii) any claim that any Defendant does not know or suspect exists in his, her or its favor at the time of the release of the Released Defendants' Claims as against the Released Plaintiff Persons, including without limitation those

which, if known, might have affected the decision to enter into the Settlement. Plaintiffs and Defendants acknowledge, and the other Class Members and Cheniere stockholders by operation of law shall be deemed to have acknowledged, that "Unknown Claims" are expressly included in the definition of "Released Plaintiffs' Claims" and "Released Defendants' Claims" and that such inclusion was expressly bargained for and was a key element of the Settlement and was relied upon by each and all of the Parties in entering into this Stipulation. Plaintiffs and Defendants, and the other Class Members and Cheniere stockholders, shall be deemed to waive, and shall waive and relinquish to the fullest extent permitted by law, any and all provisions, rights and benefits conferred by any law of the United States or any state or territory of the United States, or principle of common law, or any other law, which governs or limits a person's release of unknown claims; further that (i) the Plaintiffs and Defendants, and the other Class Members and Cheniere stockholders shall be deemed to waive, and shall waive and relinquish, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code which provides as follows:

**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**

(ii) Plaintiffs and Defendants and the other Class Members and Cheniere stockholders also shall be deemed to waive any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, or any other law, which is similar, comparable or equivalent to California Civil Code § 1542; and (iii) Plaintiffs and Defendants acknowledge, and each of the other Class Members and Cheniere stockholders by operation of law shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true by them with respect to the Released Plaintiffs' Claims and the Released Defendants' Claims, but that it is the intention of Plaintiffs and by operation of law the intention of the other Class Members and Cheniere stockholders with respect to the Released Plaintiffs' Claims, and the intention of Defendants with respect to the Released Defendants' Claims, to completely, fully, finally and forever compromise, settle, release, discharge, extinguish, and dismiss any and all Released Plaintiffs' Claims and Released Defendants' Claims respectively, known or unknown, suspected or unsuspected, contingent or absolute, accrued or unaccrued, apparent or unapparent, which now exist, or heretofore existed,

or may hereafter exist, and without regard to the subsequent discovery of additional or different facts.

9. Notwithstanding anything contained herein or in the Stipulation to the contrary, nothing contained herein or in the Stipulation shall constitute a release of claims that the Individual Defendants may have in their capacities as officers or directors of the Company, not as stockholders, against the Company, or any claims for advancement or indemnification the Individual Defendants may have against the Company.

10. Plaintiffs' Counsel are hereby awarded attorneys' fees in the amount of \$_____, inclusive of expenses, which amount the Court finds to be fair and reasonable and which shall be paid to Barrack, Rodos & Bacine in accordance with the terms of the Stipulation.

Pursuant to *8 Del. C. § 205*, IT IS FURTHER HEREBY ORDERED, ADJUDGED AND DECREED, as follows (the "205 Order"):

1. As of October 7, 2014, Cheniere had granted to officers, directors, employees and consultants of the Company pursuant to the Cheniere Energy, Inc. 2011 Incentive Plan (the "2011 Plan") (including Amendment No. 1 to the 2011 Plan) awards with respect to approximately 27,154,370 shares (subject to equitable adjustment in accordance with the terms of the 2011 Plan), which awards either had vested or were outstanding

subject to vesting conditions (the "Existing Awards"). The Existing Awards (whether vested or unvested, provided however that all unvested shares shall remain subject to the terms of the award agreements) and all common stock issued or to be issued in connection with the Existing Awards are hereby declared to be valid and effective. Current holders of Existing Awards are entitled to ownership of such shares (subject to the terms and conditions of any award agreements, including any outstanding requirements for vesting).

2. No earlier than 90 days after the entry of this Order, the Company may hold a stockholder vote to approve or not approve the issuance of awards with respect to the Available Shares. Any such vote will be subject to a "majority of the shares present and entitled to vote" standard. For the avoidance of any doubt, pursuant to this standard, abstentions will be counted as the functional equivalent of "no" votes and broker non-votes will not be considered in determining the outcome of the resolution, but will be counted for purposes of establishing a quorum.

3. As of October 7, 2014, approximately 7,845,630 shares (subject to equitable adjustment in accordance with the terms of the 2011 Plan) of the 25 million shares listed with the NYSE MKT LLC and registered with the SEC subject to Amendment No. 1 either had not been awarded or had again become available for grant following the forfeiture or lapse of awards (the

"Available Shares"). The Company will not award any of the Available Shares pending a stockholder vote pursuant to this Section 205 Order and Paragraph 1.F. of the Stipulation (including its subparts) (which, until such approving vote and permitted use thereafter or termination of the 2011 Plan, shall be evidenced by an electronic reserve of approximately [7,845,630] shares solely for use pursuant to Amendment No. 1). If the stockholders do not approve the issuance of the awards with respect to the Available Shares, those shares shall be authorized but unissued shares and shall not be awarded under Amendment No. 1 or used for any other compensation purpose whatsoever.

4. If the Cheniere stockholders approve the issuance of the awards with respect to the Available Shares pursuant to this Section 205 Order and Paragraph 1.F. of the Stipulation (including its subparts), the Available Shares shall be valid for compensation use and may be awarded pursuant to the terms of the 2011 Plan; provided, however, that no more than 1 million of the Available Shares (subject to equitable adjustment) may be awarded to Mr. Charif Souki.

5. As set forth in the Stipulation, except as permitted by paragraph 1.F. of the Stipulation (and subject to the following sentence), prior to January 1, 2017, Cheniere will not award stock-based compensation to

Company executives, directors or consultants other than to the extent stockholders have already approved such compensation or such compensation was subject to the validation set forth above. Notwithstanding the foregoing, authorized stock (unissued or treasury), other than the Available Shares, may be used to compensate new employees (inclusive of individuals who had a bona fide period of non-employment with the Company) without violating the preceding sentence; and a cash pay award (bonus, incentive, etc.) tied to the performance of the Company's stock shall not constitute stock-based compensation.

Vice Chancellor Laster