



MAX+SCHWARTZ

+ Via ECF +

May 20, 2019

The Honorable Vince Chhabria
United States District Court
San Francisco Courthouse,
Courtroom 4, 17th Floor
450 Golden Gate Avenue
San Francisco, CA 94102

Re: *In re SanDisk LLC Securities Litigation*,
No. 3:15-cv-01455-VC (N.D. Cal.)

Dear Judge Chhabria:

We are counsel for the Class, and write on behalf of all Parties in the Action in response to the Court's directions at the May 16, 2019 telephonic hearing on the Motion for Preliminary Approval of the Proposed Settlement.

Specifically, at that hearing, the Court directed the Parties to revise the stipulation of settlement in two respects:

- (1) to clarify that the Released Claims (as defined in the Stipulation) are only those claims with an identical factual predicate to those at issue in the Action; and
- (2) to clarify that the Stipulation applies to all of the actions that were consolidated into this Action (including the *Bowers* and *Sterling Heights* actions).

The Parties have made the revisions the Court required.

Accordingly, the Parties are submitting herewith the Revised Stipulation (attached hereto as Exhibit I) that they have executed, which replaces the original Stipulation dated May 6, 2019, and which will be the operative stipulation under the settlement. To aid the Court's review, the Parties are also submitting herewith a redline version of the Revised Stipulation (attached hereto as Exhibit II), which shows the revisions compared to the original May 6 stipulation. The revisions are on pages 2, 5-6 and 10.

Additionally, the Parties are submitting herewith a revised draft of the Notice (attached hereto as Exhibit III), which simply tracks the foregoing changes to the Revised Stipulation. Again, they are also submitting a redline version of the revised Notice (attached hereto as Exhibit IV), which shows the revisions compared to the original May 6 notice. The revisions are on pages 4-5 and 9.

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At the May 16 hearing, the Court stated that, with these revisions, it would grant the Motion for Preliminary Approval. The Parties respectfully submit that the Revised Stipulation satisfies the Court's directive, that the revised Notice conforms to the Revised Stipulation, and that the other papers submitted with the Motion for Preliminary Approval do not require further modification based on the revisions to the Stipulation. For the reasons set forth in the previously submitted preliminary approval papers, the Parties therefore respectfully ask that the Court grant the Motion for Preliminary Approval, with the exception of Exhibit 1 (the initial stipulation), which is replaced with this Revised Stipulation, and Exhibit 1-A-1 (the initial notice), which is replaced with this revised Notice.

Should the Court have any questions, we are available at your convenience.

Respectfully,
SCOTT+SCOTT ATTORNEYS AT LAW LLP

/s/ Max Schwartz

EXHIBIT I

1 DEBORAH CLARK-WEINTRAUB (*pro hac vice*)
 MAX R. SCHWARTZ (*pro hac vice*)
 2 **SCOTT+SCOTT ATTORNEYS AT LAW LLP**
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 3 230 Park Avenue, 17th Floor
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6 *Attorneys for Class Representatives and the Class*

7 [Additional counsel listed on signature page.]

8
 9 **UNITED STATES DISTRICT COURT**
NORTHERN DISTRICT OF CALIFORNIA
 10 **SAN FRANCISCO DIVISION**

11 IN RE: SANDISK LLC SECURITIES
LITIGATION

Case No. 3:15-cv-01455-VC

Hon. Vince Chhabria

13 **REVISED STIPULATION AND**
 14 **AGREEMENT OF SETTLEMENT**

15
 16 This stipulation and agreement of settlement (the “Stipulation”) is made and entered into
 17 by and between: (a) City of Bristol Pension Fund (“Bristol”); City of Milford, Connecticut
 18 Pension & Retirement Board (“Milford”); Pavers and Road Builders Pension, Annuity and
 19 Welfare Funds (“Pavers and Road Builders Benefit Funds”); City of Newport News Employees’
 20 Retirement Fund (“NNERF”); and Massachusetts Laborers’ Pension Fund (“Massachusetts
 21 Laborers,” together with Bristol, Milford, Pavers and Road Builders Benefit Funds, and NNERF,
 22 the “Class Representatives” or “Lead Plaintiffs”), on behalf of themselves and each of the
 23 members of the certified Class (defined below), on the one hand; and (b) SanDisk Corporation
 24 (n/k/a “SanDisk LLC” and owned by Western Digital, referred to herein as “SanDisk” or the
 25 “Company”), Sanjay Mehrotra (“Mehrotra”), and Judy Bruner (“Bruner,” together, with
 26 Mehrotra, the “Individual Defendants” and, with SanDisk as well, the “Defendants”), on the other
 27 hand, by and through their counsel of record in the above-captioned litigation pending in the
 28 United States District Court for the Northern District of California (the “Court”). This Stipulation

1 is intended by the parties to fully, finally, and forever resolve, discharge, and settle the Released
2 Claims and Released Defendants' Claims (both defined below) upon and subject to the terms and
3 conditions hereof and subject to the Court's approval.

4 **WHEREAS:**

5 A. All words or terms used herein that are capitalized shall have the meaning ascribed
6 to those words or terms as set forth herein and in ¶1 hereof, entitled "Definitions."

7 B. On March 30, 2015, a class action complaint was filed in the Court, captioned
8 *Glore v. SanDisk Corp.*, No. 3:15-cv-01455-VC. Two subsequently filed complaints – *Bowers*
9 *v. SanDisk Corp.*, No. 3:15-cv-02050-VC, and *City of Sterling Heights General Employees'*
10 *Retirement System v. SanDisk Corp.*, No. 3:15-cv-02358-VC – were consolidated into the *Glore*
11 action by orders dated May 27, 2015 and July 15, 2015. By order dated July 27, 2017, the caption
12 in the consolidated action was changed to *In re: SanDisk LLC Securities Litigation*.¹

13 C. Although another group of investors was initially appointed as lead plaintiffs, at
14 the Court's invitation, the Class Representatives filed a motion on February 2, 2016, seeking
15 reconsideration of the Court's prior order appointing lead plaintiffs. On February 22, 2016, the
16 Court granted the Class Representatives' motion, appointing them Lead Plaintiffs and appointing
17 Scott+Scott Attorneys at Law LLP as Lead Counsel.

18 D. Lead Plaintiffs filed an Amended Consolidated Class Action Complaint for
19 Violations of the Federal Securities Laws on March 23, 2016 (ECF No. 129); and a Second
20 Amended Consolidated Class Action Complaint for Violations of the Federal Securities Laws on
21 July 15, 2016 (ECF No. 148) ("SAC"). On June 22, 2017, the Court entered an order denying
22 Defendants' motion to dismiss the SAC. The SAC is the operative complaint in this Action and
23 it alleges that Defendants fraudulently misrepresented the condition and prospects of SanDisk's
24 enterprise business, including the then-recently acquired Fusion-io business unit, in violation of
25 §§10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated
26 thereunder.

27 _____
28 ¹ Prior to changing the caption for this consolidated action to *In re SanDisk Securities Litigation*, the caption for this consolidated action was briefly *Union Asset Management Holding AG, et al. v. SanDisk LLC, et al.*, reflecting the name of the initial lead plaintiff.

1 E. The parties completed comprehensive class, fact, and expert discovery in the
2 Action during which the Class Representatives analyzed over 160,000 documents produced by
3 Defendants. In addition, the Class Representatives took a total of 12 fact and expert depositions.
4 The Class Representatives sat for Rule 30(b)(6) depositions, and Lead Counsel twice defended
5 the deposition of the Class' expert on causation and damages, once in connection with class
6 certification proceedings and later on merits issues.

7 F. On September 4, 2018, the Court granted Lead Plaintiffs' motion to certify the
8 Action as a class action, certifying a Class consisting of all persons and entities who purchased
9 or otherwise acquired SanDisk's publicly traded common stock during the period from October
10 16, 2014, through April 15, 2015, inclusive, and were damaged thereby, with certain exclusions.

11 G. Pursuant to an order entered December 13, 2018, beginning on January 9, 2019,
12 the Notice of Pendency of Class Action (the "Class Notice") was mailed to potential Class
13 Members, and the Summary Notice of Pendency of Class Action was published in *Investor's*
14 *Business Daily* and transmitted over the *PR Newswire* on January 21, 2019. The Class Notice
15 provided Class Members with the opportunity to request exclusion from the Class, explained that
16 right, and set forth the deadline and procedures for doing so. The Class Notice informed Class
17 Members that if they chose to remain a member of the Class, they would "be bound by all
18 determinations, orders, and judgments in this Action, whether favorable or unfavorable." The
19 deadline for requesting exclusion from the Class pursuant to the Class Notice was February 28,
20 2019.

21 H. Following the completion of fact discovery and the exchange of expert reports, the
22 parties engaged the Honorable Layn R. Phillips (Ret.) ("Judge Phillips"), a well-respected and
23 highly experienced mediator and former federal judge, to assist them in exploring a potential
24 negotiated resolution of the claims in the Action. Following an exchange of mediation statements
25 and exhibits, on October 29, 2018, the Parties met with Judge Phillips in an attempt to reach a
26 settlement in a full-day mediation. The mediation did not result in a settlement of the Action, but
27 Judge Phillips continued his efforts to facilitate discussions among the parties.

28

1 I. On January 17, 2019, Defendants moved for summary judgment and to exclude
2 the opinions of Class Representatives' loss causation and damages expert, Chad Coffman. Class
3 Representatives filed their opposition papers on February 28, 2019, and also moved to exclude
4 the opinions of Defendants' loss causation expert Daniel R. Fischel.

5 J. Before Defendants filed their reply papers in support of summary judgment, the
6 parties attended a second in-person mediation with Judge Phillips on March 8, 2019, which
7 resulted in an agreement-in-principle to settle the Action for \$50,000,000 and entered into a
8 Memorandum of Understanding. This Stipulation (together with the exhibits hereto) constitutes
9 the final agreement between the parties.

10 K. Defendants have denied, and continue to deny, any wrongdoing or that they have
11 committed any act or omission giving rise to any liability or violation of law, including the U.S.
12 securities laws. Defendants have denied, and continue to deny, each and every one of the claims
13 alleged by Class Representatives in the Action, including all claims in the complaints filed in the
14 Action. Defendants also have denied, and continue to deny, *inter alia*, the allegations that Class
15 Representatives or Class Members have suffered damage or were otherwise harmed by the
16 conduct alleged in the Action. Defendants have asserted, and continue to assert, that, at all times,
17 they acted in good faith and in a manner they reasonably believed to be in accordance with all
18 applicable rules, regulations, and laws. Nonetheless, Defendants have determined that it is
19 desirable and beneficial to them that the Action be settled in the manner and upon the terms and
20 conditions set forth in this Stipulation to avoid the further expense, inconvenience, and burden of
21 this Action, the distraction and diversion of personnel and resources, and to obtain the conclusive
22 and complete dismissal and/or release of this Action and Released Claims.

23 L. The Stipulation, whether or not consummated, any proceedings relating to any
24 settlement, or any of the terms of any settlement, whether or not consummated, shall in no event
25 be construed as, or deemed to be evidence of, an admission or concession on the part of the
26 Defendants, or any of them, with respect to any fact or matter alleged in the Action, or any claim
27 of fault or liability or wrongdoing or damage whatsoever, or any infirmity in any claim or defense
28

1 that has been or could have been asserted. Each Defendant reserves all defenses to any claims
2 that may be filed by any individual or entity that has sought, or seeks, exclusion from the Class.

3 M. Class Representatives believe that the claims asserted in the Action have merit and
4 that the evidence developed to date supports the claims asserted. However, Class Representatives
5 and Class Counsel recognize and acknowledge the expense and length of continued proceedings
6 necessary to prosecute the Action through trial (and any possible appeals). Class Representatives
7 and Class Counsel also have taken into account the uncertain outcome and risk of any litigation,
8 especially in complex actions, such as the Action, as well as the difficulties and delays inherent
9 in such litigation. Class Counsel also are mindful of the inherent problems of proof and the
10 possible defenses to the claims alleged in the Action. Based on their evaluation, Class
11 Representatives and Class Counsel believe that the Settlement set forth in this Stipulation confers
12 substantial monetary benefits upon the Class and is in the best interests of the Class.

13 **NOW THEREFORE**, without any concession by Class Representatives that the Action
14 lacks merit, and without any concession by the Defendants of any liability or wrongdoing or lack
15 of merit in their defenses, it is hereby **STIPULATED AND AGREED**, by and among the parties
16 to this Stipulation (“Parties”), through their respective attorneys, subject to approval by the Court
17 pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, that, in consideration of the
18 benefits flowing to the Parties hereto, all Released Claims and all Released Defendants’ Claims,
19 as against all Released Parties, shall be fully, finally, and forever compromised, settled, released,
20 discharged, and dismissed with prejudice, and without costs (except as provided in the
21 Stipulation), upon and subject to the following terms and conditions:

22 **DEFINITIONS**

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

26 (a) “Action” means the civil action captioned *In re: SanDisk LLC Securities*
27 *Litigation*, No. 3:15-cv-01455-VC (N.D. Cal.), pending in the United States District Court
28 for the Northern District of California before the Honorable Vince Chhabria. For the

1 avoidance of doubt, the Action includes all of the actions that were consolidated into this
2 Action, as set forth in Paragraph B above, specifically, the *Glore* action (now captioned
3 *In re: SanDisk LLC Securities Litigation*), the *Bower* action, and the *City of Sterling*
4 *Heights* action.

5 (b) “Alternative Judgment” means a form of final judgment that may be
6 entered by the Court, but in a form other than the form of Judgment (defined below)
7 provided for in this Stipulation and where none of the Parties hereto elects to terminate
8 the Settlement (defined below) by reason of such variance.

9 (c) “Authorized Claimant” means a Class Member (defined below) whose
10 claim for recovery from the Settlement has been allowed pursuant to the terms of the
11 Stipulation and Court-approved Plan of Allocation (defined below).

12 (d) “Claims Administrator” means the firm Epiq Class Action & Claims
13 Solutions, Inc. retained, subject to Court approval, to provide all notices approved by the
14 Court to Class Members, process proofs of claim, and administer the Settlement.

15 (e) “Class” means all persons and entities who purchased or otherwise
16 acquired publicly traded shares of common stock of SanDisk Corporation from October
17 16, 2014, through April 15, 2015, inclusive, and were damaged thereby. Excluded from
18 the Class, by definition, are: Defendants and their immediate family members; the officers
19 and directors of the Company during the Class Period and their immediate family
20 members; any entity in which Defendants have, or had, a controlling interest; any person
21 or entity that timely and validly sought exclusion from the Class in connection with the
22 Class Notice (defined above) previously disseminated, who does not opt back into the
23 Class; any person or entity that seeks exclusion by timely submitting a valid request for
24 exclusion in connection with the Settlement Notice (defined below); and the legal
25 representatives, heirs, successors, assigns, or affiliates of any excluded person. Also
26 excluded from the Class are those who had: (a) sold all of their SanDisk stock prior to the
27 first alleged corrective disclosure on March 26, 2015; and (b) made no subsequent
28 purchases between March 26, 2015, and April 15, 2015.

1 (f) “Class Counsel” means the law firm of Scott+Scott Attorneys at Law LLP.

2 (g) “Class Member” means any person or entity that meets the definition of
3 the Class.

4 (h) “Class Notice” means the Notice of Pendency of the Action previously
5 authorized by order of the Court, which was mailed to Class Members beginning on
6 January 9, 2019.

7 (i) “Class Period” means the period from October 16, 2014, through April 15,
8 2015, inclusive.

9 (j) “Class Representatives” means City of Bristol Pension Fund; City of
10 Milford, Connecticut Pension & Retirement Board; Pavers and Road Builders Pension,
11 Annuity and Welfare Funds; City of Newport News Employees’ Retirement Fund; and
12 Massachusetts Laborers’ Pension Fund.

13 (k) “Defendants” means SanDisk Corporation (n/k/a SanDisk LLC and owned
14 by Western Digital), Sanjay Mehrotra, and Judy Bruner.

15 (l) “Defendants’ Counsel” means the law firm of Wilson, Sonsini, Goodrich
16 & Rosati Professional Corporation.

17 (m) “Effective Date” means the date upon which the Settlement shall have
18 become effective, as set forth in ¶37 below.

19 (n) “Escrow Account” means the separate escrow account maintained at
20 Huntington National Bank into which the Settlement Amount will be deposited for the
21 benefit of the Class.

22 (o) “Escrow Agent” means Huntington National Bank.

23 (p) “Fee and Expense Application” means Class Counsel’s application, on
24 behalf of Plaintiffs’ Counsel (defined below), for an award of attorneys’ fees and payment
25 of litigation expenses incurred in prosecuting the case, including reimbursement of any
26 expenses of Class Representatives pursuant to 15 U.S.C. §78u-4(a)(4) of the Private
27 Securities Litigation Reform Act of 1995 (“PSLRA”).

28

1 (q) “Final,” with respect to a court order, means the later of: (i) if there is an
2 appeal from a court order, the date of final affirmance on appeal and the expiration of the
3 time for any further judicial review whether by appeal, reconsideration, or a petition for a
4 *writ of certiorari* and, if *certiorari* is granted, the date of final affirmance of the order
5 following review pursuant to the grant; (ii) the date of final dismissal of any appeal from
6 the order or the final dismissal of any proceeding on *certiorari* to review the order; or (iii)
7 the expiration of the time for the filing or noticing of any appeal or petition for *certiorari*
8 from the order (or, if the date for taking an appeal or seeking review of the order shall be
9 extended beyond this time by order of the issuing court, by operation of law or otherwise,
10 or if such extension is requested, the date of expiration of any extension if any appeal or
11 review is not sought), without any such filing or noticing being made. However, any
12 appeal or proceeding seeking subsequent judicial review pertaining solely to the Plan of
13 Allocation, or to the Court’s award of attorneys’ fees or expenses, shall not in any way
14 delay or affect the time set forth above for the Judgment or Alternative Judgment to
15 become Final or otherwise preclude the Judgment or Alternative Judgment from becoming
16 Final.

17 (r) “Individual Defendants” means Sanjay Mehrotra and Judy Bruner.

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

20 (t) “Mediator” means Honorable Layn R. Phillips (Ret.).

21 (u) “Net Settlement Fund” means the Settlement Fund (defined below) less:
22 (i) Court-awarded attorneys’ fees and expenses; (ii) Notice and Administration Expenses
23 (defined below); (iii) Taxes (defined below); and (iv) any other fees or expenses approved
24 by the Court.

25 (v) “Notice and Administration Expenses” means all costs, fees, and expenses
26 incurred in connection with providing notice to the Class and the administration of the
27 Settlement, including, but not limited to: (i) providing Class Notice and the Settlement by
28 mail, publication, and other means to Class Members; (ii) receiving and reviewing claims;

1 (iii) applying the Plan of Allocation; (iv) communicating with Persons (defined below)
2 regarding the Settlement and claims administration process; (v) distributing the proceeds
3 of the Settlement; and (vi) fees related to the Escrow Account and investment of the
4 Settlement Fund.

5 (w) “Person(s)” means any individual, corporation (including all divisions and
6 subsidiaries), general or limited partnership, association, joint stock company, joint
7 venture, limited liability company, professional corporation, estate, legal representative,
8 trust, unincorporated association, government or any political subdivision or agency
9 thereof, and any other business or legal entity.

10 (x) “Plaintiffs’ Counsel” means Scott+Scott Attorneys at Law LLP, Labaton
11 Sucharow LLP, and Cohen Milstein Sellers & Toll PLLC, as well as additional counsel
12 that assisted certain Class Representatives, the Thornton Law Firm and The Corrente Law
13 Corporation.

14 (y) “Plan of Allocation” means the Plan of Allocation for the Net Settlement
15 Fund, which shall be substantially in the form described in the Settlement Notice or any
16 other plan of distributing the Net Settlement Fund, as shall be approved by the Court.

17 (z) “Preliminary Approval Order” means the proposed Order Granting
18 Preliminary Approval of Class Action Settlement, Approving Form and Manner of Notice,
19 and Setting Date for Hearing on Final Approval of Settlement, substantially in the form
20 attached hereto as Exhibit A.

21 (aa) “Proof of Claim” or “Claim Form” means the Proof of Claim and Release
22 form for submitting a claim, which shall be substantially in the form attached as Exhibit
23 A-2 hereto.

24 (bb) “Released Claims” means all claims, demands, losses, rights, and causes
25 of action of any nature whatsoever that have been, or could have been, asserted in the
26 Action or could in the future be asserted in any forum, whether foreign or domestic,
27 whether arising under federal, state, common, or foreign law, by Class Representatives,
28 any member of the Class, or their successors, assigns, executors, administrators,

1 representatives, attorneys, and agents, in their capacities as such, whether brought directly
2 or indirectly against any of the Released Defendants' Parties (defined below), which both:
3 (a) arise out of, are based on, or relate in any way to any of the allegations, acts,
4 transactions, facts, events, matters, occurrences, representations, or omissions involved
5 that are set forth, alleged, or referred to in the Action, or which could have been alleged
6 in the Action; and (b) arise out of, are based on, or relate to the purchase or acquisition of
7 any SanDisk common stock. This means that the Released Claims are only those claims
8 that are based on the identical factual predicate as the securities fraud claims at issue in
9 the Action. Released Claims do not include claims to enforce this Settlement.

10 (cc) "Released Defendants' Claims" means all claims, demands, losses, rights,
11 and causes of action of any nature whatsoever by the Released Defendants' Parties or any
12 of them against Class Representatives, members of the Class, or Plaintiffs' Counsel, which
13 arise out, or relate in any way to, the institution, prosecution, assertion, settlement, or
14 resolution of the Action (except for claims to enforce this Settlement).

15 (dd) "Released Defendants' Parties" means: (i) each Defendant; (ii) each of
16 their respective family members (for individuals) and each of their direct or indirect parent
17 entities, subsidiaries, and related entities and affiliates (including Western Digital); and
18 (iii) for any of the entities listed in parts (i) or (ii), their respective past and present general
19 partners, limited partners, principals, shareholders, joint venturers, members, officers,
20 directors, managers, managing directors, supervisors, employees, contractors, consultants,
21 auditors, accountants, financial advisors, professional advisors, investment bankers,
22 representatives, insurers, trustees, trustors, agents, attorneys, professionals, predecessors,
23 successors, assigns, heirs, executors, administrators, and any controlling person thereof,
24 in their capacities as such.

25 (ee) "Released Parties" means the Released Defendants' Parties and Released
26 Plaintiffs' Parties (defined below).

27 (ff) "Released Plaintiffs' Parties" means: (i) Class Representatives and the
28 members of the Class; and (ii) each of their respective family members and their respective

1 general partners, limited partners, principals, shareholders, joint venturers, members,
2 officers, directors, managers, managing directors, supervisors, employees, contractors,
3 consultants, auditors, accountants, financial advisors, professional advisors, investment
4 bankers, representatives, insurers, trustees, trustors, agents, attorneys, professionals,
5 predecessors, successors, assigns, heirs, executors, administrators, and any controlling
6 person thereof, in their capacities as such.

7 (gg) “Settlement” means the resolution of the Action in accordance with the
8 terms and provisions of this Stipulation.

9 (hh) “Settlement Amount” means the total principal amount of fifty million
10 U.S. dollars (\$50,000,000).

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

13 (jj) “Settlement Hearing” means the final hearing to be held by the Court to
14 determine whether: (i) the Settlement is fair, reasonable, and adequate and should be
15 approved; (ii) the Plan of Allocation is fair, reasonable, and adequate and should be
16 approved; and (iii) Class Counsel’s request for an award of attorneys’ fees and expenses
17 should be approved.

18 (kk) “Settlement Notice” means the Notice of Proposed Class Action
19 Settlement and Motion for Attorneys’ Fees and Expenses, which is to be provided to Class
20 Members and shall be substantially in the form attached hereto as Exhibit A-1.

21 (ll) “Stipulation” means this Stipulation and Agreement of Settlement.

22 (mm) “Summary Settlement Notice” means the Summary Notice of Proposed
23 Class Action Settlement and Motion for Attorneys’ Fees and Expenses for publication,
24 which shall be substantially in the form attached as Exhibit A-3.

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

1 **SCOPE AND EFFECT OF SETTLEMENT**

2 2. The obligations incurred pursuant to the Stipulation are: (a) subject to approval by
3 the Court and the Judgment, or Alternative Judgment, reflecting such approval becoming Final;
4 and (b) in full and final disposition of the Action, with respect to the Released Parties and any
5 and all Released Claims and Released Defendants' Claims.

6 3. By operation of the Judgment or Alternative Judgment, as of the Effective Date,
7 Class Representatives and each and every other Class Member, on behalf of themselves and each
8 of their respective heirs, executors, trustees, administrators, predecessors, successors, assigns,
9 representatives, agents, and attorneys, in their capacities as such, shall be deemed to have fully,
10 finally, and forever waived, compromised, settled, discharged, dismissed, extinguished, and
11 released each and every one of the Released Claims against each and every one of the Released
12 Defendants' Parties and shall forever be barred from commencing, instituting, prosecuting, or
13 maintaining any and all of the Released Claims against any and all of the Released Defendants'
14 Parties.

15 4. By operation of the Judgment or Alternative Judgment, as of the Effective Date,
16 Defendants, on behalf of themselves and each of their respective heirs, executors, trustees,
17 administrators, predecessors, successors, assigns, representatives, agents, and attorneys, in their
18 capacities as such, shall be deemed to have fully, finally, and forever waived, compromised,
19 settled, discharged, dismissed, extinguished, and released each and every one of the Released
20 Defendants' Claims against each and every one of the Released Plaintiffs' Parties and shall
21 forever be barred from commencing, instituting, prosecuting, or maintaining any and all of the
22 Released Defendants' Claims against any and all of the Released Plaintiffs' Parties.

23 **THE SETTLEMENT CONSIDERATION**

24 5. In full settlement of the claims asserted in the Action against Defendants and in
25 consideration of the releases specified in ¶¶3-4 above, all of which the Parties agree are good and
26 valuable consideration, Defendants agree to cause the Settlement Amount to be paid into the
27 Escrow Account within thirty (30) calendar days after the later of: (i) entry of the Preliminary
28 Approval Order; or (ii) Class Counsel's provision to Defendants' Counsel information necessary

1 to effectuate a transfer of funds to the Escrow Account, including, but not limited to, wire transfer
2 instructions, payment address, and a complete and executed Form W-9 for the Settlement Fund
3 that reflects a valid tax identification number.

4 6. With the sole exception of Defendants' obligation to secure payment of the
5 Settlement Amount into the Escrow Account, as provided for in ¶5, their obligations pursuant to
6 ¶52, and SanDisk's obligation pursuant to ¶35, Defendants and Defendants' Counsel shall have
7 no responsibility for, interest in, or liability whatsoever with respect to: (i) any act, omission, or
8 determination by Class Counsel or the Claims Administrator, or any of their respective designees,
9 in connection with the administration of the Settlement or otherwise; (ii) the management,
10 investment, or distribution of the Settlement Fund; (iii) the Plan of Allocation; (iv) the
11 determination, administration, calculation, or payment of any claims asserted against the
12 Settlement Fund; (v) any loss suffered by, or fluctuation in value of, the Settlement Fund; or
13 (vi) the payment or withholding of any Taxes, expenses, and/or costs incurred in connection with
14 the taxation of the Settlement Fund, distributions, or other payments from the Escrow Account,
15 or the filing of any federal, state, or local returns.

16 7. Other than the obligation to cause the payment of the Settlement Amount pursuant
17 to ¶5, Defendants shall have no obligation to make any other payments into the Escrow Account
18 or to any Class Member pursuant to this Stipulation.

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

20 8. The Settlement Fund shall be used to pay: (i) any Taxes; (ii) Notice and
21 Administration Expenses; (iii) any attorneys' fees and expenses awarded by the Court; (iv) any
22 costs and expenses allowed by the PSLRA and awarded to Class Representatives by the Court;
23 (v) any other fees and expenses ordered by the Court; and (vi) the claims of Authorized Claimants.

24 9. The Net Settlement Fund shall be distributed to Authorized Claimants as provided
25 in ¶¶20-33 hereof. The Net Settlement Fund shall remain in the Escrow Account before the
26 Effective Date. All funds held in the Escrow Account, and all earnings thereon, shall be deemed
27 to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until
28 such time as the funds shall have been disbursed or returned, pursuant to the terms of this

1 Stipulation, and/or further order of the Court. The Settlement Fund shall be invested exclusively
2 in accounts backed by the full faith and credit of the U.S. government or fully insured by the U.S.
3 government or an agency thereof, including a U.S. Treasury fund or a bank account that is either:
4 (a) fully insured by the Federal Deposit Insurance Corporation (“FDIC”); or (b) secured by
5 instruments backed by the full faith and credit of the U.S. government. The proceeds of these
6 accounts shall be reinvested in similar instruments at their then-current market rates as they
7 mature. All risks related to the investment of the Settlement Fund in accordance with the
8 investment guidelines set forth in this paragraph shall be borne by the Settlement Fund.

9 10. After the Settlement Amount has been paid into the Escrow Account, the Parties
10 agree to treat the Settlement Fund as a “qualified settlement fund” within the meaning of Treas.
11 Reg. §1.468B-1. In addition, Class Counsel shall timely make, or cause to be made, such
12 elections, as necessary or advisable, to carry out the provisions of this ¶10, including the “relation-
13 back election” (as defined in Treas. Reg. §1.468B-1) back to the earliest permitted date. Such
14 election shall be made in compliance with the procedures and requirements contained in such
15 regulations. It shall be the responsibility of Class Counsel to timely and properly prepare and
16 deliver, or cause to be prepared and delivered, the necessary documentation for signature by all
17 necessary parties, and thereafter take all such actions as may be necessary or appropriate to cause
18 the appropriate filing(s) to occur. Consistent with the foregoing:

19 (a) For the purposes of §468B of the Internal Revenue Code of 1986, as
20 amended, and Treas. Reg. §1.468B promulgated thereunder, the “administrator” shall be
21 Class Counsel or their successors, who shall timely and properly file, or cause to be filed,
22 all federal, state, or local tax returns and information returns (together, “Tax Returns”), as
23 necessary or advisable, with respect to the earnings on the funds deposited in the Escrow
24 Account (including, without limitation, the returns described in Treas. Reg. §1.468B-
25 2(k)). Such Tax Returns (as well as the election described above) shall be consistent with
26 this subparagraph and in all events shall reflect that all Taxes (including any estimated
27 taxes, earnings, or penalties) on the income earned on the funds deposited in the Escrow
28 Account shall be paid out of such funds as provided in subparagraph (c) of this ¶10;

1 (b) All Taxes shall be paid out of the Settlement Fund. In all events,
2 Defendants and Defendants' Counsel shall have no liability or responsibility whatsoever
3 for the Taxes or the filing of any tax return or other document with the Internal Revenue
4 Service or any other state or local taxing authority. In the event any Taxes are owed by
5 any of the Defendants on any earnings on the funds accrued after the funds are on deposit
6 in the Escrow Account, such amounts shall also be paid out of the Settlement Fund. Any
7 Taxes or Tax expenses owed on any earnings on the Settlement Amount accrued before
8 their transfer to the Escrow Account shall be the sole responsibility of the entities that
9 make the deposit; and

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

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

22 **ATTORNEYS' FEES AND EXPENSES**

23 12. Class Counsel, on behalf of Plaintiffs' Counsel, will apply to the Court for an
24 award from the Settlement Fund of attorneys' fees and payment of litigation expenses incurred in
25 prosecuting the Action, including reimbursement to Class Representatives pursuant to the
26 PSLRA, with earnings on such amounts at the same rate and for the same periods as earned by
27 the Settlement Fund. Class Counsel reserves the right to make additional applications for fees
28 and expenses incurred.

1 13. The amount of attorneys' fees and expenses awarded by the Court is within the
2 sole discretion of the Court. Any attorneys' fees and expenses awarded by the Court shall be paid
3 from the Settlement Fund to Class Counsel immediately after entry of the Judgment (or
4 Alternative Judgment) and order awarding such attorneys' fees and expenses, notwithstanding
5 the existence of any timely filed objections thereto or to the Settlement, or potential for appeal
6 therefrom, or collateral attack on the awarded fees and expenses, the Settlement, or any part
7 thereof, or as otherwise ordered by the Court. Class Counsel shall allocate any Court-awarded
8 attorneys' fees and expenses among Plaintiffs' Counsel.

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

20 15. With the sole exception of Defendants' obligation to pay the Settlement Amount
21 into the Escrow Account as provided for in ¶5, Defendants shall have no responsibility for, and
22 no liability whatsoever with respect to, any payment whatsoever to Plaintiffs' Counsel in the
23 Action that may occur at any time.

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

1 17. Defendants shall have no responsibility for, and no liability whatsoever with
2 respect to, any attorneys' fees, costs, or expenses incurred by or on behalf of Class Members,
3 whether or not paid from the Escrow Account. The Settlement Fund will be the sole source of
4 payment from Defendants for any award of attorneys' fees and expenses ordered by the Court.

5 18. The procedure for and the allowance or disallowance by the Court of any Fee and
6 Expense Application are not part of the Settlement set forth in this Stipulation and are separate
7 from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement
8 set forth in this Stipulation, and any order or proceeding relating to any Fee and Expense
9 Application, including an award of attorneys' fees or expenses in an amount less than the amount
10 requested by Class Counsel, or any appeal from any order relating thereto, or reversal or
11 modification thereof, shall not operate to terminate or cancel the Stipulation, or affect or delay
12 the finality of the Judgment or Alternative Judgment approving the Stipulation and the Settlement
13 set forth herein. Class Representatives and Class Counsel may not cancel or terminate the
14 Stipulation or the Settlement in accordance with ¶¶38-42 or otherwise based on the Court's, or
15 any appellate court's, ruling with respect to fees and expenses in the Action.

16 **ADMINISTRATION EXPENSES**

17 19. Before the Effective Date, without further approval from Defendants or further
18 order of the Court, Class Counsel may use the Settlement Fund to pay Notice and Administration
19 Expenses actually incurred. Taxes and fees related to the Escrow Account and investment of the
20 Settlement Fund may be paid as incurred, without further approval of Defendants or further order
21 of the Court. After the Effective Date, without approval of Defendants or further order of the
22 Court, Notice and Administration Expenses may be paid as incurred.

23 **DISTRIBUTION TO AUTHORIZED CLAIMANTS**

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

26 21. The Claims Administrator, subject to such supervision and direction of Class
27 Counsel and/or the Court as may be necessary or as circumstances may require, shall administer
28 and calculate the claims submitted by Class Members subject to the jurisdiction of the Court and

1 shall oversee distribution of the Net Settlement Fund to Authorized Claimants. Defendants and
2 Defendants' Counsel shall have no responsibility for (except as stated in ¶¶5 and 35 hereof),
3 interest in, or liability whatsoever with respect to the administration of the Settlement or the
4 actions or decisions of the Claims Administrator and shall have no liability to the Class in
5 connection with such administration.

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

10 23. Defendants have no role in the development of the Plan of Allocation. The Plan
11 of Allocation is a matter separate and apart from the Settlement, and any decision by the Court
12 concerning the Plan of Allocation shall not affect the validity or finality of the proposed
13 Settlement. The Plan of Allocation is not a necessary term of the Stipulation and it is not a
14 condition of the Stipulation that any particular plan of allocation be approved by the Court. Class
15 Representatives and Class Counsel may not cancel or terminate the Stipulation or Settlement in
16 accordance with ¶38 or otherwise based on the Court's, or any appellate court's, ruling with
17 respect to the Plan of Allocation or any plan of allocation in the Action. Defendants and
18 Defendants' Counsel shall have no responsibility or liability for reviewing or challenging claims,
19 the allocation of the Net Settlement Fund, or the distribution of the Net Settlement Fund.

20 24. Upon the Effective Date and thereafter, and in accordance with the terms of the
21 Stipulation, Plan of Allocation, or such further approval and further order(s) of the Court as may
22 be necessary or as circumstances may require, the Net Settlement Fund shall be distributed to
23 Authorized Claimants.

24 25. If there is any balance remaining in the Net Settlement Fund (whether by reason
25 of tax refunds, uncashed checks, or otherwise) after at least four (4) months from the date of initial
26 distribution of the Net Settlement Fund, Class Counsel shall, if feasible and economical,
27 redistribute such balance among Authorized Claimants who have cashed their checks in an
28 equitable and economic fashion. These redistributions shall be repeated until the balance in the

1 Net Settlement Fund is no longer feasible to distribute to Class Members. Any balance that still
2 remains in the Net Settlement Fund after re-distribution(s), which is not feasible or economical
3 to reallocate, after payment of Notice and Administration Expenses, Taxes, and attorneys' fees
4 and expenses, shall be donated in equal amounts to the Consumer Federation of America and the
5 Council of Institutional Investors.

6 **ADMINISTRATION OF THE SETTLEMENT**

7 26. Any Class Member who fails to timely submit a valid Proof of Claim (substantially
8 in the form of Exhibit A-2) will not be entitled to receive any of the proceeds from the Net
9 Settlement Fund, except as otherwise ordered by the Court, but will otherwise be bound by all of
10 the terms of this Stipulation and the Settlement, including the terms of the Judgment or Alternative
11 Judgment to be entered in the Action and all releases provided for herein, and will be barred from
12 bringing any action against the Released Defendants' Parties concerning the Released Claims.

13 27. Class Counsel shall be responsible for supervising the administration of the
14 Settlement and disbursement of the Net Settlement Fund by the Claims Administrator. Class
15 Counsel shall have the right, but not the obligation, to advise the Claims Administrator to waive
16 what Class Counsel deem to be *de minimis* or formal or technical defects in any Proof of Claim
17 submitted. Defendants and Defendants' Counsel shall have no liability, obligation, or
18 responsibility for the administration of the Settlement, the allocation of the Net Settlement Fund,
19 or the reviewing or challenging of claims of Class Members.

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

22 (a) Each claimant shall be required to submit a Proof of Claim, substantially
23 in the form attached hereto as Exhibit A-2, supported by such documents as are designated
24 therein, including proof of the claimant's loss, or such other documents or proof as the
25 Claims Administrator or Class Counsel, in their discretion, may deem acceptable;

26 (b) All Proofs of Claim must be submitted by the date set by the Court in the
27 Preliminary Approval Order and specified in the Settlement Notice, unless such deadline
28 is extended by Class Counsel in their discretion or by order of the Court. Any Class

1 Member who fails to submit a Proof of Claim by such date shall be barred from receiving
2 any distribution from the Net Settlement Fund or payment pursuant to this Stipulation
3 (unless, by order of the Court or the discretion of Class Counsel, late-filed Proofs of Claim
4 are accepted), but shall, in all other respects, be bound by all of the terms of this Stipulation
5 and the Settlement, including the terms of the Judgment or Alternative Judgment and all
6 releases provided for herein, and will be permanently barred from bringing any action,
7 claim, or other proceeding of any kind against any Released Defendants' Party. A Proof
8 of Claim shall be deemed to be submitted when mailed, if received with a postmark on
9 the envelope and if mailed by first-class or overnight U.S. mail and addressed in
10 accordance with the instructions thereon. In all other cases, the Proof of Claim shall be
11 deemed to have been submitted when actually received by the Claims Administrator.
12 Notwithstanding the foregoing, Class Counsel shall have the discretion (but not the
13 obligation) to accept for processing late-submitted claims, so long as the distribution of
14 the Net Settlement Fund to Authorized Claimants is not materially delayed. Class Counsel
15 shall have no liability for their discretion in accepting late claims;

16 (c) Each Proof of Claim shall be submitted to and reviewed by the Claims
17 Administrator, under such supervision of Class Counsel, as necessary, who shall
18 determine in accordance with this Stipulation the extent, if any, to which each claim shall
19 be allowed;

20 (d) Proofs of Claim that do not meet the submission requirements may be
21 rejected. Before rejecting a Proof of Claim in whole or in part, the Claims Administrator
22 shall communicate with the claimant in writing to give the claimant the chance to remedy
23 any curable deficiencies in the Proof of Claim submitted. The Claims Administrator,
24 under such supervision of Class Counsel, as necessary, shall notify, in a timely fashion
25 and in writing, all claimants whose claims the Claims Administrator proposes to reject in
26 whole or in part for curable deficiencies, setting forth the reasons therefor and shall
27 indicate in such notice that the claimant whose claim is to be rejected has the right to a
28

1 review by the Court if the claimant so desires and complies with the requirements of
2 subparagraph (e) below; and

3 (e) If any claimant whose timely claim has been rejected in whole or in part
4 for curable deficiency desires to contest such rejection, the claimant must, within twenty
5 (20) calendar days after the date of mailing of the notice required in subparagraph (d)
6 above, or a lesser period of time if the claim was untimely, serve upon the Claims
7 Administrator a notice and statement of reasons indicating the claimant's grounds for
8 contesting the rejection, along with any supporting documentation, and requesting a
9 review thereof by the Court.

10 29. Each claimant who submits a Proof of Claim shall be deemed to have submitted
11 to the jurisdiction of the Court with respect to the claimant's claim, including, but not limited to,
12 all releases provided for herein and in the Judgment or Alternative Judgment, and the claim will
13 be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided
14 that such investigation and discovery shall be limited to the claimant's status as a Class Member
15 and the validity and amount of the claimant's claim. In connection with processing the Proofs of
16 Claim, no discovery shall be allowed on the merits of the Action or the Settlement.

17 30. Payment pursuant to the Stipulation and Plan of Allocation shall be deemed final
18 and conclusive against any and all Class Members. All Class Members whose claims are not
19 approved shall be barred from participating in distributions from the Net Settlement Fund, but
20 otherwise shall be bound by all of the terms of this Stipulation and the Settlement, including the
21 terms of the Judgment or Alternative Judgment to be entered in the Action, and the releases
22 provided for herein and therein, and will be barred from bringing any action against the Released
23 Defendants' Parties concerning the Released Claims.

24 31. All proceedings with respect to the administration, processing, and determination
25 of claims described by this Stipulation, and the determination of all controversies relating thereto,
26 including disputed questions of law and fact with respect to the validity of claims, shall be subject
27 to the jurisdiction of the Court, but shall not, in any event, delay or affect the finality of the
28 Judgment or Alternative Judgment.

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

3 (b) payment of the Settlement Amount into the Escrow Account pursuant to ¶5;

4 (c) approval by the Court of the Settlement, following notice to the Class and
5 the Settlement Hearing, as prescribed by Fed. R. Civ. P. 23; and

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

10 **WAIVER OR TERMINATION**

11 38. Defendants and Class Representatives shall have the right to terminate the
12 Settlement and Stipulation by providing written notice of their election to do so (“Termination
13 Notice”), through counsel, to all other Parties hereto within fourteen (14) calendar days of: (i) the
14 Court’s Final refusal to enter the Preliminary Approval Order in any material respect; (ii) the
15 Court’s Final refusal to approve this Stipulation or any material part of it; (iii) the Court’s Final
16 refusal to enter the Judgment in any material respect; (iv) the Court’s Final refusal to enter an
17 Alternative Judgment in any material respect; or (v) the date upon which the Judgment or
18 Alternative Judgment is modified or reversed in any material respect by a Final order of the Court,
19 the United States Court of Appeals for the Ninth Circuit, or the Supreme Court of the United
20 States. For the avoidance of doubt, Class Representatives shall not have the right to terminate the
21 Settlement due to any decision, ruling, or order relating to the Fee and Expense Application or
22 any plan of allocation.

23 39. In addition to the foregoing, Defendants shall also have the right to withdraw from
24 the Settlement in the event the Termination Threshold (defined below) has been reached.

25 (a) Simultaneously herewith, Defendants’ Counsel and Class Counsel are
26 executing a confidential Supplemental Agreement Regarding Requests for Exclusion
27 (“Supplemental Agreement”). The Supplemental Agreement sets forth certain conditions
28 under which Defendants shall have the option to terminate the Settlement and render the

1 Stipulation null and void in the event that requests for exclusion from the Class exceed
2 certain agreed-upon criteria (the “Termination Threshold”). The Parties agree to maintain
3 the confidentiality of the Supplemental Agreement, which shall not be filed with the Court
4 unless a dispute arises as to its terms, or as otherwise ordered by the Court, nor shall the
5 Supplemental Agreement otherwise be disclosed unless ordered by the Court. If
6 submission of the Supplemental Agreement is required for resolution of a dispute or is
7 otherwise ordered by the Court, the Parties will use their best reasonable efforts to have
8 the Supplemental Agreement submitted to the Court *in camera* or under seal. In the event
9 of a termination of the Settlement pursuant to the Supplemental Agreement, the
10 Stipulation shall become null and void and of no further force and effect, with the
11 exception of the provisions of ¶¶46-47 which shall continue to apply.

12 40. The Preliminary Approval Order, attached hereto as Exhibit A, shall provide that
13 requests for exclusion shall be received no later than twenty-one (21) calendar days before the
14 Settlement Hearing (“Notice Date”). Upon receiving any request for exclusion pursuant to the
15 Settlement Notice, the Claims Administrator shall promptly, and no later than fifteen (15)
16 calendar days before the Settlement Hearing, notify Class Counsel and Defendants’ Counsel of
17 such request for exclusion and provide copies of such request for exclusion, and any
18 documentation accompanying it, by email.

19 41. In addition to all of the rights and remedies that Class Representatives have under
20 the terms of this Stipulation, Class Representatives shall also have the right to terminate the
21 Settlement in the event that the Settlement Amount has not been paid in the time period provided
22 for in ¶5 above, by providing written notice of the election to terminate to all other Parties’ counsel
23 and, thereafter, there is a failure to pay the Settlement Amount within fourteen (14) calendar days
24 of such written notice.

25 42. If, before the Settlement becomes Final, any Defendant files for protection under
26 the Bankruptcy Code, or any similar law, or a trustee, receiver, conservator, or other fiduciary is
27 appointed under Bankruptcy, or any similar law, and in the event of the entry of a final order of a
28 court of competent jurisdiction determining the transfer of money or any portion thereof to the

1 Settlement Fund by or on behalf of such Defendant to be a preference, voidable transfer,
2 fraudulent transfer, or similar transaction, and any portion thereof is required to be returned, and
3 such amount is not promptly deposited into the Settlement Fund by others, then, at the election of
4 Class Representatives, the Parties shall jointly move the Court to vacate and set aside the release
5 given and the Judgment or Alternative Judgment entered in favor of that Defendant or all
6 Defendants, and that Defendant or all Defendants, Class Representatives, and the members of the
7 Class shall be restored to their litigation positions as of March 8, 2019. All releases and the
8 Judgment or Alternative Judgment as to other Defendants shall remain unaffected.

9 43. Defendants each warrant, as to themselves and the payments made on their
10 behalves, that, at the time of such payment, they will not be insolvent, nor will payment render
11 them insolvent, within the meaning of and/or for the purposes of the U.S. Bankruptcy Code,
12 including §§101 and 547 thereof.

13 44. If an option to withdraw from and terminate this Stipulation and Settlement arises
14 under any of ¶¶38-42 above: (i) neither Defendants nor Class Representatives (as the case may
15 be) will be required for any reason or under any circumstance to exercise that option; and (ii) any
16 exercise of that option shall be made in good faith, but in the sole and unfettered discretion of
17 Defendants or Class Representatives, as applicable.

18 45. With the exception of the provisions of ¶¶46-47, which shall continue to apply, in
19 the event the Settlement is terminated, as set forth herein, or cannot become effective for any
20 reason, then the Settlement shall be without prejudice and none of its terms shall be effective or
21 enforceable, except as specifically provided herein; the Parties shall be deemed to have reverted
22 to their respective litigation positions in the Action as of March 8, 2019; and, except as
23 specifically provided herein, the Parties shall proceed in all respects as if this Stipulation and any
24 related order had not been entered. In such event, this Stipulation, and any aspect of the
25 discussions or negotiations leading to this Stipulation, shall not be admissible in this Action and
26 shall not be used against or to the prejudice of Defendants or against or to the prejudice of Class
27 Representatives, in any court filing, deposition, at trial, or otherwise.

1 statement or written document approved or made by Defendants, or against or to the
2 prejudice of Class Representatives, or any other member of the Class, as evidence of any
3 infirmity in the claims of Class Representatives, or the other members of the Class;

4 (c) do not constitute, and shall not be offered or received against or to the
5 prejudice of Defendants, the Released Defendants' Parties, Class Representatives, the
6 Released Plaintiffs' Parties, any other member of the Class, or their respective counsel, as
7 evidence of a presumption, concession, or admission, with respect to any liability,
8 damages, negligence, fault, infirmity, or wrongdoing, or in any way referred to for any
9 other reason against, or to the prejudice of, any of the Defendants, the Released
10 Defendants' Parties, Class Representatives, the Released Plaintiffs' Parties, any other
11 member of the Class, or their respective counsel, in any other civil, criminal, or
12 administrative action or proceeding, other than such proceedings as may be necessary to
13 effectuate the provisions of this Stipulation;

14 (d) do not constitute, and shall not be construed against Defendants, the
15 Released Defendants' Parties, Class Representatives, the Released Plaintiffs' Parties, or
16 any other member of the Class, as an admission or concession that the consideration to be
17 given hereunder represents the amount that could be, or would have been, recovered after
18 trial; and

19 (e) do not constitute, and shall not be construed as or received in evidence, as
20 an admission, concession, or presumption against Class Representatives, the Released
21 Plaintiffs' Parties, or any other member of the Class, that any of their claims are without
22 merit or infirm or that damages recoverable under the SAC would not have exceeded the
23 Settlement Amount.

24 48. Notwithstanding ¶47 above, the Parties, and their respective counsel, may file this
25 Stipulation and/or the Judgment or Alternative Judgment in any action that may be brought
26 against them in order to support a defense or counterclaim based on principles of *res judicata*,
27 collateral estoppel, release, statute of limitations, statute of repose, good-faith settlement,
28 judgment bar or reduction, or any theory of claim preclusion or issue preclusion or similar defense

1 or counterclaim, or to effectuate any liability protection granted them under any applicable
2 insurance policy. The Parties may file this Stipulation and/or the Judgment or Alternative
3 Judgment in any action that may be brought to enforce the terms of this Stipulation and/or the
4 Judgment or Alternative Judgment. All Parties submit to the jurisdiction of the Court for purposes
5 of implementing and enforcing the Settlement.

6 **MISCELLANEOUS PROVISIONS**

7 49. All of the exhibits to the Stipulation, and the Supplemental Agreement, are
8 material and integral parts hereof and fully incorporated herein by this reference.

9 50. The Parties intend the Settlement to be the full, final, and complete resolution of
10 all claims asserted, or that could have been asserted, by the Parties with respect to the Released
11 Claims and Released Defendants' Claims. Accordingly, the Parties agree not to assert in any
12 forum that the Action was brought, prosecuted, or defended in bad faith or without a reasonable
13 basis. The Parties and their respective counsel agree that each has complied fully with Fed. R.
14 Civ. P. 11 in connection with the maintenance, prosecution, defense, and settlement of the Action
15 and shall not make any application for sanctions, pursuant to Rule 11 or other court rule or statute,
16 with respect to any claim or defense in this Action. The Judgment shall contain a finding that the
17 Parties and their counsel, at all times, complied with Rule 11. The Parties agree that the amount
18 paid and the other terms of the Settlement were negotiated at arm's-length and in good faith by
19 the Parties and their respective counsel and reflect a settlement that was reached voluntarily based
20 upon adequate information and after consultation with experienced legal counsel.

21 51. This Stipulation, along with its exhibits and the Supplemental Agreement, may not
22 be modified or amended, nor may any of its provisions be waived, except by a writing signed by
23 counsel for the Parties hereto.

24 52. Defendants shall be responsible for, and shall pay for, at no cost to the Class,
25 timely service of any notice that might be required pursuant to the Class Action Fairness Act, 28
26 U.S.C. §1715.

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

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

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

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

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

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

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

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

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

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

26 63. The construction, interpretation, operation, effect, and validity of this Stipulation,
27 and all documents necessary to effectuate it, shall be governed by the laws of the state of
28

1 California, without regard to conflicts of laws, except to the extent that federal law requires that
2 federal law govern.

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

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

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

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

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28

[SIGNATURES TO FOLLOW]

EXHIBIT II

1 DEBORAH CLARK-WEINTRAUB (*pro hac vice*)
 MAX R. SCHWARTZ (*pro hac vice*)
 2 **SCOTT+SCOTT ATTORNEYS AT LAW LLP**
 The Helmsley Building
 3 230 Park Avenue, 17th Floor
 New York, NY 10169
 4 Telephone: (212) 223-6444
 Facsimile: (212) 223-6334
 5 Email: dweintraub@scott-scott.com
 mschwartz@scott-scott.com

6 *Attorneys for Class Representatives and the Class*

7 [Additional counsel listed on signature page.]

8
 9 **UNITED STATES DISTRICT COURT**
NORTHERN DISTRICT OF CALIFORNIA
 10 **SAN FRANCISCO DIVISION**

11 IN RE: SANDISK LLC SECURITIES
LITIGATION

Case No. 3:15-cv-01455-VC

Hon. Vince Chhabria

13 **REVISED STIPULATION AND**
 14 **AGREEMENT OF SETTLEMENT**

15
 16 This stipulation and agreement of settlement (the “Stipulation”) is made and entered into
 17 by and between: (a) City of Bristol Pension Fund (“Bristol”); City of Milford, Connecticut
 18 Pension & Retirement Board (“Milford”); Pavers and Road Builders Pension, Annuity and
 19 Welfare Funds (“Pavers and Road Builders Benefit Funds”); City of Newport News Employees’
 20 Retirement Fund (“NNERF”); and Massachusetts Laborers’ Pension Fund (“Massachusetts
 21 Laborers,” together with Bristol, Milford, Pavers and Road Builders Benefit Funds, and NNERF,
 22 the “Class Representatives” or “Lead Plaintiffs”), on behalf of themselves and each of the
 23 members of the certified Class (defined below), on the one hand; and (b) SanDisk Corporation
 24 (n/k/a “SanDisk LLC” and owned by Western Digital, referred to herein as “SanDisk” or the
 25 “Company”), Sanjay Mehrotra (“Mehrotra”), and Judy Bruner (“Bruner,” together, with
 26 Mehrotra, the “Individual Defendants” and, with SanDisk as well, the “Defendants”), on the other
 27 hand, by and through their counsel of record in the above-captioned litigation pending in the
 28 United States District Court for the Northern District of California (the “Court”). This Stipulation

1 is intended by the parties to fully, finally, and forever resolve, discharge, and settle the Released
2 Claims and Released Defendants' Claims (both defined below) upon and subject to the terms and
3 conditions hereof and subject to the Court's approval.

4 **WHEREAS:**

5 A. All words or terms used herein that are capitalized shall have the meaning ascribed
6 to those words or terms as set forth herein and in ¶1 hereof, entitled "Definitions."

7 B. On March 30, 2015, a class action complaint was filed in the Court, captioned
8 *Glore v. SanDisk Corp.*, No. 3:15-cv-01455-VC. Two subsequently filed complaints – *Bowers*
9 *v. SanDisk Cop.*, No. 3:15-cv-02050-VC, and *City of Sterling Heights General Employees'*
10 *Retirement System v. SanDisk Corp.*, No. 3:15-cv-02358-VC – were consolidated into the *Glore*
11 action by orders dated May 27, 2015 and July 15, 2015. By order dated July 27, 2017, the caption
12 in the consolidated action was changed to *In re: SanDisk LLC Securities Litigation*.¹

13 C. Although another group of investors was initially appointed as lead plaintiffs, at
14 the Court's invitation, the Class Representatives filed a motion on February 2, 2016, seeking
15 reconsideration of the Court's prior order appointing lead plaintiffs. On February 22, 2016, the
16 Court granted the Class Representatives' motion, appointing them Lead Plaintiffs and appointing
17 Scott+Scott Attorneys at Law LLP as Lead Counsel.

18 D. Lead Plaintiffs filed an Amended Consolidated Class Action Complaint for
19 Violations of the Federal Securities Laws on March 23, 2016 (ECF No. 129); and a Second
20 Amended Consolidated Class Action Complaint for Violations of the Federal Securities Laws on
21 July 15, 2016 (ECF No. 148) ("SAC"). On June 22, 2017, the Court entered an order denying
22 Defendants' motion to dismiss the SAC. The SAC is the operative complaint in this Action and
23 it alleges that Defendants fraudulently misrepresented the condition and prospects of SanDisk's
24 enterprise business, including the then-recently acquired Fusion-io business unit, in violation of
25 §§10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated
26 thereunder.

27 _____
28 ¹ Prior to changing the caption for this consolidated action to *In re SanDisk LLC Securities Litigation*, the caption for this consolidated action was briefly *Union Asset Management Holding AG, et al. v. SanDisk LLC, et al.*, reflecting the name of the initial lead plaintiff.

1 E. The parties completed comprehensive class, fact, and expert discovery in the
2 Action during which the Class Representatives analyzed over 160,000 documents produced by
3 Defendants. In addition, the Class Representatives took a total of 12 fact and expert depositions.
4 The Class Representatives sat for Rule 30(b)(6) depositions, and Lead Counsel twice defended
5 the deposition of the Class' expert on causation and damages, once in connection with class
6 certification proceedings and later on merits issues.

7 F. On September 4, 2018, the Court granted Lead Plaintiffs' motion to certify the
8 Action as a class action, certifying a Class consisting of all persons and entities who purchased
9 or otherwise acquired SanDisk's publicly traded common stock during the period from October
10 16, 2014, through April 15, 2015, inclusive, and were damaged thereby, with certain exclusions.

11 G. Pursuant to an order entered December 13, 2018, beginning on January 9, 2019,
12 the Notice of Pendency of Class Action (the "Class Notice") was mailed to potential Class
13 Members, and the Summary Notice of Pendency of Class Action was published in *Investor's*
14 *Business Daily* and transmitted over the *PR Newswire* on January 21, 2019. The Class Notice
15 provided Class Members with the opportunity to request exclusion from the Class, explained that
16 right, and set forth the deadline and procedures for doing so. The Class Notice informed Class
17 Members that if they chose to remain a member of the Class, they would "be bound by all
18 determinations, orders, and judgments in this Action, whether favorable or unfavorable." The
19 deadline for requesting exclusion from the Class pursuant to the Class Notice was February 28,
20 2019.

21 H. Following the completion of fact discovery and the exchange of expert reports, the
22 parties engaged the Honorable Layn R. Phillips (Ret.) ("Judge Phillips"), a well-respected and
23 highly experienced mediator and former federal judge, to assist them in exploring a potential
24 negotiated resolution of the claims in the Action. Following an exchange of mediation statements
25 and exhibits, on October 29, 2018, the Parties met with Judge Phillips in an attempt to reach a
26 settlement in a full-day mediation. The mediation did not result in a settlement of the Action, but
27 Judge Phillips continued his efforts to facilitate discussions among the parties.

28

1 I. On January 17, 2019, Defendants moved for summary judgment and to exclude
2 the opinions of Class Representatives' loss causation and damages expert, Chad Coffman. Class
3 Representatives filed their opposition papers on February 28, 2019, and also moved to exclude
4 the opinions of Defendants' loss causation expert Daniel R. Fischel.

5 J. Before Defendants filed their reply papers in support of summary judgment, the
6 parties attended a second in-person mediation with Judge Phillips on March 8, 2019, which
7 resulted in an agreement-in-principle to settle the Action for \$50,000,000 and entered into a
8 Memorandum of Understanding. This Stipulation (together with the exhibits hereto) constitutes
9 the final agreement between the parties.

10 K. Defendants have denied, and continue to deny, any wrongdoing or that they have
11 committed any act or omission giving rise to any liability or violation of law, including the U.S.
12 securities laws. Defendants have denied, and continue to deny, each and every one of the claims
13 alleged by Class Representatives in the Action, including all claims in the complaints filed in the
14 Action. Defendants also have denied, and continue to deny, *inter alia*, the allegations that Class
15 Representatives or Class Members have suffered damage or were otherwise harmed by the
16 conduct alleged in the Action. Defendants have asserted, and continue to assert, that, at all times,
17 they acted in good faith and in a manner they reasonably believed to be in accordance with all
18 applicable rules, regulations, and laws. Nonetheless, Defendants have determined that it is
19 desirable and beneficial to them that the Action be settled in the manner and upon the terms and
20 conditions set forth in this Stipulation to avoid the further expense, inconvenience, and burden of
21 this Action, the distraction and diversion of personnel and resources, and to obtain the conclusive
22 and complete dismissal and/or release of this Action and Released Claims.

23 L. The Stipulation, whether or not consummated, any proceedings relating to any
24 settlement, or any of the terms of any settlement, whether or not consummated, shall in no event
25 be construed as, or deemed to be evidence of, an admission or concession on the part of the
26 Defendants, or any of them, with respect to any fact or matter alleged in the Action, or any claim
27 of fault or liability or wrongdoing or damage whatsoever, or any infirmity in any claim or defense
28

1 that has been or could have been asserted. Each Defendant reserves all defenses to any claims
2 that may be filed by any individual or entity that has sought, or seeks, exclusion from the Class.

3 M. Class Representatives believe that the claims asserted in the Action have merit and
4 that the evidence developed to date supports the claims asserted. However, Class Representatives
5 and Class Counsel recognize and acknowledge the expense and length of continued proceedings
6 necessary to prosecute the Action through trial (and any possible appeals). Class Representatives
7 and Class Counsel also have taken into account the uncertain outcome and risk of any litigation,
8 especially in complex actions, such as the Action, as well as the difficulties and delays inherent
9 in such litigation. Class Counsel also are mindful of the inherent problems of proof and the
10 possible defenses to the claims alleged in the Action. Based on their evaluation, Class
11 Representatives and Class Counsel believe that the Settlement set forth in this Stipulation confers
12 substantial monetary benefits upon the Class and is in the best interests of the Class.

13 **NOW THEREFORE**, without any concession by Class Representatives that the Action
14 lacks merit, and without any concession by the Defendants of any liability or wrongdoing or lack
15 of merit in their defenses, it is hereby **STIPULATED AND AGREED**, by and among the parties
16 to this Stipulation (“Parties”), through their respective attorneys, subject to approval by the Court
17 pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, that, in consideration of the
18 benefits flowing to the Parties hereto, all Released Claims and all Released Defendants’ Claims,
19 as against all Released Parties, shall be fully, finally, and forever compromised, settled, released,
20 discharged, and dismissed with prejudice, and without costs (except as provided in the
21 Stipulation), upon and subject to the following terms and conditions:

22 DEFINITIONS

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

26 (a) “Action” means the civil action captioned *In re: SanDisk LLC Securities*
27 *Litigation*, No. 3:15-cv-01455-VC (N.D. Cal.), pending in the United States District Court
28 for the Northern District of California before the Honorable Vince Chhabria. For the

1 avoidance of doubt, the Action includes all of the actions that were consolidated into this
2 Action, as set forth in Paragraph B above, specifically, the *Glore* action (now captioned
3 *In re: SanDisk LLC Securities Litigation*), the *Bowers* action, and the *City of Sterling*
4 *Heights* action.

5 (b) “Alternative Judgment” means a form of final judgment that may be
6 entered by the Court, but in a form other than the form of Judgment (defined below)
7 provided for in this Stipulation and where none of the Parties hereto elects to terminate
8 the Settlement (defined below) by reason of such variance.

9 (c) “Authorized Claimant” means a Class Member (defined below) whose
10 claim for recovery from the Settlement has been allowed pursuant to the terms of the
11 Stipulation and Court-approved Plan of Allocation (defined below).

12 (d) “Claims Administrator” means the firm Epiq Class Action & Claims
13 Solutions, Inc. retained, subject to Court approval, to provide all notices approved by the
14 Court to Class Members, process proofs of claim, and administer the Settlement.

15 (e) “Class” means all persons and entities who purchased or otherwise
16 acquired publicly traded shares of common stock of SanDisk Corporation from October
17 16, 2014, through April 15, 2015, inclusive, and were damaged thereby. Excluded from
18 the Class, by definition, are: Defendants and their immediate family members; the officers
19 and directors of the Company during the Class Period and their immediate family
20 members; any entity in which Defendants have, or had, a controlling interest; any person
21 or entity that timely and validly sought exclusion from the Class in connection with the
22 Class Notice (defined above) previously disseminated, who does not opt back into the
23 Class; any person or entity that seeks exclusion by timely submitting a valid request for
24 exclusion in connection with the Settlement Notice (defined below); and the legal
25 representatives, heirs, successors, assigns, or affiliates of any excluded person. Also
26 excluded from the Class are those who had: (a) sold all of their SanDisk stock prior to the
27 first alleged corrective disclosure on March 26, 2015; and (b) made no subsequent
28 purchases between March 26, 2015, and April 15, 2015.

1 (f) “Class Counsel” means the law firm of Scott+Scott Attorneys at Law LLP.

2 (g) “Class Member” means any person or entity that meets the definition of
3 the Class.

4 (h) “Class Notice” means the Notice of Pendency of the Action previously
5 authorized by order of the Court, which was mailed to Class Members beginning on
6 January 9, 2019.

7 (i) “Class Period” means the period from October 16, 2014, through April 15,
8 2015, inclusive.

9 (j) “Class Representatives” means City of Bristol Pension Fund; City of
10 Milford, Connecticut Pension & Retirement Board; Pavers and Road Builders Pension,
11 Annuity and Welfare Funds; City of Newport News Employees’ Retirement Fund; and
12 Massachusetts Laborers’ Pension Fund.

13 (k) “Defendants” means SanDisk Corporation (n/k/a SanDisk LLC and owned
14 by Western Digital), Sanjay Mehrotra, and Judy Bruner.

15 (l) “Defendants’ Counsel” means the law firm of Wilson, Sonsini, Goodrich
16 & Rosati Professional Corporation.

17 (m) “Effective Date” means the date upon which the Settlement shall have
18 become effective, as set forth in ¶37 below.

19 (n) “Escrow Account” means the separate escrow account maintained at
20 Huntington National Bank into which the Settlement Amount will be deposited for the
21 benefit of the Class.

22 (o) “Escrow Agent” means Huntington National Bank.

23 (p) “Fee and Expense Application” means Class Counsel’s application, on
24 behalf of Plaintiffs’ Counsel (defined below), for an award of attorneys’ fees and payment
25 of litigation expenses incurred in prosecuting the case, including reimbursement of any
26 expenses of Class Representatives pursuant to 15 U.S.C. §78u-4(a)(4) of the Private
27 Securities Litigation Reform Act of 1995 (“PSLRA”).

28

1 (q) “Final,” with respect to a court order, means the later of: (i) if there is an
2 appeal from a court order, the date of final affirmance on appeal and the expiration of the
3 time for any further judicial review whether by appeal, reconsideration, or a petition for a
4 *writ of certiorari* and, if *certiorari* is granted, the date of final affirmance of the order
5 following review pursuant to the grant; (ii) the date of final dismissal of any appeal from
6 the order or the final dismissal of any proceeding on *certiorari* to review the order; or (iii)
7 the expiration of the time for the filing or noticing of any appeal or petition for *certiorari*
8 from the order (or, if the date for taking an appeal or seeking review of the order shall be
9 extended beyond this time by order of the issuing court, by operation of law or otherwise,
10 or if such extension is requested, the date of expiration of any extension if any appeal or
11 review is not sought), without any such filing or noticing being made. However, any
12 appeal or proceeding seeking subsequent judicial review pertaining solely to the Plan of
13 Allocation, or to the Court’s award of attorneys’ fees or expenses, shall not in any way
14 delay or affect the time set forth above for the Judgment or Alternative Judgment to
15 become Final or otherwise preclude the Judgment or Alternative Judgment from becoming
16 Final.

17 (r) “Individual Defendants” means Sanjay Mehrotra and Judy Bruner.

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

20 (t) “Mediator” means Honorable Layn R. Phillips (Ret.).

21 (u) “Net Settlement Fund” means the Settlement Fund (defined below) less:
22 (i) Court-awarded attorneys’ fees and expenses; (ii) Notice and Administration Expenses
23 (defined below); (iii) Taxes (defined below); and (iv) any other fees or expenses approved
24 by the Court.

25 (v) “Notice and Administration Expenses” means all costs, fees, and expenses
26 incurred in connection with providing notice to the Class and the administration of the
27 Settlement, including, but not limited to: (i) providing Class Notice and the Settlement by
28 mail, publication, and other means to Class Members; (ii) receiving and reviewing claims;

1 (iii) applying the Plan of Allocation; (iv) communicating with Persons (defined below)
2 regarding the Settlement and claims administration process; (v) distributing the proceeds
3 of the Settlement; and (vi) fees related to the Escrow Account and investment of the
4 Settlement Fund.

5 (w) “Person(s)” means any individual, corporation (including all divisions and
6 subsidiaries), general or limited partnership, association, joint stock company, joint
7 venture, limited liability company, professional corporation, estate, legal representative,
8 trust, unincorporated association, government or any political subdivision or agency
9 thereof, and any other business or legal entity.

10 (x) “Plaintiffs’ Counsel” means Scott+Scott Attorneys at Law LLP, Labaton
11 Sucharow LLP, and Cohen Milstein Sellers & Toll PLLC, as well as additional counsel
12 that assisted certain Class Representatives, the Thornton Law Firm and The Corrente Law
13 Corporation.

14 (y) “Plan of Allocation” means the Plan of Allocation for the Net Settlement
15 Fund, which shall be substantially in the form described in the Settlement Notice or any
16 other plan of distributing the Net Settlement Fund, as shall be approved by the Court.

17 (z) “Preliminary Approval Order” means the proposed Order Granting
18 Preliminary Approval of Class Action Settlement, Approving Form and Manner of Notice,
19 and Setting Date for Hearing on Final Approval of Settlement, substantially in the form
20 attached hereto as Exhibit A.

21 (aa) “Proof of Claim” or “Claim Form” means the Proof of Claim and Release
22 form for submitting a claim, which shall be substantially in the form attached as Exhibit
23 A-2 hereto.

24 (bb) “Released Claims” means all claims, demands, losses, rights, and causes
25 of action of any nature whatsoever that have been, or could have been, asserted in the
26 Action or could in the future be asserted in any forum, whether foreign or domestic,
27 whether arising under federal, state, common, or foreign law, by Class Representatives,
28 any member of the Class, or their successors, assigns, executors, administrators,

1 representatives, attorneys, and agents, in their capacities as such, whether brought directly
2 or indirectly against any of the Released Defendants' Parties (defined below), which both:
3 (a) arise out of, are based on, or relate in any way to any of the allegations, acts,
4 transactions, facts, events, matters, occurrences, representations, or omissions involved
5 that are set forth, alleged, or referred to in the Action, or which could have been alleged
6 in the Action; and (b) arise out of, are based on, or relate to the purchase or acquisition of
7 any SanDisk common stock. This means that the Released Claims are only those claims
8 that are based on the identical factual predicate as the securities fraud claims at issue in
9 the Action. Released Claims do not include claims to enforce this Settlement.

10 (cc) "Released Defendants' Claims" means all claims, demands, losses, rights,
11 and causes of action of any nature whatsoever by the Released Defendants' Parties or any
12 of them against Class Representatives, members of the Class, or Plaintiffs' Counsel, which
13 arise out, or relate in any way to, the institution, prosecution, assertion, settlement, or
14 resolution of the Action (except for claims to enforce this Settlement).

15 (dd) "Released Defendants' Parties" means: (i) each Defendant; (ii) each of
16 their respective family members (for individuals) and each of their direct or indirect parent
17 entities, subsidiaries, and related entities and affiliates (including Western Digital); and
18 (iii) for any of the entities listed in parts (i) or (ii), their respective past and present general
19 partners, limited partners, principals, shareholders, joint venturers, members, officers,
20 directors, managers, managing directors, supervisors, employees, contractors, consultants,
21 auditors, accountants, financial advisors, professional advisors, investment bankers,
22 representatives, insurers, trustees, trustors, agents, attorneys, professionals, predecessors,
23 successors, assigns, heirs, executors, administrators, and any controlling person thereof,
24 in their capacities as such.

25 (ee) "Released Parties" means the Released Defendants' Parties and Released
26 Plaintiffs' Parties (defined below).

27 (ff) "Released Plaintiffs' Parties" means: (i) Class Representatives and the
28 members of the Class; and (ii) each of their respective family members and their respective

1 general partners, limited partners, principals, shareholders, joint venturers, members,
2 officers, directors, managers, managing directors, supervisors, employees, contractors,
3 consultants, auditors, accountants, financial advisors, professional advisors, investment
4 bankers, representatives, insurers, trustees, trustors, agents, attorneys, professionals,
5 predecessors, successors, assigns, heirs, executors, administrators, and any controlling
6 person thereof, in their capacities as such.

7 (gg) “Settlement” means the resolution of the Action in accordance with the
8 terms and provisions of this Stipulation.

9 (hh) “Settlement Amount” means the total principal amount of fifty million
10 U.S. dollars (\$50,000,000).

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

13 (jj) “Settlement Hearing” means the final hearing to be held by the Court to
14 determine whether: (i) the Settlement is fair, reasonable, and adequate and should be
15 approved; (ii) the Plan of Allocation is fair, reasonable, and adequate and should be
16 approved; and (iii) Class Counsel’s request for an award of attorneys’ fees and expenses
17 should be approved.

18 (kk) “Settlement Notice” means the Notice of Proposed Class Action
19 Settlement and Motion for Attorneys’ Fees and Expenses, which is to be provided to Class
20 Members and shall be substantially in the form attached hereto as Exhibit A-1.

21 (ll) “Stipulation” means this Stipulation and Agreement of Settlement.

22 (mm) “Summary Settlement Notice” means the Summary Notice of Proposed
23 Class Action Settlement and Motion for Attorneys’ Fees and Expenses for publication,
24 which shall be substantially in the form attached as Exhibit A-3.

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

1 **SCOPE AND EFFECT OF SETTLEMENT**

2 2. The obligations incurred pursuant to the Stipulation are: (a) subject to approval by
3 the Court and the Judgment, or Alternative Judgment, reflecting such approval becoming Final;
4 and (b) in full and final disposition of the Action, with respect to the Released Parties and any
5 and all Released Claims and Released Defendants' Claims.

6 3. By operation of the Judgment or Alternative Judgment, as of the Effective Date,
7 Class Representatives and each and every other Class Member, on behalf of themselves and each
8 of their respective heirs, executors, trustees, administrators, predecessors, successors, assigns,
9 representatives, agents, and attorneys, in their capacities as such, shall be deemed to have fully,
10 finally, and forever waived, compromised, settled, discharged, dismissed, extinguished, and
11 released each and every one of the Released Claims against each and every one of the Released
12 Defendants' Parties and shall forever be barred from commencing, instituting, prosecuting, or
13 maintaining any and all of the Released Claims against any and all of the Released Defendants'
14 Parties.

15 4. By operation of the Judgment or Alternative Judgment, as of the Effective Date,
16 Defendants, on behalf of themselves and each of their respective heirs, executors, trustees,
17 administrators, predecessors, successors, assigns, representatives, agents, and attorneys, in their
18 capacities as such, shall be deemed to have fully, finally, and forever waived, compromised,
19 settled, discharged, dismissed, extinguished, and released each and every one of the Released
20 Defendants' Claims against each and every one of the Released Plaintiffs' Parties and shall
21 forever be barred from commencing, instituting, prosecuting, or maintaining any and all of the
22 Released Defendants' Claims against any and all of the Released Plaintiffs' Parties.

23 **THE SETTLEMENT CONSIDERATION**

24 5. In full settlement of the claims asserted in the Action against Defendants and in
25 consideration of the releases specified in ¶¶3-4 above, all of which the Parties agree are good and
26 valuable consideration, Defendants agree to cause the Settlement Amount to be paid into the
27 Escrow Account within thirty (30) calendar days after the later of: (i) entry of the Preliminary
28 Approval Order; or (ii) Class Counsel's provision to Defendants' Counsel information necessary

1 to effectuate a transfer of funds to the Escrow Account, including, but not limited to, wire transfer
2 instructions, payment address, and a complete and executed Form W-9 for the Settlement Fund
3 that reflects a valid tax identification number.

4 6. With the sole exception of Defendants' obligation to secure payment of the
5 Settlement Amount into the Escrow Account, as provided for in ¶5, their obligations pursuant to
6 ¶52, and SanDisk's obligation pursuant to ¶35, Defendants and Defendants' Counsel shall have
7 no responsibility for, interest in, or liability whatsoever with respect to: (i) any act, omission, or
8 determination by Class Counsel or the Claims Administrator, or any of their respective designees,
9 in connection with the administration of the Settlement or otherwise; (ii) the management,
10 investment, or distribution of the Settlement Fund; (iii) the Plan of Allocation; (iv) the
11 determination, administration, calculation, or payment of any claims asserted against the
12 Settlement Fund; (v) any loss suffered by, or fluctuation in value of, the Settlement Fund; or
13 (vi) the payment or withholding of any Taxes, expenses, and/or costs incurred in connection with
14 the taxation of the Settlement Fund, distributions, or other payments from the Escrow Account,
15 or the filing of any federal, state, or local returns.

16 7. Other than the obligation to cause the payment of the Settlement Amount pursuant
17 to ¶5, Defendants shall have no obligation to make any other payments into the Escrow Account
18 or to any Class Member pursuant to this Stipulation.

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

20 8. The Settlement Fund shall be used to pay: (i) any Taxes; (ii) Notice and
21 Administration Expenses; (iii) any attorneys' fees and expenses awarded by the Court; (iv) any
22 costs and expenses allowed by the PSLRA and awarded to Class Representatives by the Court;
23 (v) any other fees and expenses ordered by the Court; and (vi) the claims of Authorized Claimants.

24 9. The Net Settlement Fund shall be distributed to Authorized Claimants as provided
25 in ¶¶20-33 hereof. The Net Settlement Fund shall remain in the Escrow Account before the
26 Effective Date. All funds held in the Escrow Account, and all earnings thereon, shall be deemed
27 to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until
28 such time as the funds shall have been disbursed or returned, pursuant to the terms of this

1 Stipulation, and/or further order of the Court. The Settlement Fund shall be invested exclusively
2 in accounts backed by the full faith and credit of the U.S. government or fully insured by the U.S.
3 government or an agency thereof, including a U.S. Treasury fund or a bank account that is either:
4 (a) fully insured by the Federal Deposit Insurance Corporation (“FDIC”); or (b) secured by
5 instruments backed by the full faith and credit of the U.S. government. The proceeds of these
6 accounts shall be reinvested in similar instruments at their then-current market rates as they
7 mature. All risks related to the investment of the Settlement Fund in accordance with the
8 investment guidelines set forth in this paragraph shall be borne by the Settlement Fund.

9 10. After the Settlement Amount has been paid into the Escrow Account, the Parties
10 agree to treat the Settlement Fund as a “qualified settlement fund” within the meaning of Treas.
11 Reg. §1.468B-1. In addition, Class Counsel shall timely make, or cause to be made, such
12 elections, as necessary or advisable, to carry out the provisions of this ¶10, including the “relation-
13 back election” (as defined in Treas. Reg. §1.468B-1) back to the earliest permitted date. Such
14 election shall be made in compliance with the procedures and requirements contained in such
15 regulations. It shall be the responsibility of Class Counsel to timely and properly prepare and
16 deliver, or cause to be prepared and delivered, the necessary documentation for signature by all
17 necessary parties, and thereafter take all such actions as may be necessary or appropriate to cause
18 the appropriate filing(s) to occur. Consistent with the foregoing:

19 (a) For the purposes of §468B of the Internal Revenue Code of 1986, as
20 amended, and Treas. Reg. §1.468B promulgated thereunder, the “administrator” shall be
21 Class Counsel or their successors, who shall timely and properly file, or cause to be filed,
22 all federal, state, or local tax returns and information returns (together, “Tax Returns”), as
23 necessary or advisable, with respect to the earnings on the funds deposited in the Escrow
24 Account (including, without limitation, the returns described in Treas. Reg. §1.468B-
25 2(k)). Such Tax Returns (as well as the election described above) shall be consistent with
26 this subparagraph and in all events shall reflect that all Taxes (including any estimated
27 taxes, earnings, or penalties) on the income earned on the funds deposited in the Escrow
28 Account shall be paid out of such funds as provided in subparagraph (c) of this ¶10;

1 (b) All Taxes shall be paid out of the Settlement Fund. In all events,
2 Defendants and Defendants' Counsel shall have no liability or responsibility whatsoever
3 for the Taxes or the filing of any tax return or other document with the Internal Revenue
4 Service or any other state or local taxing authority. In the event any Taxes are owed by
5 any of the Defendants on any earnings on the funds accrued after the funds are on deposit
6 in the Escrow Account, such amounts shall also be paid out of the Settlement Fund. Any
7 Taxes or Tax expenses owed on any earnings on the Settlement Amount accrued before
8 their transfer to the Escrow Account shall be the sole responsibility of the entities that
9 make the deposit; and

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

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

22 **ATTORNEYS' FEES AND EXPENSES**

23 12. Class Counsel, on behalf of Plaintiffs' Counsel, will apply to the Court for an
24 award from the Settlement Fund of attorneys' fees and payment of litigation expenses incurred in
25 prosecuting the Action, including reimbursement to Class Representatives pursuant to the
26 PSLRA, with earnings on such amounts at the same rate and for the same periods as earned by
27 the Settlement Fund. Class Counsel reserves the right to make additional applications for fees
28 and expenses incurred.

1 13. The amount of attorneys' fees and expenses awarded by the Court is within the
2 sole discretion of the Court. Any attorneys' fees and expenses awarded by the Court shall be paid
3 from the Settlement Fund to Class Counsel immediately after entry of the Judgment (or
4 Alternative Judgment) and order awarding such attorneys' fees and expenses, notwithstanding
5 the existence of any timely filed objections thereto or to the Settlement, or potential for appeal
6 therefrom, or collateral attack on the awarded fees and expenses, the Settlement, or any part
7 thereof, or as otherwise ordered by the Court. Class Counsel shall allocate any Court-awarded
8 attorneys' fees and expenses among Plaintiffs' Counsel.

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

20 15. With the sole exception of Defendants' obligation to pay the Settlement Amount
21 into the Escrow Account as provided for in ¶5, Defendants shall have no responsibility for, and
22 no liability whatsoever with respect to, any payment whatsoever to Plaintiffs' Counsel in the
23 Action that may occur at any time.

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

1 17. Defendants shall have no responsibility for, and no liability whatsoever with
2 respect to, any attorneys' fees, costs, or expenses incurred by or on behalf of Class Members,
3 whether or not paid from the Escrow Account. The Settlement Fund will be the sole source of
4 payment from Defendants for any award of attorneys' fees and expenses ordered by the Court.

5 18. The procedure for and the allowance or disallowance by the Court of any Fee and
6 Expense Application are not part of the Settlement set forth in this Stipulation and are separate
7 from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement
8 set forth in this Stipulation, and any order or proceeding relating to any Fee and Expense
9 Application, including an award of attorneys' fees or expenses in an amount less than the amount
10 requested by Class Counsel, or any appeal from any order relating thereto, or reversal or
11 modification thereof, shall not operate to terminate or cancel the Stipulation, or affect or delay
12 the finality of the Judgment or Alternative Judgment approving the Stipulation and the Settlement
13 set forth herein. Class Representatives and Class Counsel may not cancel or terminate the
14 Stipulation or the Settlement in accordance with ¶¶38-42 or otherwise based on the Court's, or
15 any appellate court's, ruling with respect to fees and expenses in the Action.

16 **ADMINISTRATION EXPENSES**

17 19. Before the Effective Date, without further approval from Defendants or further
18 order of the Court, Class Counsel may use the Settlement Fund to pay Notice and Administration
19 Expenses actually incurred. Taxes and fees related to the Escrow Account and investment of the
20 Settlement Fund may be paid as incurred, without further approval of Defendants or further order
21 of the Court. After the Effective Date, without approval of Defendants or further order of the
22 Court, Notice and Administration Expenses may be paid as incurred.

23 **DISTRIBUTION TO AUTHORIZED CLAIMANTS**

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

26 21. The Claims Administrator, subject to such supervision and direction of Class
27 Counsel and/or the Court as may be necessary or as circumstances may require, shall administer
28 and calculate the claims submitted by Class Members subject to the jurisdiction of the Court and

1 shall oversee distribution of the Net Settlement Fund to Authorized Claimants. Defendants and
2 Defendants' Counsel shall have no responsibility for (except as stated in ¶¶5 and 35 hereof),
3 interest in, or liability whatsoever with respect to the administration of the Settlement or the
4 actions or decisions of the Claims Administrator and shall have no liability to the Class in
5 connection with such administration.

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

10 23. Defendants have no role in the development of the Plan of Allocation. The Plan
11 of Allocation is a matter separate and apart from the Settlement, and any decision by the Court
12 concerning the Plan of Allocation shall not affect the validity or finality of the proposed
13 Settlement. The Plan of Allocation is not a necessary term of the Stipulation and it is not a
14 condition of the Stipulation that any particular plan of allocation be approved by the Court. Class
15 Representatives and Class Counsel may not cancel or terminate the Stipulation or Settlement in
16 accordance with ¶38 or otherwise based on the Court's, or any appellate court's, ruling with
17 respect to the Plan of Allocation or any plan of allocation in the Action. Defendants and
18 Defendants' Counsel shall have no responsibility or liability for reviewing or challenging claims,
19 the allocation of the Net Settlement Fund, or the distribution of the Net Settlement Fund.

20 24. Upon the Effective Date and thereafter, and in accordance with the terms of the
21 Stipulation, Plan of Allocation, or such further approval and further order(s) of the Court as may
22 be necessary or as circumstances may require, the Net Settlement Fund shall be distributed to
23 Authorized Claimants.

24 25. If there is any balance remaining in the Net Settlement Fund (whether by reason
25 of tax refunds, uncashed checks, or otherwise) after at least four (4) months from the date of initial
26 distribution of the Net Settlement Fund, Class Counsel shall, if feasible and economical,
27 redistribute such balance among Authorized Claimants who have cashed their checks in an
28 equitable and economic fashion. These redistributions shall be repeated until the balance in the

1 Net Settlement Fund is no longer feasible to distribute to Class Members. Any balance that still
2 remains in the Net Settlement Fund after re-distribution(s), which is not feasible or economical
3 to reallocate, after payment of Notice and Administration Expenses, Taxes, and attorneys' fees
4 and expenses, shall be donated in equal amounts to the Consumer Federation of America and the
5 Council of Institutional Investors.

6 **ADMINISTRATION OF THE SETTLEMENT**

7 26. Any Class Member who fails to timely submit a valid Proof of Claim (substantially
8 in the form of Exhibit A-2) will not be entitled to receive any of the proceeds from the Net
9 Settlement Fund, except as otherwise ordered by the Court, but will otherwise be bound by all of
10 the terms of this Stipulation and the Settlement, including the terms of the Judgment or Alternative
11 Judgment to be entered in the Action and all releases provided for herein, and will be barred from
12 bringing any action against the Released Defendants' Parties concerning the Released Claims.

13 27. Class Counsel shall be responsible for supervising the administration of the
14 Settlement and disbursement of the Net Settlement Fund by the Claims Administrator. Class
15 Counsel shall have the right, but not the obligation, to advise the Claims Administrator to waive
16 what Class Counsel deem to be *de minimis* or formal or technical defects in any Proof of Claim
17 submitted. Defendants and Defendants' Counsel shall have no liability, obligation, or
18 responsibility for the administration of the Settlement, the allocation of the Net Settlement Fund,
19 or the reviewing or challenging of claims of Class Members.

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

22 (a) Each claimant shall be required to submit a Proof of Claim, substantially
23 in the form attached hereto as Exhibit A-2, supported by such documents as are designated
24 therein, including proof of the claimant's loss, or such other documents or proof as the
25 Claims Administrator or Class Counsel, in their discretion, may deem acceptable;

26 (b) All Proofs of Claim must be submitted by the date set by the Court in the
27 Preliminary Approval Order and specified in the Settlement Notice, unless such deadline
28 is extended by Class Counsel in their discretion or by order of the Court. Any Class

1 Member who fails to submit a Proof of Claim by such date shall be barred from receiving
2 any distribution from the Net Settlement Fund or payment pursuant to this Stipulation
3 (unless, by order of the Court or the discretion of Class Counsel, late-filed Proofs of Claim
4 are accepted), but shall, in all other respects, be bound by all of the terms of this Stipulation
5 and the Settlement, including the terms of the Judgment or Alternative Judgment and all
6 releases provided for herein, and will be permanently barred from bringing any action,
7 claim, or other proceeding of any kind against any Released Defendants' Party. A Proof
8 of Claim shall be deemed to be submitted when mailed, if received with a postmark on
9 the envelope and if mailed by first-class or overnight U.S. mail and addressed in
10 accordance with the instructions thereon. In all other cases, the Proof of Claim shall be
11 deemed to have been submitted when actually received by the Claims Administrator.
12 Notwithstanding the foregoing, Class Counsel shall have the discretion (but not the
13 obligation) to accept for processing late-submitted claims, so long as the distribution of
14 the Net Settlement Fund to Authorized Claimants is not materially delayed. Class Counsel
15 shall have no liability for their discretion in accepting late claims;

16 (c) Each Proof of Claim shall be submitted to and reviewed by the Claims
17 Administrator, under such supervision of Class Counsel, as necessary, who shall
18 determine in accordance with this Stipulation the extent, if any, to which each claim shall
19 be allowed;

20 (d) Proofs of Claim that do not meet the submission requirements may be
21 rejected. Before rejecting a Proof of Claim in whole or in part, the Claims Administrator
22 shall communicate with the claimant in writing to give the claimant the chance to remedy
23 any curable deficiencies in the Proof of Claim submitted. The Claims Administrator,
24 under such supervision of Class Counsel, as necessary, shall notify, in a timely fashion
25 and in writing, all claimants whose claims the Claims Administrator proposes to reject in
26 whole or in part for curable deficiencies, setting forth the reasons therefor and shall
27 indicate in such notice that the claimant whose claim is to be rejected has the right to a
28

1 review by the Court if the claimant so desires and complies with the requirements of
2 subparagraph (e) below; and

3 (e) If any claimant whose timely claim has been rejected in whole or in part
4 for curable deficiency desires to contest such rejection, the claimant must, within twenty
5 (20) calendar days after the date of mailing of the notice required in subparagraph (d)
6 above, or a lesser period of time if the claim was untimely, serve upon the Claims
7 Administrator a notice and statement of reasons indicating the claimant's grounds for
8 contesting the rejection, along with any supporting documentation, and requesting a
9 review thereof by the Court.

10 29. Each claimant who submits a Proof of Claim shall be deemed to have submitted
11 to the jurisdiction of the Court with respect to the claimant's claim, including, but not limited to,
12 all releases provided for herein and in the Judgment or Alternative Judgment, and the claim will
13 be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided
14 that such investigation and discovery shall be limited to the claimant's status as a Class Member
15 and the validity and amount of the claimant's claim. In connection with processing the Proofs of
16 Claim, no discovery shall be allowed on the merits of the Action or the Settlement.

17 30. Payment pursuant to the Stipulation and Plan of Allocation shall be deemed final
18 and conclusive against any and all Class Members. All Class Members whose claims are not
19 approved shall be barred from participating in distributions from the Net Settlement Fund, but
20 otherwise shall be bound by all of the terms of this Stipulation and the Settlement, including the
21 terms of the Judgment or Alternative Judgment to be entered in the Action, and the releases
22 provided for herein and therein, and will be barred from bringing any action against the Released
23 Defendants' Parties concerning the Released Claims.

24 31. All proceedings with respect to the administration, processing, and determination
25 of claims described by this Stipulation, and the determination of all controversies relating thereto,
26 including disputed questions of law and fact with respect to the validity of claims, shall be subject
27 to the jurisdiction of the Court, but shall not, in any event, delay or affect the finality of the
28 Judgment or Alternative Judgment.

1 32. No Person shall have any claim of any kind against the Released Defendants'
2 Parties or Defendants' Counsel with respect to the matters set forth in this section (*i.e.*, ¶¶26-33),
3 or any of its subsections, or otherwise related in any way to the administration of the Settlement,
4 including, without limitation, the processing of claims and distributions.

5 33. No Person shall have any claim against Class Representatives, Plaintiffs' Counsel,
6 or the Claims Administrator, or other Person designated by Class Counsel, based on the
7 distributions made substantially in accordance with this Stipulation and the Settlement contained
8 herein, the Plan of Allocation, or further order(s) of the Court.

9 **TERMS OF THE PRELIMINARY APPROVAL ORDER**

10 34. No later than May 6, 2019, Class Counsel shall apply to the Court for entry of the
11 Preliminary Approval Order, which shall be substantially in the form annexed hereto as Exhibit
12 A. The Preliminary Approval Order will, *inter alia*, preliminarily approve the Settlement, set the
13 date for the Settlement Hearing, approve the form of notice, and prescribe the method for giving
14 notice of the Settlement to the Class.

15 35. To the extent it has not already done so, SanDisk shall use reasonable efforts to
16 have its transfer agent provide, or cause to be provided, to Class Counsel and/or the Claims
17 Administrator, at no cost to Class Counsel, Class Representatives, or the Class, within five (5)
18 business days of entry of the Preliminary Approval Order, its transfer records in electronic
19 searchable form, such as Excel, containing the names and addresses of Persons who purchased or
20 acquired the publicly traded common stock of SanDisk during the Class Period, to the extent that
21 information is available.

22 **TERMS OF THE JUDGMENT**

23 36. If the Settlement contemplated by this Stipulation is approved by the Court, Class
24 Counsel shall request that the Court enter a Judgment substantially in the form annexed hereto as
25 Exhibit B.

26 **EFFECTIVE DATE OF SETTLEMENT**

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

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

3 (b) payment of the Settlement Amount into the Escrow Account pursuant to ¶5;

4 (c) approval by the Court of the Settlement, following notice to the Class and
5 the Settlement Hearing, as prescribed by Fed. R. Civ. P. 23; and

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

10 **WAIVER OR TERMINATION**

11 38. Defendants and Class Representatives shall have the right to terminate the
12 Settlement and Stipulation by providing written notice of their election to do so (“Termination
13 Notice”), through counsel, to all other Parties hereto within fourteen (14) calendar days of: (i) the
14 Court’s Final refusal to enter the Preliminary Approval Order in any material respect; (ii) the
15 Court’s Final refusal to approve this Stipulation or any material part of it; (iii) the Court’s Final
16 refusal to enter the Judgment in any material respect; (iv) the Court’s Final refusal to enter an
17 Alternative Judgment in any material respect; or (v) the date upon which the Judgment or
18 Alternative Judgment is modified or reversed in any material respect by a Final order of the Court,
19 the United States Court of Appeals for the Ninth Circuit, or the Supreme Court of the United
20 States. For the avoidance of doubt, Class Representatives shall not have the right to terminate the
21 Settlement due to any decision, ruling, or order relating to the Fee and Expense Application or
22 any plan of allocation.

23 39. In addition to the foregoing, Defendants shall also have the right to withdraw from
24 the Settlement in the event the Termination Threshold (defined below) has been reached.

25 (a) Simultaneously herewith, Defendants’ Counsel and Class Counsel are
26 executing a confidential Supplemental Agreement Regarding Requests for Exclusion
27 (“Supplemental Agreement”). The Supplemental Agreement sets forth certain conditions
28 under which Defendants shall have the option to terminate the Settlement and render the

1 Stipulation null and void in the event that requests for exclusion from the Class exceed
2 certain agreed-upon criteria (the “Termination Threshold”). The Parties agree to maintain
3 the confidentiality of the Supplemental Agreement, which shall not be filed with the Court
4 unless a dispute arises as to its terms, or as otherwise ordered by the Court, nor shall the
5 Supplemental Agreement otherwise be disclosed unless ordered by the Court. If
6 submission of the Supplemental Agreement is required for resolution of a dispute or is
7 otherwise ordered by the Court, the Parties will use their best reasonable efforts to have
8 the Supplemental Agreement submitted to the Court *in camera* or under seal. In the event
9 of a termination of the Settlement pursuant to the Supplemental Agreement, the
10 Stipulation shall become null and void and of no further force and effect, with the
11 exception of the provisions of ¶¶46-47 which shall continue to apply.

12 40. The Preliminary Approval Order, attached hereto as Exhibit A, shall provide that
13 requests for exclusion shall be received no later than twenty-one (21) calendar days before the
14 Settlement Hearing (“Notice Date”). Upon receiving any request for exclusion pursuant to the
15 Settlement Notice, the Claims Administrator shall promptly, and no later than fifteen (15)
16 calendar days before the Settlement Hearing, notify Class Counsel and Defendants’ Counsel of
17 such request for exclusion and provide copies of such request for exclusion, and any
18 documentation accompanying it, by email.

19 41. In addition to all of the rights and remedies that Class Representatives have under
20 the terms of this Stipulation, Class Representatives shall also have the right to terminate the
21 Settlement in the event that the Settlement Amount has not been paid in the time period provided
22 for in ¶5 above, by providing written notice of the election to terminate to all other Parties’ counsel
23 and, thereafter, there is a failure to pay the Settlement Amount within fourteen (14) calendar days
24 of such written notice.

25 42. If, before the Settlement becomes Final, any Defendant files for protection under
26 the Bankruptcy Code, or any similar law, or a trustee, receiver, conservator, or other fiduciary is
27 appointed under Bankruptcy, or any similar law, and in the event of the entry of a final order of a
28 court of competent jurisdiction determining the transfer of money or any portion thereof to the

1 Settlement Fund by or on behalf of such Defendant to be a preference, voidable transfer,
2 fraudulent transfer, or similar transaction, and any portion thereof is required to be returned, and
3 such amount is not promptly deposited into the Settlement Fund by others, then, at the election of
4 Class Representatives, the Parties shall jointly move the Court to vacate and set aside the release
5 given and the Judgment or Alternative Judgment entered in favor of that Defendant or all
6 Defendants, and that Defendant or all Defendants, Class Representatives, and the members of the
7 Class shall be restored to their litigation positions as of March 8, 2019. All releases and the
8 Judgment or Alternative Judgment as to other Defendants shall remain unaffected.

9 43. Defendants each warrant, as to themselves and the payments made on their
10 behalves, that, at the time of such payment, they will not be insolvent, nor will payment render
11 them insolvent, within the meaning of and/or for the purposes of the U.S. Bankruptcy Code,
12 including §§101 and 547 thereof.

13 44. If an option to withdraw from and terminate this Stipulation and Settlement arises
14 under any of ¶¶38-42 above: (i) neither Defendants nor Class Representatives (as the case may
15 be) will be required for any reason or under any circumstance to exercise that option; and (ii) any
16 exercise of that option shall be made in good faith, but in the sole and unfettered discretion of
17 Defendants or Class Representatives, as applicable.

18 45. With the exception of the provisions of ¶¶46-47, which shall continue to apply, in
19 the event the Settlement is terminated, as set forth herein, or cannot become effective for any
20 reason, then the Settlement shall be without prejudice and none of its terms shall be effective or
21 enforceable, except as specifically provided herein; the Parties shall be deemed to have reverted
22 to their respective litigation positions in the Action as of March 8, 2019; and, except as
23 specifically provided herein, the Parties shall proceed in all respects as if this Stipulation and any
24 related order had not been entered. In such event, this Stipulation, and any aspect of the
25 discussions or negotiations leading to this Stipulation, shall not be admissible in this Action and
26 shall not be used against or to the prejudice of Defendants or against or to the prejudice of Class
27 Representatives, in any court filing, deposition, at trial, or otherwise.

1 statement or written document approved or made by Defendants, or against or to the
2 prejudice of Class Representatives, or any other member of the Class, as evidence of any
3 infirmity in the claims of Class Representatives, or the other members of the Class;

4 (c) do not constitute, and shall not be offered or received against or to the
5 prejudice of Defendants, the Released Defendants' Parties, Class Representatives, the
6 Released Plaintiffs' Parties, any other member of the Class, or their respective counsel, as
7 evidence of a presumption, concession, or admission, with respect to any liability,
8 damages, negligence, fault, infirmity, or wrongdoing, or in any way referred to for any
9 other reason against, or to the prejudice of, any of the Defendants, the Released
10 Defendants' Parties, Class Representatives, the Released Plaintiffs' Parties, any other
11 member of the Class, or their respective counsel, in any other civil, criminal, or
12 administrative action or proceeding, other than such proceedings as may be necessary to
13 effectuate the provisions of this Stipulation;

14 (d) do not constitute, and shall not be construed against Defendants, the
15 Released Defendants' Parties, Class Representatives, the Released Plaintiffs' Parties, or
16 any other member of the Class, as an admission or concession that the consideration to be
17 given hereunder represents the amount that could be, or would have been, recovered after
18 trial; and

19 (e) do not constitute, and shall not be construed as or received in evidence, as
20 an admission, concession, or presumption against Class Representatives, the Released
21 Plaintiffs' Parties, or any other member of the Class, that any of their claims are without
22 merit or infirm or that damages recoverable under the SAC would not have exceeded the
23 Settlement Amount.

24 48. Notwithstanding ¶47 above, the Parties, and their respective counsel, may file this
25 Stipulation and/or the Judgment or Alternative Judgment in any action that may be brought
26 against them in order to support a defense or counterclaim based on principles of *res judicata*,
27 collateral estoppel, release, statute of limitations, statute of repose, good-faith settlement,
28 judgment bar or reduction, or any theory of claim preclusion or issue preclusion or similar defense

1 or counterclaim, or to effectuate any liability protection granted them under any applicable
2 insurance policy. The Parties may file this Stipulation and/or the Judgment or Alternative
3 Judgment in any action that may be brought to enforce the terms of this Stipulation and/or the
4 Judgment or Alternative Judgment. All Parties submit to the jurisdiction of the Court for purposes
5 of implementing and enforcing the Settlement.

6 **MISCELLANEOUS PROVISIONS**

7 49. All of the exhibits to the Stipulation, and the Supplemental Agreement, are
8 material and integral parts hereof and fully incorporated herein by this reference.

9 50. The Parties intend the Settlement to be the full, final, and complete resolution of
10 all claims asserted, or that could have been asserted, by the Parties with respect to the Released
11 Claims and Released Defendants' Claims. Accordingly, the Parties agree not to assert in any
12 forum that the Action was brought, prosecuted, or defended in bad faith or without a reasonable
13 basis. The Parties and their respective counsel agree that each has complied fully with Fed. R.
14 Civ. P. 11 in connection with the maintenance, prosecution, defense, and settlement of the Action
15 and shall not make any application for sanctions, pursuant to Rule 11 or other court rule or statute,
16 with respect to any claim or defense in this Action. The Judgment shall contain a finding that the
17 Parties and their counsel, at all times, complied with Rule 11. The Parties agree that the amount
18 paid and the other terms of the Settlement were negotiated at arm's-length and in good faith by
19 the Parties and their respective counsel and reflect a settlement that was reached voluntarily based
20 upon adequate information and after consultation with experienced legal counsel.

21 51. This Stipulation, along with its exhibits and the Supplemental Agreement, may not
22 be modified or amended, nor may any of its provisions be waived, except by a writing signed by
23 counsel for the Parties hereto.

24 52. Defendants shall be responsible for, and shall pay for, at no cost to the Class,
25 timely service of any notice that might be required pursuant to the Class Action Fairness Act, 28
26 U.S.C. §1715.

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

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

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

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

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

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

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

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

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

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

26 63. The construction, interpretation, operation, effect, and validity of this Stipulation,
27 and all documents necessary to effectuate it, shall be governed by the laws of the state of
28

1 California, without regard to conflicts of laws, except to the extent that federal law requires that
2 federal law govern.

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

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

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

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

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[SIGNATURES TO FOLLOW]

EXHIBIT III

1 DEBORAH CLARK-WEINTRAUB (*pro hac vice*)
 2 MAX R. SCHWARTZ (*pro hac vice*)
 3 **SCOTT+SCOTT ATTORNEYS AT LAW LLP**
 The Helmsley Building
 4 230 Park Avenue, 17th Floor
 New York, NY 10169
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 5 Email: dweintraub@scott-scott.com
 mschwartz@scott-scott.com

6 *Attorneys for Class Representatives and the Class*

7
 8 **UNITED STATES DISTRICT COURT**
NORTHERN DISTRICT OF CALIFORNIA
 9 **SAN FRANCISCO DIVISION**

10 IN RE: SANDISK LLC SECURITIES
11 LITIGATION

Case No. 3:15-cv-01455-VC

Hon. Vince Chhabria

12 **NOTICE OF PROPOSED CLASS**
ACTION SETTLEMENT AND
 13 **MOTION FOR ATTORNEYS' FEES**
AND EXPENSES

14 **EXHIBIT A-1**

15
 16
 17 **If you purchased or otherwise acquired the publicly traded common stock of SanDisk**
Corp. during the period from October 16, 2014, through April 15, 2015, a class action
 18 **settlement may affect your rights.**

19 *A federal court authorized this notice. This is not a solicitation from a lawyer.*
 20 *Please read this notice carefully and in its entirety.*

21 This Settlement Notice describes important rights you may have and what steps you must
 22 take if you wish to participate in the Settlement or wish to be excluded from the Class. ***This***
 23 ***notice is different from the Notice of Pendency of Class Action (“Class Notice”), which you***
 24 ***might have already received alerting you to the fact that the Class had been certified.***¹

- 25 • The Settlement, if approved by the Court, will provide **\$50,000,000** (on
 26 average approximately \$1.01 per allegedly damaged share before the

27 ¹ All capitalized terms not defined in this Settlement Notice have the meanings provided in the Stipulation
 and Agreement of Settlement, dated as of May 6, 2019 (the “Stipulation”), which can be viewed at
 28 www.SanDiskSecuritiesLitigation.com.

deduction of Court-approved fees and expenses) in cash for the benefit of the Class (described below).

- The Settlement resolves claims in a class action by City of Bristol Pension Fund (“Bristol”), City of Milford, Connecticut Pension & Retirement Board (“Milford”), Pavers and Road Builders Pension, Annuity and Welfare Funds (“Pavers and Road Builders Benefit Funds”), City of Newport News Employees’ Retirement Fund (“NNERF”), and Massachusetts Laborers’ Pension Fund (“Massachusetts Laborers,” together with Bristol, Milford, Pavers and Road Builders Benefit Funds, and NNERF, “Class Representatives” or “Lead Plaintiffs”); against SanDisk Corporation (n/k/a “SanDisk LLC” and owned by Western Digital, referred to herein as “SanDisk” or the “Company”), Sanjay Mehrotra (“Mehrotra”), and Judy Bruner (“Bruner,” with Mehrotra, “Individual Defendants,” and with SanDisk as well, “Defendants”).
- Class Representatives claim that Defendants made materially false and misleading statements and failed to disclose material information concerning SanDisk’s enterprise business. The complaint in the Action further alleged that the price of SanDisk’s publicly traded common stock was artificially inflated, as a result of the allegedly false and misleading statements, and declined when the truth was allegedly revealed. Defendants deny all of the Class Representatives’ allegations and further deny that they did anything wrong. Defendants also deny that the Class Representatives or the Class suffered damages or that the price of SanDisk’s common stock was artificially inflated by reasons of alleged misrepresentations, nondisclosures, or otherwise. The Court did not decide in favor of either the Class or Defendants.
- Class Counsel, on behalf of Plaintiffs’ Counsel, will ask the Court for no more than \$14 million in attorneys’ fees (28% of the Settlement Fund) and up to \$1 million in litigation expenses, which will include a reimbursement request for the Class Representatives pursuant to the Private Securities Litigation Reform Act of 1995 (the “PSLRA”). If approved by the Court, these amounts (totaling on average up to approximately \$0.30 per allegedly damaged share) will be deducted from the \$50,000,000 Settlement.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made only if the Court approves the Settlement and after any appeals are resolved. Please be patient.
- **If you are a Class Member, your legal rights will be affected by this Settlement whether you act or do not act. Please read this Settlement Notice carefully.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A PROOF OF CLAIM FORM BY _____, 2019	The <u>only</u> way to get a payment. (See Question 8 below.)

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
OPT-BACK INTO THE CLASS BY SUBMITTING A REQUEST BY _____, 2019	If you previously submitted a request for exclusion from the Class in connection with the previously mailed Class Notice and now want to be part of the Class in order to receive a payment, you must follow the steps for “Opting-Back Into the Class.” (See Question 12 below.)
EXCLUDE YOURSELF BY _____, 2019	You will get no payment. This is the only option that, assuming your claim is timely brought, might allow you ever to bring or be part of any other lawsuit against the Defendants and the other Released Defendants’ Parties concerning the Released Claims. (See Question 10 below.)
OBJECT BY _____, 2019	Write to the Court about why you do not like the Settlement, the Fee and Expense Application, or the proposed Plan of Allocation. (See Question 15 below.)
GO TO A HEARING ON _____, 2019	Ask to speak in Court about the Settlement. (See Question 18 below.)
DO NOTHING	Get no payment AND give up your rights to bring your own individual action.

Identification of Attorneys’ Representatives

Class Representatives and the Class are being represented by Scott+Scott Attorneys at Law LLP, Court-appointed Class Counsel. Any questions regarding the Settlement should be directed to Deborah Clark-Weintraub or Max R. Schwartz, Scott+Scott Attorneys at Law LLP, The Helmsley Building, 230 Park Avenue, 17th Floor, New York, NY 10169, Tel. (212) 223-6444, www.scott-scott.com. **Please do not contact the Court regarding this notice.**

BASIC INFORMATION

1. Why did I get this Settlement Notice?

The Court authorized that this Settlement Notice be sent to you because you or someone in your family may have purchased or acquired the publicly traded common stock of SanDisk from October 16, 2014, through April 15, 2015, inclusive.

1 If this description applies to you or someone in your family, you have a right to know
 2 about the proposed Settlement of this class action lawsuit, and about all of your options, before
 3 the Court decides whether to approve the Settlement. If the Court approves the Settlement, and
 4 after any objections and appeals are resolved, an administrator appointed by the Court will make
 5 the payments to eligible claimants that the Settlement allows.

6 This Settlement Notice explains the lawsuit, Settlement, Class Members' legal rights,
 7 what benefits are available, who is eligible for them, and how to get them.

8 The Court in charge of this Action is the United States District Court for the Northern
 9 District of California (the "Court"), and the case is known as *In re: SanDisk LLC Securities*
 10 *Litigation*, No. 3:15-cv-01455-VC (N.D. Cal.) (the "Action"). The Action is assigned to the
 11 Honorable Vince Chhabria, United States District Judge.

12 The Court did not decide in favor of either the Class or the Defendants. Instead, they have
 13 agreed to a settlement. For Class Representatives, the principal reason for the Settlement is the
 14 certain benefit of a substantial cash recovery for the Class, in contrast to the risk that the Court
 15 may grant, in whole or in part, some or all of Defendants' motion for summary judgment, the
 16 uncertainty of being able to prove the allegations at a jury trial, and the difficulties and delays
 17 inherent in such litigation (including any appeals), which could result in a lower recovery. For
 18 Defendants, who deny all allegations of wrongdoing or liability whatsoever and deny that any
 19 Class Members were damaged, the principal reason for entering into the Settlement is to bring to
 20 an end the substantial burden, expense, uncertainty, and risk of further litigation.

21 **2. What is this lawsuit about? What has happened so far?**

22 This case arises out of allegations that Defendants violated §§10(b) and 20(a) of the
 23 Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder.
 24 The initial complaint in the case was filed on March 30, 2015. The operative complaint in the
 25 Action, the Second Amended Consolidated Class Action Complaint for Violations of the Federal
 26 Securities Laws (the "SAC"), was filed on July 15, 2016.²

27 ² The Action includes all of the actions that were consolidated into this Action, specifically, *Glore*
 28 *v. SanDisk Corp.*, No. 3:15-cv-01455-VC (now captioned *In re: SanDisk LLC Securities*

1 Class Representatives claim that Defendants made materially false and misleading
2 statements and failed to disclose information to investors about the condition and prospects of
3 SanDisk's enterprise business, including the then-recently acquired Fusion-io business unit, in
4 violation of the Exchange Act. Class Representatives further allege that the false and misleading
5 statements and omissions artificially inflated the price of SanDisk's common stock and that, when
6 Defendants later disclosed that the enterprise business was not performing as strongly as
7 previously touted, SanDisk's stock price dropped.

8 Defendants moved to dismiss the SAC and its prior iterations several times. On January
9 20, 2017, they filed their final motion to dismiss, and Class Representatives opposed that motion
10 thereafter. On June 22, 2017, the Court issued an Order denying Defendants' motion to dismiss.
11 The SAC, which describes Class Representatives' allegations in further detail, and the Court's
12 Order on the Motion to Dismiss, are available at www.SanDiskSecuritiesLitigation.com.

13 On August 7, 2017, Defendants answered the SAC, denying the claims and asserting
14 various affirmative defenses.

15 On January 19, 2018, Lead Plaintiffs filed their motion for class certification. Following
16 briefing on the motion and oral argument, on September 4, 2018, the Court issued an Order
17 granting the motion, certifying the Class, appointing Lead Plaintiffs as "Class Representatives,"
18 and appointing Scott+Scott as Class Counsel. The Court's Order is available at
19 www.SanDiskSecuritiesLitigation.com. Pursuant to an Order entered December 13, 2018,
20 beginning on January 9, 2019, the Class Notice was mailed to potential Class Members, and the
21 Summary Notice of Pendency of Class Action was published in *Investor's Business Daily* and
22 transmitted over the *PR Newswire* on January 21, 2019. The Class Notice provided Class
23 Members with the opportunity to request exclusion from the Class, explained that right, and set
24 forth the deadline and procedures for doing so. The deadline for requesting exclusion from the
25 Class pursuant to the Class Notice was February 28, 2019.

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Litigation), *Bowers v. SanDisk Corp.*, No. 3:15-cv-02050-VC, and *City of Sterling Heights
General Employees' Retirement System v. SanDisk Corp.*, No. 3:15-cv-02358-VC.

1 The Parties completed comprehensive class, fact, and expert discovery in the Action
2 during which the Class Representatives analyzed over 160,000 documents produced by
3 Defendants. In addition, the Class Representatives took a total of 12 fact and expert depositions.
4 The Class Representatives sat for Rule 30(b)(6) depositions and Class Counsel twice defended
5 the deposition of the Class' expert on causation and damages, once in connection with class
6 certification proceedings and later on merits issues.

7 On January 17, 2019, Defendants' moved for summary judgment seeking dismissal of the
8 claims as a matter of law and the exclusion of Class Representatives' damages expert's opinions.
9 On February 28, 2019, Class Representatives filed their opposition to Defendants' summary
10 judgment motion and motion to exclude Class Representatives' damages expert, and moved to
11 exclude the opinions of Defendants' damages expert. Trial was scheduled to begin on May 28,
12 2019.

13 Following the completion of fact discovery and the exchange of expert reports, the Parties
14 engaged the Hon. Layn R. Phillips (Ret.) ("Judge Phillips"), a well-respected and highly
15 experienced mediator and former federal judge, to assist them in exploring a potential negotiated
16 resolution of the claims in the Action. Following an exchange of mediation statements and
17 exhibits, on October 29, 2018, the Parties met with Judge Phillips in an attempt to reach a
18 settlement in a full-day mediation. The mediation did not result in a settlement of the Action, but
19 Judge Phillips continued his efforts to facilitate discussions among the Parties. Before Defendants
20 filed their reply papers in support of summary judgment, the Parties attended a second in-person
21 mediation with Judge Phillips on March 8, 2019, which resulted in an agreement-in-principle to
22 settle the Action for \$50,000,000, and entered into a Memorandum of Understanding.

23 Defendants deny all of Class Representatives' allegations and further deny that they did
24 anything wrong. Defendants also deny that Class Representatives or the Class suffered damages
25 or that the price of SanDisk common stock was artificially inflated by reasons of alleged
26 misrepresentations, nondisclosures or otherwise.

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3. Why is this a class action?

In a class action, one or more persons or entities (in this case, the Class Representatives), sue on behalf of people and entities that have similar claims. Together, these people and entities are a class, and each is a class member. Bringing a case, such as this one, as a class action allows the Court to resolve many similar claims of persons and entities that might be economically too small to bring as individual actions. One court resolves the issues for all class members at the same time, except for those who exclude themselves, or “opt-out,” from the class.

WHO IS IN THE SETTLEMENT

4. How do I know if I am part of the Class?

The Court has certified the following Class, subject to certain exceptions identified below:

All persons and entities who purchased or otherwise acquired publicly traded shares of common stock of SanDisk Corporation from October 16, 2014 through April 15, 2015, inclusive, and were damaged thereby.

Check your investment records or contact your broker to see if you purchased or acquired the publicly traded common stock of SanDisk during the period from October 16, 2014 through April 15, 2015, inclusive.

5. Are there exceptions to the Class definition and to being included in the Class?

Yes. Some people are excluded from the Class by definition. Excluded from the Class are: (i) Defendants and their immediate family members; (ii) the officers and directors of the Company during the Class Period and their immediate family members; (iii) any entity in which Defendants have or had a controlling interest; and (iv) the legal representatives, heirs, successors, assigns, or affiliates of any excluded person. Also excluded from the Class are those who had (a) sold all of their SanDisk stock prior to the first alleged corrective disclosure on March 26, 2015, and (b) made no subsequent purchases between March 26, 2015 and April 15, 2015.

Also excluded from the Class are Class Members who submitted timely and valid requests for exclusion in connection with the previously mailed Class Notice, and Class Members who submit timely and valid requests for exclusion from the Class in accordance with the procedures set forth in Question 10 below.

6. What if I am still not sure if I am included?

1 If you are still not sure whether you are included in the Class, you can ask for free help.
2 You can call the Claims Administrator toll-free at 877-432-3788, send an e-mail to the Claims
3 Administrator at info@SanDiskSecuritiesLitigation.com or write to the Claims Administrator,
4 *SanDisk Securities Litigation*, c/o Epiq, P.O. Box 3058, Portland, OR 97208-3058. Or you can
5 fill out and return the Proof of Claim form described in Question 8 to see if you qualify.

6 **THE SETTLEMENT BENEFITS — WHAT YOU GET**

7 **7. How much will my payment be?**

8 In exchange for the Settlement and the release of certain claims (the “Released Claims”
9 as defined below) against Defendants and the Released Defendants’ Parties, Defendants have
10 agreed to fund a \$50,000,000 settlement fund. That fund will earn interest and will be distributed,
11 after the deduction of Court-approved fees and expenses, among all Class Members who submit
12 valid Claim Forms and who are found to be entitled to a distribution from the Net Settlement
13 Fund (“Authorized Claimants”).

14 If you are an Authorized Claimant entitled to a payment, your share of the Net Settlement
15 Fund will depend on several things, including: how many Class Members send in valid Claim
16 Forms; the total amount of recognized losses of other Authorized Claimants; how many shares of
17 SanDisk common stock you purchased; the prices and dates of those purchases; and the prices
18 and dates of any sales.

19 You can calculate your recognized loss in accordance with the formulas shown below in
20 the Plan of Allocation. It is unlikely that you will receive a payment for all of your recognized
21 loss. See the Plan of Allocation of Net Settlement Fund on pp. 17-26 for more information on
22 your recognized loss.

23 **HOW YOU RECEIVE A PAYMENT:
24 SUBMITTING A PROOF OF CLAIM FORM**

25 **8. How can I receive a payment?**

26 To qualify for a payment, you must submit a timely and valid Claim Form. A Claim Form
27 is included with this Settlement Notice. If you did not receive a Claim Form, you can obtain one
28

1 on the website: www.SanDiskSecuritiesLitigation.com. You can also ask for a Claim Form by
2 calling the Claims Administrator toll-free at 877-432-3788.

3 Please read the instructions carefully, fill out the Claim Form, include all the documents
4 the form requests, sign it, and mail or electronically submit it to the Claims Administrator so that
5 it is *postmarked or electronically submitted no later than* _____, **2019**.

6 **9. What am I giving up to receive a payment or by staying in the Class?**

7 Unless you exclude yourself, or previously excluded yourself, you are staying in the Class,
8 and that means that upon the “Effective Date,” you will release all “Released Claims,” as defined
9 below, against the “Released Defendants’ Parties.” Released Claims include claims that share an
10 identical factual predicate with the claims asserted in the Action.

11 **“Released Claims”** means all claims, demands, losses, rights, and causes of action of any
12 nature whatsoever, that have been or could have been asserted in the Action or could in the future
13 be asserted in any forum, whether foreign or domestic, whether arising under federal, state,
14 common, or foreign law, by Class Representatives, any member of the Class, or their successors,
15 assigns, executors, administrators, representatives, attorneys, and agents, in their capacities as
16 such, whether brought directly or indirectly against any of the Released Defendants’ Parties,
17 which both (a) arise out of, are based on, or relate in any way to any of the allegations, acts,
18 transactions, facts, events, matters, occurrences, representations or omissions involved, set forth,
19 alleged or referred to, in the Action, or which could have been alleged in the Action, and (b) arise
20 out of, are based on, or relate to the purchase or acquisition of any SanDisk common stock. This
21 means that the Released Claims are only those claims that are based on the identical factual
22 predicate as the securities fraud claims at issue in the Action. Released Claims do not include
23 claims to enforce this settlement.

24 **“Released Defendants’ Parties”** means (i) each Defendant, (ii) each of their respective
25 family members (for individuals) and each of their direct or indirect parent entities, subsidiaries,
26 related entities and affiliates (including Western Digital), and (iii) for any of the entities listed in
27 parts (i) or (ii), their respective past and present general partners, limited partners, principals,
28

1 shareholders, joint venturers, members, officers, directors, managers, managing directors,
2 supervisors, employees, contractors, consultants, auditors, accountants, financial advisors,
3 professional advisors, investment bankers, representatives, insurers, trustees, trustors, agents,
4 attorneys, professionals, predecessors, successors, assigns, heirs, executors, administrators, and
5 any controlling person thereof, in their capacities as such.

6 Please consult the Stipulation, filed with the Court and posted at
7 www.SanDiskSecuritiesLitigation.com, for additional defined terms.

8 The “Effective Date” will occur when an Order entered by the Court approving the
9 Settlement becomes final and is not subject to appeal. If you remain a member of the Class, all
10 of the Court’s orders will apply to you and legally bind you.

11 **EXCLUDING YOURSELF FROM THE CLASS**

12 *If you already submitted a valid and timely request for exclusion in connection with the*
13 *Class Notice, you do not need to do so again.*³

14 If you **did not** previously submit a request for exclusion and **do not** want a payment from
15 this Settlement, but you want to keep any right you may have to sue or continue to sue Defendants
16 and the other Released Defendants’ Parties on your own concerning the Released Claims, then
17 you must take steps to remove yourself from the Class. This is called excluding yourself or
18 “opting out.” **Please note: if you decide to exclude yourself because you want to bring your**
19 **own lawsuit to pursue claims alleged in the Action, you should consult with an attorney to**
20 **discuss whether your individual claim would be time-barred by the applicable statutes of**
21 **limitations or repose.** Also, Defendants may terminate the Settlement if Class Members who
22 purchased in excess of a certain amount of shares of SanDisk common stock seek exclusion from
23 the Class.

24 **10. How do I exclude myself from the Class?**

25 To exclude yourself from the Class, you must submit a signed letter stating that you
26 request to be “excluded from the Class in *In re SanDisk LLC Sec. Litig.*, No. 3:15-cv-01455-VC.”

27
28 ³ If you are not sure whether you did, please call the Claims Administrator at 877-432-3788.

1 You cannot exclude yourself by telephone or e-mail. Your letter must state the date(s), price(s),
2 and number(s) of shares of all purchases, acquisitions, and sales of SanDisk common stock during
3 the period from October 16, 2014 through April 15, 2015. Your letter must include your name,
4 mailing address, telephone number, e-mail address, and signature. You must submit your
5 exclusion request by first-class mail or online at www.SanDiskSecuritiesLitigation.com so that it
6 is *received (not simply postmarked) no later than _____, 2019* to:

7
8 *SanDisk Securities Litigation*
9 Claims Administrator
c/o Epiq
P.O. Box 3058
Portland, OR 97208-3058

10 Your exclusion request must comply with these requirements in order to be valid, unless
11 it is otherwise accepted by the Court. If you ask to be excluded, you will not receive any payment
12 from the Net Settlement Fund, and you cannot object to the Settlement because you will no longer
13 be part of the Class.

14 **11. If I do not exclude myself, can I sue Defendants and the other Released
15 Defendants' Parties for the same thing later?**

16 No. Unless you properly exclude yourself, you remain in the Class and you give up any
17 rights to sue Defendants and the other Released Defendants' Parties for any and all Released
18 Claims. If you have a pending lawsuit, **speak to your lawyer in that case immediately**. You
19 must exclude yourself from this Class to continue your own lawsuit. Remember, the exclusion
20 deadline is _____, 2019.

OPTING-BACK INTO THE CLASS

21 **12. What if I previously requested exclusion in connection with the Class Notice and
22 now want to be eligible to receive a payment from Settlement? How do I opt-back
23 into the Class?**

24 If you previously submitted a request for exclusion from the Class in connection with the
25 Class Notice, you may opt-back into the Class and be eligible to receive a payment from the
26 Settlement. If you are not certain whether you previously submitted a request for exclusion,
27 please contact the Claims Administrator at 877-432-3788 for assistance.
28

1 In order to opt-back into the Class, you, individually or through counsel, must mail a
 2 written "Request to Opt-Back into the Class" to the Claims Administrator, addressed as follows:
 3 *SanDisk Securities Litigation*, c/o Epiq, P.O. Box 3058, Portland, OR 97208-3058. This request
 4 must be *received (not simply postmarked) no later than* _____, **2019**. Your Request to
 5 Opt-Back into the Class must (i) state the name, address, and telephone number of the person or
 6 entity requesting to opt-back into the Class; (ii) state that such person or entity "requests to opt-
 7 back into the Class in *In re SanDisk LLC Sec. Litig.*, No. 3:15-cv-01455-VC"; and (iii) be signed
 8 by the person or entity requesting to opt-back into the Class or an authorized representative.

9 **Please note:** Opting-back into the Class *does not mean* that you will automatically be
 10 entitled to receive proceeds from the Settlement. If you wish to be eligible to participate in the
 11 distribution of proceeds from the Settlement, you are also required to submit the Proof of Claim
 12 form that is being distributed with this Settlement Notice. *See* Question 8, above.

13 THE LAWYERS REPRESENTING YOU

14 **13. Do I have a lawyer in this case?**

15 The Court ordered the law firm of Scott+Scott Attorneys at Law LLP (Scott+Scott) to
 16 represent all Class Members. These lawyers are called Class Counsel. You will not be separately
 17 charged for these lawyers. The Court will determine the amount of Class Counsel's fees and
 18 expenses, which will be paid from the Settlement Fund. If you want to be represented by your
 19 own lawyer, you may hire one at your own expense.

20 **14. How will the lawyers be paid?**

21 Class Counsel has been prosecuting the Action on a contingent basis and has not been
 22 paid for any of its work. Class Counsel, on behalf of itself and other Plaintiffs' Counsel, will seek
 23 an attorneys' fee award of no more than 28% of the Settlement Fund, which will include accrued
 24 interest. Plaintiffs' Counsel is Class Counsel (Scott+Scott), Labaton Sucharow LLP, and Cohen
 25 Milstein Sellers & Toll PLLC, as well as additional counsel that assisted certain Class
 26 Representatives, the Thornton Law Firm and The Corrente Law Corporation. Any attorneys' fees
 27 awarded by the Court to Class Counsel will be allocated by Class Counsel to other Plaintiffs'
 28

1 Counsel. Class Counsel will also seek payment of litigation expenses incurred by Plaintiffs’
2 Counsel in the prosecution of this Action of no more than \$1 million plus accrued interest, which
3 will also include an application in accordance with the PSLRA for the reasonable costs and
4 expenses (including lost wages) of the Class Representatives directly related to their
5 representation of the Class. Any attorneys’ fees and expenses awarded by the Court will be paid
6 from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

7 **OBJECTING TO THE SETTLEMENT**

8 You can tell the Court that you do not agree with the Settlement or any part of it.

9 **15. How do I tell the Court that I do not like something about the proposed Settlement,
10 the Plan of Allocation, or the Fee and Expense Application?**

11 If you are a Class Member, you can object to the Settlement or any of its terms, the
12 proposed Plan of Allocation, and/or the Fee and Expense Application. You may write to the
13 Court about your objection. You can ask the Court not to approve the Settlement, however you
14 cannot ask the Court to order a larger or different settlement; the Court can only approve or deny
15 this Settlement. If the Court denies approval, the settlement payments will not be sent out and
16 the Parties will return to the position they were in before the settlement was agreed to. If you
17 would like the Court to consider your views, you must file a proper objection within the deadline
18 set forth below, and according to the following procedures. Failure to comply with the
19 requirements for submitting objections may be excused by the Court for good cause. You may
20 also write in support of the Settlement and related relief.

21 To object, you must mail or file a signed letter stating that you object to the proposed
22 Settlement, Plan of Allocation, and/or Fee and Expense Application in *In re SanDisk LLC Sec.*
23 *Litig.*, No. 3:15-cv-01455-VC. Your objection must state why you are objecting and whether
24 your objection applies only to you, a subset of the Class, or the entire Class. The objection must
25 also: (i) include the name, address, and telephone number of the person or entity objecting; (ii)
26 contain a statement of the objection and the specific reasons for it, including any legal and
27 evidentiary support (including witnesses) you wish to bring to the Court’s attention; and (iii)
28 identify the number of shares of SanDisk common stock purchased, acquired, and sold during the

1 Class Period, as well as the date, number of shares, and price per share of each such purchase,
2 acquisition, and sale. Unless otherwise ordered by the Court, any Class Member who does not
3 object in the manner described in this Settlement Notice will be deemed to have waived any
4 objection and will be forever foreclosed from making any objection to the proposed Settlement,
5 the Plan of Allocation, and/or the Fee and Expense Application.

6 Your objection must be submitted to the Court either by (i) mailing it to the Class Action
7 Clerk, United States District Court for the Northern District of California, San Francisco
8 Courthouse, 450 Golden Gate Avenue, Box 36060, San Francisco, California 94102-3489, or (ii)
9 filing it in person at any location of the United States District Court for the Northern District of
10 California. Your objection must be *received or filed, not simply postmarked, on or before*
11 _____, *2019*:

12 You do not need to attend the Settlement Hearing to have your written objection
13 considered by the Court. However, any Class Member who has complied with the procedures
14 set out in this Question 15 and below in Question 18 may appear at the Settlement Hearing and
15 be heard, to the extent allowed by the Court, either in person or through an attorney, arranged at
16 his, her, or its own expense.

17 **16. What is the difference between objecting and excluding?**

18 Objecting is telling the Court that you do not like something about the proposed
19 Settlement, Plan of Allocation, or Fee and Expense Application. You can still recover from the
20 Settlement, and you will still be bound by the Settlement and any Court order in this Action. **You**
21 **can object *only* if you stay in the Class.**

22 Excluding yourself is telling the Court that you do not want to be part of the Class. If you
23 exclude yourself, you have no basis to object because the Settlement no longer affects you.

1 **THE SETTLEMENT HEARING**

2 **17. When and where will the Court decide whether to approve the proposed**
3 **Settlement?**

4 The Court will hold the Settlement Hearing on _____, 2019 at ____ __.m., at the
5 United States District Court for the Northern District of California, San Francisco Courthouse, in
6 Courtroom 4, 17th Floor, 450 Golden Gate Avenue, San Francisco, CA 94102.

7 At this hearing, the Court will consider (i) whether the Settlement is fair, reasonable, and
8 adequate, and should be finally approved; (ii) whether the proposed Plan of Allocation is fair,
9 reasonable, and adequate; and (iii) the application of Class Counsel for an award of attorneys’
10 fees and payment of litigation expenses. The Court will take into consideration any written
11 objections filed in accordance with the instructions in Question 15. We do not know how long it
12 will take the Court to make these decisions.

13 You should be aware that the Court may change the date and time of the Settlement
14 Hearing without another notice being sent to Class Members. If you want to attend the hearing,
15 you should check with Class Counsel beforehand to be sure that the date and/or time has not
16 changed, periodically check the Court’s website at www.cand.uscourts.gov, or periodically check
17 the case-specific website at www.SanDiskSecuritiesLitigation.com to see if the Settlement
18 Hearing stays as calendared or is changed.

19 **18. May I speak at the Settlement Hearing?**

20 You may ask the Court for permission to speak at the Settlement Hearing. To do so, you
21 must submit a statement that it is your intention to appear in “*In re SanDisk LLC Sec. Litig.*, No.
22 3:15-cv-01455-VC.” Persons who intend to object to the Settlement, the Plan of Allocation, or
23 Class Counsel’s Fee and Expense Application, and desire to present evidence at the Settlement
24 Hearing, must also include in their objections (prepared and submitted in accordance with the
25 answer to Question 15 above) the identity of any witness they may wish to call to testify and any
26 exhibits they intend to introduce into evidence at the Settlement Hearing. You may not speak at
27 the Settlement Hearing if you excluded yourself from the Class, or if you have not provided
28 written notice of your objection and/or intention to speak at the Settlement Hearing in accordance

1 with the procedures described in Questions 10, 15, and 18, unless your failure to follow these
2 requirements is excused by the Court for good cause.

3 **IF YOU DO NOTHING**

4 **19. What happens if I do nothing at all?**

5 If you do nothing and you are a member of the Class, you will receive no money from this
6 Settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being
7 part of any other lawsuit against Defendants and the other Released Defendants' Parties
8 concerning the Released Claims. To share in the Net Settlement Fund, you must submit a Claim
9 Form (*see* Question 8). To start, continue, or be a part of any other lawsuit against Defendants
10 and the other Released Defendants' Parties concerning the Released Claims in this case, to the
11 extent it is otherwise permissible to do so or there are other lawsuits, you must exclude yourself
12 from the Class (*see* Question 10).

13 **GETTING MORE INFORMATION**

14 **20. Are there more details about the proposed Settlement?**

15 This Settlement Notice summarizes the proposed Settlement. More details are in the
16 Stipulation. Similarly, Class Counsel's motions in support of final approval of the Settlement,
17 the request for attorneys' fees and litigation expenses, and approval of the proposed Plan of
18 Allocation will be filed with the Court no later than _____, 2019 and be available from
19 Class Counsel, the Claims Administrator, or the Court, pursuant to the instructions below.

20 You can get a copy of the Stipulation and other case documents by calling the Claims
21 Administrator toll free at 877-432-3788; writing to the Claims Administrator at *SanDisk*
22 *Securities Litigation*, c/o Epiq, P.O. Box 3058, Portland, OR 97208-3058; or visiting the websites:
23 www.SanDiskSecuritiesLitigation.com or www.scott-scott.com where you will find answers to
24 common questions about the Settlement, can download copies of the Stipulation or Claim Form,
25 and locate other information.

26 You may also review the Stipulation or documents filed in the case at the Office of the
27 Clerk of the United States District Court for the Northern District of California, San Francisco
28

1 Courthouse, 450 Golden Gate Avenue, San Francisco, California 94102-3489, on weekdays
2 (other than court holidays) between 9:00 a.m. and 4:00 p.m. Subscribers to PACER, a fee-based
3 service, can also view the papers filed publicly in the Action through the Court’s on-line Case
4 Management/Electronic Case Files System at <https://www.pacer.gov>.

5 **Please do not Call the Court with Questions about the Settlement.**

6 **PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND**

7 The Plan of Allocation set forth below is the plan for distributing the proceeds of the
8 Settlement among eligible Class Members that is being proposed by Class Representatives and
9 their counsel to the Court for approval. The Court may approve this Plan of Allocation or modify
10 it without additional notice to the Class. Any order modifying the Plan of Allocation will be posted
11 on the Settlement website at: www.SanDiskSecuritiesLitigation.com.

12 The \$50 million Settlement Amount and any interest earned thereon is the “Settlement Fund.”
13 The Settlement Fund, less all Taxes, approved costs, fees and expenses (the “Net Settlement
14 Fund”) will be distributed to members of the Class who submit valid Claim Forms that are
15 accepted for payment, in accordance with the Plan of Allocation approved by the Court
16 (“Authorized Claimants”).

17 The Claims Administrator shall determine each Authorized Claimant’s *pro rata* share of
18 the Net Settlement Fund based upon each Authorized Claimant’s “Recognized Claim.” The
19 calculations made pursuant to the Plan of Allocation are not intended to estimate the amount a
20 Class Member might have been able to recover after a trial; nor are they to estimate the amount
21 that will be paid to Authorized Claimants pursuant to the Settlement. The calculations pursuant
22 to the Plan are a method to weigh the claims of Authorized Claimants against one another for the
23 purpose of making *pro rata* allocations of the Net Settlement Fund.

24 The objective of this Plan of Allocation is to equitably distribute the Net Settlement Fund
25 among Authorized Claimants who suffered economic losses as a result of the alleged violations
26 of the federal securities laws during the Class Period (October 16, 2014 through April 15, 2015).
27 To design this Plan, Class Counsel has conferred with their damages expert. This Plan is intended
28

1 to be generally consistent with an assessment of, among other things, the damages that Class
2 Counsel and Class Representatives believe were recoverable in the Action. The Plan of
3 Allocation, however, is not a formal damages analysis.

4 For losses to be compensable damages under the federal securities laws, the disclosure of
5 the allegedly misrepresented information must be the cause of the decline in the price of the
6 securities at issue. In this case, Class Representatives allege that Defendants issued false
7 statements and omitted material facts during the Class Period, which artificially inflated the price
8 of SanDisk common stock. It is alleged that corrective information released to the market on
9 March 26, 2015 (prior to market open and continuing through March 27, 2015) and April 15,
10 2015 (after market close) impacted the market price of SanDisk common stock in a statistically
11 significant manner and removed portions of the alleged artificial inflation from SanDisk common
12 stock on March 26-27, 2015 and April 16, 2015. Accordingly, in order to have a compensable
13 loss in this Settlement, SanDisk common stock must have been purchased or otherwise acquired
14 during the Class Period and held through at least one of the alleged corrective disclosures listed
15 above.

16 **CALCULATION OF RECOGNIZED LOSS AND RECOGNIZED GAIN AMOUNTS**

17 For purposes of determining whether a Claimant has a “Recognized Claim,” purchases,
18 acquisitions, and sales of SanDisk common stock will first be matched on a First In/First Out
19 (“FIFO”) basis. Class Period sales will be matched first against any holdings at the beginning of
20 the Class Period and then against purchases/acquisitions in chronological order, beginning with
21 the earliest purchase/acquisition made during the Class Period.

22 A “Recognized Loss Amount” will be calculated as set forth for each purchase of SanDisk
23 common stock during the Class Period from October 16, 2014 through April 15, 2015 that is listed
24 in the Claim Form and for which adequate documentation is provided. To the extent that the
25 calculation of a Claimant’s Recognized Loss Amount results in a negative number, that number
26 shall be set to zero.

1 For each share of SanDisk common stock purchased or otherwise acquired during the
2 Class Period and sold before the close of trading on July 14, 2015, an “Out of Pocket Loss” will
3 be calculated. Out of Pocket Loss is defined as the purchase price (without regard to any fees,
4 taxes, commissions or other costs) minus the sale price (without regard to any fees, taxes,
5 commissions or other costs). To the extent that the calculation of the Out of Pocket Loss results
6 in a negative number, that number shall be set to zero.

7 **For each share of SanDisk common stock purchased or acquired at any point from**
8 **October 16, 2014 through and including April 15, 2015 and:**

9 A. Sold before the opening of trading on March 26, 2015, the Recognized
10 Loss Amount for each such share shall be zero.

11 B. Sold after the opening of trading on March 26, 2015, and before the close
12 of trading on April 15, 2015, the Recognized Loss Amount for each such share shall be
13 *the lesser of:*

14 1. the dollar artificial inflation applicable to each such share on the
15 date of purchase/acquisition as set forth in **Table 1** below *minus* the dollar artificial
16 inflation applicable to each such share on the date of sale as set forth in **Table 1**
17 below; or

18 2. the Out of Pocket Loss.

19 C. Sold after the close of trading on April 15, 2015, and before the close of
20 trading on July 14, 2015, the Recognized Loss Amount for each such share shall be *the*
21 *least of:*

22 1. the dollar artificial inflation applicable to each such share on the
23 date of purchase/acquisition as set forth in **Table 1** below; or

24 2. the actual purchase/acquisition price of each such share *minus* the
25 average closing price from April 16, 2015, up to the date of sale as set forth in
26 **Table 2** below; or

27 3. the Out of Pocket Loss.

1 D. Held as of the close of trading on July 14, 2015, the Recognized Loss
2 Amount for each such share shall be *the lesser of*:

- 3 1. the dollar artificial inflation applicable to each such share on the
4 date of purchase/acquisition as set forth in **Table 1** below; or
5 2. the actual purchase/acquisition price of each such share *minus*
6 \$64.90.⁴

7 **For shares of SanDisk common stock held as of the close of trading on October 15,**
8 **2014 and sold during the Class Period, a Recognized Gain Amount will be calculated as**
9 **follows:**

10 Shares of SanDisk common stock held as of the close of trading on October 15,
11 2014 and sold during the Class Period were sold at artificially inflated prices.
12 For each share of SanDisk common stock held as of the close of trading on
13 October 15, 2014 and sold at any point from October 16, 2014 through and
14 including April 15, 2015, a Recognized Gain Amount will be calculated by
multiplying the number of shares held as of the close of trading on October 15,
2014 by the amount of artificial inflation per share on the date of sale as set
forth in **Table 1**.

15 **TABLE 1**

16 **SanDisk Common Stock Artificial Inflation
For Purposes of Calculating Purchase and Sale Inflation**

Transaction Date	Artificial Inflation Per Share
October 16, 2014 – March 25, 2015	\$9.04
March 26, 2015	\$2.26
March 27, 2015 – April 15, 2015	\$1.35

17
18
19
20
21
22
23
24 ⁴ Pursuant to Section 21D(e)(1) of the Exchange Act, “in any private action arising under this title in which
25 the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the
26 plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the
27 plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on
28 the date on which the information correcting the misstatement or omission that is the basis for the action is
disseminated to the market.” Consistent with the requirements of the Exchange Act, Recognized Loss Amounts are
reduced to an appropriate extent by taking into account the closing prices of SanDisk common stock during the “90-
day look-back period,” April 16, 2015 through July 14, 2015. The mean (average) closing price for SanDisk common
stock during this 90-day look-back period was \$64.90.

TABLE 2**SanDisk Common Stock Closing Price and Average Closing Price
April 16, 2015 – July 14, 2015**

Date	Closing Price	Average Closing Price between April 16, 2015 and Date Shown	Date	Closing Price	Average Closing Price between April 16, 2015 and Date Shown
4/16/2015	\$67.91	\$67.91	6/1/2015	\$68.23	\$67.60
4/17/2015	\$67.01	\$67.46	6/2/2015	\$67.07	\$67.59
4/20/2015	\$66.87	\$67.26	6/3/2015	\$67.51	\$67.59
4/21/2015	\$67.92	\$67.43	6/4/2015	\$67.10	\$67.57
4/22/2015	\$68.48	\$67.64	6/5/2015	\$68.67	\$67.60
4/23/2015	\$68.76	\$67.82	6/8/2015	\$67.51	\$67.60
4/24/2015	\$67.92	\$67.84	6/9/2015	\$66.81	\$67.58
4/27/2015	\$67.67	\$67.82	6/10/2015	\$67.26	\$67.57
4/28/2015	\$68.69	\$67.91	6/11/2015	\$66.66	\$67.55
4/29/2015	\$67.84	\$67.91	6/12/2015	\$66.10	\$67.51
4/30/2015	\$66.94	\$67.82	6/15/2015	\$64.18	\$67.43
5/1/2015	\$68.47	\$67.87	6/16/2015	\$64.52	\$67.37
5/4/2015	\$67.51	\$67.84	6/17/2015	\$64.73	\$67.31
5/5/2015	\$66.97	\$67.78	6/18/2015	\$65.21	\$67.26
5/6/2015	\$66.64	\$67.71	6/19/2015	\$63.92	\$67.19
5/7/2015	\$66.59	\$67.64	6/22/2015	\$65.48	\$67.15
5/8/2015	\$67.73	\$67.64	6/23/2015	\$65.09	\$67.11
5/11/2015	\$67.77	\$67.65	6/24/2015	\$63.79	\$67.04
5/12/2015	\$66.67	\$67.60	6/25/2015	\$63.35	\$66.97
5/13/2015	\$67.20	\$67.58	6/26/2015	\$62.12	\$66.87
5/14/2015	\$67.00	\$67.55	6/29/2015	\$60.19	\$66.74
5/15/2015	\$67.19	\$67.53	6/30/2015	\$58.22	\$66.58
5/18/2015	\$67.50	\$67.53	7/1/2015	\$56.41	\$66.39
5/19/2015	\$67.33	\$67.52	7/2/2015	\$56.36	\$66.21

Date	Closing Price	Average Closing Price between April 16, 2015 and Date Shown	Date	Closing Price	Average Closing Price between April 16, 2015 and Date Shown
5/20/2015	\$67.08	\$67.51	7/6/2015	\$55.48	\$66.02
5/21/2015	\$67.02	\$67.49	7/7/2015	\$55.89	\$65.84
5/22/2015	\$67.08	\$67.47	7/8/2015	\$54.15	\$65.64
5/26/2015	\$66.39	\$67.43	7/9/2015	\$53.81	\$65.44
5/27/2015	\$69.01	\$67.49	7/10/2015	\$53.53	\$65.24
5/28/2015	\$69.59	\$67.56	7/13/2015	\$53.65	\$65.05
5/29/2015	\$68.38	\$67.58	7/14/2015	\$55.45	\$64.90

ADDITIONAL PROVISIONS

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

In accordance with the Plan of Allocation, the Recognized Loss Amount on any portion of a purchase or acquisition that matches against (or “covers”) a “short sale” is zero. The Recognized Loss Amount on a “short sale” that is not covered by a purchase or acquisition is also zero.

In the event that a Claimant has an opening short position in SanDisk common stock at the start of the Class Period, the earliest Class Period purchases or acquisitions shall be matched

1 against such opening short position in accordance with the FIFO matching described above and
2 any portion of such purchases or acquisition that covers such short sales will not be entitled to
3 recovery. In the event that a claimant newly establishes a short position during the Class Period,
4 the earliest subsequent Class Period purchase or acquisition shall be matched against such short
5 position on a FIFO basis and will not be entitled to a recovery.

6 SanDisk common stock is the only security eligible for recovery under the Plan of
7 Allocation. With respect to SanDisk common stock purchased or sold through the exercise of an
8 option, the purchase/sale date of the SanDisk common stock is the exercise date of the option and
9 the purchase/sale price is the exercise price of the option.

10 The sum of a Claimant's Recognized Loss Amounts minus the sum of a Claimant's
11 Recognized Gain Amounts will be the Claimant's "Recognized Claim." To the extent that the
12 calculation of a Claimant's Recognized Claim results in a negative number, the Claimant's
13 Recognized Claim will be zero.

14 An Authorized Claimant's Recognized Claim shall be the amount used to calculate the
15 Authorized Claimant's *pro rata* share of the Net Settlement Fund. If the sum total of Recognized
16 Claims of all Authorized Claimants who are entitled to receive payment out of the Net Settlement
17 Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive his, her, or
18 its *pro rata* share of the Net Settlement Fund. The *pro rata* share shall be the Authorized
19 Claimant's Recognized Claim divided by the total of Recognized Claims of all Authorized
20 Claimants, multiplied by the total amount in the Net Settlement Fund.

21 If the Net Settlement Fund exceeds the sum total amount of the Recognized Claims of all
22 Authorized Claimants entitled to receive payment, the excess amount in the Net Settlement Fund
23 shall be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

24 The Net Settlement Fund will be allocated among all Authorized Claimants whose
25 prorated payment is \$10.00 or greater. If the prorated payment to any Authorized Claimant
26 calculates to less than \$10.00, no distribution will be made to that Authorized Claimant.

27
28

1 Class Members who do not submit valid Claim Forms will not share in the distribution of
2 the Net Settlement Fund, however they will nevertheless be bound by the Settlement and the
3 Judgment of the Court dismissing this Action, unless they have timely and validly sought
4 exclusion.

5 Distributions will be made to Authorized Claimants after all claims have been processed
6 and after the Court has finally approved the Settlement. If any funds remain in the Net Settlement
7 Fund by reason of un-cashed distributions or otherwise and it is economical to do so, then, after
8 the Claims Administrator has made reasonable and diligent efforts to have Class Members who
9 are entitled to participate in the distribution of the Net Settlement Fund cash their distributions,
10 any balance remaining in the Net Settlement Fund at least four months after the initial distribution
11 of such funds shall be re-distributed on a *pro rata* basis to Class Members who have cashed their
12 initial distributions in an equitable and economical manner, after payment of any unpaid costs or
13 fees incurred in administering the Net Settlement Fund for such re-distribution. These
14 redistributions shall be repeated until the balance in the Net Settlement Fund is no longer
15 economical to distribute. Any balance that still remains in the Net Settlement Fund after re-
16 distribution(s), which is not feasible or economical to reallocate, after payment of any unpaid
17 costs or fees incurred in administering the Net Settlement Fund, shall be contributed, in equal
18 amount, to the Consumer Federation of American and the Council of Institutional Investors.

19 Payment pursuant to the Plan of Allocation or such other plan as may be approved by the
20 Court shall be conclusive against all Claimants. No person shall have any claim against Class
21 Representatives, Plaintiffs' Counsel, their damages expert, the Claims Administrator, or other
22 agent designated by Class Counsel, arising from determinations or distributions to Claimants
23 made substantially in accordance with the Stipulation, the Plan of Allocation approved by the
24 Court, or further orders of the Court. Defendants, their respective counsel, and all other Released
25 Defendants' Parties shall have no responsibility for or liability whatsoever for the investment or
26 distribution of the Settlement Fund, the Net Settlement Fund, the Plan of Allocation or the
27 determination, administration, calculation, or payment of any Claim Form or non-performance of
28

1 the Claims Administrator, the payment or withholding of Taxes owed by the Settlement Fund or
2 any losses incurred in connection therewith.

3 The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the
4 Claim of any Claimant. Each Claimant shall be deemed to have submitted to the jurisdiction of
5 the Court with respect to his, her or its Claim Form.

6 **SPECIAL NOTICE TO SECURITIES BROKERS AND NOMINEES**

7 In the previously mailed Class Notice, you were advised that if, for the beneficial interest
8 of any person or entity other than yourself, you purchased SanDisk common stock during the
9 period from October 16, 2014 through April 15, 2015, inclusive, you either had to: (1) provide a
10 list of the names, addresses, and emails of all such beneficial owners to the Claims Administrator;
11 or (2) request from the Claims Administrator sufficient copies of the Class Notice to forward to
12 all such beneficial owners, and forward them to all such beneficial owners.

13 If you chose the first option, the Claims Administrator sent a copy of the Settlement
14 Notices and Proof of Claim and Release Forms (together, the “Claim Packet”) to the beneficial
15 owners whose names and addresses you previously supplied. Unless you have identified
16 additional beneficial owners whose names you did not previously provide, **you need do nothing**
17 **further at this time.**

18 If you chose the second option, *i.e.*, you elected to mail the Class Notice directly to
19 beneficial owners, you were advised that you must retain the mailing records for use in connection
20 with any further notices that may be provided in the Action. If you elected this option, the Claims
21 Administrator will forward the same number of Claim Packets to you to send to the beneficial
22 owners **WITHIN TEN (10) CALENDAR DAYS** of receipt of the Claim Packets. If you require
23 more copies than you previously requested, please contact the Claims Administrator at 877-432-
24 3788 and let them know how many additional Claim Packets you require. You must mail the
25 Claim Packets to the beneficial owners **WITHIN TEN (10) CALENDAR DAYS** of your receipt
26 of the packets.

1 If you believe that you have identified additional beneficial owners since responding to
 2 the Class Notice, you must either (a) **WITHIN TEN (10) CALENDAR DAYS** of receipt of the
 3 Claim Packet, provide a list of the names and addresses (including emails if available) of all such
 4 additional beneficial owners to the Claims Administrator, or (b) **WITHIN TEN (10)**
 5 **CALENDAR DAYS** of receipt of the Claim Packet, request from the Claims Administrator
 6 sufficient copies of the Claim Packet to forward to all such additional beneficial owners, which
 7 you shall, **WITHIN TEN (10) CALENDAR DAYS** of receipt of the Claim Packets from the
 8 Claims Administrator, mail, by first-class mail and postage prepaid, to the beneficial owners and
 9 provide the Claims Administrator with email addresses for all such beneficial owners. If you
 10 elect to send the Claim Packet to beneficial owners, you shall also send a statement to the Claims
 11 Administrator confirming that the mailing was made and shall retain your mailing records for use
 12 in connection with any further notices that may be provided in the Action.

13 Upon full and timely compliance with these directions, you may seek reimbursement of
 14 your reasonable expenses actually incurred, by providing the Claims Administrator with proper
 15 documentation supporting the expenses for which reimbursement is sought. Copies of this
 16 Settlement Notice and the Claim Form may also be obtained from the website for this Action,
 17 www.SanDiskSecuritiesLitigation.com, or by calling the Claims Administrator at 877-432-3788.

18 All communications concerning the foregoing should be addressed to the Claims
 19 Administrator:

20 *SanDisk Securities Litigation*
 21 Claims Administrator
 22 c/o Epiq
 23 P.O. Box 3058
 24 Portland, OR 97208-3058
 25 Phone: 877-432-3788
 26 [info@ SanDiskSecuritiesLitigation.com](mailto:info@SanDiskSecuritiesLitigation.com)
 27 www.SanDiskSecuritiesLitigation.com

28 Dated: _____, 2019

BY ORDER OF THE UNITED STATES
 DISTRICT COURT FOR THE
 NORTHERN DISTRICT OF CALIFORNIA

EXHIBIT IV

1 DEBORAH CLARK-WEINTRAUB (*pro hac vice*)
MAX R. SCHWARTZ (*pro hac vice*)
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6 *Attorneys for Class Representatives and the Class*

7
8 **UNITED STATES DISTRICT COURT**
NORTHERN DISTRICT OF CALIFORNIA
9 **SAN FRANCISCO DIVISION**

10 IN RE: SANDISK LLC SECURITIES
LITIGATION

Case No. 3:15-cv-01455-VC

Hon. Vince Chhabria

12 **NOTICE OF PROPOSED CLASS**
ACTION SETTLEMENT AND
13 **MOTION FOR ATTORNEYS' FEES**
AND EXPENSES

14 **EXHIBIT A-1**

16
17 **If you purchased or otherwise acquired the publicly traded common stock of SanDisk**
Corp. during the period from October 16, 2014, through April 15, 2015, a class action
18 **settlement may affect your rights.**

19 *A federal court authorized this notice. This is not a solicitation from a lawyer.*
20 *Please read this notice carefully and in its entirety.*

21 This Settlement Notice describes important rights you may have and what steps you must
22 take if you wish to participate in the Settlement or wish to be excluded from the Class. ***This***
23 ***notice is different from the Notice of Pendency of Class Action (“Class Notice”), which you***
24 ***might have already received alerting you to the fact that the Class had been certified.***¹

- 25 • The Settlement, if approved by the Court, will provide **\$50,000,000** (on
26 average approximately \$1.01 per allegedly damaged share before the

27 ¹ All capitalized terms not defined in this Settlement Notice have the meanings provided in the Stipulation
and Agreement of Settlement, dated as of May 6, 2019 (the “Stipulation”), which can be viewed at
28 www.SanDiskSecuritiesLitigation.com.

deduction of Court-approved fees and expenses) in cash for the benefit of the Class (described below).

- The Settlement resolves claims in a class action by City of Bristol Pension Fund (“Bristol”), City of Milford, Connecticut Pension & Retirement Board (“Milford”), Pavers and Road Builders Pension, Annuity and Welfare Funds (“Pavers and Road Builders Benefit Funds”), City of Newport News Employees’ Retirement Fund (“NNERF”), and Massachusetts Laborers’ Pension Fund (“Massachusetts Laborers,” together with Bristol, Milford, Pavers and Road Builders Benefit Funds, and NNERF, “Class Representatives” or “Lead Plaintiffs”); against SanDisk Corporation (n/k/a “SanDisk LLC” and owned by Western Digital, referred to herein as “SanDisk” or the “Company”), Sanjay Mehrotra (“Mehrotra”), and Judy Bruner (“Bruner,” with Mehrotra, “Individual Defendants,” and with SanDisk as well, “Defendants”).
- Class Representatives claim that Defendants made materially false and misleading statements and failed to disclose material information concerning SanDisk’s enterprise business. The complaint in the Action further alleged that the price of SanDisk’s publicly traded common stock was artificially inflated, as a result of the allegedly false and misleading statements, and declined when the truth was allegedly revealed. Defendants deny all of the Class Representatives’ allegations and further deny that they did anything wrong. Defendants also deny that the Class Representatives or the Class suffered damages or that the price of SanDisk’s common stock was artificially inflated by reasons of alleged misrepresentations, nondisclosures, or otherwise. The Court did not decide in favor of either the Class or Defendants.
- Class Counsel, on behalf of Plaintiffs’ Counsel, will ask the Court for no more than \$14 million in attorneys’ fees (28% of the Settlement Fund) and up to \$1 million in litigation expenses, which will include a reimbursement request for the Class Representatives pursuant to the Private Securities Litigation Reform Act of 1995 (the “PSLRA”). If approved by the Court, these amounts (totaling on average up to approximately \$0.30 per allegedly damaged share) will be deducted from the \$50,000,000 Settlement.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made only if the Court approves the Settlement and after any appeals are resolved. Please be patient.
- **If you are a Class Member, your legal rights will be affected by this Settlement whether you act or do not act. Please read this Settlement Notice carefully.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A PROOF OF CLAIM FORM BY _____, 2019	The <u>only</u> way to get a payment. (See Question 8 below.)

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
OPT-BACK INTO THE CLASS BY SUBMITTING A REQUEST BY _____, 2019	If you previously submitted a request for exclusion from the Class in connection with the previously mailed Class Notice and now want to be part of the Class in order to receive a payment, you must follow the steps for "Opting-Back Into the Class." (See Question 12 below.)
EXCLUDE YOURSELF BY _____, 2019	You will get no payment. This is the only option that, assuming your claim is timely brought, might allow you ever to bring or be part of any other lawsuit against the Defendants and the other Released Defendants' Parties concerning the Released Claims. (See Question 10 below.)
OBJECT BY _____, 2019	Write to the Court about why you do not like the Settlement, the Fee and Expense Application, or the proposed Plan of Allocation. (See Question 15 below.)
GO TO A HEARING ON _____, 2019	Ask to speak in Court about the Settlement. (See Question 18 below.)
DO NOTHING	Get no payment AND give up your rights to bring your own individual action.

Identification of Attorneys' Representatives

Class Representatives and the Class are being represented by Scott+Scott Attorneys at Law LLP, Court-appointed Class Counsel. Any questions regarding the Settlement should be directed to Deborah Clark-Weintraub or Max R. Schwartz, Scott+Scott Attorneys at Law LLP, The Helmsley Building, 230 Park Avenue, 17th Floor, New York, NY 10169, Tel. (212) 223-6444, www.scott-scott.com. **Please do not contact the Court regarding this notice.**

BASIC INFORMATION

1. Why did I get this Settlement Notice?

The Court authorized that this Settlement Notice be sent to you because you or someone in your family may have purchased or acquired the publicly traded common stock of SanDisk from October 16, 2014, through April 15, 2015, inclusive.

1 If this description applies to you or someone in your family, you have a right to know
 2 about the proposed Settlement of this class action lawsuit, and about all of your options, before
 3 the Court decides whether to approve the Settlement. If the Court approves the Settlement, and
 4 after any objections and appeals are resolved, an administrator appointed by the Court will make
 5 the payments to eligible claimants that the Settlement allows.

6 This Settlement Notice explains the lawsuit, Settlement, Class Members' legal rights,
 7 what benefits are available, who is eligible for them, and how to get them.

8 The Court in charge of this Action is the United States District Court for the Northern
 9 District of California (the "Court"), and the case is known as *In re: SanDisk LLC Securities*
 10 *Litigation*, No. 3:15-cv-01455-VC (N.D. Cal.) (the "Action"). The Action is assigned to the
 11 Honorable Vince Chhabria, United States District Judge.

12 The Court did not decide in favor of either the Class or the Defendants. Instead, they have
 13 agreed to a settlement. For Class Representatives, the principal reason for the Settlement is the
 14 certain benefit of a substantial cash recovery for the Class, in contrast to the risk that the Court
 15 may grant, in whole or in part, some or all of Defendants' motion for summary judgment, the
 16 uncertainty of being able to prove the allegations at a jury trial, and the difficulties and delays
 17 inherent in such litigation (including any appeals), which could result in a lower recovery. For
 18 Defendants, who deny all allegations of wrongdoing or liability whatsoever and deny that any
 19 Class Members were damaged, the principal reason for entering into the Settlement is to bring to
 20 an end the substantial burden, expense, uncertainty, and risk of further litigation.

21 **2. What is this lawsuit about? What has happened so far?**

22 This case arises out of allegations that Defendants violated §§10(b) and 20(a) of the
 23 Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder.
 24 The initial complaint in the case was filed on March 30, 2015. The operative complaint in the
 25 Action, the Second Amended Consolidated Class Action Complaint for Violations of the Federal
 26 Securities Laws (the "SAC"), was filed on July 15, 2016.²

27 ² The Action includes all of the actions that were consolidated into this Action, specifically,
 28 *Glore v. SanDisk Corp.*, No. 3:15-cv-01455-VC (now captioned *In re: SanDisk LLC Securities*

1 Class Representatives claim that Defendants made materially false and misleading
2 statements and failed to disclose information to investors about the condition and prospects of
3 SanDisk's enterprise business, including the then-recently acquired Fusion-io business unit, in
4 violation of the Exchange Act. Class Representatives further allege that the false and misleading
5 statements and omissions artificially inflated the price of SanDisk's common stock and that, when
6 Defendants later disclosed that the enterprise business was not performing as strongly as
7 previously touted, SanDisk's stock price dropped.

8 Defendants moved to dismiss the SAC and its prior iterations several times. On January
9 20, 2017, they filed their final motion to dismiss, and Class Representatives opposed that motion
10 thereafter. On June 22, 2017, the Court issued an Order denying Defendants' motion to dismiss.
11 The SAC, which describes Class Representatives' allegations in further detail, and the Court's
12 Order on the Motion to Dismiss, are available at www.SanDiskSecuritiesLitigation.com.

13 On August 7, 2017, Defendants answered the SAC, denying the claims and asserting
14 various affirmative defenses.

15 On January 19, 2018, Lead Plaintiffs filed their motion for class certification. Following
16 briefing on the motion and oral argument, on September 4, 2018, the Court issued an Order
17 granting the motion, certifying the Class, appointing Lead Plaintiffs as "Class Representatives,"
18 and appointing Scott+Scott as Class Counsel. The Court's Order is available at
19 www.SanDiskSecuritiesLitigation.com. Pursuant to an Order entered December 13, 2018,
20 beginning on January 9, 2019, the Class Notice was mailed to potential Class Members, and the
21 Summary Notice of Pendency of Class Action was published in *Investor's Business Daily* and
22 transmitted over the *PR Newswire* on January 21, 2019. The Class Notice provided Class
23 Members with the opportunity to request exclusion from the Class, explained that right, and set
24 forth the deadline and procedures for doing so. The deadline for requesting exclusion from the
25 Class pursuant to the Class Notice was February 28, 2019.

26
27 [Litigation\), Bowers v. SanDisk Corp., No. 3:15-cv-02050-VC, and City of Sterling Heights](#)
28 [General Employees' Retirement System v. SanDisk Corp., No. 3:15-cv-02358-VC.](#)

1 The Parties completed comprehensive class, fact, and expert discovery in the Action
2 during which the Class Representatives analyzed over 160,000 documents produced by
3 Defendants. In addition, the Class Representatives took a total of 12 fact and expert depositions.
4 The Class Representatives sat for Rule 30(b)(6) depositions and Class Counsel twice defended
5 the deposition of the Class' expert on causation and damages, once in connection with class
6 certification proceedings and later on merits issues.

7 On January 17, 2019, Defendants' moved for summary judgment seeking dismissal of the
8 claims as a matter of law and the exclusion of Class Representatives' damages expert's opinions.
9 On February 28, 2019, Class Representatives filed their opposition to Defendants' summary
10 judgment motion and motion to exclude Class Representatives' damages expert, and moved to
11 exclude the opinions of Defendants' damages expert. Trial was scheduled to begin on May 28,
12 2019.

13 Following the completion of fact discovery and the exchange of expert reports, the Parties
14 engaged the Hon. Layn R. Phillips (Ret.) ("Judge Phillips"), a well-respected and highly
15 experienced mediator and former federal judge, to assist them in exploring a potential negotiated
16 resolution of the claims in the Action. Following an exchange of mediation statements and
17 exhibits, on October 29, 2018, the Parties met with Judge Phillips in an attempt to reach a
18 settlement in a full-day mediation. The mediation did not result in a settlement of the Action, but
19 Judge Phillips continued his efforts to facilitate discussions among the Parties. Before Defendants
20 filed their reply papers in support of summary judgment, the Parties attended a second in-person
21 mediation with Judge Phillips on March 8, 2019, which resulted in an agreement-in-principle to
22 settle the Action for \$50,000,000, and entered into a Memorandum of Understanding.

23 Defendants deny all of Class Representatives' allegations and further deny that they did
24 anything wrong. Defendants also deny that Class Representatives or the Class suffered damages
25 or that the price of SanDisk common stock was artificially inflated by reasons of alleged
26 misrepresentations, nondisclosures or otherwise.

3. Why is this a class action?

In a class action, one or more persons or entities (in this case, the Class Representatives), sue on behalf of people and entities that have similar claims. Together, these people and entities are a class, and each is a class member. Bringing a case, such as this one, as a class action allows the Court to resolve many similar claims of persons and entities that might be economically too small to bring as individual actions. One court resolves the issues for all class members at the same time, except for those who exclude themselves, or “opt-out,” from the class.

WHO IS IN THE SETTLEMENT

4. How do I know if I am part of the Class?

The Court has certified the following Class, subject to certain exceptions identified below:

All persons and entities who purchased or otherwise acquired publicly traded shares of common stock of SanDisk Corporation from October 16, 2014 through April 15, 2015, inclusive, and were damaged thereby.

Check your investment records or contact your broker to see if you purchased or acquired the publicly traded common stock of SanDisk during the period from October 16, 2014 through April 15, 2015, inclusive.

5. Are there exceptions to the Class definition and to being included in the Class?

Yes. Some people are excluded from the Class by definition. Excluded from the Class are: (i) Defendants and their immediate family members; (ii) the officers and directors of the Company during the Class Period and their immediate family members; (iii) any entity in which Defendants have or had a controlling interest; and (iv) the legal representatives, heirs, successors, assigns, or affiliates of any excluded person. Also excluded from the Class are those who had (a) sold all of their SanDisk stock prior to the first alleged corrective disclosure on March 26, 2015, and (b) made no subsequent purchases between March 26, 2015 and April 15, 2015.

Also excluded from the Class are Class Members who submitted timely and valid requests for exclusion in connection with the previously mailed Class Notice, and Class Members who submit timely and valid requests for exclusion from the Class in accordance with the procedures set forth in Question 10 below.

6. What if I am still not sure if I am included?

1 If you are still not sure whether you are included in the Class, you can ask for free help.
2 You can call the Claims Administrator toll-free at 877-432-3788, send an e-mail to the Claims
3 Administrator at info@SanDiskSecuritiesLitigation.com or write to the Claims Administrator,
4 *SanDisk Securities Litigation*, c/o Epiq, P.O. Box 3058, Portland, OR 97208-3058. Or you can
5 fill out and return the Proof of Claim form described in Question 8 to see if you qualify.

6 **THE SETTLEMENT BENEFITS — WHAT YOU GET**

7 **7. How much will my payment be?**

8 In exchange for the Settlement and the release of certain claims (the “Released Claims”
9 as defined below) against Defendants and the Released Defendants’ Parties, Defendants have
10 agreed to fund a \$50,000,000 settlement fund. That fund will earn interest and will be distributed,
11 after the deduction of Court-approved fees and expenses, among all Class Members who submit
12 valid Claim Forms and who are found to be entitled to a distribution from the Net Settlement
13 Fund (“Authorized Claimants”).

14 If you are an Authorized Claimant entitled to a payment, your share of the Net Settlement
15 Fund will depend on several things, including: how many Class Members send in valid Claim
16 Forms; the total amount of recognized losses of other Authorized Claimants; how many shares of
17 SanDisk common stock you purchased; the prices and dates of those purchases; and the prices
18 and dates of any sales.

19 You can calculate your recognized loss in accordance with the formulas shown below in
20 the Plan of Allocation. It is unlikely that you will receive a payment for all of your recognized
21 loss. See the Plan of Allocation of Net Settlement Fund on pp. 17-26 for more information on
22 your recognized loss.

23 **HOW YOU RECEIVE A PAYMENT:
24 SUBMITTING A PROOF OF CLAIM FORM**

25 **8. How can I receive a payment?**

26 To qualify for a payment, you must submit a timely and valid Claim Form. A Claim Form
27 is included with this Settlement Notice. If you did not receive a Claim Form, you can obtain one
28

1 on the website: www.SanDiskSecuritiesLitigation.com. You can also ask for a Claim Form by
2 calling the Claims Administrator toll-free at 877-432-3788.

3 Please read the instructions carefully, fill out the Claim Form, include all the documents
4 the form requests, sign it, and mail or electronically submit it to the Claims Administrator so that
5 it is *postmarked or electronically submitted no later than* _____, **2019**.

6 **9. What am I giving up to receive a payment or by staying in the Class?**

7 Unless you exclude yourself, or previously excluded yourself, you are staying in the Class,
8 and that means that upon the “Effective Date,” you will release all “Released Claims,” as defined
9 below, against the “Released Defendants’ Parties.” Released Claims include claims that share an
10 identical factual predicate with the claims asserted in the Action.

11 **“Released Claims”** means all claims, demands, losses, rights, and causes of action of any
12 nature whatsoever, that have been or could have been asserted in the Action or could in the future
13 be asserted in any forum, whether foreign or domestic, whether arising under federal, state,
14 common, or foreign law, by Class Representatives, any member of the Class, or their successors,
15 assigns, executors, administrators, representatives, attorneys, and agents, in their capacities as
16 such, whether brought directly or indirectly against any of the Released Defendants’ Parties,
17 which both (a) arise out of, are based on, or relate in any way to any of the allegations, acts,
18 transactions, facts, events, matters, occurrences, representations or omissions involved, set forth,
19 alleged or referred to, in the Action, or which could have been alleged in the Action, and (b) arise
20 out of, are based on, or relate to the purchase or acquisition of any SanDisk common stock. This
21 means that the Released Claims are only those claims that are based on the identical factual
22 predicate as the securities fraud claims at issue in the Action. Released Claims do not include
23 claims to enforce this settlement.

24 **“Released Defendants’ Parties”** means (i) each Defendant, (ii) each of their respective
25 family members (for individuals) and each of their direct or indirect parent entities, subsidiaries,
26 related entities and affiliates (including Western Digital), and (iii) for any of the entities listed in
27 parts (i) or (ii), their respective past and present general partners, limited partners, principals,
28

1 shareholders, joint venturers, members, officers, directors, managers, managing directors,
2 supervisors, employees, contractors, consultants, auditors, accountants, financial advisors,
3 professional advisors, investment bankers, representatives, insurers, trustees, trustors, agents,
4 attorneys, professionals, predecessors, successors, assigns, heirs, executors, administrators, and
5 any controlling person thereof, in their capacities as such.

6 Please consult the Stipulation, filed with the Court and posted at
7 www.SanDiskSecuritiesLitigation.com, for additional defined terms.

8 The “Effective Date” will occur when an Order entered by the Court approving the
9 Settlement becomes final and is not subject to appeal. If you remain a member of the Class, all
10 of the Court’s orders will apply to you and legally bind you.

11 EXCLUDING YOURSELF FROM THE CLASS

12 *If you already submitted a valid and timely request for exclusion in connection with the*
13 *Class Notice, you do not need to do so again.*³

14 If you **did not** previously submit a request for exclusion and **do not** want a payment from
15 this Settlement, but you want to keep any right you may have to sue or continue to sue Defendants
16 and the other Released Defendants’ Parties on your own concerning the Released Claims, then
17 you must take steps to remove yourself from the Class. This is called excluding yourself or
18 “opting out.” **Please note: if you decide to exclude yourself because you want to bring your**
19 **own lawsuit to pursue claims alleged in the Action, you should consult with an attorney to**
20 **discuss whether your individual claim would be time-barred by the applicable statutes of**
21 **limitations or repose.** Also, Defendants may terminate the Settlement if Class Members who
22 purchased in excess of a certain amount of shares of SanDisk common stock seek exclusion from
23 the Class.

24 **10. How do I exclude myself from the Class?**

25 To exclude yourself from the Class, you must submit a signed letter stating that you
26 request to be “excluded from the Class in *In re SanDisk LLC Sec. Litig.*, No. 3:15-cv-01455-VC.”

27
28 ³ If you are not sure whether you did, please call the Claims Administrator at 877-432-3788.

1 You cannot exclude yourself by telephone or e-mail. Your letter must state the date(s), price(s),
2 and number(s) of shares of all purchases, acquisitions, and sales of SanDisk common stock during
3 the period from October 16, 2014 through April 15, 2015. Your letter must include your name,
4 mailing address, telephone number, e-mail address, and signature. You must submit your
5 exclusion request by first-class mail or online at www.SanDiskSecuritiesLitigation.com so that it
6 is *received (not simply postmarked) no later than _____, 2019* to:

7
8 *SanDisk Securities Litigation*
9 Claims Administrator
c/o Epiq
P.O. Box 3058
Portland, OR 97208-3058

10 Your exclusion request must comply with these requirements in order to be valid, unless
11 it is otherwise accepted by the Court. If you ask to be excluded, you will not receive any payment
12 from the Net Settlement Fund, and you cannot object to the Settlement because you will no longer
13 be part of the Class.

14 **11. If I do not exclude myself, can I sue Defendants and the other Released
15 Defendants' Parties for the same thing later?**

16 No. Unless you properly exclude yourself, you remain in the Class and you give up any
17 rights to sue Defendants and the other Released Defendants' Parties for any and all Released
18 Claims. If you have a pending lawsuit, **speak to your lawyer in that case immediately**. You
19 must exclude yourself from this Class to continue your own lawsuit. Remember, the exclusion
20 deadline is _____, 2019.

OPTING-BACK INTO THE CLASS

21 **12. What if I previously requested exclusion in connection with the Class Notice and
22 now want to be eligible to receive a payment from Settlement? How do I opt-back
23 into the Class?**

24 If you previously submitted a request for exclusion from the Class in connection with the
25 Class Notice, you may opt-back into the Class and be eligible to receive a payment from the
26 Settlement. If you are not certain whether you previously submitted a request for exclusion,
27 please contact the Claims Administrator at 877-432-3788 for assistance.
28

1 In order to opt-back into the Class, you, individually or through counsel, must mail a
 2 written "Request to Opt-Back into the Class" to the Claims Administrator, addressed as follows:
 3 *SanDisk Securities Litigation*, c/o Epiq, P.O. Box 3058, Portland, OR 97208-3058. This request
 4 must be *received (not simply postmarked) no later than* _____, **2019**. Your Request to
 5 Opt-Back into the Class must (i) state the name, address, and telephone number of the person or
 6 entity requesting to opt-back into the Class; (ii) state that such person or entity "requests to opt-
 7 back into the Class in *In re SanDisk LLC Sec. Litig.*, No. 3:15-cv-01455-VC"; and (iii) be signed
 8 by the person or entity requesting to opt-back into the Class or an authorized representative.

9 **Please note:** Opting-back into the Class *does not mean* that you will automatically be
 10 entitled to receive proceeds from the Settlement. If you wish to be eligible to participate in the
 11 distribution of proceeds from the Settlement, you are also required to submit the Proof of Claim
 12 form that is being distributed with this Settlement Notice. *See* Question 8, above.

13 THE LAWYERS REPRESENTING YOU

14 **13. Do I have a lawyer in this case?**

15 The Court ordered the law firm of Scott+Scott Attorneys at Law LLP (Scott+Scott) to
 16 represent all Class Members. These lawyers are called Class Counsel. You will not be separately
 17 charged for these lawyers. The Court will determine the amount of Class Counsel's fees and
 18 expenses, which will be paid from the Settlement Fund. If you want to be represented by your
 19 own lawyer, you may hire one at your own expense.

20 **14. How will the lawyers be paid?**

21 Class Counsel has been prosecuting the Action on a contingent basis and has not been
 22 paid for any of its work. Class Counsel, on behalf of itself and other Plaintiffs' Counsel, will seek
 23 an attorneys' fee award of no more than 28% of the Settlement Fund, which will include accrued
 24 interest. Plaintiffs' Counsel is Class Counsel (Scott+Scott), Labaton Sucharow LLP, and Cohen
 25 Milstein Sellers & Toll PLLC, as well as additional counsel that assisted certain Class
 26 Representatives, the Thornton Law Firm and The Corrente Law Corporation. Any attorneys' fees
 27 awarded by the Court to Class Counsel will be allocated by Class Counsel to other Plaintiffs'
 28

1 Counsel. Class Counsel will also seek payment of litigation expenses incurred by Plaintiffs’
2 Counsel in the prosecution of this Action of no more than \$1 million plus accrued interest, which
3 will also include an application in accordance with the PSLRA for the reasonable costs and
4 expenses (including lost wages) of the Class Representatives directly related to their
5 representation of the Class. Any attorneys’ fees and expenses awarded by the Court will be paid
6 from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

7 **OBJECTING TO THE SETTLEMENT**

8 You can tell the Court that you do not agree with the Settlement or any part of it.

9 **15. How do I tell the Court that I do not like something about the proposed Settlement,
10 the Plan of Allocation, or the Fee and Expense Application?**

11 If you are a Class Member, you can object to the Settlement or any of its terms, the
12 proposed Plan of Allocation, and/or the Fee and Expense Application. You may write to the
13 Court about your objection. You can ask the Court not to approve the Settlement, however you
14 cannot ask the Court to order a larger or different settlement; the Court can only approve or deny
15 this Settlement. If the Court denies approval, the settlement payments will not be sent out and
16 the Parties will return to the position they were in before the settlement was agreed to. If you
17 would like the Court to consider your views, you must file a proper objection within the deadline
18 set forth below, and according to the following procedures. Failure to comply with the
19 requirements for submitting objections may be excused by the Court for good cause. You may
20 also write in support of the Settlement and related relief.

21 To object, you must mail or file a signed letter stating that you object to the proposed
22 Settlement, Plan of Allocation, and/or Fee and Expense Application in *In re SanDisk LLC Sec.*
23 *Litig.*, No. 3:15-cv-01455-VC. Your objection must state why you are objecting and whether
24 your objection applies only to you, a subset of the Class, or the entire Class. The objection must
25 also: (i) include the name, address, and telephone number of the person or entity objecting; (ii)
26 contain a statement of the objection and the specific reasons for it, including any legal and
27 evidentiary support (including witnesses) you wish to bring to the Court’s attention; and (iii)
28 identify the number of shares of SanDisk common stock purchased, acquired, and sold during the

1 Class Period, as well as the date, number of shares, and price per share of each such purchase,
2 acquisition, and sale. Unless otherwise ordered by the Court, any Class Member who does not
3 object in the manner described in this Settlement Notice will be deemed to have waived any
4 objection and will be forever foreclosed from making any objection to the proposed Settlement,
5 the Plan of Allocation, and/or the Fee and Expense Application.

6 Your objection must be submitted to the Court either by (i) mailing it to the Class Action
7 Clerk, United States District Court for the Northern District of California, San Francisco
8 Courthouse, 450 Golden Gate Avenue, Box 36060, San Francisco, California 94102-3489, or (ii)
9 filing it in person at any location of the United States District Court for the Northern District of
10 California. Your objection must be *received or filed, not simply postmarked, on or before*
11 _____, *2019*:

12 You do not need to attend the Settlement Hearing to have your written objection
13 considered by the Court. However, any Class Member who has complied with the procedures
14 set out in this Question 15 and below in Question 18 may appear at the Settlement Hearing and
15 be heard, to the extent allowed by the Court, either in person or through an attorney, arranged at
16 his, her, or its own expense.

17 **16. What is the difference between objecting and excluding?**

18 Objecting is telling the Court that you do not like something about the proposed
19 Settlement, Plan of Allocation, or Fee and Expense Application. You can still recover from the
20 Settlement, and you will still be bound by the Settlement and any Court order in this Action. **You**
21 **can object *only* if you stay in the Class.**

22 Excluding yourself is telling the Court that you do not want to be part of the Class. If you
23 exclude yourself, you have no basis to object because the Settlement no longer affects you.

1 **THE SETTLEMENT HEARING**

2 **17. When and where will the Court decide whether to approve the proposed**
3 **Settlement?**

4 The Court will hold the Settlement Hearing on _____, 2019 at ____ __.m., at the
5 United States District Court for the Northern District of California, San Francisco Courthouse, in
6 Courtroom 4, 17th Floor, 450 Golden Gate Avenue, San Francisco, CA 94102.

7 At this hearing, the Court will consider (i) whether the Settlement is fair, reasonable, and
8 adequate, and should be finally approved; (ii) whether the proposed Plan of Allocation is fair,
9 reasonable, and adequate; and (iii) the application of Class Counsel for an award of attorneys'
10 fees and payment of litigation expenses. The Court will take into consideration any written
11 objections filed in accordance with the instructions in Question 15. We do not know how long it
12 will take the Court to make these decisions.

13 You should be aware that the Court may change the date and time of the Settlement
14 Hearing without another notice being sent to Class Members. If you want to attend the hearing,
15 you should check with Class Counsel beforehand to be sure that the date and/or time has not
16 changed, periodically check the Court's website at www.cand.uscourts.gov, or periodically check
17 the case-specific website at www.SanDiskSecuritiesLitigation.com to see if the Settlement
18 Hearing stays as calendared or is changed.

19 **18. May I speak at the Settlement Hearing?**

20 You may ask the Court for permission to speak at the Settlement Hearing. To do so, you
21 must submit a statement that it is your intention to appear in "*In re SanDisk LLC Sec. Litig.*, No.
22 3:15-cv-01455-VC." Persons who intend to object to the Settlement, the Plan of Allocation, or
23 Class Counsel's Fee and Expense Application, and desire to present evidence at the Settlement
24 Hearing, must also include in their objections (prepared and submitted in accordance with the
25 answer to Question 15 above) the identity of any witness they may wish to call to testify and any
26 exhibits they intend to introduce into evidence at the Settlement Hearing. You may not speak at
27 the Settlement Hearing if you excluded yourself from the Class, or if you have not provided
28 written notice of your objection and/or intention to speak at the Settlement Hearing in accordance

1 with the procedures described in Questions 10, 15, and 18, unless your failure to follow these
2 requirements is excused by the Court for good cause.

3 **IF YOU DO NOTHING**

4 **19. What happens if I do nothing at all?**

5 If you do nothing and you are a member of the Class, you will receive no money from this
6 Settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being
7 part of any other lawsuit against Defendants and the other Released Defendants' Parties
8 concerning the Released Claims. To share in the Net Settlement Fund, you must submit a Claim
9 Form (*see* Question 8). To start, continue, or be a part of any other lawsuit against Defendants
10 and the other Released Defendants' Parties concerning the Released Claims in this case, to the
11 extent it is otherwise permissible to do so or there are other lawsuits, you must exclude yourself
12 from the Class (*see* Question 10).

13 **GETTING MORE INFORMATION**

14 **20. Are there more details about the proposed Settlement?**

15 This Settlement Notice summarizes the proposed Settlement. More details are in the
16 Stipulation. Similarly, Class Counsel's motions in support of final approval of the Settlement,
17 the request for attorneys' fees and litigation expenses, and approval of the proposed Plan of
18 Allocation will be filed with the Court no later than _____, 2019 and be available from
19 Class Counsel, the Claims Administrator, or the Court, pursuant to the instructions below.

20 You can get a copy of the Stipulation and other case documents by calling the Claims
21 Administrator toll free at 877-432-3788; writing to the Claims Administrator at *SanDisk*
22 *Securities Litigation*, c/o Epiq, P.O. Box 3058, Portland, OR 97208-3058; or visiting the websites:
23 www.SanDiskSecuritiesLitigation.com or www.scott-scott.com where you will find answers to
24 common questions about the Settlement, can download copies of the Stipulation or Claim Form,
25 and locate other information.

26 You may also review the Stipulation or documents filed in the case at the Office of the
27 Clerk of the United States District Court for the Northern District of California, San Francisco

1 Courthouse, 450 Golden Gate Avenue, San Francisco, California 94102-3489, on weekdays
2 (other than court holidays) between 9:00 a.m. and 4:00 p.m. Subscribers to PACER, a fee-based
3 service, can also view the papers filed publicly in the Action through the Court’s on-line Case
4 Management/Electronic Case Files System at <https://www.pacer.gov>.

5 **Please do not Call the Court with Questions about the Settlement.**

6 **PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND**

7 The Plan of Allocation set forth below is the plan for distributing the proceeds of the
8 Settlement among eligible Class Members that is being proposed by Class Representatives and
9 their counsel to the Court for approval. The Court may approve this Plan of Allocation or modify
10 it without additional notice to the Class. Any order modifying the Plan of Allocation will be posted
11 on the Settlement website at: www.SanDiskSecuritiesLitigation.com.

12 The \$50 million Settlement Amount and any interest earned thereon is the “Settlement
13 Fund.” The Settlement Fund, less all Taxes, approved costs, fees and expenses (the “Net
14 Settlement Fund”) will be distributed to members of the Class who submit valid Claim Forms that
15 are accepted for payment, in accordance with the Plan of Allocation approved by the Court
16 (“Authorized Claimants”).

17 The Claims Administrator shall determine each Authorized Claimant’s *pro rata* share of
18 the Net Settlement Fund based upon each Authorized Claimant’s “Recognized Claim.” The
19 calculations made pursuant to the Plan of Allocation are not intended to estimate the amount a
20 Class Member might have been able to recover after a trial; nor are they to estimate the amount
21 that will be paid to Authorized Claimants pursuant to the Settlement. The calculations pursuant
22 to the Plan are a method to weigh the claims of Authorized Claimants against one another for the
23 purpose of making *pro rata* allocations of the Net Settlement Fund.

24 The objective of this Plan of Allocation is to equitably distribute the Net Settlement Fund
25 among Authorized Claimants who suffered economic losses as a result of the alleged violations
26 of the federal securities laws during the Class Period (October 16, 2014 through April 15, 2015).
27 To design this Plan, Class Counsel has conferred with their damages expert. This Plan is intended
28

1 to be generally consistent with an assessment of, among other things, the damages that Class
2 Counsel and Class Representatives believe were recoverable in the Action. The Plan of
3 Allocation, however, is not a formal damages analysis.

4 For losses to be compensable damages under the federal securities laws, the disclosure of
5 the allegedly misrepresented information must be the cause of the decline in the price of the
6 securities at issue. In this case, Class Representatives allege that Defendants issued false
7 statements and omitted material facts during the Class Period, which artificially inflated the price
8 of SanDisk common stock. It is alleged that corrective information released to the market on
9 March 26, 2015 (prior to market open and continuing through March 27, 2015) and April 15,
10 2015 (after market close) impacted the market price of SanDisk common stock in a statistically
11 significant manner and removed portions of the alleged artificial inflation from SanDisk common
12 stock on March 26-27, 2015 and April 16, 2015. Accordingly, in order to have a compensable
13 loss in this Settlement, SanDisk common stock must have been purchased or otherwise acquired
14 during the Class Period and held through at least one of the alleged corrective disclosures listed
15 above.

16 **CALCULATION OF RECOGNIZED LOSS AND RECOGNIZED GAIN AMOUNTS**

17 For purposes of determining whether a Claimant has a “Recognized Claim,” purchases,
18 acquisitions, and sales of SanDisk common stock will first be matched on a First In/First Out
19 (“FIFO”) basis. Class Period sales will be matched first against any holdings at the beginning of
20 the Class Period and then against purchases/acquisitions in chronological order, beginning with
21 the earliest purchase/acquisition made during the Class Period.

22 A “Recognized Loss Amount” will be calculated as set forth for each purchase of SanDisk
23 common stock during the Class Period from October 16, 2014 through April 15, 2015 that is listed
24 in the Claim Form and for which adequate documentation is provided. To the extent that the
25 calculation of a Claimant’s Recognized Loss Amount results in a negative number, that number
26 shall be set to zero.

1 For each share of SanDisk common stock purchased or otherwise acquired during the
2 Class Period and sold before the close of trading on July 14, 2015, an “Out of Pocket Loss” will
3 be calculated. Out of Pocket Loss is defined as the purchase price (without regard to any fees,
4 taxes, commissions or other costs) minus the sale price (without regard to any fees, taxes,
5 commissions or other costs). To the extent that the calculation of the Out of Pocket Loss results
6 in a negative number, that number shall be set to zero.

7 **For each share of SanDisk common stock purchased or acquired at any point from**
8 **October 16, 2014 through and including April 15, 2015 and:**

9 A. Sold before the opening of trading on March 26, 2015, the Recognized
10 Loss Amount for each such share shall be zero.

11 B. Sold after the opening of trading on March 26, 2015, and before the close
12 of trading on April 15, 2015, the Recognized Loss Amount for each such share shall be
13 *the lesser of:*

14 1. the dollar artificial inflation applicable to each such share on the
15 date of purchase/acquisition as set forth in **Table 1** below *minus* the dollar artificial
16 inflation applicable to each such share on the date of sale as set forth in **Table 1**
17 below; or

18 2. the Out of Pocket Loss.

19 C. Sold after the close of trading on April 15, 2015, and before the close of
20 trading on July 14, 2015, the Recognized Loss Amount for each such share shall be *the*
21 *least of:*

22 1. the dollar artificial inflation applicable to each such share on the
23 date of purchase/acquisition as set forth in **Table 1** below; or

24 2. the actual purchase/acquisition price of each such share *minus* the
25 average closing price from April 16, 2015, up to the date of sale as set forth in
26 **Table 2** below; or

27 3. the Out of Pocket Loss.

1 D. Held as of the close of trading on July 14, 2015, the Recognized Loss
2 Amount for each such share shall be *the lesser of*:

- 3 1. the dollar artificial inflation applicable to each such share on the
4 date of purchase/acquisition as set forth in **Table 1** below; or
5 2. the actual purchase/acquisition price of each such share minus
6 \$64.90.⁴

7 **For shares of SanDisk common stock held as of the close of trading on October 15,**
8 **2014 and sold during the Class Period, a Recognized Gain Amount will be calculated as**
9 **follows:**

10 Shares of SanDisk common stock held as of the close of trading on October 15,
11 2014 and sold during the Class Period were sold at artificially inflated prices.
12 For each share of SanDisk common stock held as of the close of trading on
13 October 15, 2014 and sold at any point from October 16, 2014 through and
14 including April 15, 2015, a Recognized Gain Amount will be calculated by
multiplying the number of shares held as of the close of trading on October 15,
2014 by the amount of artificial inflation per share on the date of sale as set
forth in **Table 1**.

15 **TABLE 1**

16 **SanDisk Common Stock Artificial Inflation
For Purposes of Calculating Purchase and Sale Inflation**

Transaction Date	Artificial Inflation Per Share
October 16, 2014 – March 25, 2015	\$9.04
March 26, 2015	\$2.26
March 27, 2015 – April 15, 2015	\$1.35

17
18
19
20
21
22
23
24 ⁴ Pursuant to Section 21D(e)(1) of the Exchange Act, “in any private action arising under this title in which
25 the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the
26 plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the
27 plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on
28 the date on which the information correcting the misstatement or omission that is the basis for the action is
disseminated to the market.” Consistent with the requirements of the Exchange Act, Recognized Loss Amounts are
reduced to an appropriate extent by taking into account the closing prices of SanDisk common stock during the “90-
day look-back period,” April 16, 2015 through July 14, 2015. The mean (average) closing price for SanDisk common
stock during this 90-day look-back period was \$64.90.

TABLE 2**SanDisk Common Stock Closing Price and Average Closing Price
April 16, 2015 – July 14, 2015**

Date	Closing Price	Average Closing Price between April 16, 2015 and Date Shown	Date	Closing Price	Average Closing Price between April 16, 2015 and Date Shown
4/16/2015	\$67.91	\$67.91	6/1/2015	\$68.23	\$67.60
4/17/2015	\$67.01	\$67.46	6/2/2015	\$67.07	\$67.59
4/20/2015	\$66.87	\$67.26	6/3/2015	\$67.51	\$67.59
4/21/2015	\$67.92	\$67.43	6/4/2015	\$67.10	\$67.57
4/22/2015	\$68.48	\$67.64	6/5/2015	\$68.67	\$67.60
4/23/2015	\$68.76	\$67.82	6/8/2015	\$67.51	\$67.60
4/24/2015	\$67.92	\$67.84	6/9/2015	\$66.81	\$67.58
4/27/2015	\$67.67	\$67.82	6/10/2015	\$67.26	\$67.57
4/28/2015	\$68.69	\$67.91	6/11/2015	\$66.66	\$67.55
4/29/2015	\$67.84	\$67.91	6/12/2015	\$66.10	\$67.51
4/30/2015	\$66.94	\$67.82	6/15/2015	\$64.18	\$67.43
5/1/2015	\$68.47	\$67.87	6/16/2015	\$64.52	\$67.37
5/4/2015	\$67.51	\$67.84	6/17/2015	\$64.73	\$67.31
5/5/2015	\$66.97	\$67.78	6/18/2015	\$65.21	\$67.26
5/6/2015	\$66.64	\$67.71	6/19/2015	\$63.92	\$67.19
5/7/2015	\$66.59	\$67.64	6/22/2015	\$65.48	\$67.15
5/8/2015	\$67.73	\$67.64	6/23/2015	\$65.09	\$67.11
5/11/2015	\$67.77	\$67.65	6/24/2015	\$63.79	\$67.04
5/12/2015	\$66.67	\$67.60	6/25/2015	\$63.35	\$66.97
5/13/2015	\$67.20	\$67.58	6/26/2015	\$62.12	\$66.87
5/14/2015	\$67.00	\$67.55	6/29/2015	\$60.19	\$66.74
5/15/2015	\$67.19	\$67.53	6/30/2015	\$58.22	\$66.58
5/18/2015	\$67.50	\$67.53	7/1/2015	\$56.41	\$66.39
5/19/2015	\$67.33	\$67.52	7/2/2015	\$56.36	\$66.21

Date	Closing Price	Average Closing Price between April 16, 2015 and Date Shown	Date	Closing Price	Average Closing Price between April 16, 2015 and Date Shown
5/20/2015	\$67.08	\$67.51	7/6/2015	\$55.48	\$66.02
5/21/2015	\$67.02	\$67.49	7/7/2015	\$55.89	\$65.84
5/22/2015	\$67.08	\$67.47	7/8/2015	\$54.15	\$65.64
5/26/2015	\$66.39	\$67.43	7/9/2015	\$53.81	\$65.44
5/27/2015	\$69.01	\$67.49	7/10/2015	\$53.53	\$65.24
5/28/2015	\$69.59	\$67.56	7/13/2015	\$53.65	\$65.05
5/29/2015	\$68.38	\$67.58	7/14/2015	\$55.45	\$64.90

ADDITIONAL PROVISIONS

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

In accordance with the Plan of Allocation, the Recognized Loss Amount on any portion of a purchase or acquisition that matches against (or “covers”) a “short sale” is zero. The Recognized Loss Amount on a “short sale” that is not covered by a purchase or acquisition is also zero.

In the event that a Claimant has an opening short position in SanDisk common stock at the start of the Class Period, the earliest Class Period purchases or acquisitions shall be matched

1 against such opening short position in accordance with the FIFO matching described above and
2 any portion of such purchases or acquisition that covers such short sales will not be entitled to
3 recovery. In the event that a claimant newly establishes a short position during the Class Period,
4 the earliest subsequent Class Period purchase or acquisition shall be matched against such short
5 position on a FIFO basis and will not be entitled to a recovery.

6 SanDisk common stock is the only security eligible for recovery under the Plan of
7 Allocation. With respect to SanDisk common stock purchased or sold through the exercise of an
8 option, the purchase/sale date of the SanDisk common stock is the exercise date of the option and
9 the purchase/sale price is the exercise price of the option.

10 The sum of a Claimant's Recognized Loss Amounts minus the sum of a Claimant's
11 Recognized Gain Amounts will be the Claimant's "Recognized Claim." To the extent that the
12 calculation of a Claimant's Recognized Claim results in a negative number, the Claimant's
13 Recognized Claim will be zero.

14 An Authorized Claimant's Recognized Claim shall be the amount used to calculate the
15 Authorized Claimant's *pro rata* share of the Net Settlement Fund. If the sum total of Recognized
16 Claims of all Authorized Claimants who are entitled to receive payment out of the Net Settlement
17 Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive his, her, or
18 its *pro rata* share of the Net Settlement Fund. The *pro rata* share shall be the Authorized
19 Claimant's Recognized Claim divided by the total of Recognized Claims of all Authorized
20 Claimants, multiplied by the total amount in the Net Settlement Fund.

21 If the Net Settlement Fund exceeds the sum total amount of the Recognized Claims of all
22 Authorized Claimants entitled to receive payment, the excess amount in the Net Settlement Fund
23 shall be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

24 The Net Settlement Fund will be allocated among all Authorized Claimants whose
25 prorated payment is \$10.00 or greater. If the prorated payment to any Authorized Claimant
26 calculates to less than \$10.00, no distribution will be made to that Authorized Claimant.

27

28

1 Class Members who do not submit valid Claim Forms will not share in the distribution of
2 the Net Settlement Fund, however they will nevertheless be bound by the Settlement and the
3 Judgment of the Court dismissing this Action, unless they have timely and validly sought
4 exclusion.

5 Distributions will be made to Authorized Claimants after all claims have been processed
6 and after the Court has finally approved the Settlement. If any funds remain in the Net Settlement
7 Fund by reason of un-cashed distributions or otherwise and it is economical to do so, then, after
8 the Claims Administrator has made reasonable and diligent efforts to have Class Members who
9 are entitled to participate in the distribution of the Net Settlement Fund cash their distributions,
10 any balance remaining in the Net Settlement Fund at least four months after the initial distribution
11 of such funds shall be re-distributed on a *pro rata* basis to Class Members who have cashed their
12 initial distributions in an equitable and economical manner, after payment of any unpaid costs or
13 fees incurred in administering the Net Settlement Fund for such re-distribution. These
14 redistributions shall be repeated until the balance in the Net Settlement Fund is no longer
15 economical to distribute. Any balance that still remains in the Net Settlement Fund after re-
16 distribution(s), which is not feasible or economical to reallocate, after payment of any unpaid
17 costs or fees incurred in administering the Net Settlement Fund, shall be contributed, in equal
18 amount, to the Consumer Federation of American and the Council of Institutional Investors.

19 Payment pursuant to the Plan of Allocation or such other plan as may be approved by the
20 Court shall be conclusive against all Claimants. No person shall have any claim against Class
21 Representatives, Plaintiffs' Counsel, their damages expert, the Claims Administrator, or other
22 agent designated by Class Counsel, arising from determinations or distributions to Claimants
23 made substantially in accordance with the Stipulation, the Plan of Allocation approved by the
24 Court, or further orders of the Court. Defendants, their respective counsel, and all other Released
25 Defendants' Parties shall have no responsibility for or liability whatsoever for the investment or
26 distribution of the Settlement Fund, the Net Settlement Fund, the Plan of Allocation or the
27 determination, administration, calculation, or payment of any Claim Form or non-performance of
28

1 the Claims Administrator, the payment or withholding of Taxes owed by the Settlement Fund or
2 any losses incurred in connection therewith.

3 The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the
4 Claim of any Claimant. Each Claimant shall be deemed to have submitted to the jurisdiction of
5 the Court with respect to his, her or its Claim Form.

6 **SPECIAL NOTICE TO SECURITIES BROKERS AND NOMINEES**

7 In the previously mailed Class Notice, you were advised that if, for the beneficial interest
8 of any person or entity other than yourself, you purchased SanDisk common stock during the
9 period from October 16, 2014 through April 15, 2015, inclusive, you either had to: (1) provide a
10 list of the names, addresses, and emails of all such beneficial owners to the Claims Administrator;
11 or (2) request from the Claims Administrator sufficient copies of the Class Notice to forward to
12 all such beneficial owners, and forward them to all such beneficial owners.

13 If you chose the first option, the Claims Administrator sent a copy of the Settlement
14 Notices and Proof of Claim and Release Forms (together, the “Claim Packet”) to the beneficial
15 owners whose names and addresses you previously supplied. Unless you have identified
16 additional beneficial owners whose names you did not previously provide, **you need do nothing**
17 **further at this time.**

18 If you chose the second option, *i.e.*, you elected to mail the Class Notice directly to
19 beneficial owners, you were advised that you must retain the mailing records for use in connection
20 with any further notices that may be provided in the Action. If you elected this option, the Claims
21 Administrator will forward the same number of Claim Packets to you to send to the beneficial
22 owners **WITHIN TEN (10) CALENDAR DAYS** of receipt of the Claim Packets. If you require
23 more copies than you previously requested, please contact the Claims Administrator at 877-432-
24 3788 and let them know how many additional Claim Packets you require. You must mail the
25 Claim Packets to the beneficial owners **WITHIN TEN (10) CALENDAR DAYS** of your receipt
26 of the packets.

1 If you believe that you have identified additional beneficial owners since responding to
2 the Class Notice, you must either (a) **WITHIN TEN (10) CALENDAR DAYS** of receipt of the
3 Claim Packet, provide a list of the names and addresses (including emails if available) of all such
4 additional beneficial owners to the Claims Administrator, or (b) **WITHIN TEN (10)**
5 **CALENDAR DAYS** of receipt of the Claim Packet, request from the Claims Administrator
6 sufficient copies of the Claim Packet to forward to all such additional beneficial owners, which
7 you shall, **WITHIN TEN (10) CALENDAR DAYS** of receipt of the Claim Packets from the
8 Claims Administrator, mail, by first-class mail and postage prepaid, to the beneficial owners and
9 provide the Claims Administrator with email addresses for all such beneficial owners. If you
10 elect to send the Claim Packet to beneficial owners, you shall also send a statement to the Claims
11 Administrator confirming that the mailing was made and shall retain your mailing records for use
12 in connection with any further notices that may be provided in the Action.

13 Upon full and timely compliance with these directions, you may seek reimbursement of
14 your reasonable expenses actually incurred, by providing the Claims Administrator with proper
15 documentation supporting the expenses for which reimbursement is sought. Copies of this
16 Settlement Notice and the Claim Form may also be obtained from the website for this Action,
17 www.SanDiskSecuritiesLitigation.com, or by calling the Claims Administrator at 877-432-3788.

18 All communications concerning the foregoing should be addressed to the Claims
19 Administrator:

20 *SanDisk Securities Litigation*
21 Claims Administrator
22 c/o Epiq
23 P.O. Box 3058
24 Portland, OR 97208-3058
25 Phone: 877-432-3788
26 [info@ SanDiskSecuritiesLitigation.com](mailto:info@SanDiskSecuritiesLitigation.com)
27 www.SanDiskSecuritiesLitigation.com

28 Dated: _____, 2019

BY ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE
NORTHERN DISTRICT OF CALIFORNIA