EFiled: May 21 2026 05:01PM EDT
Transaction ID 79483844
Case No. 2022-1001-KSJM

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

SJUNDE AP-FONDEN, Plaintiff, v. ACTIVISION BLIZZARD, INC., ROBERT KOTICK, BRIAN KELLY, ROBERT MORGADO, ROBERT CORTI, HENDRIK HARTONG III, CASEY WASSERMAN, PETER NOLAN, DAWN OSTROFF, BARRY MEYER, REVETA BOWERS, KERRY CARR, MICROSOFT CORPORATION, and ACTIVISION BLIZZARD, INC., as successor to ANCHORAGE MERGER SUB INC. Defendants.	)	C.A. No. 2022-1001-KSJM
ROBERT KOTICK, ACTIVISION BLIZZARD, INC., and MICROSOFT CORPORATION, Counterclaim-Plaintiffs, v. SJUNDE AP-FONDEN, Counterclaim-Defendant.	)	

STIPULATION AND AGREEMENT OF
<u>SETTLEMENT, COMPROMISE, AND RELEASE</u>

This Stipulation and Agreement of Settlement, Compromise, and Release (with the Exhibits hereto, the "Stipulation"), in the above-captioned action (the

"Action") is made and entered into as of May 21, 2026, by and among: (i) plaintiff and counterclaim defendant Sjunde AP-Fonden ("Plaintiff"), on behalf of itself and all other members of the Class (defined below); (ii) defendant and counterclaim plaintiff Robert Kotick ("Kotick"); (iii) defendants Brian Kelly, Robert Morgado, Robert Corti, Hendrik Hartong III, Casey Wasserman, Peter Nolan, Dawn Ostroff, Barry Meyer, Reveta Bowers, and Kerry Carr (together with Kotick, the "Director Defendants"); and (iv) defendants and counterclaim plaintiffs Activision Blizzard, Inc. ("Activision"), which is the Successor to Anchorage Merger Sub Inc. ("Anchorage"), and Microsoft Corporation ("Microsoft").[1] This Stipulation is submitted pursuant to Court of Chancery Rule 23.

This Stipulation states all of the terms of the Settlement (defined below) and resolution of the claims and counterclaims asserted in the Action and is intended to fully, finally, and forever release, resolve, compromise, settle, and discharge the Released Plaintiff's Claims (defined below) and the Released Defendants' Claims (defined below), subject to the approval of the Court.

---

[1] Microsoft and Activision are referred to herein as the "Entity Defendants," and together with the Director Defendants, the "Defendants." The Defendants, together with Plaintiff, are referred to as the "Parties."

RECITALS

Entry Into This Stipulation

A. Microsoft is entering into this Stipulation solely to avoid the burden, expense, and distraction of continued litigation. Microsoft does not substantiate any allegations that there has been systemic or widespread workplace misconduct at Activision; that Activision senior executives ignored, condoned, or tolerated a culture of systemic harassment, retaliation, or discrimination; or that Activision's Board of Directors, including its Chief Executive Officer, Kotick, acted improperly with regard to the handling of any instances of workplace misconduct.

B. Plaintiff acknowledges that its original claims were based in part on media reporting and characterizations of allegations made by the California Civil Rights Department (the "CRD"), which the CRD itself admitted in a court-approved consent decree have never been "substantiated" by any "court or independent investigation" and now have been expressly withdrawn.

C. Plaintiff acknowledges that the CRD fully withdrew all of its claims of widespread sexual harassment at Activision and in a court approved consent decree the CRD clearly stated "no court or any independent investigation has substantiated ***any*** allegations that there has been systemic or widespread sexual harassment at Activision; that Activision senior executives ignored, condoned, or tolerated a culture of systemic harassment, retaliation, or discrimination; or that Activision's

Board of Directors, including its Chief Executive Officer, Robert Kotick, acted improperly with regard to the handling of any instances of workplace misconduct."

D. Plaintiff acknowledges that, based on the materials provided to date, there is compelling information which undermines any claim that the Board or Mr. Kotick failed to operate in good faith with respect to the matters alleged in the Action.

E. Plaintiff acknowledges that, pursuant to its agreement with Institutional Shareholder Services ("ISS"), ISS retained proxy voting authority and voted Plaintiff's Activision shares in favor of the Merger at the April 28, 2022 special meeting pursuant to its proxy voting policy. In its recommendation that stockholders approve the transaction, ISS made clear that "the merger consideration delivers a premium, appears fair from a valuation standpoint, and provides liquidity and certainty of value for stockholders." ISS's recommendation also made clear that the transaction delivered stockholders "merger consideration represent[ing] a premium of 45.3 percent over the price on the day prior to the announcement, and a premium of 51.6 percent over the stock price two months prior to the announcement."

F. Plaintiff denies all liability with respect to the Counterclaims filed against it and maintains it committed no wrongdoing of any kind by filing and prosecuting this Action. Plaintiff maintains that it did not knowingly make any false allegations and did not knowingly commit abuse of process or engage in malicious prosecution or any similar wrongdoing. Plaintiff hereby withdraws the statement contained on page 19, lines 1-3 of Plaintiff's Motion to Dismiss, which was filed on February 17, 2026. Plaintiff maintains that it only agreed to settle this Action because it believes the Settlement Fund (defined herein) is a fair and reasonable amount to settle Plaintiff's claims and is in the best interests of the Class to accept. Plaintiff did not accept an amount lower than what it believes to be fair, reasonable, and in the best interests of the Class because of the Counterclaims.

G. Defendants expressly deny all of Plaintiff's allegations and maintain that all claims made against them lack merit. Plaintiff acknowledges that no court or adjudicative body has made any adjudication of wrongdoing.

The Merger

H. On January 18, 2022, Activision and Microsoft executed and announced their entry into the Agreement and Plan of Merger (the "Merger Agreement"), pursuant to which Microsoft, through Anchorage, would acquire all of the outstanding shares of Activision common stock for $95.00 per share, in an all-cash transaction valued at $68.7 billion (the "Merger").

I. On March 21, 2022, Activision filed with the SEC the definitive proxy statement soliciting stockholders to approve the Merger Agreement at an April 28, 2022 special meeting of Activision stockholders (the "Proxy Statement").

J. On April 28, 2022, Activision stockholders approved the Merger

Agreement at the special meeting, with 539,332,512 shares (including ISS voting Plaintiff's shares) voted in favor, 8,847,849 shares voted against, and 786,522 shares abstained.

K. On July 18, 2023, Activision and Microsoft entered into the Merger Letter Agreement (the "Letter Agreement") that extended the Merger Agreement's initial July 18, 2023 termination date to October 18, 2023. The Letter Agreement also increased by over $1 billion the amount of the termination fee potentially payable to Activision and permitted Activision to pay a one-time $0.99 dividend per share on Activision common stock (the "2023 Dividend"), which the Board approved and declared on July 18, 2023, and Activision paid on August 17, 2023.

L. On October 13, 2023, Activision and Microsoft closed the Merger. Microsoft disclosed that the total purchase price was $75.4 billion.

Section 220 Proceedings

M. On March 7, 2022, Plaintiff served Activision with a demand to inspect Activision's books and records, pursuant to 8 *Del. C.* § 220 ("Section 220"), in connection with the Merger and the Merger Agreement. Activision responded to the Section 220 demand on March 17, 2022.

N. On March 24, 2022, Plaintiff filed a lawsuit in the Delaware Court of Chancery (the "Court"), pursuant to Section 220, captioned *Sjunde AP-Fonden v. Activision Blizzard, Inc.*, C.A. No. 2022-0281-KSJM (Del. Ch.), seeking to compel inspection of Activision's books and records.

O. Between May 12, 2022, and August 26, 2022, pursuant to Section 220, Activision produced books and records to Plaintiff for inspection, such as Board meeting minutes and materials, financial presentations to the Board, director independence questionnaires, Allen & Company LLC ("Allen & Co.") conflicts disclosures, Allen & Co. presentations regarding the Merger, and certain Workplace Responsibility Committee meeting minutes and materials.

<u>This Action</u>

P. On November 3, 2022, Plaintiff instituted this Action against the Defendants by filing its Verified Class Action Complaint.

Q. On January 25, 2023, Plaintiff filed its Verified First Amended Class Action Complaint (the "FAC"). Plaintiff alleged that (i) the Defendants violated 8 *Del. C.* § 251 ("Section 251") because the Board did not approve or submit to stockholders to approve a Section 251-compliant agreement of merger (the "Section 251 Claims"); (ii) the Director Defendants violated 8 *Del. C.* § 141(c) ("Section 141") by delegating to an *ad hoc* committee of the Board the negotiation and approval of the term of the Merger Agreement concerning the number and amount of dividends that Activision could pay while the Merger was pending without obtaining Microsoft's approval (which the Merger Agreement limited to a one-time $0.47 per share dividend (the "Dividend Claim")); and (iii) the Merger Agreement and the Merger, if consummated, would constitute conversion of the shares held by Activision stockholders (the "Conversion by Merger Claim"). Plaintiff also alleged that the Director Defendants breached or were in the process of breaching their fiduciary duties to Plaintiff and the Class by (i) negotiating an unfair and less-than-value-maximizing Merger that was designed to protect the Director Defendants from the fallout of allegations of workplace misconduct at Activision, including the lawsuit captioned *California Civil Rights Department v. Activision Blizzard, Inc., et al.*, Case No. 21STCV26571 (the "CRD Action")[2]; (ii) issuing a materially misleading and incomplete Proxy Statement, and (iii) manifesting an intent to extend the Merger Agreement beyond the Merger's original termination date. Plaintiff also asserted claims against Microsoft and Anchorage for allegedly aiding and abetting the Director Defendants' alleged breaches of fiduciary duty, and sought damages, declaratory, injunctive, and equitable relief.

R. On March 24, 2023, Defendants filed a motion to stay the Action until the Merger's regulatory review was complete and the transaction closed, which Plaintiff opposed.

S. On May 1, 2023, Plaintiff filed a motion for limited expedited

---

[2] The California Department of Fair Employment and Housing was renamed the California Civil Rights Department effective July 1, 2022.

proceedings and a motion for a preliminary injunction on its claims under 8 *Del. C.* § 251. The Defendants opposed both of those motions.

T. On May 3, 2023, Plaintiff served Defendants with Plaintiff's first request for production of documents (the "First Request") directed to Plaintiff's statutory and conversion claims.

U. On May 17, 2023, the Court denied Defendants' motion to stay the Action.

V. Also on May 17, 2023, the Court denied Plaintiff's motion for limited expedited proceedings and the motion for a preliminary injunction.

W. On June 5, 2023, Defendants moved to stay discovery and to dismiss the FAC.

X. On June 13, 2023, Plaintiff filed a motion for partial summary judgment on Count I of the FAC. The parties subsequently agreed to bifurcated briefing on Defendants' motions to dismiss Count I, simultaneous with briefing on Plaintiff's motion for partial summary judgment.

Y. On February 29, 2024, the Court issued opinions denying Defendants' motions to dismiss Count I of the FAC. The Court also denied Plaintiff's motion for partial summary judgment, dismissed Plaintiff's claim that Defendants' purported intent to extend the Merger Agreement violated Section 251(d), and indicated that 8 Del. C. §§ 204, 205 "offer[ed] solutions for missteps." *See Sjunde AP-Fonden v.*

Activision Blizzard, Inc., 2024 WL 863290 (Del. Ch. Feb. 29, 2024), *as corrected* (Mar. 19, 2024) [hereinafter "*Activision I*"]; *Sjunde AP-Fonden v. Activision Blizzard, Inc.*, 2024 WL 863325 (Del. Ch. Feb. 29, 2024) [hereinafter "*Activision II*"].

Z. Between March 27, 2024, and April 29, 2024, and pursuant to the First Request and *Activision I* and *Activision II*, Activision produced documents to Plaintiff, such as Merger-related agreements and disclosures (including drafts), correspondence regarding the interpretation of the Merger Agreement's interim operating covenants, the Letter Agreement, and materials concerning the Merger's announcement.

AA. On April 22, 2024, Plaintiff filed its Verified Second Amended and Supplemented Class Action Complaint (the "SAC"). The SAC, using documents Activision had recently produced, added (among other amendments) a claim that in closing the Merger, Defendants filed with Delaware's Secretary of State a false merger certificate, such that the closing of the Merger constituted conversion (the "Conversion by False Merger Certificate Claim," and together with the Conversion by Merger Claim, the "Conversion Claims"). The SAC also amended Plaintiff's claim that the Director Defendants supposedly breached their fiduciary duties by extending the Merger's termination date, this time incorporating the Letter Agreement.

BB. On April 26, 2024, Plaintiff served Defendants with a second request for production of documents (the "Second Request") concerning Plaintiff's Section 251 Claims, Dividend Claim, and Conversion by Merger Claim.

CC. On April 30, 2024, Plaintiff moved to compel Defendants to produce documents responsive to the First Request.

DD. On May 2, 2024, Defendants filed motions to dismiss the SAC.

EE. On May 6, 2024, Plaintiff filed a motion to compel Defendants to produce documents responsive to Plaintiff's Second Request and a motion to compel documents that Activision had withheld or redacted as privileged, which Defendants opposed.

FF. On May 9, 2024, Defendants filed a motion to stay this Action pending the Court's resolution of Activision and Microsoft's application, pursuant to 8 *Del. C.* § 205 ("Section 205"), to validate the Merger and the Merger Agreement in an action that Activision and Microsoft filed in the Court captioned *In re Activision Blizzard, Inc.*, C.A. No. 2024-0466-KSJM (Del. Ch.) (the "205 Action"). Plaintiff opposed Defendants' motion to stay and filed a motion to intervene in the 205 Action for the limited purpose of preventing any validation of the Merger and the Merger Agreement from impairing Plaintiff's claims in this Action.

GG. On June 12, 2024, Plaintiff filed its operative Verified Third Amended Class Action Complaint (the "TAC") in this Action. Using documents that

Activision and Microsoft attached to their Section 205 application in the Section 205 Action, the TAC added (among other amendments) a claim challenging Activision's payment of the 2023 Dividend on shares of common stock held by Amber Holding Subsidiary Co., an Activision subsidiary, as allegedly violating Delaware law and constituting breaches of fiduciary duty by the Director Defendants (the "Treasury-Dividend Claims").

HH. On July 9, 2024, in the Section 205 Action, the Court entered a validation order on the same terms that Plaintiff negotiated with Activision and Microsoft (the "205 Order"). The 205 Order validated the Merger and the Merger Agreement. It also mooted Plaintiff's Section 251 Claims and provided that the 205 Order, "[o]ther than [with respect to] the Section 251 Claims . . . had no res judicata or collateral estoppel effect or other impact on any other claims or issues that [Plaintiff] ha[d] alleged, or [Plaintiff] may later allege," in this Action. 205 Order at 3; *see also In re Activision Blizzard, Inc.*, 2025 WL 1276988, at *1, *6 (Del. Ch. May 2, 2025) [hereinafter "*Section 205 Opinion*"]. The Court subsequently ordered Microsoft to pay an award of attorneys' fees to Plaintiff's Counsel for causing the benefits conferred by validation of the Merger and the Merger Agreement. *See generally id.*

II. On August 14, 2024, Defendants filed motions to dismiss the TAC, which Plaintiff opposed.

JJ. On August 27, 2024, the Court granted, in part, and denied, in part, Plaintiff's pending motions to compel.

KK. On September 6, 2024, Activision produced additional documents to Plaintiff, such as Allen & Co. materials regarding the Letter Agreement and additional Board meeting minutes.

LL. Between September 13, 2024, and September 18, 2024, Plaintiff served subpoenas on (i) Microsoft's legal advisor in connection with the Merger, Simpson Thacher & Bartlett LLP ("Simpson Thacher"); and (ii) Activision's legal advisor in connection with the Merger, Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden").

MM. Between October 27, 2024, and January 3, 2025, Defendants, Simpson Thacher, and Skadden produced documents to Plaintiff, such as correspondence regarding Plaintiff's dividend-related allegations and Merger-related agreements (including drafts).

NN. On November 5, 2024, Plaintiff filed the Rule 56(f) Affidavit of Michael Hanrahan and on November 19, 2024, Plaintiff filed the Supplemental Rule 56(f) Affidavit of Michael Hanrahan in support of its opposition to Defendants' motions to dismiss the TAC (the "Rule 56(f) Affidavit").

OO. Also on November 19, 2024, Defendants filed a motion to strike the Rule 56(f) Affidavit. Plaintiff opposed Defendants' motion to strike.

PP. On October 2, 2025, the Court issued a memorandum opinion granting, in part, and denying, in part, Defendants' motions to dismiss the TAC. *See Sjunde AP-Fonden v. Activision Blizzard, Inc.*, 2025 WL 2803254 (Del. Ch. Oct. 2, 2025) [hereinafter "*Activision III*"]. The Court denied Defendants' motions to dismiss (i) Plaintiff's Dividend Claim (Count I), Conversion by Merger Claim in part (Count II), and Conversion by False Merger Certificate Claim (Count II); (ii) Plaintiff's claims against the Director Defendants for alleged breaches of fiduciary duty in connection with the negotiation, approval, and disclosure of the Merger and the Merger Agreement (Count III), and the negotiation and approval of the Letter Agreement (Count IV); and (iii) Plaintiff's claim that the vote on the Merger Agreement at the special meeting allegedly failed to comply with Section 251 (Count I). The Court also converted Defendants' motions to dismiss the Treasury-Dividend Claims (Counts VII and VIII) into motions for partial summary judgment, permitting Plaintiff to obtain discovery on those claims. The Court, however, dismissed Plaintiff's claims against the Defendants for violations of the appraisal statute, 8 *Del. C.* § 262 (Count I.D), against Defendants for conversion based on the execution of the Merger Agreement (Count II.B), against the Director Defendants for knowing violations of law and intentional misconduct by supposedly failing to approve a Section 251-compliant Merger Agreement, closing a supposedly invalid Merger, and continuing the Merger rather than addressing purported statutory defects (Counts

III.B and IV.B), and against Microsoft for supposedly aiding and abetting alleged breaches of fiduciary duty in connection with the Merger and the Letter Agreement (Counts V and VI).

QQ. Between October 23, 2025, and March 18, 2026, Plaintiff served five sets of interrogatories and seven sets of document requests on Defendants.

RR. Between October 28, 2025, and April 1, 2026, Kotick and/or the other Director Defendants served notices of subpoenas directed to twenty-four third parties.

SS. Between November 14, 2025, and March 6, 2026, Activision and Microsoft produced documents to Plaintiff, including insurance policies; correspondence regarding Activision's dividend; Microsoft Board minutes and materials; Microsoft Audit, Governance & Nominating, Environment, Social & Policy, and Compensation Committee minutes and materials related to the Merger; and documents Activision produced to the United States Securities and Exchange Commission, the United States Equal Employment Opportunity Commission, and the California CRD in connection with certain investigations and lawsuits concerning alleged workplace issues at Activision.

TT. Between November 24, 2025, and March 9, 2026, the Defendants responded to each set of Plaintiff's interrogatories.

UU. Between December 5, 2025, and March 31, 2026, Plaintiff served subpoenas on (i) Allen & Co., which acted as Activision's financial advisor in connection with the Merger; (ii) Skadden (*i.e.*, a second subpoena); (iii) Goldman Sachs & Co. LLC, which acted as Microsoft's financial advisor in connection with the Merger; (iv) Simpson Thacher (*i.e.*, a second subpoena); (v) The Capital Group Companies, Inc., a former Activision investor; and (vi) Beth Schulte, a research analyst for a division of Capital Group Companies, Inc.

VV. On December 22, 2025, Kotick filed an Answer to the TAC and a counterclaim against Plaintiff for abuse of process (the "Kotick Counterclaim"). Each of Activision and Microsoft filed an Answer to the TAC and a counterclaim against Plaintiff for unconditional validation of the Merger, pursuant to 8 *Del. C.* § 205, and dismissal of the Dividend Claim (Count I.B) and the Conversion Claims (Counts II.A and II.C) (the "Section 205 Counterclaim," and together with the Kotick Counterclaim, the "Counterclaims"). The other Director Defendants filed an Answer to the TAC. In addition, in its Answer, Activision asserted as its Second Affirmative Defense that Plaintiff's Dividend Claim was "mooted, in whole or in part, by the Board's execution of the Letter Agreement and the issuance of Activision's 2023 dividend."

WW. Between January 7, 2026, and January 9, 2026, Defendants served Plaintiff with two sets of document requests and three sets of interrogatories.

XX. Between January 12, 2026, and February 9, 2026, Plaintiff filed (i) a motion to dismiss the Kotick Counterclaim; (ii) a motion to stay discovery on the Kotick Counterclaim; (iii) a motion to strike Kotick's filing of a Preliminary Statement with his Answer and Counterclaim; and (iv) a motion to dismiss Activision and Microsoft's Section 205 Counterclaim. Defendants opposed Plaintiff's motions, all of which were fully briefed by March 24, 2026.

YY. On February 6, 2026, Plaintiff served its responses and objections to Defendants' two sets of document requests.

ZZ. On February 16, 2026, the Director Defendants filed a motion for issuance of a letter of request to obtain third-party discovery in Sweden. Plaintiff opposed the motion, which was fully briefed by April 2, 2026.

AAA. On March 9, 2026, Plaintiff served its answers and objections to Defendants' three sets of interrogatories.

BBB. On March 17, 2026, Plaintiff filed a motion to compel Microsoft and Activision to amend and supplement their interrogatory responses concerning Count VII of the TAC (*i.e.*, one of the Treasury-Dividend Claims).

The Mediation

CCC. On November 21, 2024, representatives of the Parties participated in an in-person mediation session before the Honorable Judge Layn Phillips (Ret.) ("Judge Phillips") and Greg Danilow ("Danilow") of Phillips ADR Enterprises. Before and in connection with the mediation, the Parties exchanged written mediation submissions and Defendants produced additional documents to Plaintiff. The Parties did not reach a settlement at the mediation session, but settlement talks continued intermittently through Judge Phillips.

DDD. On March 20, 2026, representatives of the Parties attended a second in-person mediation session with Judge Phillips and Mr. Danilow (which certain persons attended over Zoom). Before and in connection with the mediation, the Parties exchanged written submissions and Defendants produced additional documents to Plaintiff. During mediation, the Parties made presentations and provided further information to one another. The Parties did not reach a settlement at the mediation session, but settlement discussions continued through Judge Phillips.

EEE. On March 25, 2026, Judge Phillips made a mediator's proposal for the action to settle on an all-in basis for $250 million, inclusive of all fees and costs and with mutual releases, which amount would provide all Eligible Shareholders (defined herein) approximately $0.30 (thirty cents) per share (and which amount is in addition to the $95.00 each shareholder previously received in the Merger, as well as the $1.46 each shareholder received in ordinary dividends during the pendency of the Merger).

FFF. On April 3, 2026, the Parties held a third in-person mediation session (which certain persons attended over Zoom) at the end of which the Parties executed a term sheet (the "Term Sheet") to settle the action consistent with Judge Phillips's mediator's proposal.

GGG. At the time the parties executed the Term Sheet, Plaintiff had obtained from Defendants and third parties 54,247 documents totaling 329,797 pages, plus additional documents and information provided in connection with the mediation sessions.

This Stipulation

HHH. This Stipulation (together with the Exhibits hereto) has been duly executed by the undersigned signatories on behalf of their respective clients, reflects the final and binding agreement between the Parties, and supersedes the Term Sheet.

III. This Stipulation is not, and shall not be construed as or deemed to be evidence of, an admission as to the merit or lack of merit of any claims, counterclaims, or defenses that were asserted or could have been asserted in the Action. This action is being resolved without any admission of liability, wrongdoing, fault, or damages, by Defendants or Plaintiff.

NOW, THEREFORE, IT IS HEREBY STIPULATED, CONSENTED TO, AND AGREED, by Plaintiff, for itself and on behalf of the Class, and Defendants, that, subject to the approval of the Court and pursuant to Court of Chancery Rule 23, for the good and valuable consideration set forth herein, the Released Plaintiff's Claims and Released Defendants' Claims shall be fully, finally, and forever released, relinquished, settled, and discharged with prejudice as to the Released Defendant Parties and the Released Plaintiff Parties, in the manner and upon the terms and conditions set forth herein.

I. Definitions

In addition to the terms defined elsewhere in this Stipulation, the following capitalized terms used in this Stipulation and any exhibits attached hereto shall have the meanings specified below:

(a) "Account" means the interest-bearing escrow account that is to be controlled by Plaintiff's Counsel and maintained by the Administrator and into which the Settlement Amount shall be deposited.

(b) "Administrative Costs" means all costs, fees, and expenses associated with administering or carrying out the terms of the Settlement, including distributing the Settlement Fund, and paying escrow taxes, fees and costs, if any; provided that Administrative Costs shall not include Notice Costs.

(c) "Administrator" means the settlement administrator selected by Plaintiff's Counsel to provide notice to the Class and administer the Settlement.

(d) "Class" means, for Settlement purposes only, a non-opt-out class, pursuant to Court of Chancery Rules 23(a), 23(b)(1) and 23(b)(2), consisting of: All former holders of Activision common stock who held Activision shares at any time from the announcement of the Merger Agreement on January 18, 2022, through the closing of the Merger on October 13, 2023 (the "Class Period," as defined below), including all persons or entities who (i) purchased or otherwise acquired or (ii) sold or otherwise forfeited Activision common stock during the Class Period, whether beneficial or of record, including their legal representatives, heirs, successors-in-interest, transferees, and assignees. Excluded from the Class are Defendants and their legal representatives, heirs, successors-in-interest, transferees, and assignees (the "Excluded Persons").

(e) "Class Member" means a member of the Class.

(f) "Class Period" shall mean the period of time from the announcement of the Merger Agreement on January 18, 2022, through the closing of the Merger on October 13, 2023.

(g) "Closing" means the consummation of the Merger on October 13, 2023.

(h) "Court" means the Court of Chancery of the State of Delaware.

(i) "Defendants' Counsel" means the law firms Young Conaway Stargatt & Taylor, LLP, Jenner & Block LLP, Quinn Emanuel Urquhart & Sullivan, LLP, Skadden, Arps, Slate, Meagher & Flom LLP, and Friedlander & Gorris, P.A.

(j) "DTC Participants" means the participants of the Depository Trust Company ("DTC") for whom Cede & Co., Inc. ("Cede"), as nominee for DTC, was the holder of record of Activision common stock at the time such shares were paid the Merger Consideration pursuant to the terms of the Merger Agreement.

(k) "Effective Date" means the first business day following the date the Judgment becomes Final.

(l) "Eligible Beneficial Owner" has the meaning set forth in the Plan of Allocation attached as Exhibit D, to wit, the ultimate beneficial owner of any shares of Activision common stock held by Cede at the time such shares were converted into the right to receive the Merger Consideration in connection with the Closing, provided that no Excluded Person may be an Eligible Beneficial Owner.

(m) "Eligible Record Holder" has the meaning set forth in the Plan of Allocation attached as Exhibit D, to wit, the record holder of any shares of Activision common stock, other than Cede, at the time such shares were converted into the right to receive the Merger Consideration in connection with the Closing, provided that no Excluded Person may be an Eligible Record Holder.

(n) "Fee and Expense Award" means an award to Plaintiff's Counsel of fees and expenses to be paid from the Settlement Fund, approved by the Court and in full satisfaction of all claims for attorneys' fees and any other expenses or costs that have been, could be, or could have been asserted by Plaintiff's Counsel or any other counsel, or any Class Member in connection with the Released Plaintiff's Claims and the Settlement.

(o) "Final," when referring to the Judgment, means the latter of (i) entry of the Judgment and the expiration of any time for appeal, reconsideration, reargument, rehearing, or other review of the Judgment, or (ii) if any appeal or application for reconsideration, reargument, or rehearing is filed and not dismissed or withdrawn, issuance of a decision upholding the Judgment in all material respects, which is no longer subject to appeal, reconsideration, reargument, or rehearing; provided, however, that any disputes or appeals relating solely to the amount, payment, or allocation of the Fee and Expense Award, or to the allocation or distribution of the Net Settlement Fund (including the Plan of Allocation), shall have no effect on finality for purposes of determining the date on which the Judgment becomes Final and shall not otherwise prevent, limit, or otherwise affect the Judgment, or prevent, limit, delay, or hinder entry of the Judgment.

(p) "Judgment" means the Order and Final Judgment to be entered in the Action, in all material respects in the form attached as Exhibit C hereto.

(q) "Merger Consideration" means the payment of $95.00 per share in cash to Activision's stockholders at Closing as set forth in the Merger Agreement.

(r) "Net Settlement Fund" means the Settlement Fund, as defined herein, less (i) any Fee and Expense Award; (ii) Administrative Costs; (iii) Taxes and Tax Expenses; and (iv) any other Court-approved deductions.

(s) "Notice" means the Notice of Pendency and Proposed Settlement of Class Action substantially in the form attached hereto as Exhibit B, which will be emailed (or mailed) to Class Members.

(t) "Notice Costs" means all costs, fees, and expenses incurred in connection with providing notice of the Settlement to the Class.

(u) "Person" means a natural person, individual, corporation, limited liability corporation, professional corporation, limited liability partnership, partnership, limited partnership, limited liability company, association, joint stock company, estate, legal representative, trust, fund, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity.

(v) "Plaintiff's Counsel" means the law firms of Prickett, Jones & Elliott, P.A. and Kessler Topaz Meltzer & Check, LLP.

(w) "Plan of Allocation" means the manner in which the Net Settlement Fund will be distributed, as set forth in Exhibit D hereto and the Notice, and consistent with Section II.B, or as otherwise approved by the Court.

(x) "Released Claims" means the Released Plaintiff's Claims and the Released Defendants' Claims.

(y) "Released Defendant Parties" means the Defendants and their respective successors-in-interest, successors, predecessors-in-interest, predecessors, representatives, current and former stockholders, members, parents, subsidiaries, affiliates, funds, directors, officers, employees, agents, insurers, reinsurers, counselors, attorneys, advisors, immediate family members, trustees, executors, administrators, estates, heirs, assigns and transferees, immediate and remote, and any Person or entity acting for or on behalf of, or claiming under or through, any of them, and each of them, together with their predecessors-in-interest, predecessors, successors-in-interest, successors, and assigns.

(z) "Released Defendants' Claims" means, as against the Released Plaintiff Parties, all claims and causes of action of every nature and description, including, without limitation, the Kotick Counterclaim and the Section 205 Counterclaim, whether known claims or Unknown Claims, whether arising under state, federal, common, local, statutory, regulatory, foreign, or other law or rule that arise out of or directly or indirectly relate in any way to the facts underlying this Action or the institution, prosecution, settlement, or dismissal of the claims asserted in the Action, except for claims to enforce the Settlement.

(aa) "Released Parties" means Released Plaintiff Parties and Released Defendant Parties.

(bb) "Released Plaintiff Parties" means Plaintiff, all other Class Members, and Plaintiff's Counsel.

(cc) "Released Plaintiff's Claims" means, as against the Released Defendant Parties, all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under state, federal, common, local, statutory, regulatory, foreign, or other law or rule (including federal securities law, rules and regulations, and any state disclosure laws), (i) that arise from Plaintiff/Class Members' capacity as former Activision stockholders; (ii) that Plaintiff or any other Class Member (a) asserted in the Action, (b) could have alleged, asserted, set forth, or claimed in the Action, or (c) have alleged, asserted, set forth or claimed, or could have alleged, asserted, set forth, or claimed in any other action or proceeding in any forum, individually or on behalf of the Class or any subset or group of Class Members, or derivatively, that directly or indirectly relate in any way to, or arise out of: (1) the Merger, (2) any control, participation, or conduct of any of the Released Defendant Parties with respect to the Merger, (3) any conduct by any of the Released Defendant Parties with respect to Activision stock, (4) the Action; or (5) the facts, circumstances, events, acts, disclosures, statements, representations, omissions, or failures to act that were alleged in the Action or that could have been raised in the Action; and/or (iii) that arise out of or relate in any way to the institution, prosecution, settlement, or dismissal of the claims, counterclaims, and allegations asserted in the Action, except for claims to enforce the Settlement.

(dd) "Scheduling Order" means the scheduling order to be entered pursuant to Court of Chancery Rule 23, substantially in the form attached hereto as Exhibit A.

(ee) "Settlement" means the settlement contemplated by this Stipulation of the Released Plaintiff's Claims and the Released Defendants' Claims.

(ff) "Settlement Amount" or "Settlement Consideration" means a total of $250,000,000 in cash. The Settlement Consideration includes not only amounts to resolve claims and allegations in the Action but also all attorneys' fees, Administrative Costs, and any other costs, expenses, or fees of any kind whatsoever associated with the resolution of the Action; except that the Settlement Amount does not include Notice Costs.

(gg) "Settlement Fund" means the principal amount of $250,000,000 in cash, plus any interest that may accrue on that sum after it is deposited in the Account.

(hh) "Settlement Hearing" means the hearing to be held by the Court under Delaware Court of Chancery Rule 23 to consider, among other things, final approval of the Settlement, certification of the Class for Settlement purposes, and approval of the Fee and Expense Award.

(ii) "Settlement Payment Recipients" or "Eligible Shareholders" means all Eligible Beneficial Owners and all Eligible Record Holders. For the avoidance of doubt, Settlement Payment Recipients excludes Excluded Persons.

(jj) "Tax Expenses" means the reasonable expenses and costs incurred in connection with the calculation and payment of Taxes or the preparation of tax returns and related documents, including expenses of tax attorneys and/or accountants and mailing and distribution costs relating to filing (or failing to file) the returns described in Section IX.

(kk) "Taxes" means all federal, state, and/or local taxes of any kind (including any interest of penalties thereon) on any income earned by the Settlement Fund.

(ll) "Unknown Claims" means any Released Claim that a releasing Person does not know or suspect exists in his, her, their, or its favor at the time of the release of the Released Plaintiff's Claims and Released Defendants' Claims, including, without limitation, which if known by him, her, them, or it, might have affected his, her, their, or its decision(s) with respect to the Settlement. With respect to any and all Released Plaintiff's Claims and Released Defendants' Claims, upon the Effective Date, Plaintiff and Defendants shall expressly waive, and each of the Class Members and Released Defendant Parties shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, relinquished, and released any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law or foreign law, which is similar, comparable, or equivalent to Cal. Civ. Code §1542, which provides:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The Parties acknowledge, and the Released Plaintiff Parties and the Released Defendant Parties by operation of law are deemed to acknowledge, that they may discover facts in addition to or different from those now known or believed to be true with respect to the Released Plaintiff's Claims and the Released Defendants' Claims, but that it is the intention of the Parties, and by operation of law, the Released Plaintiff Parties and the Released Defendant Parties, to completely, fully, finally, and forever extinguish any and all Released Plaintiff's Claims and Released Defendants' Claims, whether known claims or Unknown Claims, suspected or unsuspected, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. The Parties also acknowledge, and the Released Plaintiff Parties and the Released Defendant Parties by operation of law are deemed to acknowledge, that the inclusion of "Unknown Claims" in the definition of Released Plaintiff's Claims and Released

Defendants' Claims is expressly bargained for and is a key element of the Settlement.

II. Settlement Consideration

A. The Settlement Fund

1. In consideration for the full and final release, settlement, and discharge of the Released Plaintiff's Claims, the Parties have agreed as follows:

(a) Defendants' sole monetary obligations in connection with the Settlement shall be for the Entity Defendants, on behalf of all Defendants, to cause to be paid (i) the Notice Costs and (ii) the Settlement Amount. Defendants shall not be liable for any other amounts.

(b) The Entity Defendants, on behalf of all Defendants, shall cause the Settlement Amount to be deposited into the Account in two tranches: (i) 40% will be paid within twelve (12) business days of both the execution of the Stipulation and all necessary payment details being provided by Plaintiff's Counsel to Defendants' Counsel, and is to be used to pay Administrative Costs; and (ii) the remainder ("Remainder Amount") will be paid no later than twenty-one (21) business days following the Court's order approving the Settlement, notwithstanding any objections or appeals of the Settlement.

(c) The Remainder Amount will be substantially funded by Activision's D&O liability insurers ("the Insurers") in accordance with separate

Insurance Funding Agreements entered into with each participating Insurer, each of which agreement incorporates the applicable payment terms set forth in this Section 1, including the obligation to pay the Insurers' respective shares directly into the Account no later than 21 business days following the Court's order approving this Settlement Agreement. If payment is made by check, Activision's insurers shall be obligated to deliver said check for deposit no later than five (5) business days prior to the final payment date. Upon receipt of the Remainder Amount in full, including payments by Insurers, Activision's insurers shall be deemed to have fully satisfied their respective obligations under their policies, and such policies shall be deemed exhausted and the Insurers released. Notwithstanding the insurer payment provisions in this paragraph, Microsoft and Activision shall remain obligated to fund the entire Settlement Amount on the timetable provided in the above paragraph, regardless of any failure of any insurer to provide the payment in a timely manner, subject to reasonable notice and an opportunity to cure.

(d) The Settlement Amount and Notice Costs shall be paid solely by the Entity Defendants and/or their indemnitors and/or insurers, and no other party (including the Director Defendants) shall have any responsibility to Plaintiff for payment of the Settlement Amount or Notice Costs. For the avoidance of doubt, in no event shall the Entity Defendants and/or their indemnitors and/or insurers seek contribution from the Director Defendants in connection with the Settlement.

(e) All funds held in the Account shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to this Stipulation and/or further order(s) of the Court.

(f) The Settlement Fund shall be used (i) to pay all Administrative Costs; (ii) to pay any Fee and Expense Award; (iii) to pay any Taxes and Tax Expenses; and (iv) following the payment of (i), (ii), and (iii) herein, for subsequent disbursement of the Net Settlement Fund to the Settlement Payment Recipients as provided in Section II.B herein and the Plan of Allocation, or such other plan of allocation as may be approved by the Court.

(g) The Settlement Fund shall not be used to pay Notice Costs. The Entity Defendants, on behalf of all Defendants, shall be responsible for paying Notice Costs. In no event shall Plaintiff, Plaintiff's Counsel, any Class Member, or the Settlement Fund be responsible for paying any Notice Costs. Except for the payment of Taxes and Tax Expenses as provided in Paragraph IX.1(c) hereto, Administrative Costs may be paid pursuant to an administrative order by the Court.

(h) If the Effective Date does not occur for any reason, the Settlement Consideration, less any amounts expended for Administrative Costs, shall be returned to the entities which funded the Settlement Consideration, in proportion to their contributions, with any interest earned thereon. For the avoidance of doubt, funds that have actually been disbursed to fund Administrative Costs shall not be returned by Plaintiff or Plaintiff's Counsel and neither Plaintiff nor Plaintiff's Counsel shall have any obligation to repay those costs and expenses.

B. **Notice of the Settlement and Distribution of the Settlement Fund**

1. For purposes of effectuating Notice, Plaintiff's Counsel and the Administrator shall obtain from DTC a copy of documents sufficient to identify: (i) all DTC Participants who held Activision stock during the Class Period; (ii) the number of shares held by each DTC Participant; and (iii) the correct address or other contact information used to communicate with the appropriate representatives of each DTC Participant (collectively, the "DTC Notice Information"). Defendants and Defendants' Counsel shall make commercially reasonable efforts to cooperate with Plaintiff's Counsel and the Administrator as reasonably necessary to cause DTC to provide the DTC Notice Information.

2. No later than ten (10) business days after execution of this Stipulation, Defendants shall provide to Plaintiff's Counsel and the Administrator in an electronically searchable form, and at no cost to the Settlement Fund, Plaintiff, Plaintiff's Counsel, or the Administrator, the stockholder register from Activision's transfer agent containing the names, mailing addresses and, if available, email addresses for all registered holders of Activision common stock during the Class Period, any other list of stockholders of record used by Activision during the Class

Period, and, to the extent reasonably available to Defendants, any additional information necessary to identify all record holders of Activision common stock during the Class Period, the number of shares held by each record holder, and the correct address or other contact information used to communicate with the appropriate representatives of each record holder during the Class Period (collectively, the "Notice Record Holder Information").

3. For purposes of distributing the Net Settlement Fund, Plaintiff's Counsel and the Administrator shall obtain from DTC a copy of the allocation report or any similar document or data used by DTC to distribute the Merger Consideration and any additional information necessary to identify: (i) all DTC Participants who received the Merger Consideration in exchange for Activision common stock in connection with the Closing; (ii) the number of shares as to which each DTC Participant received payment (and/or the amount of consideration each DTC Participant received); and (iii) the correct address or other contact information used to communicate with the appropriate representatives of each DTC Participant that received Merger Consideration (collectively, the "DTC Distribution Information"). Defendants and Defendants' Counsel shall make commercially reasonable efforts to cooperate with Plaintiff's Counsel and the Administrator as reasonably necessary to cause DTC to provide the DTC Distribution Information.

4. Distributions from the Net Settlement Fund will be made pursuant to the Plan of Allocation attached as Exhibit D, to wit: Following the Effective Date, the Net Settlement Fund will be allocated and distributed by the Administrator on a per-share basis among the Settlement Payment Recipients. Each Settlement Payment Recipient will receive a *pro rata* payment from the Net Settlement Fund equal to the product of (i) the number of "Eligible Shares" held by the Settlement Payment Recipient, where Eligible Shares are shares held by the Settlement Payment Recipient at Closing and for which the Settlement Payment Recipient received or was entitled to receive the Merger Consideration, and (ii) the "Per-Share Recovery" for the Settlement, which will be determined by dividing the total amount of the Net Settlement Fund by the total number of Eligible Shares. For the avoidance of doubt, the Net Settlement Fund will be paid to the holders of Activision common stock whose shares were converted into the right to receive Merger Consideration in connection with the Closing, other than Excluded Persons, pursuant to the Plan of Allocation.

5. No later than ten (10) business days after execution of this Stipulation, Defendants shall provide to Plaintiff's Counsel and the Administrator in an electronically searchable form, and at no cost to the Settlement Fund, Plaintiff, Plaintiff's Counsel, or the Administrator, the stockholder register from Activision's transfer agent containing the names, mailing addresses and, if available, email

addresses for all registered holders of Activision common stock as of the Closing, any other list of stockholders of record used by Activision to distribute the Merger Consideration, and, to the extent reasonably available to Defendants, any additional information necessary to identify all record holders of Activision common stock who received the Merger Consideration in exchange for Activision common stock in connection with the Merger, the number of shares as to which each record holder received payment (and/or the amount of consideration each record holder received), and the correct address or other contact information used to communicate with the appropriate representatives of each record holder that received the Merger Consideration (collectively, the "Distribution Record Holder Information").

6. For the avoidance of doubt, pursuant to the Plan of Allocation, only Class members who received the Merger Consideration in exchange for Activision common stock in connection with the Merger are entitled to payments from the Net Settlement Fund.

7. No later than twenty (20) business days after execution of this Stipulation, the Defendants shall use commercially reasonable efforts to provide Plaintiff's Counsel and the Administrator information from the Excluded Persons and, as applicable, the relevant DTC Participants in order to ensure that no portion of the Net Settlement Fund is distributed to any Excluded Person, including information sufficient (a) to identify the names and mailing addresses for each

Excluded Person, (b) to identify the number of shares of Activision common stock beneficially owned by each Excluded Person as of Closing, (c) to identify the DTC Participant or non-Cede record holder through which such shares were held as of Closing, and (d) to enable any relevant DTC Participant to identify and exclude from payment all shares of Activision common stock beneficially owned by each Excluded Person as of Closing (collectively, the "Excluded Person Information"). In addition to the foregoing, Plaintiff's Counsel may request from Defendants any additional information as may be reasonably required to distribute the Net Settlement Fund to Settlement Payment Recipients and to ensure that the Net Settlement Fund is paid only to Settlement Payment Recipients and not to Excluded Persons, and Defendants agree to provide their good-faith cooperation in procuring and providing such information to the extent that it has not already been provided and solely to the extent that it is known or reasonably knowable, or otherwise reasonably identifiable, by Defendants.

8. Defendants and any other Excluded Person shall not have any right to receive any part of the Settlement Fund for his, her, or its own account(s) (*i.e.*, accounts in which he, she, or it holds a proprietary interest), or any additional amount based on any claim relating to the fact that Settlement proceeds are being received by any other stockholder, in each case under any theory, including but not limited to contract, application of statutory or judicial law, or equity.

9. This is not a claims-made Settlement. Neither the Released Defendant Parties nor their indemnitors or insurers shall have any reversionary interest in the Net Settlement Fund.

10. Plaintiff's Counsel shall be solely responsible for supervising the administration of the Settlement and the disbursement of the Net Settlement Fund, subject to Court approval. The Net Settlement Fund shall be distributed to Settlement Payment Recipients only after the Effective Date and after all Administrative Costs, all Taxes and Tax Expenses, and any Fee and Expense Award have been paid from the Settlement Fund or reserved.

11. Payment pursuant to the Plan of Allocation shall be final and conclusive against all Class Members. Plaintiff, the Released Defendant Parties, and their respective counsel shall have no liability whatsoever for the determination, administration, or investment of the Settlement Fund or the Net Settlement Fund; the calculation or distribution of any payment from the Settlement Fund or Net Settlement Fund; the performance or nonperformance of the Administrator, any DTC Participants, or any nominee holding shares on behalf of a Class Member (including with respect to claims or payments); the determination, administration, payment, or withholding of Taxes (including interest and penalties) owed by the Settlement Fund; or any losses incurred in connection with any of the foregoing.

12. The Plan of Allocation is not a necessary term of the Settlement or of this Stipulation and it is not a condition of the Settlement or of this Stipulation that any particular plan of allocation be approved by the Court. No Party can cancel or terminate the Settlement (or this Stipulation) based on the Court's or any appellate court's ruling with respect to the Plan of Allocation in this Action. Any order of the Court modifying or rejecting the Plan of Allocation will not operate to terminate the Settlement (or this Stipulation) or effect the finality or binding nature of the Settlement. Defendants shall not have any involvement with or responsibility for the application of the Plan of Allocation except as explicitly provided herein.

13. All proceedings with respect to the administration of the Settlement and distribution pursuant to the Plan of Allocation shall be subject to the exclusive jurisdiction of the Court.

14. Defendants shall have no input, responsibility, or liability for any claims, payments, or determinations by the Administrator concerning the distribution of the Settlement Fund, except to use efforts to provide information as required herein.

III. The Releases and Scope of Settlement

1. The Judgment shall provide for the dismissal of the Action, including all claims and counterclaims, with prejudice, on the merits and without costs, except as provided herein.

2. As of the Effective Date, the Released Parties shall be deemed to be released and forever discharged from all of the Released Claims.

3. The Judgment, including, without limitation, the release of all Released Plaintiff's Claims, and the release of all Released Defendants' Claims, shall, to the fullest extent permitted by applicable law, have *res judicata*, collateral estoppel, and all other preclusive effects in all pending and future lawsuits, arbitrations, or other suits, actions, or proceedings asserting any of the Released Plaintiff's Claims against any of the Released Defendant Parties or asserting any of the Released Defendants' Claims against any of the Released Plaintiff Parties.

IV. Class Certification

1. Solely for purposes of the Settlement and for no other purpose, Defendants stipulate to (i) certification of the Class as a non-opt-out class, pursuant to Court of Chancery Rules 23(a), 23(b)(1), and 23(b)(2); and (ii) the appointment of Plaintiff as class representative for the Class, and to the appointment of Plaintiff's Counsel as counsel for the Class.

2. The certification of the Class shall be binding only with respect to the Settlement and this Stipulation. In the event the Settlement or this Stipulation is terminated pursuant to its terms or the Effective Date fails to occur, the certification of the Class shall be deemed vacated and the Action shall proceed as though the Class had never been certified.

V. Submission of the Settlement to the Court for Approval

1. As soon as practicable after this Stipulation has been executed, Plaintiff and Defendants shall jointly apply to the Court for entry of the Scheduling Order substantially in the form attached hereto as Exhibit A, providing for, among other things: (a) the dissemination of the Notice, which includes a Plan of Allocation, substantially in the form attached hereto as Exhibit B; and (b) the scheduling of the Settlement Hearing to consider: (i) the proposed Settlement; (ii) the joint request of the Parties that the Judgment be entered in all material respects in the form attached hereto as Exhibit C; (iii) Plaintiff's Counsel's Fee Application (defined below); (iv) the Plan of Allocation substantially attached hereto as Exhibit D; and (v) any objections to any of the foregoing. Plaintiff agrees to take all reasonable and appropriate steps to seek and obtain entry of the Scheduling Order.

2. The Parties agree to (i) use their individual and collective best efforts to obtain Court approval of the Stipulation and Plan of Allocation; (ii) use their individual and collective best efforts to effect, take, or cause to be taken all actions, and to do, or cause to be done, all things reasonably necessary, proper, or advisable under applicable laws, regulations, and agreements to consummate and make effective, as promptly as practicable, the Stipulation provided for hereunder and the entry of the Judgment; and (iii) use their individual and collective best efforts to cooperate fully with one another in seeking the Court's approval of this Stipulation,

including jointly requesting at the Settlement Hearing that the Judgment be entered, and including using their individual and collective best efforts to obtain a Final Judgment in all material respects in the form attached hereto as Exhibit C.

VI. Stay Pending Court Approval

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

2. The Parties hereby agree to stay the proceedings in the Action, to file no further actions against the Released Parties asserting any Released Claims, and to stay and not to initiate any and all other such proceedings other than those incident to the Settlement itself, pending the occurrence of the Effective Date. The Parties' (and any third-parties') respective deadlines to respond to any filed or served pleadings, motions, or discovery requests are extended indefinitely. Any Party may inform the recipient of any subpoenas issued in connection with the Action (regardless of which Party issued the subpoena) that the proceedings in the Action are stayed pending approval of the Settlement and entry of the Order and Final Judgment.

3. The Parties agree to cooperate in seeking the stay and dismissal of, and to oppose entry of any interim or final relief in favor of, any Class Member, in any other proceedings against any Party or any other Released Parties that challenge the

Settlement or otherwise assert or involve, directly or indirectly, any of the Released Claims against any of Released Parties.

4. Notwithstanding Paragraphs VI.2 and VI.3, nothing herein shall in any way impair or restrict the rights of any Party to defend this Stipulation or the Settlement or to otherwise respond in the event any Person objects to this Stipulation, the Settlement, the Order and Final Judgment, the Fee and Expense Award, or the Plan of Allocation.

VII. Conditions of Settlement

1. This Settlement shall be subject to the following conditions, which the Parties shall use their best efforts to obtain:

(a) the entry of the Scheduling Order in all material respects in the form attached hereto as Exhibit A;

(b) the entry of the Judgment in all material respects in the form attached hereto as Exhibit C, including Releases substantially in the form set out herein, and dismissal of the Action with prejudice;

(c) the certification of the Class as a non-opt-out class;

(d) the deposit of the Settlement Consideration in the Account in accordance with Paragraph II.A.1(b); and

(e) the occurrence of the Effective Date.

VIII. Attorneys' Fees and Expenses

1. Plaintiff's Counsel will apply for an award of attorneys' fees and reimbursement of litigation expenses (the "Fee Application"). Plaintiff's Counsel's Fee Application has not been discussed by, and is not the subject of any agreement between, Defendants and Plaintiff other than what was set forth in the Term Sheet and is set forth in this Stipulation. Any Fee and Expense Award shall be determined by the Court.

2. Plaintiff's Counsel's attorneys' fees and expenses with respect to the Settlement, as awarded by the Court, shall be paid from the Settlement Fund immediately upon award by the Court, notwithstanding any objections or appeals of the Settlement or the Fee and Expense Award. In the event that (i) the Effective Date does not occur, (ii) this Stipulation is disapproved, canceled, or terminated pursuant to its terms, (iii) the Settlement otherwise does not become Final for any reason, or (iv) the Fee and Expense Award is disapproved, reduced, reversed, or otherwise modified, as a result of any further proceedings, including any successful collateral attack, then Plaintiff's Counsel shall, within thirty (30) calendar days after Plaintiff's Counsel receives notice of any such failure of the Effective Date to occur, termination of this Stipulation, failure of the Settlement to become Final, or disapproval, reduction, reversal, or other modification of the Fee and Expense Award, return to the Account, as applicable, either the entirety of the Fee and

Expense Award or the difference between the attorneys' fees and expenses awarded by the Court in the Fee and Expense Award, and any attorneys' fees and expenses ultimately and finally awarded on appeal, further proceedings on remand, or otherwise. Plaintiff and Plaintiff's Counsel will not seek an award of attorneys' fees and expenses from any source other than the Settlement Fund. The Parties agree that in seeking an award of attorneys' fees and expenses from the Settlement Fund, Plaintiff may argue that the 2023 Dividend is a part of the benefits achieved by the litigation and should be considered in determining the amount of the total Fee and Expense Award out of the Settlement Fund.

3. For the avoidance of doubt, no Court order or reversal on appeal of any order concerning the Plan of Allocation or the Fee and Expense Award shall operate to terminate or cancel this Stipulation and/or the Settlement, or constitute grounds for termination or cancellation of this Stipulation and/or the Settlement. Defendants agree that they will not oppose or encourage objections to be made to the request by Plaintiff and Plaintiff's Counsel for an award of attorneys' fees and expenses.

4. Plaintiff's Counsel warrants that no portion of any Fee and Expense Award shall be paid to Plaintiff or any Class Member, except as approved by the Court.

5. The Released Defendant Parties shall have no input into, or responsibility or liability for, the allocation by Plaintiff's Counsel of the Fee and Expense Award.

IX. Account and Taxes

1. The Parties agree as follows:

(a) The Settlement Fund will be treated as a "qualified settlement fund" within the meaning of Treas. Reg. §1.468B-1, and the regulations promulgated thereunder. The Settlement Fund shall be established pursuant to the Court's subject matter jurisdiction within the meaning of Treas. Reg. §1.468B-1(c)(1). In addition, the Administrator shall timely make or cause to be made such elections as necessary or advisable to carry out the provisions of this paragraph, including the "relation-back election" (as defined in Treas. Reg. §1.468B-1) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Administrator to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur, and to take or cause to be taken all actions as may be necessary or appropriate in connection therewith.

(b) For the purpose of §1.468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the "administrator" (as defined in Treas. Reg. §1.468B-2(k)(3)) shall be the Administrator. The Administrator shall timely and properly file, or cause to be timely and properly filed, all informational and other federal, state, or local tax returns necessary or advisable with respect to the earnings on the Settlement Fund (including the returns described in Treas. Reg. §1.468B-2(k)). Such returns (as well as the elections described in Paragraph IX.1(a) hereof) shall be consistent with this paragraph and in all events shall reflect that all Taxes (including any estimated Taxes, interest, or penalties) on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided in Paragraph IX.1(c) hereof.

(c) Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlement Fund and shall be timely paid by the Administrator out of the Settlement Fund without prior order from the Court, and the Administrator shall be authorized (notwithstanding anything herein to the contrary) to withhold from distribution to Settlement Payment Recipients any funds necessary to pay such amounts, including the establishment of adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be required to be withheld under Treas. Reg. §1.468B-2(l)(2)). Neither the Released Defendant Parties nor their counsel shall have any responsibility or liability for any Taxes, Tax Expenses, administration of Taxes and Tax Expenses, or any acts or omissions of the Administrator (or its agents), as the escrow agent. The Parties hereto agree to cooperate with the Administrator, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this paragraph.

X. Termination of Settlement; Effect of Termination

1. Both Plaintiff and Defendants shall have the right (but not the obligation) to terminate the Settlement and this Stipulation by providing written notice of their election to do so to all other parties to this Stipulation within ten (10) business days of (a) the Court's declining to enter the Scheduling Order in any material respects; (b) the Court's declining to enter the Judgment approving the Settlement in any material respect; (c) modification or reversal of the Judgment approving the Settlement in any material respect, on or following reargument, reconsideration, rehearing, appellate review, remand, collateral attack, or other proceedings; or (d) failure to satisfy any of the other conditions of Section VII.

2. Neither modification nor a reversal on appeal of the Fee and Expense Award or the Plan of Allocation shall be deemed a material modification of the Judgment or this Stipulation, shall operate to terminate or cancel this Stipulation and/or the Settlement, or shall constitute grounds for termination or cancellation of this Stipulation and/or the Settlement.

3. If either: (a) the Effective Date does not occur, (b) this Stipulation is disapproved, canceled, or terminated pursuant to its terms, or (c) the Settlement otherwise does not become Final for any reason, then (i) the Settlement and this

Stipulation (other than this Section and Sections XI-XII) shall be canceled and terminated; (ii) any judgment entered in the Action and any related orders entered by the Court shall in all events be treated as vacated, *nunc pro tunc*; (iii) the Releases provided under the Settlement shall be null and void; (iv) the fact of the Settlement shall not be admissible in any proceeding before any court or tribunal; (v) Plaintiff and Defendants shall work together in good faith to set a new trial date and to negotiate a new schedule for further proceedings, to be approved by the Court; (vi) all proceedings respecting the Released Plaintiff's Claims and Released Defendants' Claims shall revert to their status before the Settlement; (vii) Plaintiff and Defendants shall proceed in all respects as if the Term Sheet, the Settlement, and this Stipulation (other than this Section and Sections XI-XII) had not been entered into; and (viii) the Settlement Consideration (including any accrued interest thereon in the Account), less any Administrative Costs and Taxes and Tax Expenses actually incurred and paid or payable, and including any Fee and Expense Award or portion thereof required to be returned to the Account by Plaintiff's Counsel pursuant to Paragraph VIII.2 above, shall be refunded by the Administrator from the Account, within thirty (30) calendar days after such cancellation or termination, directly to the parties who made payments pursuant to Paragraph II.A.1(b) in amounts set forth by Defendants' Counsel to the Administrator.

XI. No Admission of Wrongdoing

1. The Parties deny any and all allegations of fault, liability, wrongdoing, or damages whatsoever alleged in the Action. The Parties make no admission of liability or any form of wrongdoing whatsoever.

2. None of the Term Sheet, this Stipulation, the Settlement, the negotiations leading to execution of the Term Sheet or this Stipulation, or any proceedings taken pursuant to or in connection with the Term Sheet, the Stipulation, or approval of the Settlement shall be offered against any Party (i) as evidence of any presumption, admission, or concession by any Party of any fault, liability, or wrongdoing of any kind or of any damages whatsoever; or (ii) as evidence that any of their claims are without merit, that any Defendant or Plaintiff had meritorious defenses, or that damages recoverable from any Defendant would not have exceeded the Settlement Amount; provided, however, that the Judgment may be introduced in any proceeding as may be necessary to argue and establish that the Judgment has *res judicata*, collateral estoppel, or other issue or claim preclusion effect or to otherwise consummate or enforce the Settlement and Judgment or to secure any insurance rights or proceeds of any of the Released Defendant Parties or Released Plaintiff Parties or as otherwise required by law.

3. The provisions of this Section that do not concern giving final, preclusive effect to the Stipulation, the Settlement, and/or the Judgment shall remain

in force even in the event that the Stipulation or the Settlement does not become Final or is terminated for any reason whatsoever.

XII. Miscellaneous Provisions

1. The Parties represent and agree that the terms of the Settlement were negotiated at arm's length and in good faith, with the assistance of Judge Phillips and other personnel of Phillips ADR Enterprises as mediator, and reflect a settlement that was reached voluntarily based upon adequate information, sufficient discovery, and consultation with experienced legal counsel.

2. All of the exhibits attached hereto (the "Exhibits") are material and integral parts of the Stipulation, and shall be incorporated by reference as though fully set forth herein. Notwithstanding the foregoing, if there exists a conflict or inconsistency between the terms of this Stipulation and the terms of any exhibit attached hereto, the terms of the Stipulation shall prevail.

3. This Stipulation and the Exhibits constitute the entire agreement between Plaintiff, on the one hand, and Defendants, on the other hand, with respect to the Settlement and supersede any prior agreements among Plaintiff, on the one hand, and Defendants, on the other hand, with respect to the Settlement, including the Term Sheet. No representations, warranties, or inducements have been made to or relied upon by any Party concerning this Stipulation or its Exhibits, other than the representations, warranties, and covenants expressly set forth in such documents.

4. This Stipulation is and shall be binding upon and shall inure to the benefit of the Released Defendant Parties, the Released Plaintiff Parties (including the Class Members), and the respective legal representatives, heirs, executors, administrators, transferees, successors, and assigns of all such foregoing Persons and entities and upon any corporation, partnership, or other entity into or with which any of the foregoing may merge, consolidate, or reorganize.

5. This Stipulation may not be amended or modified, nor may any of its provisions be waived, except by written instrument signed by both Plaintiff's Counsel and Defendants' Counsel, or their respective successors-in-interest.

6. The waiver by Plaintiff or Defendants of any breach of this Stipulation shall not be deemed a waiver of any other prior or subsequent breach of any provision of this Stipulation.

7. Plaintiff represents and warrants that it is a member of the Class and that none of its claims or causes of action referred to in this Stipulation has been assigned, encumbered, or otherwise transferred in whole or in part.

8. Each of the Parties represents and warrants that he, she, they, or it has made such investigation of the facts pertaining to the Settlement provided for in this Stipulation, and all of the matters pertaining thereto, and has been advised by counsel, as he, she, or it deems necessary and advisable.

9. Each counsel signing this Stipulation warrants that such counsel has been duly empowered and authorized to sign this Stipulation on behalf of his or her client(s).

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

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

12. Without further Order of the Court, Plaintiff and Defendants may agree to reasonable extensions of time to carry out any of the provisions of this Stipulation.

13. Whether or not the Stipulation is approved by the Court and whether or not the Settlement is consummated, or the Effective Date occurs, the Parties and their counsel, in any public statement, comments to the press, or in response to press inquiries, shall not make any negative or disparaging remarks about other Parties or any claims asserted in this Action, but will instead refer the press to this Stipulation.

14. To the extent permitted by law, all agreements made and orders entered during the course of the Action related to the confidentiality of documents or information shall survive this Stipulation.

15. This Stipulation may be executed in counterparts by electronic signature, email, PDF, fax, or original signature by any of the signatories hereto and as so executed shall constitute one agreement.

16. This Stipulation, the Settlement, and any and all disputes arising out of or relating in any way to this Stipulation or the Settlement, whether in contract, tort, or otherwise, shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to conflict-of-law principles. The Parties to this Stipulation will seek to resolve any such dispute in mediation before Judge Phillips in the first instance unless it implicates the rights of other Class Members or potential Class Members. If the Parties to this Stipulation cannot resolve any such dispute in mediation, or the dispute implicates the rights of other Class Members or potential Class Members, then the Delaware Court of Chancery, or, if that Court shall be unavailable, any other court in the State of Delaware, shall be the exclusive forum for the adjudication of any disputes arising under this Stipulation. Solely with respect to the adjudication of any disputes arising under this Stipulation, each Party accepts and consents to the jurisdiction of the identified courts and waives any objection to venue or inconvenience of such courts. Each Party consents to service of process by registered mail (with a copy to be delivered at the time of such mailing to counsel for each Party by electronic mail) upon such Party and/or such Party's

agent for purposes of such action and waives any right to demand a jury trial as to any such action.

17. The consummation of the Settlement as embodied in this Stipulation shall be under the authority of the Court, and the Court shall retain jurisdiction for the purpose of entering orders providing for an award of attorneys' fees and expenses to Plaintiff's Counsel and enforcing the terms of this Stipulation.

18. The Parties agree that, in the event of any breach of this Stipulation, all of Plaintiff's and Defendants' rights and remedies at law, equity, or otherwise are expressly reserved.

IN WITNESS WHEREOF, the parties, by their undersigned attorneys, have executed this Stipulation as of May 21, 2026.

PRICKETT, JONES & ELLIOTT, P.A.

/s/ Michael Hanrahan
Michael Hanrahan (#941)
Corinne Elise Amato (#4982)
Kevin H. Davenport (#5327)
Stacey A. Greenspan (#7056)
Christine N. Chappelear (#6844)
Kirsten M. Valania (#6951)
1310 North King Street
Wilmington, Delaware 19801
(302) 888-6500
mhanrahan@prickett.com
ceamato@prickett.com
khdavenport@prickett.com
sagreenspan@prickett.com
cnchappelear@prickett.com
kmvalania@prickett.com

Attorneys for Plaintiff Sjunde AP-Fonden

OF COUNSEL:

KESSLER TOPAZ MELTZER & CHECK, LLP
Lee D. Rudy
Eric L. Zagar
J. Daniel Albert
Lauren Lummus
Nakib Kabir
280 King of Prussia Road
Radnor, Pennsylvania 19087
(610) 667-7706

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Elena C. Norman
Elena C. Norman (#4780)
Daniel M. Kirshenbaum (#6047)
Kevin P. Rickert (#6513)
1000 North King Street
Wilmington, Delaware 19801
(302) 571-6600
enorman@ycst.com
dkirshenbaum@ycst.com
krickert@ycst.com

Attorneys for Defendants Microsoft Corporation, Activision Blizzard, Inc., as successor to Anchorage Merger Sub Inc., and Activision Blizzard, Inc.

OF COUNSEL:

JENNER & BLOCK LLP
Stephen L. Ascher
Elizabeth A. Edmondson
1155 Avenue of the Americas
New York, NY 10036

JENNER & BLOCK LLP
Lindsay Harrison
Alex S. Trepp
1099 New York Avenue, NW
Suite 900
Washington, DC 20001

QUINN EMANUEL URQUHART
& SULLIVAN, LLP

/s/ Michael A. Barlow
Michael A. Barlow (#3928)
Shannon M. Doughty (#6785)
500 Delaware Avenue, Suite 220
Wilmington, Delaware 19801
(302) 302-4000
michaelbarlow@quinnemanuel.com
shannondoughty@quinnemanuel.com

Attorneys for Defendant Robert Kotick

OF COUNSEL:

Alex Spiro
Christopher D. Kercher
David S. Mader
QUINN EMANUEL URQUHART
& SULLIVAN, LLP
295 Fifth Avenue
New York, New York 10016
(212) 849-7000
alexspiro@quinnemanuel.com
christopherkercher@quinnemanuel.com
davidmader@quinnemanuel.com

Leonidas Angelakos
QUINN EMANUEL URQUHART
& SULLIVAN, LLP
555 Twin Dolphin Drive, 5th Floor
Redwood Shores, California 94065
(650) 801-5073
leonidasangelakos@quinnemanuel.com

SKADDEN, ARPS, SLATE,
MEAGHER & FLOM LLP

/s/ Edward B. Micheletti
Edward B. Micheletti (#3794)
Michelle L. Davis (#3283)
Lauren N. Rosenello (#5581)
One Rodney Square
920 North King Street
Wilmington, Delaware 19801
(302) 651-3000
edward.micheletti@skadden.com
michelle.davis@skadden.com
lauren.rosenello@skadden.com

Attorneys for Defendants Robert Kotick, Brian Kelly, Robert Morgado, Robert Corti, Hendrik Hartong III, Casey Wasserman, Peter Nolan, Dawn Ostroff, Barry Meyer, Reveta Bowers and Kerry Carr

FRIEDLANDER & GORRIS, P.A.

<u>/s/ Joel Friedlander</u>
Joel Friedlander (Bar No. 3163)
Jeffrey M. Gorris (Bar No. 5012)
Christopher M. Foulds (Bar No. 5169)
David Hahn (Bar No. 6417)
Matthew D. Venuti (Bar No. 6954)
1201 N. Market Street, Suite 2200
Wilmington, DE 19801
(302) 573-3500
jfriedlander@friedlandergorris.com
jgorris@friedlandergorris.com
cfoulds@friedlandergorris.com
dhahn@friedlandergorris.com
mvenuti@friedlandergorris.com

Attorneys for Defendants Robert Kotick, Brian Kelly, Robert Morgado, Robert Corti, Hendrik Hartong III, Casey Wasserman, Peter Nolan, Dawn Ostroff, Barry Meyer, Reveta Bowers, and Kerry Carr