

intended by the Settling Parties to fully, finally, and forever compromise, resolve, discharge, and settle the Plaintiff's Released Claims (as defined herein) and to result in the complete dismissal of the above-captioned action (the "Action") with prejudice, upon the terms and subject to the conditions set forth herein, and without any admission or concession as to the merits of any of the Settling Parties' claims or defenses.

I. INTRODUCTION

Northwest, a Delaware corporation with its principal place of business in Maryland, is a development stage biotechnology company focused on developing immunotherapies for cancer. Its platform technology, "DCVax," uses activated dendritic cells to mobilize a patient's own immune system to attack his or her cancer.

A. The Action

On July 19, 2016, Plaintiff sent a pre-suit demand letter to the Board, which at that time was comprised of the Individual Defendants, Susan B. Bayh, who was named as a defendant but never served, and non-party Joseph Cofer Black.

On November 28, 2016, Plaintiff filed in this Court a Verified Shareholder Derivative Complaint in the Action on behalf of Northwest (the "Initial Complaint"). Plaintiff asserted claims against the Individual Defendants and former Northwest director Susan B. Bayh for alleged breach of fiduciary duties, abuse of control, gross mismanagement, and unjust enrichment, and also asserted claims against the Toucan Entities, Cognate, and Defendant Powers for alleged breach of fiduciary duty and unjust enrichment. Plaintiff additionally asserted claims against the Toucan Entities and Cognate for alleged aiding and abetting. The Defendants accepted service of process, with the exception of Ms. Bayh, whom Plaintiff did not serve.

On December 21, 2016, the Defendants filed an Unopposed Motion for Extension of Time to File Answer or Responsive Pleading, which the Court granted on January 3, 2017.

On February 13, 2017, the Individual Defendants, the Toucan Entities, and Cognate, respectively, filed separate motions to dismiss the Initial Complaint.

On March 1, 2017, Plaintiff filed a Verified Amended Shareholder Derivative Complaint in the Action (the “Amended Complaint”).

On March 10, 2017, the Settling Parties filed a Joint Motion to Extend Time Requirements so that Defendants could extend time for briefing a response to the Amended Complaint, which was granted by the Court on March 17, 2017.

On April 11, 2017, Plaintiff sent interrogatories and requests for production of documents (the “discovery requests”) to Defendants, and filed a Notice of Service of Discovery Materials with the Court.

On April 17, 2017, the Individual Defendants, the Toucan Entities, and Cognate, respectively, filed separate motions to dismiss the Amended Complaint.

On April 21, 2017, the Defendants filed Defendants’ Motion for Protective Order Staying Discovery Pending Dispositive Motions, moving to stay all discovery until their separate motions to dismiss were decided.

Following Plaintiff’s withdrawal of the discovery requests that were the subject of Defendants’ April 21, 2017 Motion for Protective Order Staying Discovery Pending Dispositive Motions, on April 28, 2017, Defendants filed a Line Withdrawing Motion to Stay Discovery, requesting that their motion be withdrawn without prejudice.

On May 5, 2017, Plaintiff filed an Unopposed Motion for Extension to the deadlines for

briefing the pending motions to dismiss, which the Court granted on June 15, 2017.

On July 3, 2017, Plaintiff filed an Unopposed Motion for a Second Extension to the deadlines for briefing the pending motions to dismiss, which the Court granted on July 26, 2017.

On August 8, 2017, Plaintiff filed an Unopposed Motion to Stay Proceedings pending an Order on preliminary approval of the Settlement, which the Court granted on September 15, 2017.

B. Settlement Negotiations

Plaintiff's Counsel (as defined herein) and Counsel for Northwest commenced settlement discussions on February 5, 2017, when Plaintiff's Counsel sent to Defendants' Counsel a settlement demand together with a proposal of corporate governance reforms to be instituted by the Company. Since then, Plaintiff's Counsel and Counsel for Northwest have engaged in settlement negotiations via numerous telephone calls and written proposals.

After extensive negotiations, on June 1, 2017, an agreement-in-principle was reached regarding the essential, substantive terms of the settlement of the Action. In connection with settlement negotiations leading up to the agreement-in-principle, the Settling Parties did not negotiate the amount of any application by Plaintiff's Counsel for attorneys' fees and expense reimbursement. As set forth in more detail below, as part of the terms of the settlement, Northwest will agree to institute and maintain certain corporate governance reforms for the sooner of three (3) years from the time of their implementation as documented in the minutes of the Board, or the date on which Northwest shall have twenty-five (25) or fewer beneficial owners of its common stock. The corporate governance reforms are fully set forth in Exhibit A.

After agreeing to the foregoing essential, substantive terms on June 1, 2017, Plaintiff's Counsel and Counsel for Northwest negotiated at arm's length the amount of the application to be

filed by Plaintiff's Counsel for attorneys' fees and reimbursement of expenses. As a result of these negotiations, the Settling Parties agreed that Plaintiff's Counsel will apply to the Court for an award of \$150,000 for their attorneys' fees and expenses, and of \$2,000 as a service award to Plaintiff, and Defendants will not oppose or object to that application.

II. PLAINTIFF'S COUNSEL'S INVESTIGATION AND RESEARCH, PLAINTIFF'S CLAIMS, AND THE BENEFIT OF SETTLEMENT

Plaintiff's Counsel submits that they conducted investigations relating to the claims and the underlying events alleged in the Action, including, but not limited to: (1) reviewing and analyzing the Company's public filings with the U.S. Securities and Exchange Commission ("SEC"), press releases, announcements, transcripts of investor conference calls, and news articles; (2) reviewing and analyzing the allegations contained in the related securities class action filed in the United States District Court for the District of Maryland, captioned *Lerner v. Northwest Biotherapeutics, Inc. and Linda F. Powers*, No. 8:15-cv-02532 (the "Securities Class Action"); (3) researching and drafting the pre-suit litigation demand; (4) researching and drafting the Initial Complaint; (5) researching and drafting the Amended Complaint; (6) researching the applicable law with respect to the claims in the Action and the potential defenses thereto; (7) researching and drafting extensive discovery requests; (8) researching corporate governance best practices; and (9) preparing settlement demands, each with corporate governance reform proposals.

Plaintiff's Counsel believe that the claims asserted in the Action have merit and that their investigation supports the claims asserted. Without conceding the merit of any of Defendants' defenses or the lack of merit of any of their own allegations, and in light of the benefits of the settlement described herein as well as to avoid the potentially protracted time, expense, and uncertainty associated with continued litigation, including potential trials and appeals, Plaintiff has

concluded that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation. Plaintiff and Plaintiff's Counsel recognize the significant risk, expense, and length of continued proceedings necessary to prosecute the Action against the Defendants through trials and possible appeals. Plaintiff's Counsel also have taken into account the uncertain outcome and the risk of any litigation, especially complex litigation such as the Action, as well as the difficulties and delays inherent in such litigation. Based on their evaluation, and in light of the significant benefits conferred upon the Company and its shareholders as a result of the settlement detailed herein, Plaintiff and Plaintiff's Counsel have determined that this Stipulation is in the best interests of Plaintiff, Northwest, and Current Northwest Stockholders (as defined herein), and have agreed to settle the Action upon the terms and subject to the conditions set forth herein.

III. DEFENDANTS' DENIAL OF WRONGDOING AND LIABILITY

The Defendants have denied, and continue to deny, each and every claim and contention alleged by Plaintiff in the Action and maintain that they have acted properly, lawfully, and in full accord with their fiduciary duties at all times. Further, the Defendants have denied expressly, and continue to deny, all allegations of wrongdoing, fault, liability, or damage against them arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Action and deny that they have ever committed or attempted to commit any violations of law, any breach of fiduciary duty owed to Northwest or its shareholders, or any wrongdoing whatsoever. Had the terms of this Stipulation not been reached, the Defendants would have continued to contest Plaintiff's allegations, and the Defendants maintain that they had and have meritorious defenses to all claims alleged in the Action. Without admitting the validity of any of

the claims that Plaintiff has asserted in the Action, or any liability with respect thereto, Defendants have concluded that it is desirable and beneficial that the claims be settled on the terms and subject to the conditions set forth herein. Defendants are entering into the settlement described herein because it will eliminate the uncertainty, distraction, disruption, burden, and expense of further litigation of the Action.

Neither this Stipulation, nor any of its terms or provisions, nor any act performed or document executed pursuant to or in furtherance of the settlement described herein: (a) is, may be construed as, or may be used as an admission of, or evidence of, the truth or validity of any of the Plaintiff's Released Claims, of any claims or allegations made in the Action, or of any purported acts or omissions by the Defendants; (b) is, may be construed as, or may be used as an admission of, or evidence of, any fault, omission, negligence, or wrongdoing by the Defendants, or any concession of liability whatsoever; or (c) is, may be construed as, or may be used as an admission of, or evidence of, a concession by any Defendant of any infirmity in the defenses that Defendants asserted or could have asserted in this Action or otherwise.

IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT

Plaintiff, derivatively on behalf of Northwest, the Individual Defendants, and nominal defendant Northwest, by and through their respective counsel or attorneys of record, further stipulate and agree that, subject to the Court's approval, all Plaintiff's Released Claims and Defendants' Released Claims (as defined herein) shall be fully, finally, and forever compromised, settled, released, discontinued, discharged, and dismissed with prejudice and without costs (except as stated herein), upon the terms and subject to the conditions:

1. Definitions

In addition to the terms already defined in the foregoing, the following terms have the meanings specified below. In the event of any inconsistency between any definition set forth below and any definition set forth in any document attached as an exhibit to this Stipulation, the definitions set forth below shall control.

1.1 “Current Northwest Stockholders” means, for purposes of this Stipulation, any Persons (defined below) who owned Northwest common stock as of the date of this Stipulation and who continue to hold their Northwest common stock through the date of the Settlement Hearing, excluding the Individual Defendants, the officers and directors of Northwest, members of their immediate families, and their legal representatives, heirs, successors, or assigns, and any entity in which Individual Defendants have or had a controlling interest.

1.2 “Defendants’ Counsel” means the following counsel, each representing separate clients in the Action: (i) Gibson, Dunn & Crutcher LLP, 1050 Connecticut Avenue, N.W., Washington, DC 20036; (ii) Hogan Lovells US LLP, 555 Thirteenth Street, NW, Washington, DC 20004; and (iii) Haug Partners LLP, 745 Fifth Avenue, 10th Floor, New York, NY 10151.

1.3 “Effective Date” means the first date by which all of the events and conditions specified in ¶ 6.1 herein have been met and have occurred.

1.4 “Fee Award” means the amount awarded by Court in response to the application of Plaintiff’s Counsel for their attorneys’ fees and expenses, as detailed in ¶¶ 5.1–5.2 of this Stipulation.

1.5 “Final” means the time when an order or judgment that has not been reversed, vacated, or modified in any way and is no longer subject to appellate review, either because of

disposition on appeal and conclusion of the appellate process (including potential writ proceedings) or because of passage, without action, of time for seeking appellate or writ review. More specifically, it is that situation when: (1) either no appeal or petition for review by writ has been filed and the time has passed for any notice of appeal or writ petition to be timely filed in an Action; or (2) an appeal has been filed and the court of appeals has either affirmed the order or judgment or dismissed that appeal and the time for any reconsideration or further appellate review has passed; or (3) a higher court has granted further appellate review and that court has either affirmed the underlying order or judgment or affirmed the court of appeals' decision affirming the order or judgment or dismissing the appeal or writ proceeding. Any appeal or proceeding seeking judicial review pertaining solely to the Fee Award shall not in any way delay or affect the time set forth above for the Judgment to become Final.

1.6 "Judgment" means the Final Order and Judgment to be entered by the Court dismissing the Action with Prejudice, substantially in the form attached hereto as Exhibit D.

1.7 "Notice to Current Northwest Stockholders" or "Notice" means the Notice to Current Northwest Stockholders, substantially in the form of Exhibit B attached hereto.

1.8 "Settling Parties" means, collectively: the Plaintiff (derivatively on behalf of Northwest), all of the Individual Defendants, nominal defendant Northwest, the Toucan Entities, and Cognate.

1.9 "Person(s)" means an individual, corporation, limited liability company, professional corporation, partnership, limited partnership, limited liability partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity, and their spouses,

heirs, predecessors, successors, administrators, parents, subsidiaries, affiliates, representatives, or assignees.

1.10 “Preliminary Approval Order” means the Order to be entered by the Court, substantially in the form of Exhibit C attached hereto, including, *inter alia*, preliminarily approving the terms and conditions of this Stipulation, directing that notice be provided to Current Northwest Stockholders, and scheduling a Settlement Hearing to consider whether the Settlement, Fee Award, and Service Award (as each are defined herein) should be finally approved.

1.11 “Related Persons” means each and all of a Person’s past, present, or future family members, spouses, domestic partners, parents, associates, affiliates, divisions, subsidiaries, officers, directors, stockholders, owners, members, representatives, employees, attorneys, financial or investment advisors, consultants, underwriters, investment banks or bankers, commercial bankers, insurers, reinsurers, excess insurers, co-insurers, advisors, principals, agents, heirs, executors, trustees, estates, beneficiaries, distributees, foundations, general or limited partners or partnerships, joint ventures, personal or legal representatives, administrators, or any other person or entity acting or purporting to act for or on behalf of any Person, and each of their respective predecessors, successors, and assigns.

1.12 “Plaintiff’s Released Claims” means any and all claims, rights, demands, suits, matters, issues, causes of action, liabilities, obligations, expenses, damages, losses, judgments, suits, or any other matters of any kind, including Unknown Claims (as defined below), asserted by Plaintiff (on his own behalf or derivatively on behalf of Northwest), by Northwest, or any Northwest stockholder (derivatively on behalf of Northwest) against Released Persons in any forum, whether under state, federal, or foreign law, which are based upon, arise out of, or relate in

any manner to the allegations, facts, events, transactions, acts, occurrences, conduct, statements, representations, alleged misrepresentations, alleged omissions, or any other matters that were or could have been asserted in the Action. Plaintiff's Released Claims shall not include claims to enforce the Settlement or claims made in the action that is pending in the Court of Chancery in Delaware and captioned *Tharp, et al. v. Cognate Bioservices, Inc., et al.*, C.A. No. 11179-VCG.

1.13 "Defendants' Released Claims" means any and all claims, debts, rights, or causes of action or liabilities, including Unknown Claims, that could be asserted in any forum by the Released Persons against Plaintiff, his beneficiaries, or Plaintiff's Counsel that arise out of or relate in any way to the institution, prosecution, or settlement of the Action. Defendants' Released Claims shall not include claims to enforce the settlement described herein.

1.14 "Released Person(s)" means, collectively, each and all of the Defendants and their Related Persons and former Northwest director Susan B. Bayh.

1.15 "Plaintiff's Counsel" means: (i) The Brown Law Firm, P.C., 240 Townsend Square, Oyster Bay, New York 11771; (ii) The Rosen Law Firm, P.A., 275 Madison Avenue, 34th Floor, New York, New York 10016; and (iii) Murphy, Falcon & Murphy, One South Street, 23rd Floor, Baltimore, Maryland 21202.

1.16 "Securities Class Action" means the federal securities class action that was filed in the United States District Court for the District of Maryland, captioned *Lerner v. Northwest Biotherapeutics, Inc. and Linda F. Powers*, No. 8:15-cv-02532.

1.17 "Settlement" means the settlement of the Action as documented in this Stipulation.

1.18 “Settlement Hearing” means a hearing by the Court to review the adequacy, fairness, and reasonableness of the Settlement and to determine: (i) whether to enter the Judgment; and (ii) all other matters properly before the Court.

1.19 “Unknown Claims” means any and all claims that were alleged or could have been alleged in the Action by the Plaintiff, Northwest or any Northwest stockholder derivatively on behalf of Northwest, which Plaintiff, Northwest, or any Northwest stockholder derivatively on behalf of Northwest does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons, including claims which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to this settlement. With respect to any and all Plaintiff’s Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Plaintiff and Northwest shall expressly waive, and each of Northwest’s stockholders shall be deemed to have, and by operation of the Judgment shall have, expressly waived the provisions, rights, and benefits of California Civil Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Plaintiff and Northwest shall expressly waive, and each of Northwest’s stockholders shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any U.S. federal law or any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable or equivalent in effect to California Civil Code § 1542. The Settling Parties acknowledge that they may discover facts in addition to or different from those now known or believed to be true by them

with respect to the Plaintiff's Released Claims, but it is the intention of the Settling Parties to completely, fully, finally, and forever compromise, settle, release, discharge, and extinguish any and all of the Plaintiff's Released Claims known or unknown, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. Plaintiff and Northwest acknowledge and agree, and Northwest's stockholders shall be deemed by operation of the Judgment to have acknowledged and agreed, that the foregoing waiver was separately bargained for and was a material element of the Settlement. With respect to Defendants' Released Claims, "Unknown Claims" means any and all Defendants' Released Claims, of every nature and description, which the Released Persons do not know or suspect to exist in their favor at the time of the release of Plaintiff, his beneficiaries, or Plaintiff's Counsel, which, if known by them, might have affected their decisions with respect to the release of Defendants' Released Claims or the Settlement.

2. Terms of the Settlement

2.1 Northwest acknowledges that the filing, pendency, and settlement of the Action comprised a substantial factor in the Company's decision to implement the corporate governance reforms, the terms of which are fully set forth in Exhibit A attached hereto (the "Reforms"). Northwest additionally acknowledges that the Reforms will improve the Company's internal controls and confer benefits to Northwest and Current Northwest Stockholders. Northwest always has been, and continues to be, committed to the implementation, enhancement, and enforcement of rigorous corporate governance measures. The fact that Northwest has implemented, or has agreed to implement, changes, modifications, or enhancements to its corporate governance policies and practices shall not be construed as an admission that any such enhanced policies or practices

are legally required, or to the extent that such policies or practices were not in place in the past, constituted a failure of compliance, a breach of any duty, or any other wrongdoing.

2.2 Within thirty (30) calendar of final approval of the Settlement by the Court, Northwest shall take all necessary steps to adopt and implement the Reforms. The Reforms shall be maintained by Northwest for at least until the sooner of (i) a period of at least three (3) years has passed from the time of their implementation as documented in the minutes of the Board, or (ii) the date on which Northwest shall have twenty-five (25) or fewer beneficial owners of its common stock.

3. Procedure for Implementing the Settlement

3.1 Promptly after execution of this Stipulation, the Plaintiff shall submit this Stipulation, together with its exhibits, to the Court and apply for entry of the Preliminary Approval Order in this Court, substantially in the form of Exhibit C attached hereto, requesting, *inter alia*: (i) preliminary approval of the Settlement set forth in this Stipulation; (ii) approval of the method of providing notice of the proposed Settlement to Current Northwest Stockholders; (iii) approval of the form of Notice substantially in the form of Exhibit B attached hereto; and (iv) a date for the Settlement Hearing.

3.2 Within ten (10) business days after the Court's entry of the Preliminary Approval Order, Northwest shall: (i) cause a press release to be issued that contains the contents of the Notice; (ii) cause a Current Report on Form 8-K to be filed with the SEC that contains the contents of the Notice; and (iii) post on the investor relations portion of its website the Notice together with the Stipulation. All costs of such Notice and the filing, issuance and posting set forth above shall be paid by Northwest and/or its insurer. The Settling Parties believe the content of the Notice and

the manner of the notice procedures set forth in this paragraph constitute adequate and reasonable notice to Current Northwest Stockholders pursuant to applicable law and due process.

3.3 Plaintiff's Counsel shall request that the Court hold the Settlement Hearing at least forty-five (45) calendar days after the notice described in ¶ 3.2 above is issued to review the adequacy, fairness, and reasonableness of the Settlement, the Fee Award, and the Service Award.

3.4 Pending the Court's determination as to final approval of the Settlement, the Settling Parties agree that Plaintiff and Plaintiff's Counsel, and all other Persons, including but not limited to any Current Northwest Stockholders, whether acting representatively, or derivatively on behalf of Northwest, or in any other capacity, should be barred and enjoined from commencing, prosecuting, instigating, or in any way participating in the commencement or prosecution of any action asserting any Plaintiff's Released Claims against any of the Released Persons, in any court or tribunal. Moreover, pending the Court's determination as to final approval of the Settlement, the Settling Parties agree that all proceedings in the Action, except with respect to the Settlement as provided herein, should be stayed.

4. Releases

4.1 Upon the Effective Date, Northwest, Plaintiff, and each of Northwest's stockholders shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged Plaintiff's Released Claims (including any and all Unknown Claims) against the Released Persons and any and all claims arising out of, relating to, or in connection with, the defense, settlement or resolution of the Action against the Released Persons. Northwest, Plaintiff, and each of Northwest's stockholders shall be deemed to have, and by operation of the Judgment shall have, covenanted not to sue any Released Person with respect

to any Plaintiff's Released Claims, and shall be permanently barred and enjoined from instituting, commencing, or prosecuting Plaintiff's Released Claims against the Released Persons except to enforce the releases and other terms and conditions contained in this Stipulation and/or the Judgment entered pursuant thereto.

4.2 Upon the Effective Date, each of the Released Persons shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished and discharged each and all of Plaintiff, his beneficiaries, and Plaintiff's Counsel from any and all Defendants' Released Claims. The Released Persons shall be deemed to have, and by operation of the Judgment shall have, covenanted not to sue Plaintiff or his beneficiaries, or Plaintiff's Counsel with respect to any claims arising out of, relating to, or in connection with their institution, prosecution, assertion, settlement, or resolution of the Action or Plaintiff's Released Claims, and shall be permanently barred and enjoined from instituting, commencing or prosecuting Defendants' Released Claims against Plaintiff, his beneficiaries, or Plaintiff's Counsel except to enforce the releases and other terms and conditions contained in this Stipulation and/or the Judgment entered pursuant thereto.

4.3 Nothing herein shall in any way impair or restrict the rights of any Settling Party to enforce the terms of the Stipulation.

5. Plaintiff's Counsel's Attorneys' Fees and Expenses

5.1 After the Settling Parties reached an agreement-in-principle to the essential, substantive terms of this Settlement, Plaintiff's Counsel and Counsel to Northwest engaged in negotiations at arm's length regarding the amount of attorneys' fees and expenses to be paid to Plaintiff's Counsel and the amount of the service award to be paid to Plaintiff. As a result of these

negotiations, the Settling Parties agreed that Plaintiff's Counsel will apply to the Court for an award of attorneys' fees and expenses in the total amount of one hundred and fifty thousand dollars (\$150,000.00) (the "Fee Award") and a service award to Plaintiff in the amount of two thousand dollars (\$2,000.00) (the "Service Award"), for the benefits provided to Northwest and Current Northwest Stockholders as a result of the Action. The Settling Parties mutually agree that the Fee Award is fair and reasonable in light of the benefits conferred upon Northwest and Current Northwest Stockholders by this Action, including the Settlement.

5.2 Any Fee Award or Service Award approved by the Court will be paid by Northwest, its insurance carrier, or its designated payment agent, and none of the other Defendants. The Fee Award and Service Award shall be transferred to the escrow account of The Brown Law Firm, P.C. (the "Escrow Account") within forty-five (45) calendar days of the Court's entry of the Preliminary Approval Order, subject to the obligation of Plaintiff's Counsel to make appropriate refunds or repayments promptly if, as a result of any appeal and/or further proceedings on remand, the Fee Award is reversed or reduced. Plaintiff's Counsel shall provide Defendants' Counsel, within ten (10) business days after entry of the Preliminary Approval Order, all necessary payment details to accomplish payment of the Fee Award to the Escrow Account, including bank account number, name of bank, bank address, a Sort Code or ABA Routing Number, wire transfer instructions, the Tax Identification Number, and an executed Form W-9. After the funds are deposited, the Escrow Account will hold the money until the Final Judgment is entered.

5.3 Defendants and Defendants' Counsel shall have no responsibility for, nor bear any risk or liability with respect to, the Escrow Account, its operation, and any taxes or expenses incurred in connection with the Escrow Account. Plaintiff's Counsel shall be solely responsible

for any administrative costs associated with the Escrow Account as well as the filing of all informational and other tax returns with the Internal Revenue Service, or any other state or local taxing authority, as may be necessary or appropriate.

5.4 The Fee Award and Service Award shall remain in the Escrow Account until the entry of the Judgment by the Court finally approving the Settlement, at which time the Fee Award shall be immediately releasable to Plaintiff's Counsel and the Service Award shall be releasable to Plaintiff. Should the Court order the payment of attorneys' fees and expenses to Plaintiff's Counsel in an amount less than the agreed Fee Award prior to, or at the time of, entry of the Judgment, then only the Court-approved amount shall be released to Plaintiff's Counsel. Should the Court order the payment of the Service Award to Plaintiff in an amount less than the agreed Service Award prior to, or at the time of, entry of the Judgment, then only the Court-approved amount shall be released to Plaintiff. Any amounts remaining in the Escrow Account shall be returned to Northwest within fifteen (15) business days of entry of the Judgment. Moreover, Plaintiff's Counsel and Plaintiff shall refund Northwest as provided in ¶ 5.6 if any order following the entry of Judgment should reverse or reduce the Fee Award or Service Award.

5.5 Payment of the Fee Award in the amount approved by the Court shall constitute final and complete payment for Plaintiff's Counsel's attorneys' fees and expenses that have been incurred or will be incurred in connection with the filing and prosecution of the Action and the resolution of the claims alleged therein. Defendants, including Northwest, shall have no obligation to make any payment to any Plaintiff's Counsel or Plaintiff other than the payment to the Escrow Account provided in ¶ 5.2 herein.

5.6 If for any reason any condition in ¶ 6.1 is not met and the Effective Date of the Stipulation does not occur, if the Stipulation is in any way canceled or terminated, or if the Judgment is not entered, then each of Plaintiff's Counsel and their successors shall be obligated to repay to Northwest all funds deposited in the Escrow Account, together with all interest earned thereon, pursuant to written instructions from Defendant's Counsel and within thirty (30) calendar days of receiving such instructions. In the event of any failure to obtain final approval of the full amount of the Fee Award or Service Award, or upon any appeal and/or further proceedings on remand, or successful collateral attack, which results in the Judgment or the Fee Award being overturned or reduced, each of Plaintiff's Counsel and their successors shall be obligated to repay to Northwest, pursuant to written instructions from Defendant's Counsel and within thirty (30) calendar days of receiving such instructions, the portion of the Fee Award or Service Award paid by the Company's insurer that was ultimately not awarded to Plaintiff's Counsel and/or Plaintiff. Any refunds required pursuant to this paragraph shall be the joint and several obligation of each of Plaintiff's Counsel to make appropriate refunds or repayments to the Escrow Account. Each of Plaintiff's Counsel, including each partner and/or shareholder thereof, that receives any portion of the Fee Award is subject to the Court's jurisdiction for the purposes of enforcing this paragraph or the provisions related to the Fee Award and Service Award.

5.7 Except as otherwise provided herein, each of the Settling Parties shall bear his, her, or its own costs and attorneys' fees.

5.8 Final resolution of Plaintiff's Counsel's request for Fee Award and Service Award shall not be a precondition to the dismissal, with prejudice, of the Action. Any application or

litigation concerning the Fee Award or Service Award may be considered and resolved separately from the Settlement.

6. Conditions of Settlement, Effect of Disapproval, Cancellation, or Termination

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

- (i) the Court's entry of the Judgment
- (ii) that approves in all material respects this Stipulation and Settlement, and the Judgment has become Final.

6.2 If any of the conditions specified in ¶ 6.1 are not met, then the Stipulation shall be canceled and terminated subject to ¶ 6.3, and the Settling Parties shall be restored to their respective positions in the Action as of the date immediately preceding the date of this Stipulation, unless Plaintiff's Counsel and Defendants' Counsel mutually agree otherwise.

6.3 Each of the Settling Parties shall have the right to terminate the Settlement by providing written notice of their election to do so to all other Settling Parties within thirty (30) calendar days of the date on which: (i) the Court refuses to approve this Stipulation, or the terms contained herein, in any material respect; (ii) the Preliminary Approval Order is not entered in substantially the form attached as Exhibit C hereto; (iii) the Judgment is not entered in substantially the form attached as Exhibit D hereto; (iv) the Judgment is reversed or substantially modified on appeal, reconsideration, or otherwise; or (v) the Effective Date of the Settlement cannot otherwise occur; except that such termination shall not be effective unless and until the terminating Settling Party has, within twenty (20) calendar days of the date on which it provided written notice of termination to all other Settling Parties, attempted in good faith to confer with the other Settling

Parties or to participate in a mediation session with the other Settling Parties to attempt to remedy the issue. Any order or proceeding relating to the Fee Award or Service Award, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to cancel the Stipulation, allow for the termination of the Settlement, or affect or delay the finality of the Judgment approving the Settlement.

6.4 In the event that the Stipulation is not approved by the Court, or the Settlement is terminated for any reason, then all negotiations, proceedings, documents prepared and statements made in connection herewith: (i) shall be without prejudice to the Settling Parties; (ii) shall not be deemed or construed to be an admission by any of the Settling Parties of any act, matter, or proposition; and (iii) shall not be used in any manner for any purpose in any subsequent proceeding in the Action, or in any other action or proceeding. In such event, the terms and provisions of the Stipulation, with the exception of ¶¶ 1.1–1.19, 5.4, 5.6, 6.2–6.4, 7.2–7.5, 7.10–7.13, and 7.15–7.17 herein, shall have no further force and effect with respect to the Settling Parties and shall not be used in the Action or in any other proceeding for any purpose, and any judgment or orders entered by the Court in accordance with the terms of the Stipulation shall be treated as vacated, *nunc pro tunc*.

7. Miscellaneous Provisions

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

7.2 The Settling Parties agree that the terms of the Settlement were negotiated in good

faith and at arm's length by the Settling Parties, and reflect a settlement that was reached voluntarily based upon adequate information and after consultation with competent legal counsel. Except in the event of termination of the Settlement, the Settling Parties agree not to assert under Rule 2-303 of the Maryland Rules or any similar law, rule or regulation, that the Action was brought or defended in bad faith or without a reasonable basis. The Settling Parties also will request that the Judgment contain a finding that during the course of the Action, the Settling Parties and their respective counsel at all times complied with the requirements of Rule 2-303 of the Maryland Rules and all other similar rules of professional conduct.

7.3 Whether or not the Settlement is approved by the Court, and whether or not the Settlement is consummated, the fact and terms of this Stipulation, including any exhibits attached hereto, all proceedings in connection with the Settlement, and any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement:

(a) shall not be offered, received, or used in any way against the Settling Parties as evidence of, or be deemed to be evidence of, a presumption, concession, or admission by any of the Settling Parties with respect to the truth of any fact alleged by Plaintiff or the validity, or lack thereof, of any claim that has been or could have been asserted in the Action or in any litigation, or the deficiency or infirmity of any defense that has been or could have been asserted in the Action or in any litigation, or of any fault, wrongdoing, negligence, or liability of any of the Released Persons;

(b) shall not be offered, received, or used in any way against any of the Released Persons as evidence of, or be deemed to be evidence of, a presumption, concession, or admission of any fault, misrepresentation, or omission with respect to any statement or written document approved,

issued, or made by any Released Person, or against Plaintiff as evidence of any infirmity in their claims;

(c) shall not be offered, received, or used in any way against any of the Released Persons as evidence of, or be deemed to be evidence of, a presumption, concession, or admission of any liability, fault, negligence, omission, or wrongdoing, or in any way referred to for any other reason as against the Released Persons, in any arbitration proceeding or other civil, criminal, or administrative action or proceeding in any court, administrative agency, or other tribunal. Neither this Stipulation nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of this Stipulation, or the Settlement, shall be admissible in any proceeding for any purpose, except to enforce the terms of the Settlement; provided, however, that the Released Persons may refer to the Settlement, and file the Stipulation and/or the Judgment, in any action that may be brought against them to effectuate the liability protections granted them hereunder, including, without limitation, to support a defense or claim based upon principles of *res judicata*, collateral estoppel, full faith and credit, release, standing, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or claim under U.S. federal law, state law, or foreign law.

7.4 The exhibits to the Stipulation are material and integral parts hereof and are fully incorporated herein by this reference.

7.5 The Stipulation may be amended or modified only by a written instrument signed by or on behalf of all the Settling Parties or their respective successors-in-interest. After prior notice to the Court, but without further order of the Court, the Settling Parties may agree to reasonable extensions of time to carry out any provisions of this Stipulation.

7.6 This Stipulation and the exhibits attached hereto represent the complete and final resolution of all disputes among the Settling Parties with respect to the Action, constitute the entire agreement among the Settling Parties, and supersede any and all prior negotiations, discussions, agreements, or undertakings, whether oral or written, with respect to such matters.

7.7 The waiver by one party of any breach of the Settlement by any other party shall not be deemed a waiver of any other prior or subsequent breach of the Settlement. The provisions of the Settlement may not be waived except by a writing signed by the affected party, or counsel for that party.

7.8 The headings in the Stipulation and its exhibits are used for the purpose of convenience only and are not meant to have legal effect.

7.9 The Stipulation and the Settlement shall be binding upon, and inure to the benefit of, the successors and assigns of the Settling Parties and the Released Persons. This Stipulation is not intended, and shall not be construed, to create rights in or confer benefits on any other Persons, and there shall not be any third-party beneficiaries hereto, except as expressly provided herein.

7.10 The Stipulation and the exhibits attached hereto shall be considered to have been negotiated, executed, and delivered, and to be wholly performed, in the State of Maryland, and the rights and obligations of the Settling Parties to the Stipulation shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of the State of Maryland without giving effect to that State's choice of law principles. No representations, warranties, or inducements have been made to any party concerning the Stipulation or its exhibits other than the representations, warranties, and covenants contained and memorialized in such documents.

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

7.12 All agreements made and orders entered during the course of the Action relating to the confidentiality of information and documents shall survive this Stipulation.

7.13 Nothing in this Stipulation, or the negotiations or proceedings relating to the Settlement, is intended to or shall be deemed to constitute a waiver of any applicable privilege or immunity, including, without limitation, the attorney-client privilege, the joint defense privilege, the accountants' privilege, or work product immunity; further, all information and documents transmitted between Plaintiff's Counsel and Defendants' Counsel in connection with the Settlement shall be kept confidential and shall be inadmissible in any proceeding in any U.S. federal or state court or other tribunal or otherwise, in accordance with Rule 5-408 of the Maryland Rules as if such Rule applied in all respects in any such proceeding or forum.

7.14 The Settling Parties intend that the Court retain jurisdiction for the purpose of effectuating and enforcing the terms of the Settlement.

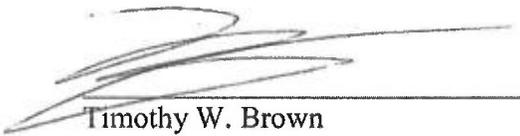
7.15 Each counsel or other Person executing the Stipulation or its exhibits on behalf of any of the Settling Parties hereby warrants that such Person has the full authority to do so. The Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Settling Parties and their Related Persons.

7.16 Any notice required by this Stipulation shall be submitted by e-mail to each of the signatories below.

7.17 The Stipulation may be executed in one or more counterparts, including by signature transmitted via facsimile, or by a .pdf/.tif image of the signature transmitted via e-mail. All executed counterparts and each of them shall be deemed to be one and the same instrument. A complete set of original executed counterparts shall be filed with the Court.

IN WITNESS WHEREOF, the Settling Parties hereto have caused the Stipulation to be executed, by their duly authorized attorneys, dated as of October 6, 2017.

THE BROWN LAW FIRM, P.C.



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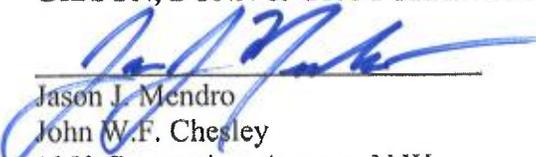
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Counsel for Defendants Linda F. Powers, Toucan Partners, LLC, Toucan General II, LLC, and Toucan Capital Fund III, L.P.

HAUG PARTNERS LLP



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Counsel for Defendant Cognate BioServices, Inc.

EXHIBIT A

CORPORATE GOVERNANCE REFORMS

Northwest Biotherapeutics, Inc. (“Northwest” or the “Company”) has adopted and/or will adopt the changes, modifications, and improvements to Northwest’s corporate governance practices set forth below within 30 days of final approval of the settlement of the action captioned *Wells v. Powers, et al.*, No. 427353-V (Md. Cir. Ct., Montgomery Cnty.).

Northwest shall maintain the following corporate governance measures until the sooner of (i) a period of at least three (3) years has passed from the time of their implementation as documented in the minutes of the Company’s board of directors, or (ii) the date on which Northwest shall have 25 or fewer beneficial owners of its common stock.

I. AMENDMENTS TO NORTHWEST’S AUDIT COMMITTEE CHARTER

Northwest shall amend its Audit Committee charter to provide that:

1. The Audit Committee members shall consist of at least three members who shall meet all applicable independence requirements, and at least one of whom shall qualify as a “financial expert” under the Sarbanes-Oxley Act of 2002.
2. The Audit Committee shall meet at least six times annually, including at least two times in sessions at which management directors are not present.
3. The Audit Committee shall endeavor to monitor Northwest’s disclosure controls that are designed to ensure that the Company discloses the information required to be disclosed in the Company’s quarterly reports on SEC Form 10-Q and its annual reports on SEC Form 10-K.
4. The Audit Committee shall review drafts of the Company’s periodic public reports and shall endeavor to ensure that its quarterly reports on SEC Form 10-Q and its annual reports on SEC Form 10-K conform in all material respects with United States Generally Accepted Accounting Principles (“GAAP”). In the event that such review reveals a false statement or omission of material fact in a periodic public report, the Audit Committee will report the deficiency to the Board.
5. While the Audit Committee has the functions set forth in this Charter it is not the duty of the Committee to plan or conduct audits. The responsibility to plan and conduct audits is that of the Independent Auditors. While the Company’s management is principally responsible for the Company’s accounting policies and the preparation of the financial statements, the Audit Committee is responsible for overseeing and, with the assistance of the Company’s Independent Auditors, endeavoring to ensure that the Company’s financial statements disclosed on SEC Form 10-Q and its annual reports on SEC Form 10-K are prepared in material conformance with GAAP. The Audit Committee is

required to review, together with the Company's Independent Auditors, any material or unusual accounting issues that require the exercise of a high degree of judgment regarding the appropriate treatment under GAAP. The Independent Auditors are responsible for auditing and attesting to the Company's financial statements and understanding the Company's system of internal control over financial reporting sufficient to plan and to determine the nature, timing and extent of audit procedures to be performed.

6. The Chairman of the Audit Committee shall meet, in person or telephonically, with a representative of the Company's Independent Auditor at least twice annually.
7. The Audit Committee shall report to the Board whenever it identifies any material risks relating to Northwest's financial reporting or compliance with applicable laws or regulations, including by making recommendations regarding proposals for mitigating these risks, and identifying considerations relating to Northwest's public disclosures of these risks.
8. The Audit Committee shall have the authority to initiate any investigations it deems appropriate into Northwest's business, including, but not limited to, actions by Company officers, and any such investigation shall be funded at the expense of the Company.
9. The Audit Committee shall have the authority to retain separate and independent advisors or counsel to aid in fulfilling its responsibilities, which shall be funded at the expense of the Company.
10. All Company employees shall be required to cooperate with Audit Committee inquiries and investigations. Any failure to cooperate shall be grounds for discipline by the Board, up to and potentially including termination, in the sole discretion of the Board. This applies to all Company employees, including, but not limited to, the CEO and CFO.
11. The Audit Committee shall provide the Board with information and materials as it may deem necessary to make the Board aware of significant financial matters which require the attention of the Board.
12. If Northwest fails to comply with the foregoing independence or financial expert requirements due to one or more vacancies of the Board or if one or more directors cease to be independent due to other circumstances, then within 45 days thereafter, Northwest shall begin efforts to fill such vacancy. If Northwest has not filled such vacancy within 180 days of beginning such efforts, then Northwest will either file a current report on SEC Form 8-K disclosing that it continues to seek a new director or retain an external independent financial expert to advise the Board or the Audit Committee until the vacancy is filled.

II. POSTING OF THE AUDIT COMMITTEE CHARTER

Northwest shall post the amended Audit Committee Charter on its website.

EXHIBIT B

settlement agreement has been reached among Plaintiff, derivatively on behalf of Northwest Biotherapeutics, Inc. (“Northwest” or the “Company”), the Defendants, and Northwest in connection with the above-captioned consolidated stockholder derivative action entitled *Kent Wells v. Linda F. Powers, et al.*, Case No. 427353 (the “Action”).¹

Plaintiff filed the Action derivatively on behalf of Northwest to remedy the alleged harm caused to the Company. The proposed Settlement, if approved by the Court, would fully, finally and forever resolve the Action on the terms set forth in the Stipulation and summarized in this Notice, including the dismissal of the Action with prejudice.

As explained below, a Settlement Hearing shall be held before the Court on _____, 2017 at ___:___ .m., before the Honorable David A. Boynton, at the Montgomery County Circuit Court, 50 Maryland Avenue, Rockville, Maryland 20850, to determine whether, *inter alia*, the proposed Settlement is fair, reasonable, and adequate, and should be finally approved by the Court and whether Plaintiff’s Counsel’s Fee Award and Plaintiff’s Service Award should be finally approved. You have the right to object to the Settlement, the Fee Award, and the Service Award in the manner provided herein. If you fail to object in the manner provided herein ***at least fourteen (14) calendar days prior to the Settlement Hearing***, you will be deemed to have waived your objections and will be forever bound by the Judgment to be entered and the releases to be given, unless otherwise ordered by the Court.

¹ For purposes of this Notice, the Court incorporates by reference the definitions in the Settling Parties’ Stipulation and Agreement of Settlement, fully executed as of October 6, 2017 (the “Stipulation”), and all capitalized terms used herein, unless otherwise defined herein, shall have the same meanings as set forth in the Stipulation. A copy of the Stipulation may be inspected at the Clerk of the Court’s Office, North Tower 3rd Floor, Room 3200, Montgomery County Circuit Court, 50 Maryland Avenue, Rockville, MD 20850 or by visiting the investor relations portion of Northwest’s website at <https://www.nwbio.com/press-releases/> [REDACTED].

This Notice is not intended to be and should not be construed as an expression of any opinion by the Court with respect to the merits of the claims made in the Action, but is merely to advise you of the proposed Settlement and of your rights as a Current Northwest Stockholder.

I. BACKGROUND

A. Factual Background of the Action

Northwest, a Delaware corporation with its principal place of business in Maryland, is a development stage biotechnology company focused on developing immunotherapies for cancer. Its platform technology, “DCVax,” uses activated dendritic cells to mobilize a patient’s own immune system to attack his or her cancer.

B. Procedural Background

On July 19, 2016, Plaintiff sent a pre-suit demand letter to Northwest’s Board, which at the time was composed of the Individual Defendants, Susan B. Bayh, and non-party Joseph Cofer Black.

On November 28, 2016, Plaintiff filed a Verified Shareholder Derivative Complaint in the Action on behalf of Northwest in this Court. Plaintiff asserted claims against the Individual Defendants and former Northwest director Susan B. Bayh for alleged breach of fiduciary duties, abuse of control, gross mismanagement, and unjust enrichment, and also asserted claims against the Toucan Entities, Cognate, and Defendant Powers for alleged breach of fiduciary duty as controlling shareholders and unjust enrichment. Plaintiff additionally asserted claims against the Toucan Entities and Cognate for alleged aiding and abetting. The Defendants accepted service of process, with the exception of Ms. Bayh, whom Plaintiff did not serve.

On December 21, 2016, the Defendants filed an Unopposed Motion for Extension of Time to File Answer or Responsive Pleading, which the Court granted on January 3, 2017.

On February 13, 2017, the Individual Defendants, the Toucan Entities, and Cognate, respectively, filed separate motions to dismiss the Verified Shareholder Derivative Complaint.

On March 1, 2017, Plaintiff filed a Verified Amended Shareholder Derivative Complaint in the Action.

On March 10, 2017, the Settling Parties filed a Joint Motion to Extend Time Requirements so that Defendants could extend time for briefing a response to the Verified Amended Shareholder Derivative Complaint, which was granted by the Court on March 17, 2017.

On April 11, 2017, Plaintiff sent interrogatories and requests for production of documents to Defendants, and filed a Notice of Service of Discovery Materials with the Court.

On April 17, 2017, the Individual Defendants, the Toucan Entities, and Cognate, respectively, filed separate motions to dismiss the Verified Amended Shareholder Derivative Complaint.

On April 21, 2017, the Defendants filed Defendant's Motion for Protective Order Staying Discovery Pending Dispositive Motions, moving to stay all discovery until the motions to dismiss were decided.

Following Plaintiff's withdrawal of the discovery requests that were the subject of Defendants' April 21, 2017 Motion for Protective Order Staying Discovery Pending Dispositive Motions, on April 28, 2017, Defendants filed a Line Withdrawing Motion to Stay Discovery, requesting that their motion be withdrawn without prejudice.

On May 5, 2017, Plaintiff filed an Unopposed Motion for Extension to the deadlines for briefing the pending motions to dismiss, which the Court granted on June 15, 2017.

On July 3, 2017, Plaintiff filed an Unopposed Motion for a Second Extension to the deadlines for briefing the pending motions to dismiss, which the Court granted on July 26, 2017.

On August 8, 2017, Plaintiff filed an Unopposed Motion to Stay Proceedings pending an Order on preliminary approval of the Settlement, which the Court granted on September 15, 2017.

C. Settlement Negotiations

Plaintiff's Counsel and Counsel for Northwest commenced settlement discussions on February 5, 2017, when Plaintiff's Counsel sent to Defendants' Counsel a settlement demand together with an extensive proposal of corporate governance reforms to be instituted by the Company. Since then, Plaintiff's Counsel and Defendants' Counsel have engaged in settlement negotiations via numerous calls and written proposals.

After extensive negotiations, on June 1, 2017, an agreement-in-principle was reached regarding the essential, substantive terms of the settlement of the Action. In connection with settlement negotiations leading up to the agreement-in-principle, the Settling Parties did not negotiate the amount of any application by Plaintiff's Counsel for attorneys' fees and expense reimbursement. As part of the terms of the settlement, Northwest will agree to institute and maintain certain corporate governance reforms for the sooner of three (3) years from the time of their implementation as documented in the minutes of the Board, or the date on which Northwest shall have twenty-five (25) or fewer beneficial owners of its common stock. The corporate governance reforms are fully set forth in Exhibit A to the Stipulation.

After agreeing to the foregoing essential, substantive terms on June 1, 2017, Plaintiff's Counsel and Counsel for Northwest negotiated at arm's length the amount of the application to be filed by Plaintiff's Counsel for attorneys' fees and reimbursement of expenses. As a result of these negotiations, the Settling Parties agreed that Plaintiff's Counsel will apply to the Court for an

award of \$150,000 for their attorneys' fees and expenses, and \$2,000 as a service award to Plaintiff, and Defendants will not oppose or object to that application.

II. PLAINTIFF'S COUNSEL'S INVESTIGATION AND RESEARCH, PLAINTIFF'S CLAIMS, AND THE BENEFIT OF SETTLEMENT

Plaintiff's Counsel submits that they conducted investigations relating to the claims and the underlying events alleged in the Action, including, but not limited to: (1) reviewing and analyzing the Company's public filings with the SEC, press releases, announcements, transcripts of investor conference calls, and news articles; (2) reviewing and analyzing the allegations contained in the related securities class action filed in the United States District Court for the District of Maryland, captioned *Lerner v. Northwest Biotherapeutics, Inc. and Linda F. Powers*, No. 8:15-cv-02532 (the "Securities Class Action"); (3) researching and drafting the pre-suit litigation demand; (4) researching and drafting the Verified Shareholder Derivative Complaint; (5) researching and drafting the Verified Amended Shareholder Derivative Complaint; (6) researching the applicable law with respect to the claims in the Action and the potential defenses thereto; (7) researching and drafting extensive discovery requests; (8) researching corporate governance best practices; and (9) preparing settlement demands, each with corporate governance reform proposals.

Plaintiff's Counsel believe that the claims asserted in the Action have merit and that their investigation supports the claims asserted. Without conceding the merit of any of Defendants' defenses or the lack of merit of any of their own allegations, and in light of the benefits of the settlement described herein as well as to avoid the potentially protracted time, expense, and uncertainty associated with continued litigation, including potential trials and appeals, Plaintiff has concluded that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation. Plaintiff and Plaintiff's Counsel recognize

the significant risk, expense, and length of continued proceedings necessary to prosecute the Action against the Defendants through trials and possible appeals. Plaintiff's Counsel also have taken into account the uncertain outcome and the risk of any litigation, especially complex litigation such as the Action, as well as the difficulties and delays inherent in such litigation. Based on their evaluation, and in light of the significant benefits conferred upon the Company and its shareholders as a result of the settlement detailed herein, Plaintiff and Plaintiff's Counsel have determined that this Stipulation is in the best interests of Plaintiff, Northwest, and Current Northwest Stockholders (as defined herein), and have agreed to settle the Action upon the terms and subject to the conditions set forth herein.

III. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY

The Defendants have denied, and continue to deny, each and every claim and contention alleged by Plaintiff in the Action and maintain that they have acted properly, lawfully, and in full accord with their fiduciary duties at all times. Further, the Defendants have denied expressly, and continue to deny, all allegations of wrongdoing, fault, liability, or damage against them arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Action and deny that they have ever committed or attempted to commit any violations of law, any breach of fiduciary duty owed to Northwest or its shareholders, or any wrongdoing whatsoever. Had the terms of this Stipulation not been reached, the Defendants would have continued to contest Plaintiff's allegations, and the Defendants maintain that they had and have meritorious defenses to all claims alleged in the Action. Without admitting the validity of any of the claims that Plaintiff has asserted in the Action, or any liability with respect thereto, Defendants have concluded that it is desirable and beneficial that the claims be settled on the terms and subject to the conditions set forth herein. Defendants are entering into the settlement described herein

because it will eliminate the uncertainty, distraction, disruption, burden, and expense of further litigation of the Action.

Neither the Stipulation, nor any of its terms or provisions, nor any act performed or document executed pursuant to or in furtherance of the settlement described therein: (a) is, may be construed as, or may be used as an admission of, or evidence of, the truth or validity of any of the Plaintiff's Released Claims, of any claims or allegations made in the Action, or of any purported acts or omissions by the Defendants; (b) is, may be construed as, or may be used as an admission of, or evidence of, any fault, omission, negligence, or wrongdoing by the Defendants, or any concession of liability whatsoever; or (c) is, may be construed as, or may be used as an admission of, or evidence of, a concession by any Defendant of any infirmity in the defenses that Defendants asserted or could have asserted in this Action or otherwise.

IV. THE SETTLEMENT HEARING

The Settlement Hearing will be held before the Honorable David A. Boynton on _____, 2017 at ___:___ .m. in the Montgomery County Circuit Court, 50 Maryland Avenue, Rockville, Maryland 20850 to determine: (i) whether the proposed Settlement, upon the terms set forth in the Stipulation, should be finally approved in all respects as fair, reasonable, and adequate; (ii) whether the Judgment approving the Settlement should be entered, dismissing the Action with prejudice and releasing and enjoining the prosecution of any and all Plaintiff's Released Claims and Defendants' Released Claims; and (iii) whether Plaintiff's Counsel's Fee Award and Plaintiff's Service Award should be finally approved. At the Settlement Hearing, the Court may hear or consider such other matters as the Court may deem necessary and appropriate. The Court may adjourn the date of the Settlement Hearing without further notice to Current Northwest

Stockholders, and the Settlement Hearing may be continued by the Court at the Settlement Hearing, or at any adjourned session thereof, without further notice.

V. THE SETTLEMENT

The terms and conditions of the proposed Settlement are set forth fully in the Stipulation. The following is only a summary of its terms.

The benefits of the Settlement consist of corporate governance reforms, which are fully set forth in Exhibit A to the Stipulation. Northwest acknowledges that the filing, pendency, and settlement of the Action comprised a substantial factor in the Company's decision to implement the Reforms. Northwest additionally acknowledges that the Reforms will improve the Company's internal controls and confer benefits to Northwest and Current Northwest Stockholders. Northwest always has been, and continues to be, committed to the implementation, enhancement, and enforcement of rigorous corporate governance measures. The fact that Northwest has implemented, or has agreed to implement, changes, modifications, or enhancements to its corporate governance policies and practices shall not be construed as an admission that any such enhanced policies or practices are legally required, or to the extent such policies or practices were not in place in the past, constituted a failure of compliance, a breach of any duty, or any other wrongdoing.

Within thirty (30) calendar days after the Court enters the Judgment, Northwest shall take all necessary steps to adopt and implement the Reforms. The Reforms shall be maintained by Northwest for at least until the sooner of (i) a period of at least three (3) years has passed from the time of their implementation as documented in the minutes of the Board, or (ii) the date on which Northwest shall have twenty-five (25) or fewer beneficial owners of its common stock.

VI. DISMISSAL AND RELEASES

In connection with the Court's approval of the Settlement, the Settling Parties will jointly request entry of the Judgment by the Court, dismissing with prejudice all claims that Plaintiff has alleged in the Action and any other Plaintiff's Released Claims. But, the Plaintiff's Released Claims shall not include claims to enforce the Settlement or claims made in the derivative action that is pending in the Court of Chancery in Delaware and captioned *Tharp, et al. v. Cognate Bioservices, Inc., et al.*, C.A. No. 11179-VCG.

Upon the Effective Date, Northwest, Plaintiff, and each of Northwest's stockholders shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged Plaintiff's Released Claims (including any and all Unknown Claims) against the Released Persons and any and all claims arising out of, relating to, or in connection with, the defense, settlement or resolution of the Action against the Released Persons. Northwest, Plaintiff, and each of Northwest's stockholders shall be deemed to have, and by operation of the Judgment shall have, covenanted not to sue any Released Person with respect to any Plaintiff's Released Claims, and shall be permanently barred and enjoined from instituting, commencing, or prosecuting Plaintiff's Released Claims against the Released Persons except to enforce the releases and other terms and conditions contained in this Stipulation and/or the Judgment entered pursuant thereto.

Upon the Effective Date, each of the Released Persons shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished and discharged each and all of Plaintiff, his beneficiaries, and Plaintiff's Counsel from any and all Defendants' Released Claims. The Released Persons shall be deemed to have, and by operation of the Judgment shall have, covenanted not to sue Plaintiff or his beneficiaries, or Plaintiff's

Counsel with respect to any claims arising out of, relating to, or in connection with their institution, prosecution, assertion, settlement, or resolution of the Action or Plaintiff's Released Claims, and shall be permanently barred and enjoined from instituting, commencing or prosecuting Defendants' Released Claims against Plaintiff, his beneficiaries, or Plaintiff's Counsel except to enforce the releases and other terms and conditions contained in this Stipulation and/or the Judgment entered pursuant thereto.

VII. ATTORNEYS' FEES AND EXPENSES

After the Settling Parties reached an agreement-in-principle to the essential, substantive terms of this Settlement, Plaintiff's Counsel and Counsel to Northwest engaged in negotiations at arm's length regarding the amount of attorneys' fees and expenses to be paid to Plaintiff's Counsel and the amount of the service award to be paid to Plaintiff. As a result of these negotiations, the Settling Parties agreed that Plaintiff's Counsel will apply to the Court for an award of attorneys' fees and expenses in the total amount of one hundred and fifty thousand dollars (\$150,000.00) (the "Fee Award") and a service award to Plaintiff in the amount of two thousand dollars (\$2,000.00) (the "Service Award"), for the benefits provided to Northwest and Current Northwest Stockholders as a result of the Action. The Settling Parties mutually agree that the Fee Award is fair and reasonable in light of the benefits conferred upon Northwest and Current Northwest Stockholders by this Action, including the Settlement. Any Fee Award or Service Award approved by the Court will be paid by Northwest, its insurance carrier, or its designated payment agent, and none of the other Defendants.

VIII. THE RIGHT TO OBJECT AND/OR BE HEARD AT THE SETTLEMENT HEARING

Any Current Northwest Stockholder may object and/or appear and show cause, if he, she, or it has any concern, why the Settlement should not be approved as fair, reasonable, and adequate,

why Judgment should not be entered thereon, or why the Fee Award and/or Service Award, should not be finally approved; provided, however, unless otherwise ordered by the Court, that no Current Northwest Stockholder shall be heard and no papers, briefs, pleadings or other documents should be considered by the Court unless that Stockholder has, ***at least fourteen (14) calendar days prior to the Settlement Hearing***: (1) filed with the Clerk of the Court a written objection to the Settlement setting forth: (a) the nature of the objection; (b) proof of ownership of Northwest common stock as of October 6, 2017 and through the date of the Settlement Hearing, including the number of shares of Northwest common stock held and the date of purchase; (c) any and all documentation or evidence in support of such objection; and (d) the identities of any cases, by name, court, and docket number, in which the stockholder or his, her, or its attorney has objected to a settlement in the last three years; and (2) if a Current Northwest Stockholder intends to appear and requests to be heard at the Settlement Hearing, such stockholder must have, in addition to the requirements of (1) above, filed with the Clerk of the Court: (a) a written notice of such stockholder's request to appear at the Settlement Hearing; (b) a statement that indicates the basis for such appearance; and (c) any and all evidence that would be presented at the Settlement Hearing. If a Current Northwest Stockholder files a written objection and/or written notice of request to appear, such stockholder must also simultaneously serve copies of such notice, proof, statement, and documentation, together with copies of any other papers or briefs such stockholder files with the Court (either by hand delivery or by first class mail) upon each of the following:

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THE BROWN LAW FIRM, P.C.
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Oyster Bay, NY 11771

Counsel for Plaintiff

Jason J. Mendro
GIBSON, DUNN & CRUTCHER
LLP
1050 Connecticut Avenue, N.W.
Washington, DC 20036

*Counsel for Defendants Alton L.
Boynton, Robert A. Farmer, Navid
Malik, Jerry Jasinowski, and
Northwest Biotherapeutics, Inc.*

Any Current Northwest Stockholder who does not make his, her, or its objection in the manner provided herein shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, reasonableness, or adequacy of the Settlement, the Fee Award, and the Service Award, as set forth in the Stipulation, unless otherwise ordered by the Court, but shall be forever bound by the Judgment to be entered, the dismissal of the Action with prejudice, and any and all of the releases set forth in the Stipulation.

IX. CONDITIONS FOR SETTLEMENT

The Settlement is conditioned upon the occurrence of all of the following events: (1) the Court's entry of the Judgment (2) that approves in all material respects the Stipulation and Settlement, and the Judgment has become Final. If, for any reason, any one of the conditions described in the Stipulation is not met, then the Stipulation shall be canceled and terminated, and the Settling Parties shall be restored to their respective positions in the Action as of the date immediately preceding the date of the Stipulation, unless Plaintiff's Counsel and Defendant's Counsel mutually agree otherwise.

X. EXAMINATION OF PAPERS AND INQUIRIES

This Notice contains only a summary of the terms of the Settlement. For a more detailed statement of the matters involved in the Action, reference is made to the Stipulation, which may be inspected at the Clerk of the Court's Office, North Tower 3rd Floor, Room 3200, Montgomery County Circuit Court, 50 Maryland Avenue, Rockville, MD 20850, during business hours of each business day or by visiting the investor relations portion of Northwest's website at [https://www.nwbio.com/press-releases/\[REDACTED\]](https://www.nwbio.com/press-releases/[REDACTED]).

Any other inquiries regarding the Settlement or the Action should be addressed in writing to Counsel for Plaintiff, Timothy W. Brown, The Brown Law Firm, P.C., 240 Townsend Square; Telephone: (516) 922-5427; Facsimile: (516) 344-6204.

PLEASE DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE.

EXHIBIT C

1. The Court does hereby preliminarily approve, subject to further consideration at the Settlement Hearing described below, the Stipulation and the Settlement set forth therein, including the terms and conditions for settlement and dismissal with prejudice of the Action.

2. A hearing (the "Settlement Hearing") shall be held before the Court on _____, 2017 at ___:___ .m.,¹ at the Montgomery County Circuit Court, 50 Maryland Avenue, Rockville, MD 20850, to determine: (i) whether the terms and conditions of the Settlement set forth in the Stipulation are fair, reasonable, and adequate to Northwest and Current Northwest Stockholders and should be finally approved by the Court; (ii) whether a Judgment finally approving the Settlement, substantially in the form of Exhibit D attached to the Stipulation, should be entered, dismissing the Action with prejudice and releasing and enjoining the prosecution of any and all Plaintiff's Released Claims and Defendants' Released Claims; and (iii) whether Plaintiff's Counsel's Fee Award and Plaintiff's Service Award should be finally approved. At the Settlement Hearing, the Court may hear or consider such other matters as the Court may deem necessary and appropriate.

3. The Court approves, as to form and content, the Notice attached as Exhibit B to the Stipulation, and finds that the publishing, filing and, posting of such Notice substantially in the manner and form set forth in this Order meets the requirements of due process, is the best notice practicable under the circumstances, and shall constitute due and sufficient notice to Current Northwest Stockholders and all other Persons entitled thereto.

4. Not later than ten (10) business days following entry of this Order, Northwest shall: (i) cause a press release to be issued that contains the contents of the Notice; (ii) cause a Current

¹ The Settling Parties respectfully request that the Settlement Hearing be scheduled at least forty-five (45) days after the deadline for providing notice of the proposed Settlement to Current Northwest Stockholders.

Report on Form 8-K to be filed with the SEC that contains the contents of the Notice; and (iii) post on the investor relations portion of its website the Notice together with the Stipulation.

5. All papers in support of the Settlement, the Fee Award, and the Service Award shall be filed with the Court and served at least twenty-one (21) calendar days prior to the Settlement Hearing, and any reply papers shall be filed with the Court at least seven (7) calendar days prior to the Settlement Hearing.

6. Any Current Northwest Stockholder may object and/or appear and show cause, if he, she, or it has any concern, why the Settlement should not be finally approved as fair, reasonable, and adequate, why the Judgment should not be entered thereon, or why the Fee Award and/or the Service Award, should not be finally approved; provided, however, unless otherwise ordered by the Court, that no Current Northwest Stockholder shall be heard and no papers, briefs, pleadings, or other documents should be considered by the Court, unless that stockholder has, at least fourteen (14) calendar days prior to the Settlement Hearing: (1) filed with the Clerk of the Court a written objection to the Settlement setting forth: (a) the nature of the objection; (b) proof of current ownership of Northwest common stock as of October 6, 2017 and through the date of the Settlement Hearing, including the number of shares of Northwest common stock held and the date of purchase; (c) any and all documentation or evidence in support of such objection; and (d) the identities of any cases, by name, court, and docket number, in which the stockholder or his, her, or its attorney has objected to a settlement in the last three years; and (2) if a Current Northwest Stockholder intends to appear and requests to be heard at the Settlement Hearing, such stockholder must have, in addition to the requirements of (1) above, filed with the Clerk of the Court: (a) a written notice of such stockholder's request to appear at the Settlement Hearing; (b) a statement that indicates the basis for such appearance; and (c) any and all evidence that would be presented

at the Settlement Hearing. If a Current Northwest Stockholder files a written objection and/or written notice of intent to appear, such stockholder must also simultaneously serve copies of such notice, proof, statement, and documentation, together with copies of any other papers or briefs such stockholder files with the Court (either by hand delivery or by first class mail) upon each of the following:

Timothy W. Brown
THE BROWN LAW FIRM, P.C.
240 Townsend Square
Oyster Bay, NY 11771

Counsel for Plaintiff

Jason J. Mendro
GIBSON, DUNN & CRUTCHER
LLP
1050 Connecticut Avenue, N.W.
Washington, DC 20036

*Counsel for Defendants Alton L.
Boynton, Robert A. Farmer, Navid
Malik, Jerry Jasinowski, and
Northwest Biotherapeutics, Inc.*

Any Current Northwest Stockholder who does not make his, her, or its objection in the manner provided herein shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, reasonableness, or adequacy of the Settlement, the Fee Award, and the Service Award, as set forth in the Stipulation, unless otherwise ordered by the Court, but shall be forever bound by the Judgment to be entered, the dismissal of the Action with prejudice, and any and all of the releases set forth in the Stipulation.

7. At least ten (10) business days prior to the Settlement Hearing, Defendants' Counsel shall serve on The Brown Law Firm, P.C., and file with the Court, proof, by affidavit or declaration, of the publication, filing, and posting of the Notice.

8. All Current Northwest Stockholders shall be bound by all orders, determinations, and judgments in the Action concerning the Settlement, whether favorable or unfavorable to Current Northwest Stockholders.

9. Pending final determination of whether the Settlement should be approved, neither Plaintiff or Plaintiff's Counsel, nor any Current Northwest Stockholders or other Persons, derivatively on behalf of Northwest, shall commence or prosecute, or in any way instigate or participate in the commencement or prosecution of, any action or proceeding asserting any Plaintiff's Released Claims against any of the Individual Defendants, Northwest, or any other Released Person, in any court or tribunal.

10. The facts and terms of the Stipulation, including any exhibits attached thereto, all proceedings in connection with the Settlement, and any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement:

(a) shall not be offered, received, or used in any way against the Settling Parties as evidence of, or be deemed to be evidence of, a presumption, concession, or admission by any of the Settling Parties with respect to the truth of any fact alleged by Plaintiff or the validity, or lack thereof, of any claim that has been or could have been asserted in the Action or in any litigation, or the deficiency or infirmity of any defense that has been or could have been asserted in the Action or in any litigation, or of any fault, wrongdoing, negligence, or liability of any of the Released Persons;

(b) shall not be offered, received, or used in any way against any of the Released Persons as evidence of, or be deemed to be evidence of, a presumption, concession, or admission of any fault, misrepresentation, or omission with respect to any statement or written document approved, issued, or made by any Released Person, or against Plaintiff as evidence of any infirmity in their claims;

(c) shall not be offered, received, or used in any way against any of the Released Persons as evidence of, or be deemed to be evidence of, a presumption, concession, or admission

of any liability, fault, negligence, omission, or wrongdoing, or in any way referred to for any other reason as against the Released Persons, in any arbitration proceeding or other civil, criminal, or administrative action or proceeding in any court, administrative agency, or other tribunal. Neither this Stipulation nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of this Stipulation, or the Settlement, shall be admissible in any proceeding for any purpose, except to enforce the terms of the Settlement; provided, however, that the Released Persons may refer to the Settlement, and file the Stipulation and/or the Judgment, in any action that may be brought against them to effectuate the liability protections granted them hereunder, including, without limitation, to support a defense or claim based upon principles of res judicata, collateral estoppel, full faith and credit, release, standing, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or claim under U.S. federal law, state law, or foreign law.

11. If the Stipulation is terminated pursuant to its terms, or the Effective Date does not otherwise occur, all proceedings in the Action will revert to their status as of the date immediately preceding the date of the Stipulation.

12. The Court reserves the right to adjourn the date of the Settlement Hearing or modify any other dates set forth herein without further notice to Current Northwest Stockholders, and retains jurisdiction to consider all further applications arising out of or connected with the Settlement. The Court may approve the Settlement and any of its terms, with such modifications as may be agreed to by the Settling Parties, if appropriate, without further notice to Current Northwest Stockholders.

IT IS SO ORDERED.

DATED: _____

JUDGE DAVID A. BOYNTON
CIRCUIT COURT FOR
MONTGOMERY COUNTY

EXHIBIT D

KENT WELLS,

Plaintiff,

v.

LINDA F. POWERS, et al.,

Defendants.

*
* **IN THE**
*
* **CIRCUIT COURT**
*
* **FOR**
*
* **MONTGOMERY COUNTY,**
*
* **MARYLAND**
*
* Case No. 427353-V
*
* Hon. David A. Boynton
*

* * * * *

[PROPOSED] FINAL ORDER AND JUDGMENT

This matter came before the Court for hearing pursuant to this Court’s Order Preliminarily Approving Derivative Settlement and Providing for Notice, dated _____, 2017 (the “Preliminary Approval Order”), on the application of the Settling Parties for final approval of the Settlement set forth in the Stipulation and Agreement of Settlement dated October 6, 2017 (the “Stipulation”). Due and adequate notice having been given to Current Northwest Stockholders as required in said Preliminary Approval Order, and the Court having considered all papers filed and proceedings had herein and otherwise being fully informed of the premises and good cause appearing therefore, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. This Final Order and Judgment (“Judgment”) incorporates by reference the definitions in the Stipulation, and except where otherwise specified herein, all capitalized terms used herein shall have the same meanings as set forth in the Stipulation.
2. This Court has jurisdiction over the subject matter of the Action, including all matters necessary to effectuate the Settlement, and over all Settling Parties.

3. The Court finds that the Settlement set forth in the Stipulation is fair, reasonable, and adequate as to each of the Settling Parties, Northwest, and Current Northwest Stockholders, and hereby finally approves the Settlement in all respects and orders the Settling Parties to perform its terms to the extent the Settling Parties have not already done so.

4. The Action, all claims contained therein, and any other Plaintiff's Released Claims and Defendants' Released Claims, are hereby ordered as fully, finally, and forever compromised, settled, released, discharged and dismissed on the merits and with prejudice by virtue of the proceedings herein and this Judgment. The Settling Parties are to bear their own costs, except as otherwise provided in the Stipulation.

5. Upon the Effective Date, Northwest, Plaintiff, and each of Northwest's stockholders shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged Plaintiff's Released Claims (including any and all Unknown Claims) against the Released Persons and any and all claims arising out of, relating to, or in connection with, the defense, settlement or resolution of the Action against the Released Persons. Northwest, Plaintiff, and each of Northwest's stockholders shall be deemed to have, and by operation of the Judgment shall have, covenanted not to sue any Released Person with respect to any Plaintiff's Released Claims, and shall be permanently barred and enjoined from instituting, commencing, or prosecuting Plaintiff's Released Claims against the Released Persons except to enforce the releases and other terms and conditions contained in this Stipulation and/or the Judgment entered pursuant thereto.

6. Upon the Effective Date, each of the Released Persons shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished and discharged each and all of Plaintiff, his beneficiaries, and Plaintiff's Counsel from any and all

Defendants' Released Claims. The Released Persons shall be deemed to have, and by operation of the Judgment shall have, covenanted not to sue Plaintiff or his beneficiaries, or Plaintiff's Counsel with respect to any claims arising out of, relating to, or in connection with their institution, prosecution, assertion, settlement, or resolution of the Action or Plaintiff's Released Claims, and shall be permanently barred and enjoined from instituting, commencing or prosecuting Defendants' Released Claims against Plaintiff, his beneficiaries, or Plaintiff's Counsel except to enforce the releases and other terms and conditions contained in this Stipulation and/or the Judgment entered pursuant thereto. None of the foregoing shall in any way restrict the rights of any Settling Party to enforce the terms of the Settlement.

7. The Court finds that the Notice to Current Northwest Stockholders was made in accordance with the Preliminary Approval Order and provided the best notice practicable under the circumstances to all Persons entitled to such notice, and said notice fully satisfied the requirements of due process.

8. Costs will be allocated in accordance with the Court's separate order on Plaintiff's Motion for a Fee Award and Service Award.

9. This Judgment, the fact and terms of the Stipulation, including any exhibits attached thereto, all proceedings in connection with the Settlement, and any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement:

(a) shall not be offered, received, or used in any way against the Settling Parties as evidence of, or be deemed to be evidence of, a presumption, concession, or admission by any of the Settling Parties with respect to the truth of any fact alleged by Plaintiff or the validity, or lack thereof, of any claim that has been or could have been asserted in the Action or in any litigation, or the deficiency or infirmity of any defense that has been or

could have been asserted in the Action or in any litigation, or of any fault, wrongdoing, negligence, or liability of any of the Released Persons;

(b) shall not be offered, received, or used in any way against any of the Released Persons as evidence of, or be deemed to be evidence of, a presumption, concession, or admission of any fault, misrepresentation, or omission with respect to any statement or written document approved, issued, or made by any Released Person, or against Plaintiff as evidence of any infirmity in their claims;

(c) shall not be offered, received, or used in any way against any of the Released Persons as evidence of, or be deemed to be evidence of, a presumption, concession, or admission of any liability, fault, negligence, omission, or wrongdoing, or in any way referred to for any other reason as against the Released Persons, in any arbitration proceeding or other civil, criminal, or administrative action or proceeding in any court, administrative agency, or other tribunal. Neither this Stipulation nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of this Stipulation, or the Settlement, shall be admissible in any proceeding for any purpose, except to enforce the terms of the Settlement; provided, however, that the Released Persons may refer to the Settlement, and file the Stipulation and/or the Judgment, in any action that may be brought against them to effectuate the liability protections granted them hereunder, including, without limitation, to support a defense or claim based upon principles of res judicata, collateral estoppel, full faith and credit, release, standing, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or claim under U.S. federal law, state law, or foreign law.

10. This Judgment, the Stipulation, the Settlement, and any act performed or document executed pursuant to or in furtherance thereof, shall not be admissible in any proceeding for any purpose, except to enforce the terms of the Settlement. However, the Released Persons may refer to the Settlement, and file the Stipulation and/or this Judgment, in any action that may be brought against them to effectuate the liability protections granted them thereunder, including, without limitation, to support a defense or claim based on principles of *res judicata*, collateral estoppel, full faith and credit, release, standing, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or claim under U.S. federal or state law or foreign law.

11. Without affecting the finality of this Judgment in any way, the Court hereby retains continuing jurisdiction over: (a) implementation of the Settlement; and (b) all Settling Parties for the purpose of construing, enforcing, and administering the Stipulation and this Judgment, including, if necessary, setting aside and vacating this Judgment, on motion of a Settling Party, to the extent consistent with and in accordance with the Stipulation if the Effective Date fails to occur in accordance with the Stipulation.

12. Without further order of the Court, the Settling Parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

13. This Judgment is a final, appealable judgment and should be entered forthwith by the Clerk in accordance with Maryland Rule 2-601.

IT IS SO ORDERED.

DATED: _____

JUDGE DAVID A. BOYNTON
CIRCUIT COURT FOR
MONTGOMERY COUNTY