

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

LORD ABBETT AFFILIATED FUND, INC.,
et al., Individually and On Behalf of All Others
Similarly Situated,

Plaintiffs,

v.

NAVIENT CORPORATION, *et al.*,

Defendants.

C.A. No. 16-112-MN

Judge Maryellen Noreika

STIPULATION AND AGREEMENT OF SETTLEMENT

This Stipulation and Agreement of Settlement, dated as of November 16, 2021 (the “Stipulation”) is submitted pursuant to Rule 23 of the Federal Rules of Civil Procedure. Subject to the approval of the Court, this Stipulation is entered into between (a) lead plaintiffs and class representatives Lord Abbett Affiliated Fund, Inc., Lord Abbett Equity Trust–Lord Abbett Calibrated Mid Cap Value Fund, Lord Abbett Bond-Debenture Fund, Inc., and Lord Abbett Investment Trust–Lord Abbett High Yield Fund (collectively, the “Lord Abbett Funds” or “Lead Plaintiffs”), on behalf of themselves and the plaintiff classes certified by the Court (the “Classes,” as defined in ¶ 1(h) below); and (b) defendant Navient Corporation (“Navient” or the “Company”); defendants John F. Remondi, Somsak Chivavibul, John Kane, William M. Diefenderfer, III, Ann Torre Bates, Diane Suitt Gilleland, Linda Mills, Barry A. Munitz, Steven L. Shapiro, Jane J. Thompson, and Barry L. Williams (collectively, the “Individual Defendants”); and defendants Barclays Capital Inc., Credit Suisse Securities USA LLC, Deutsche Bank Securities Inc., Goldman, Sachs & Co. (n/k/a Goldman Sachs & Co. LLC), J.P. Morgan Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated (n/k/a BofA Securities, Inc.), RBC Capital Markets, LLC, RBS Securities Inc. (n/k/a NatWest Markets Securities Inc.), and Wells Fargo Securities,

LLC (collectively, the “Underwriter Defendants,” and together with Navient and the Individual Defendants, “Defendants”), and embodies the terms and conditions of the settlement of the above-captioned action (the “Action”).¹ Subject to the approval of the Court and the terms and conditions expressly provided herein, this Stipulation is intended to fully, finally, and forever compromise, settle, release, resolve, and dismiss with prejudice the Action and all Released Exchange Act Claims (defined below) and Released Securities Act Claims (defined below) against Defendants.

WHEREAS:

A. On or about February 26, 2016, a securities class action brought on behalf of investors in the publicly traded securities of Navient was filed in the United States District Court for the District of Delaware (the “Court”).

B. On June 30, 2016, the Court entered an Order which, among other things, appointed the Lord Abbett Funds as Lead Plaintiffs for the putative class pursuant to the Private Securities Litigation Reform Act of 1995; approved the Lord Abbett Funds’ selection of Lieff Cabraser Heimann & Bernstein, LLP (“Lieff Cabraser”) as Lead Counsel; appointed Morris and Morris LLC as Liaison Counsel for the class; and ordered that any subsequently filed, removed, or transferred actions related to the claims asserted in the actions be consolidated for all purposes as *Lord Abbett Affiliated Fund, Inc., et al. v. Navient Corp., et al.*, Master File No. 1:16-cv-112.

C. On September 28, 2016, Lead Plaintiffs filed the Consolidated Amended Class Action Complaint (the “First Amended Complaint”). The First Amended Complaint asserted claims against Defendants Navient, Remondi, and Chivavibul under Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder; against

¹ All terms with initial capitalization not otherwise defined herein shall have the meanings ascribed to them in ¶ 1 herein.

Defendants Remondi and Chivavibul under Section 20(a) of the Exchange Act; against Defendants Navient, Remondi, Chivavibul, Diefenderfer, Bates, Gilleland, Mills, Munitz, Shapiro, Thompson, Williams, and the Underwriter Defendants under Section 11 of the Securities Act of 1933 (“Securities Act”); against the Underwriter Defendants under Section 12(a)(2) of the Securities Act; and against Defendants Remondi, Chivavibul, Diefenderfer, Bates, Gilleland, Mills, Munitz, Shapiro, Thompson, and Williams under Section 15 of the Securities Act.

D. On November 10, 2016, Defendants Navient, Remondi, and Chivavibul filed their motion to dismiss the First Amended Complaint (“First Motion to Dismiss”). On November 14, 2016, the Underwriter Defendants filed a Joinder to the First Motion to Dismiss. On December 29, 2016, Lead Plaintiffs filed their memorandum of law in opposition to the First Motion to Dismiss and, on January 30, 2017, Defendants Navient, Remondi, and Chivavibul filed their reply memorandum of law, to which the Underwriter Defendants again filed a Joinder.

E. On September 6, 2017, the Court issued an Opinion and accompanying Order granting Defendants’ Motion to Dismiss without prejudice, and gave Lead Plaintiffs leave to file an amended complaint by November 5, 2017.

F. On November 3, 2017, the Court approved the parties’ Joint Stipulation to allow Lead Plaintiffs’ to file their Second Amended Complaint by November 17, 2017.

G. On November 17, 2017, Lead Plaintiffs filed the operative complaint in the Action, the Second Amended Complaint (the “Complaint”). The Complaint asserts the same claims as the First Amended Complaint against all Defendants as well as Defendant Kane, and alleges that, between April 17, 2014 and December 28, 2015, inclusive (“Class Period”), Defendants made false or misleading statements of material fact concerning, *inter alia*, (1) Navient’s loan portfolios, including Navient’s forbearance practices, reported provisions for loan losses and related metrics

for its private education loan portfolio, credit quality, and internal controls (the “Loan Statements”); (2) Navient’s compliance with governing laws and regulations (the “Compliance Statements”); and (3) Navient’s credit facilities (the “Credit Facility Statements”).

H. On January 16, 2018, all Defendants filed their motion to dismiss the Complaint (“Second Motion to Dismiss”). On March 3, 2018, Lead Plaintiffs filed their memorandum of law in opposition to the Second Motion to Dismiss, and, on April 16, 2018, Defendants served their reply memorandum of law in support of the Second Motion to Dismiss.

I. On September 9, 2018, the Action was reassigned to the Honorable Maryellen Noreika.

J. On January 29, 2019, the Court issued an Opinion and accompanying Order granting-in-part and denying-in-part the Second Motion to Dismiss. The Court dismissed all claims based on the Compliance Statements and the Exchange Act claims based on the Credit Facility Statements, and denied Defendants’ Motion to Dismiss in all other respects. The Securities Act and Exchange Act claims based on the Compliance Statements were dismissed with prejudice; and the Exchange Act claims based on the Credit Facility Statements were dismissed without prejudice.

K. On March 29, 2019, Defendants filed their Answers to the Complaint.

L. On April 24, 2019, Lead Plaintiffs filed a Stipulation and Proposed Order Substituting Lead Counsel, replacing Lief Cabraser with Bernstein Litowitz Berger & Grossmann LLP (“Bernstein Litowitz”) as Lead Counsel and replacing Morris and Morris LLC with Friedlander & Gorris, P.A. (“Friedlander & Gorris”) as Liaison Counsel.

M. On April 26, 2019, the Court approved Lead Plaintiff's Stipulation Substituting Lead Counsel, appointing Bernstein Litowitz as Lead Counsel and Friedlander & Gorris as Liaison Counsel.

N. Discovery in the Action commenced on May 17, 2019. Pursuant to detailed document requests and substantial negotiations, Defendants and third parties produced more than 600,000 documents, totaling more than 5.5 million pages, to Lead Plaintiffs. Lead Plaintiffs produced more than 75,000 documents, totaling more than 530,000 pages, to Defendants. Lead Plaintiffs also served subpoenas on and negotiated document discovery with six (6) third parties. In addition, Lead Plaintiffs deposed fifteen (15) fact witnesses, including Defendants Remondi, Chivavibul, Kane and other former senior executives of the Company, and actively participated in the depositions of three (3) other fact witnesses noticed for deposition by Defendants. The parties also served and responded to interrogatories and requests for admission and exchanged numerous letters, including disputes between the parties and with nonparties, concerning discovery issues. While the Parties were able to resolve many of those disputes, several were raised to the Court, and in certain instances the Court conducted hearings on those disputes.

O. In addition, while discovery was ongoing, on September 6, 2019, Lead Plaintiffs filed a motion for class certification (the "Class Certification Motion"). The Parties thereafter produced documents, deposed each other's experts, and filed their opposition and reply briefs regarding Lead Plaintiffs' Class Certification Motion.

P. On November 5, 2019, Defendants filed their opposition to the Class Certification Motion.

Q. On December 20, 2019, Lead Plaintiffs filed their reply memorandum of law in further support of the Class Certification Motion.

R. On July 23, 2020, the Court entered an order allowing Defendants to file a sur-reply responding to the arguments made by Lead Plaintiffs in their reply memorandum in further support of the Class Certification Motion. As ordered by the Court, Defendants filed their sur-reply on August 3, 2020.

S. On August 7, 2020, Lead Plaintiffs filed a motion for leave to file sur-sur-reply and accompany sur-sur-reply in response to the arguments raised in the sur-reply filed by Defendants.

T. On August 25, 2020, the Court entered an Order granting-in-part and denying-in-part Lead Plaintiffs' Class Certification Motion, and denied Lead Plaintiffs' motion to file a sur-sur-reply.

U. On September 2, 2020 the Court issued an Order certifying the Classes (as defined in ¶ 1(h) below), appointing Lead Plaintiffs as Class Representatives, and appointing Bernstein Litowitz as Class Counsel.

V. Expert discovery commenced November 3, 2020. Lead Plaintiffs served opening, reply, and supplemental expert reports from four experts in the fields of accounting, the student loan industry, statistics, and damages. Defendants served opening and reply expert reports from two experts in the fields of damages and underwriter due diligence. Lead Plaintiffs served rebuttal expert reports from two experts in the fields of damages and underwriter due diligence. Defendants served rebuttal expert reports from five experts in the fields of accounting, the student loan industry, and damages. The Parties took the depositions of all eleven (11) experts who had submitted reports.

W. At the close of fact and expert discovery, on July 20, 2021, Defendants filed their motion for summary judgment and motion to preclude expert opinions and testimony by certain of Plaintiffs' experts. Also on July 20, 2021, Lead Plaintiffs likewise filed their motion to exclude

certain opinions and testimony of Defendants' experts. On August 17, 2021, Lead Plaintiffs filed their opposition to Defendants' motion for summary judgment and motion to preclude the testimony of Lead Plaintiffs' experts. The same day, Defendants filed their opposition to Lead Plaintiffs' motion to exclude the opinions and testimony of Defendants' experts. The parties fully briefed summary judgment and motions to exclude expert opinion by September 13, 2021, which ultimately comprised 225 pages of briefing and thousands of pages of exhibits.

X. After the Court issued an Order certifying the Classes, Lead Plaintiffs thereafter negotiated with Defendants on the form and manner of providing notice to potential Class Members to notify them of, among other things: (i) the Action pending against Defendants; (ii) the Court's certification of the Action to proceed as a class action on behalf of the Classes; and (iii) their right to request to be excluded from the Classes, the effect of remaining in the Classes or requesting exclusion, and the requirements and deadline for requesting exclusion (the "Class Notice"). The Parties came to an agreement on the terms of the Class Notice, and on April 8, 2021, Lead Plaintiffs filed an unopposed motion requesting the Court to approve the Class Notice.

Y. On April 12, 2021, the Court entered an Order granting Lead Plaintiffs' unopposed motion to approve the Class Notice (the "Class Notice Order").

Z. Pursuant to the Class Notice Order, the Class Notice provided Class Members with the opportunity to request exclusion from the Classes, explained that right, and set forth the deadline and procedures for doing so. The Class Notice informed Class Members that they may not have another opportunity to exclude themselves or otherwise opt out of the Action. The Class Notice also informed Class Members that if they chose to stay in the lawsuit as a member of the Classes, they would "be bound by any settlement or judgment in this Action," including "any unfavorable judgment which may be rendered in favor of Defendants."

AA. The deadline for requesting exclusion from the Classes pursuant to the Class Notice was July 9, 2021. Attached hereto as Appendix 1 is a list of the persons and entities who requested exclusion pursuant to the Class Notice.

BB. A mediation session before former United States District Court Judge Layn R. Phillips was held on September 28, 2021. In advance of that mediation session, the parties submitted their summary judgment briefing, among other things. During the mediation session, Judge Phillips made a mediator's recommendation to negotiate within a narrowed range that he independently believed was reasonable. Both parties accepted the range, and, after additional negotiations, Judge Phillips made a mediator's proposal to settle at \$35 million, which was within the agreed range. However, the parties were unable to agree to settlement terms that day.

CC. By October 1, 2021, the parties had agreed to the mediator's proposal and had an agreement in principle to settle the Action at \$35 million. The parties continued to negotiate the term sheet memorializing the agreement in principle to settle the Action (the "Term Sheet") for a few additional days, and ultimately executed the Term Sheet on October 8, 2021. The Term Sheet sets forth, among other things, the parties' agreement to settle and release all claims against Defendants in return for a cash payment by or on behalf of Navient and the Individual Defendants of \$35,000,000 (United States Dollars) in cash for the benefit of the Classes, subject to certain terms and conditions and the execution of this Stipulation, which (together with the exhibits hereto) reflects the final and binding agreement between the Parties and supersedes the Term Sheet.

DD. Based upon their investigation, prosecution, and mediation of the case, Lead Plaintiffs and Lead Counsel have concluded that the terms and conditions of this Stipulation are fair, reasonable, and adequate to Lead Plaintiffs and the other members of the Classes, and in their best interests. Based on Lead Plaintiffs' direct oversight of the prosecution of this matter and with

the advice of their counsel, Lead Plaintiffs have agreed to settle and release the Released Exchange Act Claims and Released Securities Act Claims pursuant to the terms and provisions of this Stipulation, after considering, among other things: (a) the substantial financial benefit that Lead Plaintiffs and the other members of the Classes will receive under the proposed Settlement; and (b) the significant risks and costs of continued litigation and trial.

EE. This Stipulation constitutes a compromise of all matters that are in dispute between the Parties. Defendants are entering into this Stipulation solely to eliminate the uncertainty, burden, and expense of further protracted litigation. Each of the Defendants denies any wrongdoing, and this Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any of the Defendants with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that Defendants have, or could have, asserted. Defendants expressly deny that Lead Plaintiffs have asserted any valid claims as to any of them, and expressly deny any and all allegations of fault, liability, wrongdoing, or damages whatsoever. Similarly, this Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of Lead Plaintiffs of any infirmity in any of the claims asserted in the Action, or an admission or concession that any of the Defendants' defenses to liability had any merit.

NOW THEREFORE, it is hereby STIPULATED AND AGREED, by and among Lead Plaintiffs (individually and on behalf of all other members of the Classes) and Defendants, by and through their respective undersigned attorneys and subject to the approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, that, in consideration of the benefits flowing to the Parties from the Settlement, (a) all Released Exchange Act Claims by the Exchange Act Class as against the Defendants' Releasees; (b) all Released Securities Act Claims by the Securities

Act Class as against the Defendants' Releasees; and (c) all Released Defendants' Claims as against the Plaintiffs' Releasees shall be settled and released, upon and subject to the terms and conditions set forth below.

DEFINITIONS

1. As used in this Stipulation and any exhibits attached hereto and made a part hereof, the following capitalized terms shall have the following meanings:

(a) "Action" means the consolidated securities class action styled *Lord Abbett Affiliated Fund, Inc., et al. v. Navient Corporation, et al.*, No. 1:16-cv-00112-MN, and includes all actions consolidated therein.

(b) "Alternate Judgment" means a form of final judgment that may be entered by the Court herein but in a form other than the form of Judgment provided for in this Stipulation.

(c) "Authorized Claimant" means a Class Member who submits a Claim to the Claims Administrator that is approved by the Court for payment from the Net Settlement Fund.

(d) "Claim" means a paper claim submitted on a Proof of Claim Form or an electronic claim that is submitted to the Claims Administrator.

(e) "Claim Form" or "Proof of Claim Form" means the form, substantially in the form attached hereto as Exhibit 2 to Exhibit A, that a Claimant must complete and submit should that Claimant seek to share in a distribution of the Net Settlement Fund.

(f) "Claimant" means a person or entity who or which submits a Claim to the Claims Administrator seeking to be eligible to share in the proceeds of the Net Settlement Fund.

(g) "Claims Administrator" means the administrator, JND Legal Administration, retained by Lead Counsel on behalf of the Classes and approved by the Court in

the Class Notice Order, to provide all notices approved by the Court to potential Class Members and to administer the Settlement.

(h) “Classes” means the classes certified by the Court’s Order dated September 2, 2020 (ECF No. 174). Specifically, the Classes consist of:

(i) For claims brought pursuant to the Securities Exchange Act of 1934 (the “Exchange Act Class”): all persons and entities who purchased or otherwise acquired Navient’s common stock or Navient call options, or sold Navient put options, from April 17, 2014 through September 29, 2015, inclusive (the “Exchange Act Class Period”)—and who were damaged thereby. For the avoidance of doubt, the Exchange Act Class includes all persons and entities who received shares as part of Navient’s formation through a spin-off from Sallie Mae.

(ii) For claims brought pursuant to the Securities Act of 1933 (the “Securities Act Class”): all persons and entities who purchased or otherwise acquired Navient’s 5.000% Senior Notes due 2020 (CUSIP 63938CAA6), 5.875% Senior Notes due 2024 (CUSIP 63938CAB4), and 5.875% Senior Notes due 2021 (CUSIP 63938CAC2) (collectively, “Navient Senior Notes”) from November 6, 2014 through December 28, 2015, inclusive (the “Securities Act Class Period”)—and who were damaged thereby.

Excluded from both Classes are: Defendants, their officers and directors, all members of their immediate families, their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have a majority ownership interest. Also excluded from the Classes are (i) the persons and entities listed in Appendix 1 to this Stipulation who requested exclusion from the Classes in connection with the Class Notice; and (ii) if, and only if, the Court requires an additional

opportunity for Class Members to request exclusion from the Classes, any persons or entities who exclude themselves by submitting a request for exclusion in connection with the Settlement Notice.

(i) “Class Distribution Order” means an order entered by the Court authorizing and directing that the Net Settlement Fund be distributed, in whole or in part, to Authorized Claimants.

(j) “Class Member” means each person and entity who or which is a member of one or both of the Classes.

(k) “Complaint” means the Second Amended Class Action Complaint filed by Lead Plaintiffs in the Action on November 17, 2017 (ECF No. 174).

(l) “Court” means the United States District Court for the District of Delaware.

(m) “Defendants” means Navient, the Individual Defendants, and the Underwriter Defendants.

(n) “Defendants’ Counsel” means Latham & Watkins LLP, counsel for Navient and the Individual Defendants, and Shearman & Sterling LLP, counsel for the Underwriter Defendants.

(o) “Defendants’ Releasees” means Defendants and their respective current and former parents, affiliates, subsidiaries, officers, directors, agents, successors, predecessors, assigns, assignees, partnerships, partners, trustees, trusts, employees, immediate family members, insurers, reinsurers, and attorneys, in their capacities as such.

(p) “Effective Date” with respect to the Settlement means the first date by which all of the events and conditions specified in ¶ 31 of this Stipulation have been met and have occurred or have been waived.

(q) “Escrow Account” means an account maintained at The Huntington National Bank wherein the Settlement Amount shall be deposited and held in escrow under the control of Lead Counsel.

(r) “Escrow Agent” means The Huntington National Bank.

(s) “Escrow Agreement” means the agreement between Lead Counsel and the Escrow Agent setting forth the terms under which the Escrow Agent shall maintain the Escrow Account.

(t) “Exchange Act Class Period” means the period from April 17, 2014 through September 29, 2015, inclusive.

(u) “Final,” with respect to the Judgment or, if applicable, the Alternate Judgment, or any other court order, means: (i) if no appeal is filed, the expiration date of the time provided for filing or noticing any appeal under the Federal Rules of Appellate Procedure, *i.e.*, thirty (30) days after entry of the judgment or order; or (ii) if there is an appeal from the judgment or order, (a) the date of final dismissal of all such appeals, or the final dismissal of any proceeding on certiorari or otherwise, or (b) the date the judgment or order is finally affirmed on an appeal, the expiration of the time to file a petition for a writ of certiorari or other form of review, or the denial of a writ of certiorari or other form of review, and, if certiorari or other form of review is granted, the date of final affirmance following review pursuant to that grant. However, any appeal or proceeding seeking subsequent judicial review pertaining solely to an order issued with respect to (i) attorneys’ fees, costs, or expenses, or (ii) the plan of allocation of Settlement proceeds (as submitted or subsequently modified), shall not in any way delay or preclude a judgment from becoming Final.

(v) “Navient” or the “Company” means Navient Corporation.

(w) “Navient Defendants” means Navient and the Individual Defendants.

(x) “Individual Defendants” means John F. Remondi, Somsak Chivavibul, John Kane, William M. Diefenderfer, III, Ann Torre Bates, Diane Suitt Gilleland, Linda Mills, Barry A. Munitz, Steven L. Shapiro, Jane J. Thompson, and Barry L. Williams.

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

(z) “Lead Counsel” means Bernstein Litowitz Berger & Grossmann LLP.

(aa) “Lead Plaintiffs” or “Lord Abbett Funds” means Lord Abbett Affiliated Fund, Inc., Lord Abbett Equity Trust–Lord Abbett Calibrated Mid Cap Value Fund, Lord Abbett Bond-Debenture Fund, Inc., and Lord Abbett Investment Trust–Lord Abbett High Yield Fund.

(bb) “Litigation Expenses” means costs and expenses incurred in connection with commencing, prosecuting, and settling the Action (which may include the costs and expenses of Lead Plaintiffs directly related to their representation of the Classes), for which Lead Counsel intends to apply to the Court for payment from the Settlement Fund.

(cc) “Net Settlement Fund” means the Settlement Fund less: (i) any Taxes; (ii) any Notice and Administration Costs; (iii) any Litigation Expenses awarded by the Court; (iv) any attorneys’ fees awarded by the Court; and (v) any other costs or fees approved by the Court.

(dd) “Notice and Administration Costs” means the costs, fees, and expenses that are incurred by the Claims Administrator and/or Lead Counsel in connection with: (i) providing notices to the Classes (including, but not limited to, the costs associated with the Class Notice and the Settlement Notice); and (ii) administering the Settlement, including but not limited to the

Claims process, as well as the costs, fees, and expenses incurred in connection with the Escrow Account.

(ee) “Parties” means Defendants and Lead Plaintiffs, on behalf of themselves and the Classes.

(ff) “Plaintiffs’ Counsel” means Lead Counsel and Friedlander & Gorris, P.A. and Lead Plaintiffs’ prior counsel who were previously counsel of record in this action, including Lieff Cabraser and Morris and Morris LLC.

(gg) “Plaintiffs’ Releasees” means Lead Plaintiffs, all other plaintiffs in the Action, all other Class Members, and Plaintiffs’ Counsel, and their respective current and former parents, affiliates, subsidiaries, officers, directors, agents, successors, predecessors, assigns, assignees, partnerships, partners, trustees, trusts, employees, immediate family members, insurers, reinsurers, and attorneys, in their capacities as such.

(hh) “Plan of Allocation” means the proposed plan of allocation of the Net Settlement Fund set forth in the Settlement Notice.

(ii) “Preliminary Approval Order” means the order, substantially in the form attached hereto as Exhibit A, to be entered by the Court preliminarily approving the Settlement and directing that notice of the Settlement be provided to the Classes.

(jj) “PSLRA” means the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, as amended.

(kk) “Released Claims” means all Released Defendants’ Claims, all Released Exchange Act Claims, and all Released Securities Act Claims.

(ll) “Released Class Claims” means, collectively, the Released Exchange Act Claims and the Released Securities Act Claims.

(mm) “Released Defendants’ Claims” means all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether asserted or unasserted, accrued or unaccrued, fixed or contingent, liquidated or unliquidated, whether arising under federal, state, local, common, or foreign law, or any other law, rule, or regulation, whether class or individual in nature, in each case based on, arising out of, or in connection with the institution, prosecution, or settlement of the claims asserted in the Action against Defendants. Released Defendants’ Claims do not include any of the following claims: (i) claims relating to the enforcement of the Settlement; (ii) claims against the persons and entities who submitted a request for exclusion from the Classes in connection with the Class Notice (as set forth in Appendix 1 hereto); or (iii) if, and only if, the Court requires an additional opportunity for Class Members to request exclusion from the Classes with respect to the Settlement, claims against any persons or entities who submit a request for exclusion from the Classes in connection with the Settlement Notice (“Excluded Defendants’ Claims”). For the avoidance of doubt, nothing in this Stipulation releases or applies to ordinary course business dealings between Lead Plaintiffs and the Underwriter Defendants unrelated to the Action.

(nn) “Released Exchange Act Claims” means all claims and causes of action of every nature and description, whether known or unknown, whether arising under federal, state, common, or foreign law, whether class or individual in nature, that: (1) Lead Plaintiffs or any other member of the Exchange Act Class (a) asserted in the Complaint under the Securities Exchange Act of 1934 (“Exchange Act”) or (b) could have asserted in the Complaint arising out of, based upon, or relating to the allegations, acts, facts, transactions, events, matters, occurrences, statements or omissions involved, set forth, alleged, or referred to in the Complaint; *and* (2) relate to the purchase, acquisition, sale, disposition, or holding of Navient common stock, Navient call

options, or Navient put options, during the Exchange Act Class Period. The Released Exchange Act Claims do not cover, include, or release: (i) claims asserted in any ERISA, derivative, consumer, or governmental action, including without limitation the claims asserted in *Pope v Navient*, 17-cv-08373 (D.N.J.), *CFPB v. Navient*, 17-cv-00101 (M.D. Pa), *Manetta v. Navient*, 20-cv-07712 (D.N.J.), *State of Mississippi v. Navient Corp., et al.*, No. 25CH1:18-cv-00982 (Miss. Ch. Ct. Hinds Cnty.), *People of the State of California v. Navient*, CGC-18-567732 (Cal. Superior Court, San Francisco Cnty.), *Commonwealth of Pennsylvania v. Navient*, 17-cv-1814 (M.D. Pa), *People of the State of Illinois v Navient*, 17 CH 761 (Cook Cty Cir. Ct, Chancery Division, Ill.), *State of Washington v Navient*, 17-2-01115-1 SEA (King County, Wash.), *Buffalo Grove Police Pension Fund, et al., v. Diefenderfer, III, et al.*, No. 2:19-cv-00062 (E.D. Pa.), *Daniel, et al., v. Navient Solutions, LLC*, No. 8:17-cv-0250 (M.D. Fl.), *Demyanenko-Todd, et al., v. Navient Corp., et al.*, No. 3:17-cv-00772 (M.D. Pa.), *Hyland, et al., v. Navient Corp., et al.*, No. 1:18-cv-09031 (S.D.N.Y.), *Travis, et al., v. Navient Corp., et al.*, No. 2:17-cv04885 (E.D.N.Y.), *Grewal v Navient*, NJ ESX-C-172-20 (Essex County, N.J.), *Hyland v. Navient*, 18-cv-09031 (S.D.N.Y.), or *Baker v. Navient*, 17-cv-1160 (E.D. Va.) or any cases consolidated into, or related to, those actions; (ii) claims relating to the enforcement of the Settlement; (iii) claims of the persons and entities who submitted a request for exclusion from the Exchange Act Class in connection with the Class Notice (as set forth in Appendix 1 hereto); or (iv) if, and only if, the Court requires an additional opportunity for Class Members to request exclusion from the Exchange Act Class with respect to the Settlement, claims of any persons or entities who submit a request for exclusion from the Exchange Act Class in connection with the Settlement Notice (“Excluded Exchange Act Claims”).

(oo) “Released Securities Act Claims” means all claims and causes of action of every nature and description, whether known or unknown, whether arising under federal, state,

common, or foreign law, whether class or individual in nature, that: (1) Lead Plaintiffs or any other member of the Securities Act Class (a) asserted in the Complaint under the Securities Act of 1933 or (b) could have asserted in the Complaint arising out of, based upon, or relating to the allegations, acts, facts, transactions, events, matters, occurrences, statements or omissions involved, set forth, alleged, or referred to in the Complaint; and (2) relate to the purchase, acquisition, sale, disposition, or holding of Navient Senior Notes during the Securities Act Class Period. The Released Securities Act Claims do not cover, include, or release: (i) claims asserted in any ERISA, derivative, consumer, or governmental action, including without limitation the claims asserted in *Pope v Navient*, 17-cv-08373 (D.N.J.), *CFPB v. Navient*, 17-cv-00101 (M.D. Pa), *Manetta v. Navient*, 20-cv-07712 (D.N.J.), *State of Mississippi v. Navient Corp., et al.*, No. 25CH1:18-cv-00982 (Miss. Ch. Ct. Hinds Cnty.), *People of the State of California v. Navient*, CGC-18-567732 (Cal. Superior Court, San Francisco Cnty.), *Commonwealth of Pennsylvania v. Navient*, 17-cv-1814 (M.D. Pa), *People of the State of Illinois v Navient*, 17 CH 761 (Cook Cty Cir. Ct, Chancery Division, Ill.), *State of Washington v Navient*, 17-2-01115-1 SEA (King County, Wash.), *Buffalo Grove Police Pension Fund, et al., v. Diefenderfer, III, et al.*, No. 2:19-cv-00062 (E.D. Pa.), *Daniel, et al., v. Navient Solutions, LLC*, No. 8:17-cv0250 (M.D. Fl.), *Demyanenko-Todd, et al., v. Navient Corp., et al.*, No. 3:17-cv-00772 (M.D. Pa.), *Hyland, et al., v. Navient Corp., et al.*, No. 1:18-cv-09031 (S.D.N.Y.), *Travis, et al., v. Navient Corp., et al.*, No. 2:17-cv-04885 (E.D.N.Y.), *Grewal v. Navient*, NJ ESX-C-172-20 (Essex County, N.J.), *Hyland v. Navient*, 18-cv-09031 (S.D.N.Y.), or *Baker v. Navient*, 17-cv-1160 (E.D. Va.) or any cases consolidated into, or related to, those actions; (ii) claims relating to the enforcement of the Settlement; (iii) claims of the persons and entities who submitted a request for exclusion from the Securities Act Class in connection with the Class Notice (as set forth in Appendix 1 hereto); or (iv) if, and only if, the Court requires an additional

opportunity for Class Members to request exclusion from the Securities Act Class with respect to the Settlement, claims of any persons or entities who submit a request for exclusion from the Securities Act Class in connection with the Settlement Notice (“Excluded Securities Act Claims”).

(pp) “Releasee(s)” means each and any of the Defendants’ Releasees and each and any of the Plaintiffs’ Releasees.

(qq) “Releases” means the releases set forth in ¶¶ 4-5 of this Stipulation.

(rr) “Securities Act Class Period” means the period from November 6, 2014 through December 28, 2015, inclusive.

(ss) “Settlement” means the settlement between Lead Plaintiffs and Defendants on the terms and conditions set forth in this Stipulation.

(tt) “Settlement Amount” means \$35,000,000 (United States Dollars) in cash.

(uu) “Settlement Fund” means the Settlement Amount plus any and all interest earned thereon.

(vv) “Settlement Hearing” means the hearing set by the Court under Rule 23(e)(2) of the Federal Rules of Civil Procedure to consider final approval of the Settlement.

(ww) “Settlement Notice” means the Notice of (I) Proposed Settlement and Plan of Allocation; (II) Settlement Hearing; and (III) Motion for an Award of Attorneys’ Fees and Litigation Expenses, substantially in the form attached hereto as Exhibit 1 to Exhibit A, which is to be mailed to Class Members.

(xx) “Summary Settlement Notice” means the Summary Notice of (I) Proposed Settlement and Plan of Allocation; (II) Settlement Hearing; and (III) Motion for an Award of Attorneys’ Fees and Litigation Expenses, substantially in the form attached hereto as Exhibit 3 to Exhibit A, to be published as set forth in the Preliminary Approval Order.

(yy) “Taxes” means: (i) all federal, state, and/or local taxes of any kind (including any interest or penalties thereon) on any income earned by the Settlement Fund; and (ii) the expenses and costs incurred by Lead Counsel in connection with determining the amount of, and paying, any taxes owed by the Settlement Fund (including, without limitation, expenses of tax attorneys and accountants).

(zz) “Underwriter Defendants” means Barclays Capital Inc., Credit Suisse Securities USA LLC, Deutsche Bank Securities Inc., Goldman, Sachs & Co. (n/k/a Goldman Sachs & Co. LLC), J.P. Morgan Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated (n/k/a BofA Securities, Inc.), RBC Capital Markets, LLC, RBS Securities Inc. (n/k/a NatWest Markets Securities Inc.), and Wells Fargo Securities, LLC.

(aaa) “Unknown Claims” means any Released Exchange Act Claims which Lead Plaintiffs or any other member of the Exchange Act Class does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, any Released Securities Act Claims which Lead Plaintiffs or any other member of the Securities Act Class does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, and any Released Defendants’ Claims which any Defendant does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which, if known by him, her, or it, might have affected his, her, or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Lead Plaintiffs and Defendants shall expressly waive, and each of the other Class Members shall be deemed to have waived, and by operation of the Judgment or the Alternate Judgment, if applicable, shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or

territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

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

Lead Plaintiffs and Defendants acknowledge, and each of the other Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

PRELIMINARY APPROVAL OF SETTLEMENT

2. Within three (3) business days of execution of this Stipulation, Lead Plaintiffs will move for preliminary approval of the Settlement, authorization to provide notice of the Settlement to the Classes, and the scheduling of a hearing for consideration of final approval of the Settlement, which motion shall be unopposed by Defendants. Lead Plaintiffs shall coordinate with Defendants in this effort, including the sharing of drafts and use of best efforts to reach agreement on its contents. Concurrently with the motion for preliminary approval, Lead Plaintiffs shall apply to the Court for, and Defendants shall agree to, entry of the Preliminary Approval Order, substantially in the form attached hereto as Exhibit A.

RELEASE OF CLAIMS

3. The obligations incurred pursuant to this Stipulation are in consideration of: (a) the full and final disposition of the Action as against Defendants; and (b) the Releases provided for herein.

4. Pursuant to the Judgment, or the Alternate Judgment, if applicable, without further action by anyone, upon the Effective Date of the Settlement:

(a) Lead Plaintiffs and each of the other members of the Exchange Act Class, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged any and all Released Exchange Act Claims against Defendants and the other Defendants' Releasees, whether or not such Exchange Act Class Member executes and delivers the Proof of Claim Form, and whether or not such Exchange Act Class Member shares or seeks to share in the Settlement Fund, and shall forever be barred and enjoined from prosecuting any and all Released Exchange Act Claims against any of the Defendants' Releasees. This Release shall not apply to any of the Excluded Exchange Act Claims; and

(b) Lead Plaintiffs and each of the other members of the Securities Act Class, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged any and all Released Securities Act Claims against Defendants and the other Defendants' Releasees, whether or not such Securities Act Class Member executes and delivers the Proof of Claim Form, and whether or not such Securities Act Class Member shares or seeks to share in the Settlement Fund, and shall forever be barred and enjoined from prosecuting any and all Released Securities Act Claims against any of the Defendants' Releasees. This Release shall not apply to any of the Excluded Securities Act Claims.

5. Pursuant to the Judgment, or the Alternate Judgment, if applicable, without further action by anyone, upon the Effective Date of the Settlement, Defendants, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their

capacities as such, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged any and all Released Defendants' Claims against Lead Plaintiffs and the other Plaintiffs' Releasees, and shall forever be barred and enjoined from prosecuting any and all Released Defendants' Claims against any of the Plaintiffs' Releasees. This Release shall not apply to any of the Excluded Defendants' Claims.

6. Notwithstanding ¶¶ 4-5 above, nothing in the Judgment, or the Alternate Judgment, if applicable, shall bar any action by any of the Parties to enforce or effectuate the terms of this Stipulation or the Judgment, or Alternate Judgment, if applicable.

THE SETTLEMENT CONSIDERATION

7. In consideration of (i) the settlement and release of the Released Exchange Act Claims by members of the Exchange Act Subclass; and (ii) the settlement and release of the Released Securities Act Claims by members of the Securities Act Subclass, Navient and the Individual Defendants shall pay or cause to be paid the Settlement Amount into the Escrow Account no later than twenty (20) business days after the later of (a) the date of entry by the Court of an order preliminarily approving this Settlement, and (b) the provision to Defendants of information necessary to effectuate a payment of funds, including the beneficiary account name, the U.S. bank name, address, account number and ABA bank code, and the payment reference. The Underwriter Defendants bear no responsibility for the Settlement Amount.

USE OF SETTLEMENT FUND

8. The Settlement Fund shall be used to pay: (a) any Taxes; (b) any Notice and Administration Costs; (c) any Litigation Expenses awarded by the Court; (d) any attorneys' fees awarded by the Court; and (e) any other costs and fees approved by the Court. The balance

remaining in the Settlement Fund, that is, the Net Settlement Fund, shall be distributed to Authorized Claimants as provided in ¶¶ 17-29 below.

9. Except as provided herein or pursuant to orders of the Court, the Net Settlement Fund shall remain in the Escrow Account prior to the Effective Date. All funds held by the Escrow Agent shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the funds shall be distributed or returned pursuant to the terms of this Stipulation and/or further order of the Court. The Escrow Agent shall invest any funds in the Escrow Account exclusively in United States Treasury Bills (or a mutual fund invested solely in such instruments) and shall collect and reinvest all interest accrued thereon, except that any residual cash balances up to the amount that is insured by the FDIC may be deposited in any account that is fully insured by the FDIC. In the event that the yield on United States Treasury Bills is negative, in lieu of purchasing such Treasury Bills, all or any portion of the funds held by the Escrow Agent may be deposited in any account that is fully insured by the FDIC or invested in instruments backed by the full faith and credit of the United States. Additionally, if short-term placement of the funds is necessary, all or any portion of the funds held by the Escrow Agent may be deposited in any account that is fully insured by the FDIC or invested in instruments backed by the full faith and credit of the United States.

10. The Parties agree that the Settlement Fund is intended to be a Qualified Settlement Fund within the meaning of Treasury Regulation § 1.468B-1 and that Lead Counsel, as administrator of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall be solely responsible for filing or causing to be filed all informational and other tax returns as may be necessary or appropriate (including, without limitation, the returns described in Treasury Regulation § 1.468B-2(k)) for the Settlement Fund. Lead Counsel shall also be responsible for

causing payment to be made from the Settlement Fund of any Taxes owed with respect to the Settlement Fund. The Defendants' Releasees shall not have any liability or responsibility for any such Taxes. Upon written request, Defendants will provide to Lead Counsel the statement described in Treasury Regulation § 1.468B-3(e). Lead Counsel, as administrator of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall timely make such elections as are necessary or advisable to carry out this paragraph, including, as necessary, making a "relation back election," as described in Treasury Regulation § 1.468B-1(j), to cause the Qualified Settlement Fund to come into existence at the earliest allowable date, and shall take or cause to be taken all actions as may be necessary or appropriate in connection therewith.

11. All Taxes shall be paid out of the Settlement Fund, and shall be timely paid, or caused to be paid, by Lead Counsel and without further order of the Court. Any tax returns prepared for the Settlement Fund (as well as the election set forth therein) shall be consistent with the previous paragraph and in all events shall reflect that all Taxes on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided herein. Defendants' Releasees shall have no responsibility or liability for the acts or omissions of Lead Counsel or their agents with respect to the payment of Taxes, as described herein.

12. The Settlement is not a claims-made settlement. Upon the occurrence of the Effective Date, no Defendant, Defendants' Releasee, or any other person or entity who or which paid any portion of the Settlement Amount shall have any right to the return of the Settlement Fund or any portion thereof for any reason whatsoever, including, without limitation, the number of Claims submitted, the collective amount of Recognized Claims of Authorized Claimants, the percentage of recovery of losses, or the amounts to be paid to Authorized Claimants from the Net Settlement Fund.

13. Notwithstanding the fact that the Effective Date of the Settlement has not yet occurred, Lead Counsel may pay from the Settlement Fund, without further approval from Defendants or further order of the Court, all Notice and Administration Costs actually incurred and paid or payable. The Notice and Administration Costs shall include, without limitation, the actual costs of printing and mailing the Class Notice and Settlement Notice, publishing the Summary Settlement Notice, reimbursements to nominee owners for forwarding the Class Notice or Settlement Notice to their beneficial owners, the administrative expenses incurred and fees charged by the Claims Administrator in connection with providing notice and administering the Settlement (including processing the submitted Claims), and the fees, if any, of the Escrow Agent. In the event that the Settlement is terminated pursuant to the terms of this Stipulation, all Notice and Administration Costs paid or incurred, including any related fees, shall not be returned or repaid to Defendants, any of the other Defendants' Releasees, or any other person or entity who or which paid any portion of the Settlement Amount.

ATTORNEYS' FEES AND LITIGATION EXPENSES

14. Lead Counsel will apply to the Court for a collective award of attorneys' fees to Plaintiffs' Counsel to be paid solely from (and out of) the Settlement Fund. Lead Counsel also will apply to the Court for payment of Litigation Expenses, which may include a request for reimbursement of Lead Plaintiffs' costs and expenses directly related to their representation of the Classes, to be paid solely from (and out of) the Settlement Fund. Lead Counsel's application for an award of attorneys' fees and/or Litigation Expenses is not the subject of any agreement between Defendants and Lead Plaintiffs other than what is set forth in this Stipulation.

15. Any attorneys' fees and Litigation Expenses that are awarded by the Court shall be paid to Lead Counsel immediately upon award, notwithstanding the existence of any timely filed

objections thereto, or potential for appeal therefrom, or collateral attack on the Settlement or any part thereof, subject to Plaintiffs' Counsel's obligation to make appropriate refunds or repayments to the Settlement Fund, plus accrued interest at the same net rate as is earned by the Settlement Fund, if the Settlement is terminated pursuant to the terms of this Stipulation or if, as a result of any appeal or further proceedings on remand, or successful collateral attack, the award of attorneys' fees and/or Litigation Expenses is reduced or reversed and such order reducing or reversing the award has become Final. Plaintiffs' Counsel shall make the appropriate refund or repayment in full no later than thirty (30) days after: (a) receiving from Defendants' Counsel notice of the termination of the Settlement; or (b) any order reducing or reversing the award of attorneys' fees and/or Litigation Expenses has become Final. An award of attorneys' fees and/or Litigation Expenses is not a necessary term of this Stipulation and is not a condition of the Settlement embodied herein. Neither Lead Plaintiffs nor Lead Counsel may cancel or terminate the Settlement based on this Court's or any appellate court's ruling with respect to attorneys' fees and/or Litigation Expenses.

16. Lead Counsel shall allocate the attorneys' fees awarded amongst Plaintiffs' Counsel in a manner which it, in good faith, believes reflects the contributions of such counsel to the institution, prosecution, and settlement of the Action. Defendants' Releasees shall have no responsibility for or liability whatsoever with respect to the allocation or award of attorneys' fees or Litigation Expenses. The attorneys' fees and Litigation Expenses that are awarded to Plaintiffs' Counsel shall be payable solely from the Escrow Account.

NOTICE AND SETTLEMENT ADMINISTRATION

17. As part of the Preliminary Approval Order, Lead Counsel shall seek appointment of the Claims Administrator. The Claims Administrator shall administer the Settlement, including

but not limited to the process of receiving, reviewing, and approving or denying Claims, under Lead Counsel's supervision and subject to the jurisdiction of the Court. None of the Defendants, nor any of the other Defendants' Releasees, shall have any involvement in or any responsibility, authority, or liability whatsoever for the selection of the Claims Administrator, the Plan of Allocation, the administration of the Settlement, the Claims process, or disbursement of the Net Settlement Fund, and shall have no liability whatsoever to any person or entity, including, but not limited to, Lead Plaintiffs, any other Class Members, or Lead Counsel in connection with the foregoing. Defendants' Counsel shall cooperate in the administration of the Settlement to the extent reasonably necessary to effectuate its terms.

18. In accordance with the terms of the Preliminary Approval Order to be entered by the Court, Lead Counsel shall cause the Claims Administrator to mail the Settlement Notice and Proof of Claim Form to all persons or entities who were previously mailed copies of the Class Notices and any other potential Class Members who may be identified through reasonable effort. Lead Counsel shall also cause the Claims Administrator to have the Summary Settlement Notice published in accordance with the terms of the Preliminary Approval Order to be entered by the Court.

19. No later than ten (10) calendar days following the filing of this Stipulation with the Court, Defendants shall serve the notice required under the Class Action Fairness Act, 28 U.S.C. § 1715 *et seq.* ("CAFA"). Defendants are solely responsible for the costs of the CAFA notice and administering the CAFA notice. At least seven (7) calendar days before the Settlement Hearing, Defendants shall cause to be served on Lead Counsel and filed with the Court proof, by affidavit or declaration, regarding compliance with CAFA § 1715(b). The Parties agree that any delay by

Defendants in timely serving the CAFA notice will not provide grounds for delay of the Settlement Hearing or entry of the Judgment.

20. The Claims Administrator shall receive Claims and determine first, whether the Claim is a valid Claim, in whole or part, and second, each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's Recognized Claim compared to the total Recognized Claims of all Authorized Claimants (as set forth in the Plan of Allocation set forth in the Settlement Notice attached hereto as Exhibit 1 to Exhibit A, or in such other plan of allocation as the Court approves).

21. The Plan of Allocation proposed in the Settlement Notice is not a necessary term of the Settlement or of this Stipulation and it is not a condition of the Settlement or of this Stipulation that any particular plan of allocation be approved by the Court. Lead Plaintiffs and Lead Counsel may not cancel or terminate the Settlement (or this Stipulation) based on this Court's or any appellate court's ruling with respect to the Plan of Allocation or any other plan of allocation in this Action. Defendants and the other Defendants' Releasees shall not object in any way to the Plan of Allocation or any other plan of allocation in this Action. No Defendant, nor any of the other Defendants' Releasees, shall have any involvement with or liability, obligation, or responsibility whatsoever for the application of the Court-approved plan of allocation.

22. Any Class Member who does not submit a valid Claim will not be entitled to receive any distribution from the Net Settlement Fund, but will otherwise be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or, the Alternate Judgment, if applicable, to be entered in the Action and the Release(s) applicable to such Class Member provided for herein and therein, and will be permanently barred and enjoined from bringing any action asserting any of the Released Class Claims applicable to him, her, or it against any and all

of the Defendants' Releasees in the event that the Effective Date occurs with respect to the Settlement.

23. Lead Counsel shall be responsible for supervising the administration of the Settlement and the disbursement of the Net Settlement Fund subject to Court approval. No Defendant, nor any of the other Defendants' Releasees, shall be permitted to review, contest, or object to any Claim, or any decision of the Claims Administrator or Lead Counsel with respect to accepting or rejecting any Claim for payment. Lead Counsel shall have the right, but not the obligation, to waive what they deem to be formal or technical defects in any Claims submitted in the interests of achieving substantial justice.

24. For purposes of determining the extent, if any, to which a Class Member shall be entitled to be treated as an Authorized Claimant, the following conditions shall apply:

(a) Each Claimant shall be required to submit a Claim in paper form, substantially in the form attached hereto as Exhibit 2 to Exhibit A, or in electronic form, in accordance with the instructions for the submission of such Claims, and supported by such documents as are designated therein, including proof of the Claimant's loss, or such other documents or proof as the Claims Administrator or Lead Counsel, in its discretion, may deem acceptable;

(b) All Claims must be submitted by the date set by the Court in the Preliminary Approval Order and specified in the Settlement Notice. Any Class Member who fails to submit a Claim by such date shall be forever barred from receiving any distribution from the Net Settlement Fund or payment pursuant to this Stipulation (unless by Order of the Court such Class Member's Claim is accepted), but shall in all other respects be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or Alternate Judgment, if applicable, and

the Release(s) applicable to such Class Member provided for herein and therein, and will be permanently barred and enjoined from bringing any action asserting any of the Released Class Claims applicable to him, her, or it against any and all of the Defendants' Releasees in the event that the Effective Date occurs with respect to the Settlement. Provided that it is mailed by the claim-submission deadline, a Claim Form shall be deemed to be submitted when postmarked, if received with a postmark indicated on the envelope and if mailed by first-class mail and addressed in accordance with the instructions thereon. In all other cases, the Claim Form shall be deemed to have been submitted on the date when actually received by the Claims Administrator;

(c) Each Claim shall be submitted to and reviewed by the Claims Administrator who shall determine in accordance with this Stipulation and the plan of allocation the extent, if any, to which each Claim shall be allowed, subject to review by the Court pursuant to subparagraph (e) below as necessary;

(d) Claims that do not meet the submission requirements may be rejected. Prior to rejecting a Claim in whole or in part, the Claims Administrator shall communicate with the Claimant in writing, to give the Claimant the chance to remedy any curable deficiencies in the Claim submitted. The Claims Administrator shall notify, in a timely fashion and in writing, all Claimants whose Claim the Claims Administrator proposes to reject in whole or in part, setting forth the reasons therefor, and shall indicate in such notice that the Claimant whose Claim is to be rejected has the right to a review by the Court if the Claimant so desires and complies with the requirements of subparagraph (e) below; and

(e) If any Claimant whose Claim has been rejected in whole or in part desires to contest such rejection, the Claimant must, within twenty (20) days after the date of mailing of the notice required in subparagraph (d) above or a lesser time period if the Claim was untimely, serve

upon the Claims Administrator a notice and statement of reasons indicating the Claimant's grounds for contesting the rejection along with any supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a Claim cannot be otherwise resolved, Lead Counsel shall thereafter present the request for review to the Court.

25. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to the Claimant's Claim, and the Claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided, however, that such investigation and discovery shall be limited to that Claimant's status as a Class Member and the validity and amount of the Claimant's Claim. No discovery shall be allowed on the merits of this Action or of the Settlement in connection with the processing of Claims.

26. Lead Counsel will apply to the Court, on notice to Defendants' Counsel, for a Class Distribution Order: (a) approving the Claims Administrator's administrative determinations concerning the acceptance and rejection of the Claims submitted; (b) approving payment of any administration fees and expenses associated with the administration of the Settlement from the Escrow Account; and (c) if the Effective Date has occurred, directing payment of the Net Settlement Fund to Authorized Claimants from the Escrow Account.

27. Payment pursuant to the Class Distribution Order shall be final and conclusive against all Claimants. All Class Members whose Claims are not approved by the Court for payment shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or Alternate Judgment, if applicable, to be entered in this Action and the Release(s) applicable to them provided for herein and therein, and will be permanently barred and enjoined

from bringing any action asserting any of the Released Class Claims applicable to them against any and all of the Defendants' Releasees.

28. No person or entity shall have any claim against Lead Plaintiffs, Plaintiffs' Counsel, the Claims Administrator, or any other agent designated by Plaintiffs' Counsel, or Defendants' Releasees and/or their respective counsel, arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or any order of the Court. Lead Plaintiffs and Defendants, and their respective counsel, and Lead Plaintiffs' damages expert and all other Releasees shall have no liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund, the plan of allocation, or the determination, administration, calculation, or payment of any claim or nonperformance of the Claims Administrator, the payment or withholding of taxes (including interest and penalties) owed by the Settlement Fund, or any losses incurred in connection therewith.

29. All proceedings with respect to the administration, processing, and determination of Claims and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of Claims, shall be subject to the jurisdiction of the Court. All Class Members, other Claimants, and parties to this Settlement expressly waive trial by jury (to the extent any such right may exist) and any right of appeal or review with respect to such determinations.

TERMS OF THE JUDGMENT

30. If the Settlement contemplated by this Stipulation is approved by the Court, Lead Counsel and Defendants' Counsel shall request that the Court enter a Judgment, substantially in the form attached hereto as Exhibit B.

**CONDITIONS OF SETTLEMENT AND EFFECT OF
DISAPPROVAL, CANCELLATION OR TERMINATION**

31. The Effective Date of the Settlement shall be deemed to occur on the occurrence or waiver of all of the following events:

(a) the Court has entered the Preliminary Approval Order, substantially in the form set forth in Exhibit A attached hereto, as required by ¶ 2 above;

(b) the Settlement Amount has been deposited into the Escrow Account in accordance with the provisions of ¶ 7 above;

(c) the Navient Defendants have not exercised their option to terminate the Settlement pursuant to the provisions of this Stipulation;

(d) Lead Plaintiffs have not exercised their option to terminate the Settlement pursuant to the provisions of this Stipulation; and

(e) the Court has approved the Settlement as described herein, following notice to the Classes and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure, and entered the Judgment and the Judgment has become Final, or the Court has entered an Alternate Judgment and none of the Parties seek to terminate the Settlement and the Alternate Judgment has become Final.

32. Upon the occurrence of all of the events referenced in ¶ 31 above, any and all remaining interest or right of Defendants in or to the Settlement Fund, if any, shall be absolutely and forever extinguished and the Releases herein shall be effective.

33. If (i) the Navient Defendants exercise their right to terminate the Settlement as provided in this Stipulation; (ii) Lead Plaintiffs exercise their right to terminate the Settlement as provided in this Stipulation; (iii) the Court disapproves the Settlement; or (iv) the Effective Date as to the Settlement otherwise fails to occur, then:

(a) The Settlement and the relevant portions of this Stipulation shall be canceled and terminated.

(b) Lead Plaintiffs and Defendants shall revert to their respective positions in the Action as of immediately prior to the execution of the Term Sheet on October 8, 2021.

(c) The terms and provisions of this Stipulation, with the exception of this ¶ 33 and ¶¶ 13, 15, 37 and 57, shall have no further force and effect with respect to the Parties and shall not be used in the Action or in any other proceeding for any purpose, and any Judgment, or Alternate Judgment, if applicable, or order entered by the Court in accordance with the terms of this Stipulation shall be treated as vacated, *nunc pro tunc*.

(d) Within thirty (30) calendar days after joint written notification of termination is sent by Defendants' Counsel and Lead Counsel to the Escrow Agent, the Settlement Fund (including accrued interest thereon, and change in value as a result of the investment of the Settlement Fund, and any funds received by Lead Counsel consistent with ¶ 15 above), less any Notice and Administration Costs actually incurred, paid, or payable, and less any Taxes paid, due, or owing, shall be refunded by the Escrow Agent to Defendants (or such other persons or entities as Defendants may direct). In the event that the funds received by Lead Counsel consistent with ¶ 15 above have not been refunded to the Settlement Fund within the thirty (30) calendar days specified in this paragraph, those funds shall be refunded by the Escrow Agent to Defendants (or such other persons or entities as Defendants may direct) immediately upon their deposit into the Escrow Account consistent with ¶ 15 above.

34. It is further stipulated and agreed that the Navient Defendants, provided they unanimously agree amongst themselves, and Lead Plaintiffs shall each have the right to terminate the Settlement and this Stipulation, by providing written notice of their election to do so

(“Termination Notice”) to the other Parties to this Stipulation within thirty (30) days of: (a) the Court’s final refusal to enter the Preliminary Approval Order in any material respect; (b) the Court’s final refusal to approve the Settlement or any material part thereof; (c) the Court’s final refusal to enter the Judgment in any material respect as to the Settlement; (d) the date upon which the Judgment is modified or reversed in any material respect by the United States Court of Appeals for the Third Circuit or the United States Supreme Court; or (e) the date upon which an Alternate Judgment is modified or reversed in any material respect by the United States Court of Appeals for the Third Circuit or the United States Supreme Court, and the provisions of ¶ 33 above shall apply. However, any decision or proceeding, whether in this Court or any appellate court, with respect to an application for attorneys’ fees or Litigation Expenses or with respect to any plan of allocation shall not be considered material to the Settlement, shall not affect the finality of any Judgment or Alternate Judgment, if applicable, and shall not be grounds for termination of the Settlement.

35. In addition to the grounds set forth in ¶ 34 above, if, and only if, the Court requires that Class Members be given an additional opportunity to exclude themselves from the Classes with respect to the Settlement, in connection with the Settlement Notice, then the Navient Defendants, provided they unanimously agree amongst themselves, shall have the right to terminate the Settlement in the event that members of the Exchange Act Class or Securities Act Class timely and validly requesting exclusion from the Class(es) meet the conditions set forth in the Navient Defendants’ confidential supplemental agreement with Lead Plaintiffs (the “Supplemental Agreement”), in accordance with the terms of that agreement. The Supplemental Agreement, which is being executed concurrently herewith, shall not be filed with the Court and its terms shall not be disclosed in any other manner (other than the statements herein and, as

applicable, in the Settlement Notice, to the extent necessary, or as otherwise provided in the Supplemental Agreement) unless the Court otherwise directs or a dispute arises between Lead Plaintiffs and the Navient Defendants concerning its interpretation or application, in which event the Parties shall submit the Supplemental Agreement to the Court in camera and request that the Court afford it confidential treatment.

36. In addition to the grounds set forth in ¶ 34 above, Lead Plaintiffs shall also have the right to terminate the Settlement in the event that the Settlement Amount has not been paid as provided for in ¶ 7 above, by providing written notice of the election to terminate to Defendants' Counsel.

NO ADMISSION OF WRONGDOING

37. Neither the Term Sheet, this Stipulation (whether or not consummated), including the exhibits hereto and the Plan of Allocation contained therein (or any other plan of allocation that may be approved by the Court), the negotiations leading to the execution of the Term Sheet and this Stipulation, nor any proceedings taken pursuant to or in connection with the Term Sheet, this Stipulation, and/or approval of the Settlement (including any arguments proffered in connection therewith):

(a) shall be offered against any of the Defendants' Releasees as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Defendants' Releasees with respect to the truth of any fact alleged by Lead Plaintiffs or the validity of any claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted in this Action or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Defendants' Releasees or in any way referred to for any other reason as against any of the Defendants' Releasees, in any arbitration

proceeding or other civil, criminal, or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation;

(b) shall be offered against any of the Plaintiffs' Releasees, as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Plaintiffs' Releasees that any of their claims are without merit, that any of the Defendants' Releasees had meritorious defenses, or that damages recoverable under the Complaint would not have exceeded the Settlement Amount or with respect to any liability, negligence, fault, or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Plaintiffs' Releasees, in any arbitration proceeding or other civil, criminal, or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation; or

(c) shall be construed against any of the Releasees as an admission, concession, or presumption that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial;

(d) *provided, however*, that if this Stipulation is approved by the Court, the Parties and the Releasees and their respective counsel may refer to it to effectuate the protections from liability granted hereunder or otherwise to enforce the terms of the Settlement.

MISCELLANEOUS PROVISIONS

38. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein. Notwithstanding the foregoing, in the event that there exists a conflict or inconsistency between the terms of this Stipulation and the terms of any exhibit attached hereto, the terms of the Stipulation shall prevail.

39. The Navient Defendants warrant that, as to the payments made or to be made on behalf of them, at the time of entering into this Stipulation and at the time of such payment they, or to the best of their knowledge any persons or entities contributing to the payment of the Settlement Amount, were not insolvent, nor will the payment required to be made by or on behalf of them render them insolvent, within the meaning of and/or for the purposes of the United States Bankruptcy Code, including §§ 101 and 547 thereof. This representation is made by each of the Navient Defendants and not by their counsel.

40. In the event of the entry of a final order of a court of competent jurisdiction determining the transfer of money to the Settlement Fund or any portion thereof by or on behalf of Defendants to be a preference, voidable transfer, fraudulent transfer, or similar transaction and any portion thereof is required to be returned, and such amount is not promptly deposited into the Settlement Fund by others, then, at the election of Lead Plaintiffs, Lead Plaintiffs and Defendants shall jointly move the Court to vacate and set aside the Releases given and the Judgment or Alternate Judgment, if applicable, entered in favor of Defendants and the other Releasees pursuant to this Stipulation, in which event the Releases and Judgment, or Alternate Judgment, if applicable, shall be null and void, and the Parties shall be restored to their respective positions in the litigation as provided in ¶ 33 above and any cash amounts in the Settlement Fund (less any Taxes paid, due, or owing with respect to the Settlement Fund and less any Notice and Administration Costs actually incurred, paid, or payable) shall be returned as provided in ¶ 33 above.

41. The Parties intend this Stipulation and the Settlement to be a final and complete resolution of all disputes asserted or which could be asserted against the Defendants' Releasees by (a) the Exchange Act Class with respect to the Released Exchange Act Claims, and (b) by the Securities Act Class with respect to the Released Securities Act Claims. No Party shall assert any

claims of any violation of Rule 11 of the Federal Rules of Civil Procedure relating to the institution, prosecution, defense, or settlement of this Action. The Parties agree that the amounts paid and the other terms of the Settlement were negotiated at arm's length and in good faith by the Parties, including through a mediation process supervised and conducted by the Layn R. Phillips, and reflect that the Settlement was reached voluntarily after extensive negotiations and consultation with experienced legal counsel, who were fully competent to assess the strengths and weaknesses of their respective clients' claims or defenses.

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

43. The terms of the Settlement, as reflected in this Stipulation, may not be modified or amended, nor may any of its provisions be waived except by a writing signed on behalf of both Lead Plaintiffs and Defendants (or their successors-in-interest).

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

45. The administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of the Court, and the Court shall retain jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and Litigation Expenses to Plaintiffs' Counsel and enforcing the terms of this Stipulation, including the Plan of Allocation (or such other plan of allocation as may be approved by the Court) and the distribution of the Net Settlement Fund to Class Members.

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

47. This Stipulation and its exhibits and the Supplemental Agreement constitute the entire agreement among Lead Plaintiffs and Defendants concerning the Settlement and this Stipulation and its exhibits. All Parties acknowledge that no other agreements, representations, warranties, or inducements have been made by any Party concerning this Stipulation, its exhibits, or the Supplemental Agreement other than those contained and memorialized in such documents.

48. This 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 email. All executed counterparts and each of them shall be deemed to be one and the same instrument.

49. This Stipulation shall be binding upon and inure to the benefit of the successors and assigns of the Parties, including any and all Releasees and any corporation, partnership, or other entity into or with which any Party may merge, consolidate, or reorganize.

50. The construction, interpretation, operation, effect and validity of this Stipulation, the Supplemental Agreement and all documents necessary to effectuate it shall be governed by the

internal laws of the State of Delaware without regard to conflicts of laws, except to the extent that federal law requires that federal law govern.

51. Any action arising under or to enforce this Stipulation or any portion thereof, shall be commenced and maintained only in the Court.

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

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

54. Lead Counsel and Defendants' Counsel agree to cooperate fully with one another in seeking Court approval of the Preliminary Approval Order and the Settlement, as embodied in this Stipulation, and to use best efforts to promptly agree upon and execute all such other documentation as may be reasonably required to obtain final approval by the Court of the Settlement.

55. If any Party is required to give notice to another Party under this Stipulation, such notice shall be in writing and shall be deemed to have been duly given upon receipt of hand delivery or facsimile or email transmission, with confirmation of receipt. Notice shall be provided as follows:

If to Lead Plaintiffs or Lead Counsel: Bernstein Litowitz Berger & Grossmann LLP
Attn: Jeremy P. Robinson, Esq.
1251 Avenue of the Americas
New York, NY 10020

Telephone: (212) 554-1400
Facsimile: (212) 554-1444
Email: Jeremy@blbglaw.com

If to Defendants:

Latham & Watkins LLP
Attn: Christopher S. Turner, Esq.
555 Eleventh Street, NW
Suite 1000
Washington, D.C. 20004
Telephone: (202) 637-2200
Facsimile: (202) 637-2201
Email: christopher.turner@lw.com

Shearman & Sterling LLP
Attn: Adam S. Hakki, Esq.
599 Lexington Avenue
New York, NY 10022-6069
Telephone: (212) 848-4000
Facsimile: (646) 848-4924
Email: ahakki@shearman.com

56. Except as otherwise provided under this Stipulation, each Party shall bear its own costs and expenses, subject to any rights to indemnification or advancement of costs, expenses, and/or legal fees among Defendants.

57. Whether or not the Stipulation is approved by the Court and whether or not the Stipulation is consummated, or the Effective Date occurs, the Parties and their counsel shall use their best efforts to keep all negotiations, discussions, acts performed, agreements, drafts, documents signed, and proceedings in connection with the Stipulation confidential.

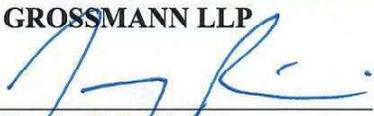
58. All agreements made and orders entered during the course of this Action relating to the confidentiality of information shall survive this Settlement.

59. No opinion or advice concerning the tax consequences of the proposed Settlement to individual Class Members is being given or will be given by the Parties or their counsel; nor is any representation or warranty in this regard made by virtue of this Stipulation. Each Class Member's tax obligations, and the determination thereof, are the sole responsibility of the Class

Member, and it is understood that the tax consequences may vary depending on the particular circumstances of each individual Class Member.

IN WITNESS WHEREOF, the Parties hereto have caused this Stipulation to be executed, by their duly authorized attorneys, as of November 16, 2021.

**BERNSTEIN LITOWITZ BERGER
& GROSSMANN LLP**

By: 

Jeremy P. Robinson

Jesse L. Jensen

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New York, NY 10020

Telephone: (212) 554-1400

*Lead Counsel for Lead Plaintiffs
and the Classes*

LATHAM & WATKINS LLP

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Defendants*

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Member, and it is understood that the tax consequences may vary depending on the particular circumstances of each individual Class Member.

IN WITNESS WHEREOF, the Parties hereto have caused this Stipulation to be executed, by their duly authorized attorneys, as of November 16, 2021.

**BERNSTEIN LITOWITZ BERGER
& GROSSMANN LLP**

By: _____

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*Lead Counsel for Lead Plaintiffs
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*Counsel for Navient and the Individual
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Counsel for the Underwriter Defendants

Appendix 1

1. Camille Addleton Sheats
East Point, GA
2. Lois Wulfhoop
Lorain, OH
3. Loretta Frazier
Lorain, OH
4. Theresa A. Franklin
McLeansville, NC
5. John B. Franklin &
Theresa A. Franklin
McLeansville, NC
6. Jeffery B. McMeans
Bayou Vista, TX
7. UW George Neilson Denton III
Nancy K. Denton, Trustee
San Antonio, TX
8. Arthur Plaggemeier
Las Vegas, NV
9. Elke Plaggemeier
Las Vegas, NV
10. Lenora I. Frankfurter
Robert Franklin, POA
Bothell, WA