IN THE COURT OF COMMON PLEAS OF PHILADELPHIA
FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
CIVIL TRIAL DIVISION

IN RE HARLEYSVILLE MUTUAL	)	HON. PATRICIA A. McINERNEY
	)	NOVEMBER TERM, 2011
	)	NO. 02137

STIPULATION AND AGREEMENT OF COMPROMISE AND SETTLEMENT

This Stipulation and Agreement of Compromise and Settlement (the "Settlement Agreement" or the "Stipulation"), dated October 10, 2012, entered into among Plaintiffs (defined below) and Defendants (defined below), by and through their undersigned attorneys, states all of the terms of the settlement and resolution of this matter and is intended by Plaintiffs and Defendants (collectively, the "Parties") to fully and finally compromise, resolve, discharge and settle the Released Claims, as defined herein, subject to the approval of the Court of Common Pleas of Philadelphia (the "Court"):

Background to the Settlement[1]

A. On September 29, 2011, Mutual and Nationwide jointly announced that they, Group and Nationals Sub had entered into a definitive Agreement and Plan of Merger (the "Merger Agreement") pursuant to which Nationwide agreed to acquire Group and merge Mutual with and into Nationwide (the "Merger"). The Merger Agreement provided that the public shareholders of Group would receive $60 in cash per share for their Group stock in the Merger while Mutual's policyholders would become Nationwide policyholders but receive no cash consideration.

B. Between November 16 and January 10, 2012, several Mutual policyholders made demands that the Mutual board of directors (the "Board") investigate breaches of fiduciary duty in connection with the proposed Merger, and six Mutual policyholders filed separate lawsuits relating to the Merger and Defendants' conduct in relation thereto, including separate actions filed by Plaintiffs Tignanelli, Butler, and Goldstein.

C. On December 2, 2011, the Board passed a resolution expanding the Board by two directors and mandating that those directors serve on a Special Litigation Committee (the "SLC") to investigate the Mutual policyholders' claims regarding the Merger and the Mutual Director Defendants' conduct. The SLC was subsequently expanded to include three members, and the Board correspondingly expanded.

D. On December 23, 2011, Mutual filed its draft proxy statement relating to the Merger with the Pennsylvania Insurance Department (the "Draft Proxy").

E. On January 13, 2012, the Court consolidated the six policyholder actions relating to the Merger under the caption *In re Harleysville Mutual*, No. 02137, November Term, 2011 (the "Consolidated Action"), and appointed Barrack, Rodos & Bacine, Kessler Topaz Meltzer & Check, LLP and Wohl & Fruchter LLP as co-lead counsel for Plaintiffs in the Consolidated Action ("Lead Counsel"). The Court directed Plaintiffs to file a consolidated complaint by January 20, 2012.

F. On January 20, 2012, Plaintiffs filed their Consolidated Class Action and Derivative Complaint (the "Consolidated Complaint"). The Consolidated Complaint contained both direct and derivative claims and alleged, among other things: (i) that the Merger wrongfully diverted value belonging to Mutual's policyholders; (ii) that the Mutual Director Defendants

[1] Capitalized terms are defined below.

breached their fiduciary duties to Mutual's policyholders in approving the Merger; (iii) that the Merger was fundamentally unfair to Mutual's policyholders; (iv) that the Merger effectively constituted a demutualization under Pennsylvania law; (v) that Nationwide aided and abetted the Mutual Director Defendants' breaches of duty; and (vi) that the Draft Proxy contained false and misleading disclosures concerning, *inter alia*, the negotiation of the Merger, potential alternative transactions, the work of Mutual's advisors, and the Mutual Director Defendants' motivations and rationale for agreeing to and recommending the Merger. In the Consolidated Complaint, Plaintiffs sought, among other things, (i) to enjoin the distribution of the cash consideration to be paid in connection with the Merger to which Mutual policyholders were entitled and to impose a constructive trust on such consideration, and (ii) to enjoin the vote of Mutual policyholders on the Merger pending issuance of a proxy statement that cured the alleged misstatements and omissions in the Draft Proxy.

G. On January 31, 2012, Defendants filed their respective preliminary objections to the Consolidated Complaint. Defendants asserted, among other things, that the Mutual Director Defendants owed no duty to Mutual policyholders and that Plaintiffs did not have standing to pursue their direct claims and otherwise failed to state valid causes of action under Pennsylvania law. Plaintiffs filed their Answer to Defendants' preliminary objections on February 27, 2012.

H. In conjunction with the filing of the Consolidated Complaint, on January 20, 2012, Plaintiffs served Defendants with Plaintiffs' First Request for the Production of Documents which sought, among other things, documents relating to the Merger, Mutual, Group, the SLC and the Draft Proxy. On January 25, 2012, Plaintiffs filed a Motion for Expedited Proceedings, seeking an order setting forth an expedited discovery schedule and a briefing schedule in anticipation of a preliminary injunction hearing prior to the Merger's consummation.

I. Following a discovery hearing on February 3, 2012, the Court ordered Mutual and the Mutual Director Defendants to produce to Plaintiffs all of the documents that they previously produced to the SLC. Counsel for Mutual and the Mutual Director Defendants complied with the Court's Order and produced such documents to Lead Counsel between February 10, 2011 and February 28, 2011. Additional briefing was filed with the Court concerning Plaintiffs' entitlement to discovery and Plaintiffs' Motion for Expedited Proceedings.

J. On March 1, 2012 the SLC issued a report regarding its investigation of the Mutual policyholders' allegations concerning the Merger (the "SLC Report") and moved to dismiss "all derivative claims in [the Consolidated Complaint]." The SLC concluded in its Report that (1) the directors of Mutual fulfilled their fiduciary obligations in negotiating and agreeing to the Merger, (2) Plaintiffs' derivative claims lacked merit, and (3) it was in the best interests of Mutual that the derivative claims be dismissed. Upon receipt of the SLC Report and motion to dismiss, Plaintiffs served document requests on the SLC concerning its investigation and the Committee's independence and served deposition notices on each of the SLC members and their counsel. In correspondence to Lead Counsel dated March 9, 2012, counsel for the SLC agreed to produce the SLC members and its counsel for depositions and otherwise agreed to produce certain limited documents responsive to Plaintiffs' discovery requests. On March 12 and 13, 2012, Defendants filed motions to dismiss based on the SLC Report.

K. On March 9, 2012, Plaintiffs filed a Motion to Compel Discovery, seeking additional discovery from Defendants and the SLC. Specifically, Plaintiffs sought a Court Order compelling Defendants to produce documents responsive to Plaintiffs' First Request for the Production of Documents and to produce for deposition Defendants Browne and Scranton, Nationwide's Chief Executive Officer Stephen S. Rasmussen, as well as representatives of

certain of the Defendants' advisors. On March 15, 2012, Plaintiffs filed supplemental briefing with the Court seeking additional document discovery from the SLC as well as direction from the Court with regard to the scope of the SLC members' depositions.

L. On March 9, 2012, Mutual disseminated to its policyholders the final proxy statement relating to the Merger (the "Final Proxy"). The Final Proxy addressed certain alleged defects in the Draft Proxy that Plaintiffs challenged in their Consolidated Complaint. For example, the Final Proxy included additional disclosures relating to the interests of Harleysville officers and directors in the Merger, Nationwide's prior acquisition of Allied Mutual, alternatives to the Merger that could provide compensation to Mutual policyholders, and the work and compensation of the Company's financial advisors. In addition, the Final Proxy established April 24, 2012 as the date for a special meeting of Mutual policyholders to consider and vote upon a proposal to adopt and approve the Merger Agreement. Plaintiffs subsequently prepared, filed and served an amended complaint (the "Amended Complaint") updating their disclosure allegations to reflect the information contained in the Final Proxy.

M. On March 16, 2012, the Court entered an Order granting in part Plaintiffs' Motion to Compel and ordering that Defendants produce Defendants Browne and Scranton for deposition and produce documents responsive to certain of Plaintiffs' document requests. Moreover, the Court ordered that the SLC produce additional documents to Plaintiffs and clarified the scope of the SLC member depositions.

N. Following the Court's March 16, 2012 Order and continuing up until the Court's hearing on their Motion for Preliminary Injunction on April 19, 2012, Plaintiffs negotiated a schedule for the prosecution of the litigation through the Preliminary Injunction hearing; negotiated the scheduling and handling of depositions and expert submissions; reviewed and

analyzed documents produced by Defendants and the SLC; conducted depositions of five fact witnesses, including defendants Browne and Scranton; and defended the deposition of Plaintiff Tignanelli.

O. On March 20, 2012, pursuant to the previously filed preliminary objections, the Court: (i) dismissed from the Consolidated Complaint the demutualization claim, the aiding and abetting claim, the unjust enrichment claim and the claim that the resolution establishing the SLC was defective; and (ii) reserved the surviving claims for possible dismissal upon consideration of Plaintiffs' motion for preliminary injunction and the motions to dismiss based upon the SLC Report.

P. On April 9, 2012, Plaintiffs served Defendants with the expert reports of Lawrence S. Powell, Ph.D. and Sanjay Pansari. On April 14, 2012, Defendants served Plaintiffs with the rebuttal expert report of FBR Capital Markets & Co.

Q. On April 12, 2012, Plaintiffs filed their brief in support of their Motion for a Preliminary Injunction, seeking a Court Order enjoining the consummation of the Merger until a constructive trust was established for the benefit of Mutual's policyholders and supplemental disclosures concerning the Merger were made to Mutual's policyholders. On the same date, Defendants filed briefs in opposition to the Motion for Preliminary Injunction. On April 17, 2012, reply briefs were filed by Plaintiffs and Defendants, respectively.

R. On April 16, 2012, the Pennsylvania Insurance Commissioner concluded that the terms and conditions of the Merger were fair and that the Merger was in accordance with law and not injurious to Mutual policyholders.

S. On April 17, 2012, Plaintiffs filed their Amended Consolidated Class Action and Derivative Complaint (the "First Amended Complaint"). The new material in the First Amended

Complaint focused on two areas: (1) Plaintiffs' challenge to the SLC's independence and investigation; and (2) new proxy allegations based on the Final Proxy.

T. On April 19 and 20, 2012, the Court conducted a hearing on the Motion for Preliminary Injunction. The Court heard argument from the Parties as well as live testimony from Plaintiff Tignanelli, Plaintiffs' expert witnesses, Defendant Browne, and Mutual and Group's Chief Financial Officer, Arthur E. Chandler ("Chandler").

U. On April 23, 2012, the Court entered an Order: (i) denying the motion for preliminary injunction on the grounds that (a) Plaintiffs had failed to show irreparable harm, (b) any harm suffered by the Mutual policyholders could be recompensed with money damages and (c) Plaintiffs failed to show that the Final Proxy submitted to Mutual policyholders contained false statements of material facts or omitted material facts; (ii) determining that the Court lacked jurisdiction to impose a constructive trust over the sale/merger proceeds to be paid to the Group shareholders who were not parties in the case; (iii) refusing to impose a constructive trust over the sale/merger proceeds to be paid to the Mutual and Group directors and officers who are or were parties in the case; and (iv) granting in part the motion to dismiss for lack of irreparable harm by dismissing the requests to enjoin the policyholder vote, to enjoin the proposed sale/merger, to issue a new proxy statement and to strike provisions of the Merger Agreement.

V. On April 24, 2012, Mutual held a special meeting of its policyholders, at which time the Merger was approved. On May 1, 2012, Mutual was merged into Nationwide and Group became a wholly owned subsidiary of Nationwide.

W. On May 17, 2012 pursuant to a stipulation and Court Order, Plaintiffs agreed to discontinue without prejudice their claims against Group, Austell and Graddick-Weir (the

"Dismissed Defendants") on the condition that the Dismissed Defendants remain subject to Plaintiffs' discovery requests as if they had remained parties to the Consolidated Action.

X. On May 18, 2012, Plaintiffs filed a Motion for Leave to File a Proposed Second Amended Consolidated Class Action and Derivative Complaint ("Motion for Leave to Amend") and served Defendants with their proposed Second Amended Complaint. Plaintiffs' Second Amended Complaint reflected events that took place subsequent to the filing of the Amended Complaint and contained claims for fundamental unfairness against Mutual, Nationwide, and the Board, breach of fiduciary duty against the Board and Nationwide, aiding and abetting against Nationwide, violations of corporate governance principles, and unjust enrichment. In addition, the Second Amended Complaint included claims against Chandler and Mutual and Group's General Counsel, Robert A. Kauffman ("Kauffman"). On June 7, 2012, counsel for Nationwide, Mutual, the Mutual Director Defendants and the SLC filed a joint opposition to the Motion for Leave to Amend. The Court did not rule on Plaintiffs' Motion for Leave to Amend.

Y. Periodically during the litigation of the Consolidated Action, the Parties engaged in discussions concerning a potential resolution of the case but were unable to reach agreement. Subsequent to the preliminary injunction hearing, the Parties actively undertook negotiations regarding a settlement. The parties eventually agreed on the principal terms of a settlement and executed a memorandum of understanding ("MOU") memorializing its principal terms. The parties executed the MOU on July 24, 2012.

Z. Plaintiffs' entry into this Stipulation is not an admission as to the lack of merit of any claims asserted in the Consolidated Action. Plaintiffs and Lead Counsel warrant that they believe they have conducted a thorough investigation into the strengths and weaknesses of the claims they have and could have alleged in the Consolidated Action. They have also extensively

analyzed the evidence adduced during their investigation and through discovery, and have fully researched the applicable law. In negotiating and evaluating the terms of this Stipulation, they also considered the significant legal and factual defenses to their claims. Based upon their evaluation, Plaintiffs and Lead Counsel have determined that the Settlement (defined below) set forth in this Stipulation is fair, reasonable and adequate and in the best interests of all Class Members (defined below), and that it confers substantial benefits upon the Class Members.

AA. Defendants deny any and all allegations of wrongdoing, fault, liability or damage to any of Plaintiffs or other Class Members, deny that they engaged in, committed or aided or abetted the commission of any wrongdoing or violation of law, deny that any of Plaintiffs or other Class Members suffered any damage whatsoever, deny that they acted improperly in any way, believe that they acted properly at all times, maintain that they diligently and scrupulously complied with their fiduciary duties, and maintain that they have committed no disclosure violations or any other breach of duty whatsoever in connection with the Merger or any other alleged conduct challenged by Plaintiffs. Defendants desire to enter into this Settlement solely to eliminate the uncertainties, burden and expense of further litigation. Nothing in this Stipulation shall be construed as an admission by Defendants of wrongdoing, fault, liability, or damages whatsoever.

NOW, THEREFORE, IT IS HEREBY STIPULATED, CONSENTED TO AND AGREED, by Plaintiffs, for themselves and on behalf of the Settlement Class, and Defendants that, subject to the approval of the Court and pursuant to Pennsylvania Rule of Civil Procedure 1701 *et seq.*, and the other conditions set forth herein, for the good and valuable consideration set forth herein and conferred on Plaintiffs and the Settlement Class, the Consolidated Action shall be finally and fully settled, compromised and dismissed with prejudice, and that the Released

Claims shall be finally and fully compromised, settled, released and dismissed with prejudice as to the Released Parties, as defined herein, in the manner and upon the terms and conditions hereafter set forth.

A. Definitions

1. In addition to the terms defined above, the following capitalized terms, used in this Stipulation, shall have the meanings specified below:

(a) "Account" means the interest-bearing bank account referred to below and maintained by the Escrow Agent into which the Settlement Fund has been deposited.

(b) "Administrator" shall be The Garden City Group, Inc. ("GCG"), subject to approval by the Court. The Administrator shall be responsible for, among other things, determining the eligibility of Class Members, calculating their respective shares of the Settlement, arranging for distribution of settlement proceeds to eligible Class Members, preparing and filing appropriate tax returns in connection with the Settlement (but not for Mutual policyholders), and making appropriate reports to counsel and the Court concerning the status of the administration of the Settlement. By accepting this engagement, the Administrator agrees to be subject to the jurisdiction of the Court and shall agree to be bound by and comply with its determinations.

(c) "Claims" mean any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, diminutions in value, costs, debts, expenses, interest, penalties, fines, sanctions, fees, attorneys' fees, expert or consulting fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of any kind, nature or description whatsoever, whether disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, which now exist, or heretofore

or previously existed, or may hereafter exist, including known claims and Unknown Claims, whether direct, derivative, individual, class, representative, legal, equitable or of any other type, or in any other capacity, whether based on state, local, foreign, federal, statutory, regulatory, common or other law or rule, including but not limited to any claims under federal or state securities law (including claims subject to exclusive federal court jurisdiction), or under state disclosure law or any claims that could be asserted derivatively on behalf of Mutual.

(d) "Class Member" means a member of the Settlement Class who does not timely and validly opt out of the Settlement.

(e) "Court Approval" means the entry of the Judgment.

(f) "Defendants" means Harleysville Mutual Insurance Company ("Mutual"), Harleysville Group Inc. ("Group"), Nationwide Mutual Insurance Company ("Nationwide"), Nationals Sub Inc. ("Nationals Sub"), Michael L. Browne ("Browne"), W. Thacher Brown ("Brown"), G. Lawrence Buhl ("Buhl"), Nicholas DeBenedictis ("DeBenedictis"), Ellen M. Dunn ("Dunn"), Michael L. Lapeyrouse ("Lapeyrouse"), Jerry S. Rosenbloom ("Rosenbloom"), William W. Scranton III ("Scranton"), William E. Storts ("Storts"), Barbara A. Austell ("Austell"), Mirian Graddick-Weir ("Graddick-Weir"), and potential defendants Chandler and Kauffman. Browne, Brown, Buhl, DeBenedictis, Dunn, Lapeyrouse, Rosenbloom, Scranton and Storts are collectively referred to as the "Mutual Director Defendants."

(g) "Defendants' Claims" means any Claims that have been or could have been asserted in the Consolidated Action or any forum by Defendants or any of them or their respective successors and assigns against any of Plaintiffs, the Class Members, or any of their respective counsel, which arise out of or relate in any way to the institution, prosecution, settlement or dismissal of the Consolidated Action or of any of the six constituent actions that

comprise it, *provided, however*, that the Defendants' Claims shall not include any claims relating to the enforcement of the Settlement.

(h) "Effective Date" means the first business day following the date the Judgment becomes final and unappealable, whether by affirmance on or exhaustion of any possible appeal or review, writ of certiorari, lapse of time or otherwise. The finality of the Judgment shall not be affected by any appeal or other proceeding regarding solely an application for attorneys' fees and expenses, an application for an Incentive Award, or approval of any Plan of Allocation (defined below) of the Net Settlement Fund.

(i) "Escrow Agent" shall be the law firm of Barrack, Rodos & Bacine.

(j) "Escrow Agreement" means the agreement governing the Account.

(k) "Final Approval of the Fee Application" shall be deemed to occur on the first business day following the date any award of attorneys' fees and expenses in connection with the Fee Application (defined below) becomes final and no longer subject to further appeal or review, whether by affirmance on or exhaustion of any possible appeal or review, lapse of time or otherwise.

(l) "Immediate Family" means an Individual Defendant's spouse and children residing in the Individual Defendant's household. In this paragraph, "spouse" shall mean a husband, a wife, or a partner in a government-recognized domestic partnership or civil union.

(m) "Individual Defendants" means Browne, Brown, Buhl, DeBenedictis, Dunn, Lapeyrouse, Rosenbloom, Scranton, Storts, Austell, Graddick-Weir, and potential defendants Chandler and Kauffman.

(n) "Judgment" means the Final Judgment and Order of Dismissal to be

entered in the Consolidated Action. The Judgment is attached hereto as Exhibit C.

(o) "Merger Date" means the effective date of the Merger.

(p) "Net Settlement Fund" means the Settlement Fund less any taxes, tax expenses, attorneys' fees, incentive awards, and any other expenses approved by the Court.

(q) "Plaintiffs" means 34 Butler Real Estate, L.L.C. ("Butler"), A. Andrew Tignanelli ("Tignanelli"), and Nancy L. Goldstein ("Goldstein").

(r) "Plaintiffs' Counsel" means Lead Counsel and other counsel for Plaintiffs, including the law firms of Prickett, Jones & Elliott, P.A.; Fine Kaplan & Black; Adkins, Kelston & Zavez, P.C.; Gordon & Wolf, Chartered; Kohn, Swift & Graf, P.C.; and Spector, Roseman, Kodroff & Willis, P.C.

(s) "Released Claims" means any and all manner of Claims that (i) were asserted by Plaintiffs in the Consolidated Action or any of the six constituent actions that comprise it or (ii) could have been asserted by Plaintiffs or any other Class Member in the Consolidated Action or in any other court, tribunal, forum or proceeding that are based upon, arise out of, relate in any way to, or involve, directly or indirectly, any of the actions, transactions, occurrences, statements, representations, misrepresentations, omissions, allegations, facts, practices, events, claims or any other matters, things or causes whatsoever, or any series thereof, that were alleged, asserted, set forth, or claimed in the Consolidated Action or any of the six constituent actions that comprise it, including, without limitation, any and all claims which are based upon, arise out of, relate in any way to, or involve, directly or indirectly, (A) the Merger or any element, term, condition or circumstance of the Merger or the sale process leading up to the Merger, (B) any actions, deliberations, or negotiations by the Released Parties in connection with the Merger, (C) the consideration to be received by Class Members or by any

other person in connection with the Merger, (D) the consideration paid or received by any Released Party in connection with the Merger, (E) the April 24, 2012 vote of the Mutual policyholders on the Merger, (F) the Draft Proxy, the Final Proxy, or any amendments thereto (including their respective exhibits), or any other disclosures, public filings, periodic reports, press releases, proxy statements or other statements issued, made available or filed relating, directly or indirectly, to the Merger, (G) the fiduciary duties and obligations of the Released Parties in connection with the Merger, (H) any of the allegations in any complaint or amendment(s) thereto filed in the Consolidated Action, including in any of the six constituent actions that comprise it, and (I) the fees, expenses or costs incurred in prosecuting, defending or settling the Consolidated Action or any of the six constituent actions that comprise it, except to the extent of any fee and expense award from the Settlement Fund pursuant to Section F hereof; provided, however, that the Released Claims shall not include any claims relating to the enforcement of the Settlement.

(t) Whether or not any or all of the following persons or entities were named, served with process, or appeared in the Consolidated Action, "Released Parties" means (i) any and all Defendants; (ii) the members of each Individual Defendant's Immediate Family; (iii) Defendants' respective past or present affiliates, associates, subsidiaries, parents, predecessors and successors, and each of their officers, directors, employees, agents, advisors, financial or investment advisors, and attorneys; (iv) any person, firm, trust, corporation, officer, director or other individual or entity in which any Defendant had a controlling interest as of May 1, 2012; (v) the legal representatives, heirs, successors in interest or assigns of any of the foregoing; (vi) all persons acting on behalf of the Defendants (including without limitation all investment advisors and attorneys advising them); and (vii) the SLC and its members, and all investment

advisors and attorneys advising the SLC. A person or entity has a controlling interest in an entity when he, she, or it has, directly or indirectly, a majority interest in that entity.

(u) "Settlement" means the settlement contemplated by this Stipulation.

(v) "Settlement Amount" means a total amount of twenty-six million dollars in cash ($26,000,000).

(w) "Settlement Class" means an opt out class of any and all Mutual policyholders who were eligible to vote on the Merger Agreement as of the record date (the close of business on March 1, 2012) or who owned their policies as of the closing date of the Merger (May 1, 2012), including any and all of their respective successors-in-interest, successors, predecessors-in-interest, predecessors, representatives, trustees, executors, administrators, estates, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them, together with their predecessors-in-interest, predecessors, successors-in-interest, successors, and assigns. The Settlement Class excludes Defendants; the members of each Individual Defendant's Immediate Family; the respective parents and subsidiaries of Mutual, Group, Nationwide or Nationals Sub; any firm, trust, corporation or other entity in which any Defendant had a controlling interest as of March 1, 2012 or May 1, 2012; and the legal representatives, heirs, successors in interest or assigns of any such excluded party.

(x) "Settlement Fund" means the fund consisting of the Settlement Amount deposited in the Account plus any interest or other income earned thereon.

(y) "Settlement Hearing" means the hearing to be held by the Court to determine whether to certify the Settlement Class pursuant to the Pennsylvania Rules of Civil Procedure, whether Plaintiffs and Plaintiffs' Counsel have adequately represented the Settlement

Class, whether the proposed Settlement should be approved as fair, reasonable and adequate, whether all Released Claims should be dismissed with prejudice as against the Released Parties, whether an Order and Judgment approving the Settlement should be entered, and whether and in what amount any award of attorneys' fees and expenses should be paid to Plaintiffs' Counsel out of the Settlement Fund.

(z) "Unknown Claims" means any and all claims that any Plaintiff or Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Claims as against the Released Parties, including without limitation those which, if known, might have affected the decision to enter into this Settlement, and any and all claims which any Defendant does not know or suspect to exist in his, her or its favor at the time of the release of the Defendants' Claims, including without limitation those which, if known, might have affected the decision to enter into this Settlement. With respect to any of the Released Claims and Defendants' Claims, the Parties stipulate and agree that upon the Effective Date, Plaintiffs and Defendants shall expressly waive, relinquish and release, and each of the Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived, relinquished and released any and all provisions, rights and benefits conferred by or under Cal. Civ. Code § 1542 or any law of the United States or any state of the United States or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable or equivalent to Cal. Civ. Code § 1542, which provides: "A general release does not extend to claims which the creditor does not know or suspect exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor." Plaintiffs and Defendants acknowledge, and the other Class Members by operation of law shall be deemed to have acknowledged, that they may discover facts in addition to or

different from those now known or believed to be true with respect to the Released Claims and the Defendants' Claims, but that it is the intention of Plaintiffs and Defendants, and by operation of law as to the other Class Members, to completely, fully, finally and forever extinguish any and all Released Claims and Defendants' Claims, known or unknown, suspected or unsuspected, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. Plaintiffs and Defendants acknowledge, and the other Class Members and other Released Parties by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of "Released Claims" and in the definition of "Defendants' Claims" was a key element of the Settlement and was relied upon by Plaintiffs and Defendants in entering into this Stipulation.

B. Conditional Class Certification

2. Solely for purposes of the Settlement and for no other purpose, the Parties stipulate and agree to: (a) certification of the Consolidated Action as an opt out class action pursuant to the Pennsylvania Rules of Civil Procedure on behalf of the Settlement Class; (b) certification of Plaintiffs Tignanelli, Butler, and Goldstein as Settlement Class representatives; and (c) appointment of Lead Counsel as Settlement Class counsel.

3. The certification of the Settlement Class shall be binding only with respect to this Stipulation. In the event that this Stipulation is terminated pursuant to its terms, or is not approved in all material respects by the Court, the Defendants withdraw from the Settlement pursuant to the terms hereof, the Effective Date does not occur, the Settlement does not otherwise become final for any reason, or any judgment or order entered pursuant hereto is reversed, vacated, or modified in any material respect by the Court or any other court (except as provided in the last sentence of Paragraph 10), the certification of the Settlement Class shall be deemed vacated, the Consolidated Action shall proceed as though the Settlement Class had never

been certified, and no reference to the certification of the Settlement Class, or to the Stipulation or any documents related thereto, shall be made by the Parties for any purpose, except as expressly authorized by the terms of this Stipulation. If any of the foregoing events occur, Defendants reserve the right to oppose certification of any plaintiff class in any proceeding.

C. Settlement Consideration and Scope of the Settlement

4. In consideration for the full and final settlement and dismissal with prejudice of, and the release of, any and all Released Claims, Defendants shall pay, or cause to be paid, a total of $26,000,000 for the benefit of the Settlement Class, which amount has been deposited into the Account pursuant to the MOU. Except as expressly provided in this Stipulation, no Defendant nor any Released Party shall have any obligation to pay or bear any additional amounts, expenses, costs, damages, or fees to or for the benefit of Plaintiffs or any Class Members in connection with this Settlement, including but not limited to attorneys' fees and expenses for any counsel to any Class Member.

5. Pursuant to the Judgment, upon the Effective Date and the satisfaction of the conditions referenced in Paragraphs 10 and 11 below, the Consolidated Action shall be dismissed with prejudice, with each Party to bear his, her or its own costs and expenses, except as otherwise expressly provided in this Stipulation.

6. Pursuant to the Judgment, upon the Effective Date and the satisfaction of the conditions referenced in Paragraphs 10 and 11 below, Plaintiffs and all Class Members, on behalf of themselves and any and all of their respective successors-in-interest, successors, predecessors-in-interest, predecessors, representatives, trustees, executors, administrators, estates, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them, shall be deemed by operation of law to have fully, finally and forever, released, settled and discharged the Released Parties from

and with respect to the Released Claims, and shall forever be barred and enjoined from commencing, instituting or prosecuting any Released Claims against any of the Released Parties.

7. Pursuant to the Judgment, upon the Effective Date and the satisfaction of the conditions referenced in Paragraphs 10 and 11 below, each of the Defendants, on behalf of themselves and any and all of their respective successors-in-interest, successors, predecessors-in-interest, predecessors, representatives, trustees, executors, administrators, estates, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them, shall be deemed by operation of law to have fully, finally and forever released, settled and discharged each and every one of the Defendants' Claims, and shall forever be barred and enjoined from commencing, instituting or prosecuting any of the Defendants' Claims, against Plaintiffs and all Class Members, and all of their respective counsel.

8. The obligations incurred pursuant to this Stipulation shall be in full and final disposition of the Consolidated Action, the Released Claims and the Defendants' Claims. It is the intention of the Parties that the Settlement eliminate all further risk and liability relating to the Released Claims and the Defendants' Claims, and that the Settlement shall be a final and complete resolution of all disputes asserted or which could be or could have been asserted with respect to the Released Claims and the Defendants' Claims, including without limitation any third party claims for contribution or indemnity and any similar laws or statutes, provided, however, that nothing herein shall release or otherwise affect any claims for contribution or indemnity between or among Defendants and/or applicable insurance carriers.

D. Submission of the Settlement to the Court for Approval

9. As soon as practicable after this Stipulation has been executed, Plaintiffs and Defendants shall jointly apply to the Court for entry of the Preliminary Approval Order attached

hereto as Exhibit A. The Preliminary Approval Order provides for, among other things,

(a) a plan for notifying Class Members of the Settlement, including the mailing to the Class Members of the Notice of Proposed Settlement of Class Action, Settlement Hearing and Right to Appear (the "Notice"), a copy of which is attached hereto as Exhibit B;

(b) the scheduling of the Settlement Hearing to consider: (i) the proposed Settlement, (ii) the joint request of the Parties that the Judgment be entered, (iii) certification of the Settlement Class for purposes of the Settlement only, (iv) Lead Counsel's application (on behalf of all Plaintiffs' Counsel) for attorneys' fees and expenses, (v) the Plan of Allocation, and any objections to the foregoing; and

(c) a stay of the prosecution of the Consolidated Action pending further order of the Court (the "Preliminary Approval Order").

E. Conditions of Settlement

10. This Stipulation shall be subject to the following conditions and may be canceled and terminated upon written notice by any Party within twenty (20) business days of its receipt of notice of the occurrence of either of the following:

(a) the Court or any reviewing court rejects or materially modifies the Parties' proposed Preliminary Approval Order; or

(b) the Court or any reviewing court rejects or materially modifies the Judgment or refuses to dismiss the Consolidated Action with prejudice.

Neither a modification nor a reversal on appeal of the amount of fees, costs and expenses awarded by the Court to Plaintiffs' Counsel, the amount of an Incentive Award, if any, awarded by the Court, or the Plan of Allocation (defined below) shall be deemed a material modification of the Judgment, the Preliminary Approval Order, or this Stipulation.

11. If Class Members who, collectively, owned more than 4,000 Eligible Policies (as

defined in the Plan of Allocation) opt out of the Settlement and perfect requests for exclusion pursuant to the Notice and the Preliminary Approval Order, then Nationwide may, within twenty (20) business days after its receipt of written notice thereof, terminate this Stipulation.

F. Attorneys' Fees and Expenses

12. Lead Counsel will apply to the Court for a collective award of attorneys' fees and expenses to Plaintiffs' Counsel, which shall be no more than 33% of the Settlement Fund, to be paid solely out of the Settlement Fund (the "Fee Application"). Defendants shall take no position on this application. The Parties acknowledge and agree that any fees and expenses awarded by the Court to Plaintiffs' counsel shall be paid solely from the Account pursuant to written instructions from Lead Counsel (the "Fee Award"). The Fee Award may be distributed to Plaintiffs' Counsel within ten (10) days after the date of entry by the Court of an order awarding such attorneys' fees and expenses, notwithstanding the existence of any timely filed objections to the Fee Award or Settlement, or potential for appeal therefrom, or collateral attack on the Settlement or any part thereof; *provided, however*, that in the event that (a) the Fee Award is disapproved, reduced, reversed or otherwise modified, whether on appeal, further proceedings on remand, successful collateral attack or otherwise or (b) this Stipulation is cancelled or terminated pursuant to the provisions of Paragraphs 10 and 11 above, then Lead Counsel shall, within ten (10) days after Lead Counsel receives notice of any such disapproval, reduction, reversal or other modification, return to the Settlement Fund the difference between the attorneys' fees and expenses awarded by the Court in the Fee Award on the one hand, and any attorneys' fees and expenses ultimately and finally awarded on appeal, further proceedings on remand or otherwise on the other hand plus accrued interest at the same net rate as is earned by the Settlement Fund. The Fee Application shall be the only petition for attorneys' fees and expenses filed by or on behalf of Plaintiffs, any other Class Member, Lead Counsel, or counsel

for any other Class Member. In no event shall any of the Released Parties be obligated to pay any of such attorneys' fees and expenses as it is expressly understood that all such payments will be made out of the Settlement Fund.

13. Lead Counsel will ask the Court to authorize a payment of $10,000 to be deducted from the Fee Award and paid to Lead Plaintiff Tignanelli for his time and efforts in the litigation (the "Incentive Award"). Defendants shall take no position on the Incentive Award. Other than the Incentive Award, Lead Counsel warrants that no portion of any such award of attorneys' fees or expenses shall be paid to any of the Plaintiffs or any Class Member, except as may be otherwise approved by the Court.

14. The Fee Award shall only be allocated amongst and distributed to Plaintiffs' Counsel with the unanimous agreement of Lead Counsel. This allocation shall reflect Lead Counsel's good faith assessment of the contributions of Plaintiffs' Counsel to the initiation, prosecution, and settlement of the Consolidated Action. Defendants and the Released Parties shall have no responsibility for the allocation by Lead Counsel of the Fee Award.

G. Stay Pending Court Approval

15. The Parties agree to stay the proceedings in the Consolidated Action and to stay and not to initiate any other proceedings other than those incident to the Settlement itself pending the occurrence of the Effective Date. The Parties' respective deadlines to respond to any filed or served pleadings or discovery requests are extended indefinitely.

H. Effect of Disapproval, Cancellation or Termination

16. If this Stipulation is canceled or terminated pursuant to its terms, then:

(a) The Settlement Fund, including interest or other income actually earned thereon, less any taxes and tax expenses paid or due with respect to such amounts, less any cost or expenses of notice or administration actually incurred and paid or payable, and less any

escrow fees or costs actually incurred and paid or payable, shall be refunded to Defendants within twenty (20) business days after such cancellation or termination;

(b) All of the Parties shall be deemed to have reverted to their respective litigation status immediately prior to the execution of the MOU on July 24, 2012, and they shall proceed in all respects as if the Stipulation had not been executed and the related orders had not been entered (except that the Parties shall confer in good faith and endeavor to agree on a schedule, subject to the approval of the Court, for responding to any filed or served pleadings, motions and discovery requests), and in that event all of their respective claims and defenses as to any issue in the Consolidated Action shall be preserved without prejudice in any way; and

(c) Defendants reserve the right to oppose certification of any plaintiff class in any future proceedings (including, but not limited to, in any proceedings in the Consolidated Action) and Plaintiffs and Lead Counsel agree that this Stipulation, and any statements made in connection with the negotiation of this Stipulation, shall not be used nor entitle any party to recover any fees, costs or expenses incurred in connection with the Consolidated Action or in connection with any other litigation or judicial proceeding.

I. Investment of the Settlement Fund

17. The Settlement Fund, including all interest accruing thereon, shall be deemed to be in the custody of the Court and will remain subject to the jurisdiction of the Court until such time as it is distributed pursuant to the terms of this Stipulation and/or further order of the Court. The Escrow Agent shall invest any funds in the Account 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 of less than $250,000 may be invested in an account that is fully insured by the United States Government or any agency thereof, including 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 a non-interest bearing account that is fully insured by the United States Government or any agency thereof, including the FDIC.

J. Administration of the Settlement Fund

18. The Administrator shall, subject to the supervision, direction and approval of the Court, oversee administration and distribution of the Settlement Fund.

19. The Administrator shall discharge its duties under Lead Counsel's supervision and subject to the jurisdiction of the Court. Lead Counsel shall cause the Administrator to mail the Notice to those members of the Settlement Class at the address of each such person as set forth in the records of Mutual and/or its successor in interest, or who otherwise may be identified through further reasonable effort. For the purpose of identifying and providing notice to the Settlement Class, within ten (10) business days after the date of entry of the Preliminary Approval Order, Mutual or its successor shall provide or cause to be provided to the Administrator relevant lists of Mutual's policyholders (consisting of names and addresses), in electronic form. Mutual or its successor will work in good faith with the Administrator to produce the relevant lists in a form suitable to the Administrator.

20. The Settlement Fund is intended to be a Qualified Settlement Fund within the meaning of Treasury Regulation § 1.468B-1 and is to be administered in compliance with applicable IRS regulations. For the purposes of Section 468B of the Internal Revenue Code of 1986, as amended, and Treasury Regulation § 1.468B-1 promulgated thereunder, the "administrator" shall be the Administrator or its successor, and the Administrator shall be responsible for administering the Settlement Fund in accordance with applicable IRS regulations. The Parties agree to cooperate to the extent necessary to carry out the provisions of this paragraph.

21. The Settlement Fund shall be applied as follows:

(a) To pay any taxes and/or tax expenses owed by the Settlement Fund;

(b) Subject to the approval and further order(s) of the Court, to pay to Lead Counsel the amount awarded by the Court pursuant to the Fee Application; and

(c) Subject to the approval and further order(s) of the Court, to distribute the balance of the Net Settlement Fund to the Settlement Class as ordered by the Court in the Class Distribution Order (defined below).

22. Defendants will be responsible for all reasonable costs related to locating and providing notice to Class Members and administering and distributing the Settlement Fund to the Settlement Class, escrow fees and costs. Such costs and expenses shall include, without limitation, the actual costs of printing and mailing the Notice, the administrative expenses incurred and fees charged by the Administrator in connection with providing Notice, and the fees, if any, of the Escrow Agent. In the event that the Settlement is terminated pursuant to the terms of this Stipulation, any amounts reasonably paid or reasonably incurred pursuant to this Paragraph shall not be returned or repaid to Defendants, or any other person who paid any portion of the Settlement Amount into the Account.

23. The Net Settlement Fund shall be allocated among eligible Settlement Class members based on a plan of allocation that has been approved by the Court ("Plan of Allocation"). The Plan of Allocation is attached hereto as Exhibit D. Defendants shall provide to Lead Counsel and the Administrator documents and information sufficient to allocate the Settlement Fund according to the Plan of Allocation. Defendants further covenant that any Defendant or related party who improperly receives proceeds from the Net Settlement Fund shall promptly return such funds. Prior to the distribution of the Net Settlement Fund, Lead Counsel

shall apply to the Court, on notice to Defendants' counsel, for an order directing payment of the Net Settlement Fund to Settlement Class members from the Account pursuant to the Plan of Allocation (the "Class Distribution Order").

24. Lead Counsel shall be solely responsible for supervising the administration of the Settlement and disbursement of the Net Settlement Fund. The Released Parties shall have no involvement in, responsibility for, or liability relating to the determination or approval of the Plan of Allocation or the determination, calculation or payment of the Net Settlement Fund to members of the Settlement Class pursuant to the Plan of Allocation.

25. No Class Member shall have any claim against any Defendant or Released Party, or any of their counsel, arising out of or related in any way to the Plan of Allocation or the allocation and distribution of the Net Settlement Fund. No Class Member shall have any claim against Plaintiffs, Lead Counsel, or the Administrator, or any of their counsel, based on the distributions made substantially in accordance with this Stipulation provided that the manner and formula for determining the distributions has been approved by order of the Court.

K. Distribution of the Net Settlement Fund

26. All proceedings with respect to the administration, processing and distribution of the Settlement Fund and the determination of all controversies relating thereto, shall be subject to the jurisdiction of the Court.

27. The Net Settlement Fund shall be distributed to Settlement Class members only after the Effective Date and after: (i) all matters with respect to attorneys' fees, costs, and disbursements have been resolved by the Court, and all appeals therefrom have been resolved or the time therefor has expired; (ii) all costs of administration, taxes and tax expenses have been paid or reserved; and (iii) the Court has entered the Class Distribution Order (the "Distribution Time").

28. At the Distribution Time, Lead Counsel shall direct the Administrator to make distributions from the Net Settlement Fund to each Class Member in accordance with the Class Distribution Order.

29. Any modification of the Plan of Allocation or the Class Distribution Order by the Court shall not affect the enforceability of the Stipulation, provide any of the Parties with the right to terminate the Settlement, impose an obligation on any of Defendants or Released Parties to increase the consideration paid in connection with the Settlement or affect or delay the binding effect, effectiveness, or finality of the Judgment and the release of the Released Claims. Finality of the Settlement shall not be conditioned on any ruling by the Court solely concerning the Plan of Allocation or the Class Distribution Order.

30. This is not a claims-made settlement. Upon the occurrence of the Effective Date, none of the Defendants, nor any person or entity who or which paid any portion of the Settlement Fund on their behalf, shall have any right to the return of the Settlement Fund or any portion thereof, irrespective of the amounts to be paid to Class Members from the Net Settlement Fund.

31. After reasonable and diligent efforts have been made to distribute the Net Settlement Fund to Class Members, any balance remaining in the Net Settlement Fund six (6) months after the distribution shall, if economically feasible, be reallocated to Class Members who have cashed their distribution check. Thereafter, any balance remaining shall be paid as ordered by the Court. Lead Counsel, and their agents, shall be solely responsible for obtaining Court approval of, and for making, payment of any such balance.

L. Miscellaneous Provisions

32. Each Defendant contributing to the Settlement Amount represents and warrants as to himself, herself or itself that, as to the payments made by or on behalf of him, her or it, at the time of such payment that the Defendant made or caused to be made pursuant to Paragraph 4

above, he, she or it was not insolvent, and that the payment required to be made by or on behalf of him, her or it neither rendered nor will render such Defendant insolvent, within the meaning of and/or for the purposes of the United States Bankruptcy Code. This representation and warranty is made by each such Defendant and not by such Defendant's counsel.

33. If a case is commenced in respect of any Defendant contributing to the Settlement Amount under Title 11 of the United States Code (Bankruptcy), or a trustee, receiver, conservator, or other fiduciary is appointed under any similar law, and 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 such Defendant 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 to the Settlement Fund by others, then, at the election of Lead Counsel, Plaintiffs and Defendants shall jointly move the Court to vacate and set aside the releases given and Judgment entered in favor of the Defendants pursuant to this Stipulation, which releases and Judgment shall be null and void, and the Parties to this Stipulation shall be restored to their respective positions in the Consolidated Action as of July 24, 2012, any cash amounts in the Settlement Fund shall be returned as provided in Paragraph 16 above, and any cash amounts already paid out of the Settlement Fund, including without limitation any attorneys' fees and expenses awarded by the Court in the Fee Award, shall be returned to Defendants plus accrued interest at the same net rate as is earned by the Settlement Fund.

34. This Stipulation may be amended or modified only by a written instrument signed by counsel for all Parties or their successors.

35. The Parties represent and agree that the terms of the Settlement were negotiated at

arm's-length and in good faith by the Parties, and reflect a settlement that was reached voluntarily based upon adequate information and sufficient discovery and after consultation with experienced legal counsel. Plaintiffs and Defendants agree not to assert in any forum that this Consolidated Action was brought by Plaintiffs or defended by Defendants in bad faith or without a reasonable basis.

36. Each Party denies any and all allegations of wrongdoing, fault, liability or damage in the Consolidated Action. The Parties covenant and agree that neither this Stipulation, nor the fact or any terms of the Settlement, is evidence, or an admission or concession by any Party in the Consolidated Action, any signatory hereto or any Released Party, of any fault, liability or wrongdoing whatsoever, as to any facts or claims alleged or asserted in the Consolidated Action (or in any of the six constituent actions that comprise it), or any other actions or proceedings. This Stipulation is not a finding or evidence of the validity or invalidity of any claims or defenses in the Consolidated Action or any wrongdoing by any of the Defendants or any damages or injury to any Class Members. Neither this Stipulation, nor any of the terms and provisions of this Stipulation, nor any of the negotiations or proceedings in connection therewith, nor any of the documents or statements referred to herein or therein, nor the Settlement, nor the fact of the Settlement, nor the settlement proceedings, nor any statements in connection therewith, (a) shall (i) be argued to be, used or construed as, offered or received in evidence as, or otherwise constitute an admission, concession, presumption, proof, evidence, or a finding of any liability, fault, wrongdoing, injury or damages, or of any wrongful conduct, acts or omissions on the part of any of the Released Parties, or of any infirmity of any defense, or of any damage to any Plaintiff or Class Member, (ii) otherwise be used to create or give rise to any inference or presumption against any of the Released Parties concerning any fact alleged or that

could have been alleged, or any claim asserted or that could have been asserted in the Consolidated Action, or of any purported liability, fault, or wrongdoing of the Released Parties or of any injury or damages to any person or entity, or (iii) be offered or received against Plaintiffs or any of the other Class Members as evidence of any infirmity in the claims of Plaintiffs or the other Class Members or offered or received as an admission, concession, or presumption that any of their claims are without merit or that damages recoverable under the complaints would not have exceeded the Settlement Amount; or (b) shall otherwise be admissible, referred to or used in any proceeding of any nature, for any purpose whatsoever; provided, however, that the Stipulation and/or Judgment may be introduced in any proceeding, whether in the Court or otherwise, as may be necessary to argue that the Stipulation and/or Judgment has res judicata, collateral estoppel or other issue or claim preclusion effect or to otherwise consummate or enforce the Settlement and/or Judgment.

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

38. The waiver by any Party of any breach of this Stipulation by any other Party shall not be deemed a waiver of that or any other prior or subsequent breach of any provision of this Stipulation by any other Party.

39. This Stipulation constitutes the entire agreement between the Plaintiffs, on the one hand, and the Defendants, on the other hand, and supersedes any prior agreements (including the MOU) among Plaintiffs, on the one hand, and Defendants, on the other hand, with respect to the subject matter hereof. No representations, warranties or inducements have been made to or relied upon by any Party concerning this Stipulation, other than the representations, warranties

and covenants expressly set forth in this Stipulation.

40. This Stipulation may be executed in one or more counterparts, including by facsimile and electronic mail.

41. The Parties and their respective counsel of record agree that they will use their best efforts to obtain all necessary approvals of the Court required by this Stipulation (including, but not limited to, using their best efforts to resolve or defeat any objections raised to the Settlement).

42. The Parties agree to cooperate with Lead Counsel, their agents, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this Stipulation.

43. Plaintiffs and Lead Counsel represent and warrant that Plaintiffs are members of the Settlement Class and that none of Plaintiffs' claims or causes of action referred to in this Stipulation have been assigned, encumbered, or otherwise transferred in any manner in whole or in part.

44. Each counsel signing this Stipulation represents and warrants that such counsel has been duly empowered and authorized to sign this Stipulation on behalf of his or her clients.

45. This Stipulation shall be binding upon and shall inure to the benefit of the Parties and the Settlement Class (and, in the case of the releases, all Released Parties) and the respective legal representatives, heirs, executors, administrators, transferees, successors and assigns of all such foregoing persons or entities and upon any corporation, partnership, or other entity into or with which any party may merge, consolidate or reorganize.

46. This Stipulation, the Settlement, and any and all disputes arising out of or relating in any way to this Stipulation or Settlement, whether in contract, tort or otherwise, shall be

governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to conflicts of law principles. Any action or proceeding arising out of or relating in any way to this Stipulation or the Settlement, or to enforce any of the terms of the Stipulation or Settlement, shall (i) be brought, heard and determined exclusively in this Court, which shall retain jurisdiction over the Parties and all such disputes (provided that, in the event that subject matter jurisdiction is unavailable in this Court, then any such action or proceeding shall be brought, heard and determined exclusively in any other state or federal court sitting in Philadelphia, Pennsylvania) and (ii) shall not be litigated or otherwise pursued in any forum or venue other than this Court (or, if subject matter jurisdiction is unavailable in this Court, then in any forum or venue other than any other state or federal court sitting in Philadelphia, Pennsylvania). Each Party hereto (1) consents to personal jurisdiction in any such action (but in no other action) brought in this Court; (2) consents to service of process by registered mail upon such Party and/or such Party's agent; (3) waives any objection to venue in this Court and any claim that Pennsylvania or this Court is an inconvenient forum; and (4) EXPRESSLY WAIVES ANY RIGHT TO DEMAND A JURY TRIAL AS TO ANY DISPUTE DESCRIBED IN THIS PARAGRAPH.

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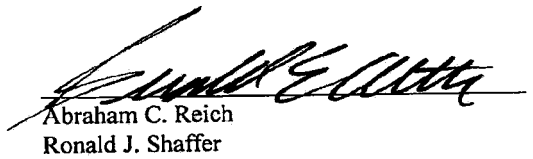

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