

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

RUSSELL THIELE and JEFFREY
EDELMAN, Derivatively on Behalf of
AMNEAL PHARMACEUTICALS,
INC.,

Plaintiffs,

v.

KASHIV BIOSCIENCES, LLC,
CHINTU PATEL, CHIRAG PATEL,
GAUTAM PATEL, J. KEVIN BUCHI,
JEFF GEORGE, JOHN KIELY, and
SHLOMO YANAI,

Defendants,

-and-

AMNEAL PHARMACEUTICALS,
INC., a Delaware Corporation,

Nominal Defendant.

C.A. No. 2022-0272-LWW

**STIPULATION AND AGREEMENT OF
COMPROMISE AND SETTLEMENT**

This Stipulation and Agreement of Compromise and Settlement (the “Stipulation” or the “Settlement Agreement”), is entered into by and among Plaintiffs Russell Thiele and Jeffrey Edelman (together, “Plaintiffs”), Defendants J. Kevin Buchi, Jeff George, John Kiely, Shlomo Yanai, (collectively, the “Conflicts Committee Defendants”), Defendant Kashiv Biosciences, LLC (“Kashiv”), Defendants Chintu Patel, Chirag Patel, and Gautam Patel (collectively, the

“Amneal Group Defendants,” and collectively with the Conflicts Committee Defendants and Kashiv, the “Defendants”), and Nominal Defendant Amneal Pharmaceuticals, Inc. (“Amneal” or the “Company” and together with Plaintiffs and Defendants, each a “Party” and collectively the “Parties”), who are parties to the action captioned *Thiele v. Kashiv Biosciences, LLC, et al.*, C.A. No. 2022-0272-LWW (the “Action”), pending in the Court of Chancery of the State of Delaware (the “Court”). This Stipulation sets forth all of the terms of the Settlement (as defined below) and resolution of this matter and is intended by the Parties to fully, finally, and forever resolve, discharge, and settle all Released Claims (as defined below) as against the Released Parties (as defined below), subject to the terms and conditions of the Settlement (as defined below) and subject to the approval of the Court, without any admission or concession as to the merits of any claim or defense by the Parties.

WHEREAS, Amneal is a holding company, whose principal assets are common units of Amneal Pharmaceuticals LLC (“Amneal LLC”);

WHEREAS, Amneal is majority-owned by the Amneal Group (as defined below), a group of stockholders, including the Amneal Group Defendants, that, together with their affiliates and certain assignees, owned Amneal LLC when it was a private company;

WHEREAS, Kashiv is a private company owned, in part, by certain members (and/or their affiliates) of the Amneal Group, including certain of the Amneal Group Defendants;

WHEREAS, in September 2020, Kashiv offered to sell Amneal a 98% interest in Kashiv Specialty Pharmaceuticals, LLC (“KSP”), a business division of Kashiv focused on the development of specialty and complex generics products;

WHEREAS, Chirag and Chintu Patel presented the potential purchase of an interest in KSP to Amneal’s Board of Directors (the “Amneal Board”) on September 9, 2020;

WHEREAS, on September 24, 2020, all voting directors of the Amneal Board (*i.e.*, all directors other than Chirag, Chintu, and Gautam Patel) unanimously passed a resolution delegating to the Conflicts Committee of the Amneal Board the authority to review, evaluate, and negotiate the terms of a potential transaction on Amneal’s behalf, including engaging and retaining in its sole discretion legal, financial, or other advisors to assist it in its review;

WHEREAS, to review the proposed acquisition of KSP, the Conflicts Committee engaged legal and financial advisors, retained three consulting firms, and enlisted support from members of Amneal’s management;

WHEREAS, Defendants assert that all of the Conflicts Committees advisors and consultants were independent;

WHEREAS, the Conflicts Committee met at least seventeen times between September 2020 and January 2021 to evaluate and negotiate a potential purchase of an interest in KSP;

WHEREAS, the Conflicts Committee and Kashiv exchanged at least five proposals for the terms of a potential transaction between December 2020 and January 2021;

WHEREAS, on January 10, 2021, the Conflicts Committee approved acquiring a 98% membership interest in KSP on January 11, which Amneal disclosed via a Form 8-K the following day (the “KSP Transaction”);

WHEREAS, Defendants contend that their approval of the KSP Transaction was informed by, among other things, a fairness opinion from the Royal Bank of Canada;

WHEREAS, the terms of the KSP Transaction provided that Amneal would pay Kashiv an upfront cash payment of \$70 million at closing (subject to customary purchase price adjustments), a cash payment of \$30 million at the one-year anniversary of the execution of the purchase agreement, up to \$8 million in contingent payments upon the achievement of certain regulatory milestones, and certain royalty payments equal to an escalating percentage of aggregate annual net sales for certain pharmaceutical products;

WHEREAS, as a result of the KSP Transaction, Amneal acquired, among other things, a pipeline of 505(b)(2) specialty products primarily in neurology and endocrinology, as well as a pipeline of complex generics;

WHEREAS, the KSP Transaction closed on April 5, 2021;

WHEREAS, on April 7, 2021, Plaintiff Jeffrey Edelman served a demand for books and records on Amneal pursuant to 8 *Del. C.* § 220;

WHEREAS, on April 23, 2021, Mr. Edelman sent a final demand for books and records on Amneal pursuant to 8 *Del. C.* § 220;

WHEREAS, on May 19, 2021, Mr. Edelman filed a Verified Complaint pursuant to 8 *Del. C.* § 220 to compel the inspection of Amneal books and records;

WHEREAS, on June 11, 2021, Amneal sent a written response to Mr. Edelman's demand for books and records, agreeing to produce certain categories of requested materials contingent on the execution of a confidentiality agreement;

WHEREAS, on September 13, 2021, Plaintiff Russell Thiele served a demand for books and records on Amneal pursuant to 8 *Del. C.* § 220;

WHEREAS, on October 8, 2021, Amneal sent a written response to Mr. Thiele's demand for books and records;

WHEREAS, Amneal produced books and records concerning the KSP Transaction and related issues to Plaintiffs on a rolling basis between June 21, 2021 and March 11, 2022;

WHEREAS, on March 22, 2022, Plaintiffs, utilizing books and records produced by the Company pursuant to 8 *Del. C.* § 220, filed a Verified Stockholder Derivative Complaint (the “Complaint”) against Defendants alleging that the KSP Transaction was unfair to Amneal and asserting claims for breaches of fiduciary duty and related claims stemming from the KSP Transaction, and seeking damages related thereto;

WHEREAS, on June 3, 2022, Amneal and the Defendants filed motions to dismiss the Complaint, and opening briefs in support thereof, including on the grounds that Plaintiffs failed to properly plead demand futility under Court of Chancery Rule 23.1 and that the Complaint should be dismissed for failing to state claims under Court of Chancery Rule 12(b)(6);

WHEREAS, on July 29, 2022, Plaintiffs, utilizing books and records produced by the Company pursuant to 8 *Del. C.* § 220, filed a Verified Amended Stockholder Derivative Complaint (the “Amended Complaint”) against Defendants alleging that the KSP Transaction was unfair to Amneal and asserting claims for breaches of fiduciary duty and related claims stemming from the KSP Transaction, and seeking damages related thereto;

WHEREAS, on or around August 3, 2022, the Amneal Board appointed Deborah M. Autor to the Amneal Board, after having determined that Ms. Autor satisfied the Company's independence standards and the independence standards of the New York Stock Exchange ("NYSE"), and Ms. Autor was added to the Conflicts Committee;

WHEREAS, on September 23, 2022, Amneal and the Defendants filed motions to dismiss the Amended Complaint, and opening briefs in support thereof, including on the grounds that Plaintiffs failed to properly plead demand futility under Court of Chancery Rule 23.1 and that the Amended Complaint should be dismissed for failing to state claims under Court of Chancery Rule 12(b)(6);

WHEREAS, on December 9, 2022, Plaintiffs filed an answering brief in opposition to the motions to dismiss;

WHEREAS, on January 20, 2023, Defendants filed reply briefs in further support of their motions to dismiss;

WHEREAS, oral argument on the pending motions to dismiss was scheduled for April 20, 2023 before Vice Chancellor Paul A. Fioravanti, Jr.;

WHEREAS, on February 17, 2023, the Action was reassigned from Vice Chancellor Fioravanti to Chancellor Kathaleen St. Jude McCormick;

WHEREAS, upon the reassignment the parties obtained a new argument date for the pending motions to dismiss, which was scheduled for July 6, 2023;

WHEREAS, on March 13 and 14, 2023, the Parties attended a mediation session with the Honorable Joseph R. Slights III of Wilson Sonsini Goodrich & Rosati, a former Vice Chancellor of the Court who has extensive experience presiding over and mediating complex business disputes, including derivative and stockholder class actions brought in the Court;

WHEREAS, as a result of the mediation, the Parties reached an agreement that, if approved, would globally resolve the Action and memorialized the terms of the settlement in a Settlement Term Sheet (the “Term Sheet”);

WHEREAS, the Term Sheet contemplated that the proposed settlement of the Action would be further documented as reflected in this Stipulation (the “Settlement”);

WHEREAS, Plaintiffs and Plaintiffs’ Counsel (as defined below) believe the Action has merit, and their entry into this Stipulation and the Settlement is not intended to be and shall not be construed as an admission or concession concerning the relative strength or merit of the claims alleged in the Action;

WHEREAS, Plaintiffs and Plaintiffs' Counsel have determined that the terms of the Settlement confer substantial benefits on Amneal, and are fair, reasonable, adequate, and in the best interests of the Company and its stockholders and that it is reasonable to pursue a settlement of the Action based upon the terms and procedures outlined herein;

WHEREAS, Amneal and Defendants denied, and continue to deny, that pre-suit demand on the Amneal Board was futile and that Plaintiffs had standing to pursue the Action on behalf of Amneal;

WHEREAS, Defendants have denied and continue to deny all allegations of wrongdoing or liability asserted in the Action, including, without limitation, that any of the Defendants breached their fiduciary duties, or were unjustly enriched, in connection with or as a result of the KSP Transaction;

WHEREAS, the Conflicts Committee Defendants and the Amneal Group Defendants have further asserted, and continue to assert, that at all relevant times, they acted in good faith and in a manner that they reasonably believed to be in the best interests of Amneal and its stockholders; and

WHEREAS, the Conflicts Committee Defendants have maintained and continue to maintain that the KSP Transaction was the product of arm's-length bargaining, their advisors on the KSP Transaction were independent, the process they ran in connection with the KSP Transaction was fair, the price they ultimately

agreed to pay for KSP was fair, which was confirmed via a fairness opinion from the Conflicts Committee's financial advisor, and the KSP Transaction continues to create substantial value for Amneal and its stockholders;

WHEREAS, Amneal and the Defendants are entering into this Stipulation and the Settlement solely to eliminate the uncertainty, distraction, disruption, burden, risk, and expense of further litigation;

WHEREAS, Amneal has determined that the proposed settlement is fair, reasonable, advisable, in the best interests of the Company and its stockholders, and confers substantial benefits on Amneal and its stockholders;

WHEREAS, after the parties filed the Stipulation and Agreement of Compromise and Settlement, and related papers, on May 2, 2023, this matter was reassigned from Chancellor Kathaleen St. Jude McCormick to Vice Chancellor Lori W. Will on May 11, 2023.

NOW, THEREFORE, IT IS HEREBY STIPULATED, CONSENTED TO, AND AGREED, in consideration of the benefits set forth below, and subject to the approval of the Court pursuant to Court of Chancery Rule 23.1, that the Action and the Released Claims (as defined below) shall be compromised, settled, released, and dismissed with prejudice on the merits and without fees, costs, and expenses (except as provided below), subject to the following terms and conditions:

DEFINITIONS

1. In addition to the terms defined elsewhere in this Stipulation (including above), the following capitalized terms, as used in this Stipulation, shall have the following meanings:

a. “Amneal Group” has the meaning defined in Amneal’s Form 10-K filed with the SEC on March 3, 2023.

b. “Company Stockholders” shall mean each and every Amneal common stockholder who holds of record or beneficially owns Amneal common stock as of the date that the Stipulation is filed with the Court.

c. “Defendant Releasees” shall mean each Defendant and Amneal, and each of their respective affiliates, and the officers, directors, employees, and equity holders of each Defendant and Amneal and their affiliates, and each of their respective predecessors, successors, Immediate Family members, partners, insurers, representatives, attorneys (including Defendants’ Counsel), auditors, and accountants, in their capacities as such.

d. “Defendants’ Counsel” shall mean Abrams & Bayliss LLP, Potter Anderson & Corroon LLP, Ross Aronstam & Moritz LLP, and Simpson Thacher & Bartlett LLP.

e. “Defendants’ Released Claims” shall mean any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs,

debts, expenses, interest, penalties, sanctions, fees, attorneys' 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, including known claims and Unknown Claims (as defined below), whether based on state, local, foreign, federal, statutory, regulatory, common, or other law or rule (including claims within the exclusive jurisdiction of the federal courts), arising out of or relating to the Action through the date of this Stipulation, including, without limitation, all actions taken by Plaintiffs or Plaintiffs' Counsel in connection with the initiation, prosecution, and settlement of the Action through the date of this Stipulation. For the avoidance of doubt, Defendants' Released Claims do not include any claims against Amneal or any of its insurers, co-insurers, or reinsurers for advancement or indemnity of their legal fees, costs, and expenses incurred in connection with the Action and this Settlement, or any claims that any Defendant or Amneal may have against any of their respective insurers, coinsurers, or reinsurers, to the extent such claims are not otherwise released pursuant to other documentation.

f. "Defendants' Releasers" shall mean each Defendant, and each of their respective heirs, successors, transferees, and assigns.

g. “Effective Date” shall have the meaning provided in Paragraph 18 below.

h. “Immediate Family” shall mean parents, children (including stepchildren), spouses, and siblings. As used in this Paragraph, “spouse” shall mean a husband, a wife, or a partner in a state-recognized domestic relationship or civil union.

i. “Plaintiffs’ Counsel” shall mean Ashby & Geddes, P.A., Robbins LLP, and Levi & Korsinsky LLP.

j. “Plaintiffs’ Released Claims” shall mean any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys’ 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, including known claims and Unknown Claims (as defined below), whether based on state, local, foreign, federal, statutory, regulatory, common, or other law or rule (including claims within the exclusive jurisdiction of the federal courts), that are, have been, could have been, could now be, or could, can, or might be asserted, in the Action or in any other court,

tribunal, or proceeding by Plaintiffs or any other Amneal stockholder derivatively on behalf of Amneal, or by Amneal directly, against any of the Defendants' Releasees, which, now or hereafter, are based upon, arise out of, or relate to any of the actions, transactions, occurrences, statements, representations, misrepresentations, omissions, allegations, facts, practices, events, claims, or any other matters directly or indirectly related to the KSP Transaction or the Action and the settlement thereof, except for claims relating to the enforcement of the Settlement and for any claims that any Defendant or Amneal may have for advancement or indemnity of their legal fees, costs, and expenses incurred in connection with the Action and this Settlement, or any claims that any Defendant or Amneal may have against any of their respective insurers, co-insurers, or reinsurers, to the extent such claims are not otherwise released pursuant to other documentation. For the avoidance of doubt, the Plaintiffs' Released Claims do not include any claims based on conduct after the Effective Date.

k. "Plaintiff Releasees" shall mean each Plaintiff, each other Company Stockholder, and each of their respective trustees, officers, directors, employees, agents, advisors, experts, and attorneys (including Plaintiffs' Counsel), in their capacities as such.

l. “Plaintiffs’ Releasers” shall mean each Plaintiff, each other Company Stockholder, and each of their respective parents, subsidiaries, affiliates, controlling persons, heirs, successors, transferees, and assigns.

m. “Qualifying RPT” shall mean a proposed Related Person Transaction involving the sale or purchase of a business of a Related Person through a single transaction or a series of related transactions where the offering price proposed by the Related Person for the business is, in the good-faith determination of the Conflicts Committee, equal to or in excess of \$100 million.

n. “Related Person Transaction” shall have the meaning set forth in Amneal’s Related Person Transaction Policy and Procedures as of the date of the Stipulation or as may be amended to the extent required in order to comply with applicable law. A copy of the Related Person Transaction Policy and Procedures is attached as Exhibit G.

o. “Related Person” shall have the meaning set forth in Amneal’s Related Person Transaction Policy and Procedures as of the date of the Stipulation.

p. “Releasing Parties” shall mean Plaintiffs’ Releasers and Defendants’ Releasers, collectively.

q. “Released Claims” shall mean Plaintiffs’ Released Claims and Defendants’ Released Claims, collectively. For avoidance of doubt, the Released Claims do not include any rights or claims that any party has against its insurers.

r. “Released Parties” shall mean the Defendant Releasees and the Plaintiff Releasees.

s. “Scheduling Order” means the scheduling order to be entered by the Court, substantially in the form of Exhibit A attached hereto, requesting that the Court, *inter alia*, approve the form and manner of notice of the Settlement to Amneal stockholders and schedule a Settlement Hearing (as defined below) to consider whether the Settlement and Fee and Expense Amount (defined below) should be finally approved.

t. “Transformative Transaction” means (a) a merger, share exchange, consolidation, recapitalization, or similar transaction resulting, directly or indirectly, in more than 50% of the total number of shares of outstanding capital stock of the Company being beneficially owned after such transaction by any Person or group of Persons other than the Amneal Group, (b) the sale by the Company or its subsidiaries of any assets or businesses representing, in the aggregate, in excess of 50% of the consolidated revenues of the Company and its subsidiaries, taken as a whole, during the four completed calendar quarters immediately preceding the date of such sale, (c) the Amneal Group ceasing to be

the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 promulgated under the Securities Exchange Act of 1934, as amended), directly or indirectly, of (i) more than 50% of the total voting power of the outstanding equity interests of the Company or (ii) the right to appoint more than 50% of the members of the Amneal Board, (d) the de-registration or de-listing of the Company’s common stock from trading on a public stock exchange, (e) a liquidation, winding-up, or dissolution of the Company, or (f) the sale of all or substantially all of the assets of the Company and its subsidiaries, taken as a whole.

u. “Unknown Claims” are claims that the Releasing Parties did not know or suspect to exist at the time of the release, which, if known, might have affected the decision to enter into this Stipulation. *See* Paragraph 7 below.

SETTLEMENT CONSIDERATION

2. Plaintiffs and Amneal acknowledge and agree that the settlement consideration identified below is significant, confers substantial benefits upon Amneal and its stockholders, and that the Settlement is fair, reasonable, and adequate and in the best interests of Amneal and its stockholders.

3. **Reduction in Royalty Payments to Kashiv.** Amneal and Kashiv shall enter into an Amendment No. 1 to the Membership Interest Purchase Agreement dated January 11, 2021 by and between Kashiv and Amneal Pharmaceuticals LLC (the “Royalty Reduction Amendment”), attached hereto as

Exhibit D. The January 11, 2021 Membership Interest Purchase Agreement is attached as Exhibit F. Pursuant to the Royalty Reduction Amendment, Kashiv (including, as applicable, its successors and assigns) shall reduce the royalties it is owed by Amneal under the Purchase Agreement by 1.15% (e.g., for illustrative purposes only, a 7% royalty would be reduced to 5.85%) (the “Royalty Reduction”) for the products known as K114, K128, and K131 (collectively, the “Products”), provided however, that when the aggregate payment to Amneal from the Royalty Reduction reaches \$11.5 million in net present value as of the date of Court approval of the Settlement (the “Cap”), the royalty rates for the Products will return to the original rates under the Purchase Agreement. When a royalty payment is to be made from Amneal to Kashiv based on sales for one or more of the Products, for purposes only of determining the time at which the Cap has been reached (i) the royalty payment amount will be discounted from the date of payment using a weighted average cost of capital of 10.5%, and (ii) the resulting net present value of such royalty payment as of March 27, 2023 will then be subtracted from the Cap such that the Cap decreases with every royalty payment based on sales for one or more of the Products. Amneal will report any reduction in the Cap made in connection with the foregoing mechanism to the Conflicts Committee on a quarterly basis. To the extent of any conflict between the Royalty Reduction Amendment, on the one hand, and this Stipulation or the Term Sheet, on

the other hand, the Royalty Reduction Amendment shall control. Amneal acknowledges that the prosecution and settlement of the Action was the sole factor in enabling it to obtain the Royalty Reduction Amendment.

4. **Corporate Governance Changes:**

a. The Conflicts Committee agrees to adopt, implement, and maintain the following corporate governance measures at or prior to the first regularly scheduled Board meeting at or after Final Court Approval (as defined below), and such measures shall remain in place for the time period specified in subparagraphs (i)-(iii) below:

i. Until the earlier of a Transformative Transaction or the five (5) year anniversary of this Settlement Agreement, the Conflicts Committee shall engage and work with independent Delaware counsel to advise on all Related-Party Transactions.

ii. For all Qualifying RPTs proposed to the Conflicts Committee before the earlier of a Transformative Transaction or the three (3) year anniversary of this Settlement Agreement, before commencing substantive negotiations regarding any such Qualifying RPT (it being understood that any discussions between the Conflicts Committee and its representatives and the applicable Related Person and its representatives as may be reasonable or advisable in order for

the Conflicts Committee to determine whether the transaction constitutes or is reasonably likely to constitute a Qualifying RPT (including discussions with respect to the form and valuation of the proposed consideration) shall not be deemed to constitute substantive negotiations for this purpose), the Conflicts Committee shall require that consummating any such proposed transaction(s) be conditioned on the approval by the affirmative vote of holders of a majority of the outstanding shares of Amneal common stock not beneficially owned by the Amneal Group.

iii. Until the earlier of a Transformative Transaction or the three (3) year anniversary of this Settlement Agreement, decision-making by the Conflicts Committee regarding Related Person Transactions under consideration by the Conflicts Committee shall occur during formal Conflicts Committee meetings and be reflected in minutes taken in accordance with the Conflicts Committee's standard practices.

iv. Amneal acknowledges that the prosecution and settlement of the Action was the sole factor in causing Amneal to adopt the measures described in subparagraphs (a)(i)-(iii).

5. **Other Benefits:** Amneal acknowledges that the pendency of the Action was a substantial factor in causing Amneal to add to Amneal's Board an eleventh director, Deborah M. Autor, who is independent under NYSE listing standards, and appointing Ms. Autor as a fifth member of Amneal's Conflicts Committee.

RELEASE OF CLAIMS

6. **Effective upon the Effective Date:**

(a) Plaintiffs' Releasers and Amneal shall fully, finally, and forever release and discharge each and all of the Defendant Releasees from any and all of Plaintiffs' Released Claims.

(b) Defendants' Releasers and Amneal shall fully, finally, and forever release and discharge each and all of the Plaintiff Releasees from any and all of Defendants' Released Claims.

7. **The contemplated releases given by the Releasing Parties extend to Unknown Claims.** The Releasing Parties shall be deemed to have waived any and all provisions, rights, and benefits conferred by any law of the United States, any law of any state, or principle of common law that governs or limits a person's release of Unknown Claims to the fullest extent permitted by law. The Releasing Parties shall be deemed to relinquish, to the full extent permitted by

law, the provisions, rights, and benefits of Section 1542 of the California Civil Code, 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.

8. The Releasing Parties shall also be deemed to have waived any and all provisions, rights, and benefits conferred by any law of any state of the United States or principle of common law that is similar, comparable, or equivalent to California Civil Code Section 1542. The Releasing Parties acknowledge that they may discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of the contemplated releases, but that it is their intention to fully, finally, and forever settle and release any and all claims released hereby, known or unknown, suspected or unsuspected, which now exist or heretofore existed, from the beginning of time to the Effective Date, without regard to the subsequent discovery or existence of such additional or different facts, to the fullest extent permitted by law.

9. The contemplated releases are not intended to release and shall not be deemed to release any rights or obligations of the Parties created by this Stipulation.

CONDITIONS OF THE SETTLEMENT

10. 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 after consultation with experienced legal counsel, and with the assistance of an experienced mediator.

11. This Stipulation shall be terminated and shall be null and void and of no force or effect, unless otherwise agreed to by the Parties hereto pursuant to the terms hereof, if (i) any Party exercises a right to terminate the Settlement pursuant to the terms of this Stipulation; or (ii) the Settlement does not obtain Final Court Approval (as defined below). If this Stipulation is terminated as provided herein, this Stipulation and the Settlement shall be void and of no effect, and this Stipulation shall not be deemed to prejudice in any way the positions in the Action of any Party. In such event, and consistent with the applicable evidentiary rules, neither the Term Sheet, nor this Stipulation, nor the existence of either, nor any of their contents, shall be admissible in evidence or shall be referred to for any purpose in the Action or in any other proceeding, except that this Stipulation may

be admissible and referred to in connection with any claim for breach of this Stipulation or as otherwise specifically provided herein.

12. The Term Sheet and Settlement shall be null and void and of no force or effect if the terms of the Settlement, except for the Attorneys' Fees and Expenses Application (as defined below), do not receive Final Court Approval (as defined below), in which case the Parties shall revert back to their litigation positions immediately before entering into the Term Sheet. For the avoidance of doubt, the Parties agree that court approval of the Attorneys' Fees and Expenses Application (as defined below) is not a condition precedent to the Settlement or Final Court Approval (as defined below) thereof.

13. If any final injunction, decision, order, judgment, determination, or decree is entered or issued by any court or governmental entity before Final Court Approval (as defined below) of this Stipulation and the Settlement embodied herein that would make consummation of the Settlement in accordance with the terms of this Stipulation unlawful or that would materially restrain, prevent, enjoin, or otherwise prohibit consummation of the Settlement, the Parties each reserve the right to withdraw from and to terminate the Settlement. In addition, if any preliminary or temporary injunction, decision, order, determination, or decree (an "Interim Order") is entered or issued by any court or governmental entity before Final Court Approval (as defined below) of this

Stipulation and the Settlement that would materially restrain, prevent, enjoin, or otherwise prohibit consummation of the Settlement, then, notwithstanding anything herein to the contrary, the Parties shall have no obligation to consummate the Settlement unless and until such Interim Order expires or is terminated or modified in a manner such that consummation of the Settlement in accordance with the terms of this Stipulation would no longer be materially restrained, prevented, enjoined, or otherwise prohibited.

14. The Settlement shall be conditional upon (i) entry of an Order and Judgment (the “Judgment”) substantially in the form attached as Exhibit C, which shall release the Released Claims; and (ii) the Order and Judgment becoming Final (as defined below) (“Final Court Approval”).

15. Plaintiffs hereby represent that they have not filed nor made any other claims, charges, complaints, or actions of any type whatsoever, whether legal, equitable, or administrative, against any other Party, other than the claims filed in the Action.

SUBMISSION AND APPLICATION TO THE COURT

16. As soon as practicable, Defendants’ Counsel shall submit this Stipulation together with its Exhibits to the Court, and the Parties shall apply jointly for entry of an order (the “Scheduling Order”), substantially in the form attached hereto as Exhibit A, providing for, among other things: (i) approval of the

form and content of the proposed Notice of the Settlement; and (ii) a date for the final settlement hearing (the “Settlement Hearing”). At the Settlement Hearing, the Parties shall jointly request that the Order and Judgment be entered substantially in the form attached as Exhibit C.

NOTICE

17. Amneal shall be responsible for providing Notice of the Settlement to current Amneal Stockholders in the form and manner directed by the Court (when approved by the Court, the “Notice”), and shall be solely responsible for paying the costs and expenses related to providing such notice to its stockholders. Within five (5) business days following the entry of the Scheduling Order, Amneal shall cause a copy of the Notice, substantially in the form attached hereto as Exhibit B, to be provided in accordance with the Scheduling Order to Amneal stockholders as best as can be reasonably determined.

FINAL COURT APPROVAL

18. The “Effective Date” of the Settlement shall be the first date by which the Court has entered the Judgment and such Judgment has become Final. “Final” shall mean that (i) if no appeal is filed, the expiration date of the time for filing or noticing of any appeal of the Judgment; or (ii) if there is an appeal from the Judgment, the date of (a) final dismissal of all such appeals, or the final dismissal of any proceeding on certiorari or otherwise to review the Judgment, or

(b) the date the Judgment is finally affirmed on 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 of the Judgment, and, if certiorari or other form of review is granted, the date of final affirmance of the Judgment after such review. However, any appeal or proceeding seeking subsequent judicial review pertaining solely to an order issued with respect to attorneys' fees or expenses and/or a service award payable to Plaintiffs shall not in any way delay or preclude the Judgment from becoming Final, nor shall a reversal on appeal of any fee and expense award be deemed a material modification of this Stipulation.

INTERIM INJUNCTION; COVENANT NOT TO SUE

19. Subject to an order of the Court, pending final determination of whether the Settlement should be approved, Plaintiffs and all Amneal stockholders will be barred and enjoined, to the maximum extent permitted under law, from commencing, prosecuting, instigating, or in any way participating in the commencement or prosecution of any action, including the Action which shall be stayed, asserting any of Plaintiffs' Released Claims, either directly, representatively, derivatively, or in any other capacity, against the Defendant Releasees, and all pending deadlines in any and all such actions shall be suspended.

20. Unless the Settlement is rendered null and void as provided in this Stipulation, each Party covenants not to sue with respect to any and all Released Claims.

ATTORNEYS' FEES AND EXPENSES

21. After negotiating the principal terms of the Settlement, counsel for Amneal and Plaintiffs separately negotiated the amount of fees and expenses to be paid to Plaintiffs' Counsel in recognition of the substantial benefits conferred on the Company as a result of the Settlement. Amneal agrees to pay up to \$2,000,000 in attorneys' fees and expenses, subject to approval by the Court (the "Fee and Expense Amount"). Plaintiffs' Counsel may apply to the Court for a service award not to exceed \$2,500 to each of the Plaintiffs, payable out of any Fee and Expense Amount that may be awarded by the Court. Defendants shall not take a position on Plaintiffs' Counsel's motion for an award of attorneys' fees and expenses and service awards.

22. The Fee and Expense Amount, as awarded by the Court, shall be paid into an escrow account created and controlled by Plaintiffs' Counsel within thirty (30) calendar days after the Court enters an order awarding attorneys' fees and expenses to Plaintiffs' Counsel, subject to Plaintiffs' Counsel's timely provision in writing (which may be in electronic means) to Amneal of the requisite payment information, including wire instructions and a signed Form W-9 reflecting

a valid taxpayer identification number for the account into which the Fee and Expense Amount is to be deposited. The Fee and Expense Amount, as awarded by the Court, shall be payable to Plaintiffs' Counsel within such time period notwithstanding the existence of any timely filed objections thereto, or potential for appeal therefrom, or collateral attack on the Settlement or any part thereof, or the non-occurrence of the Effective Date. In the event that the Effective Date fails to occur for any reason, then Plaintiffs' Counsel shall, within ten (10) business days after Plaintiffs' Counsel receives notice of the non-occurrence of such Effective Date, return to the escrow account the entire Fee and Expense Amount. In the event that the order awarding the Fee and Expense Amount is disapproved, reduced, reversed, or otherwise modified by a final court order that is not subject to appeal or further review, Plaintiffs' Counsel shall, within ten (10) business days after Plaintiffs' Counsel receives notice of such final court order, return to the escrow account the difference between (x) the Fee and Expenses Amount originally paid into escrow and (y) any attorneys' fees and expenses ultimately and finally awarded on appeal, further proceedings on remand or otherwise. All returned amounts shall then be remitted to Amneal according to written instructions from Amneal.

23. An award of fees, costs, or expenses to Plaintiffs or Plaintiffs' Counsel is not a necessary term of the Settlement and shall not be a condition of

the Settlement. Neither Plaintiffs nor Plaintiffs' Counsel may cancel or terminate the Settlement based on the Court's or any appellate court's ruling on fees, costs, or expenses to Plaintiffs' counsel or incentive awards to Plaintiffs.

24. Except as provided in this Stipulation, the Defendant Releasees and Amneal shall bear no other fees, costs, expenses, or damages alleged or incurred by Plaintiffs, Plaintiffs' Counsel, or by any other Plaintiffs' or Company stockholder's attorneys, experts, advisors, agents, representatives, financial institutions, or escrow agents in connection with the Action, the Released Claims, or the Settlement. The Plaintiff Releasees shall bear no fees, costs, and expenses or damages alleged or incurred by Defendants, Defendants' Counsel, or by any other of Defendants' attorneys, experts, advisors, agents, or representatives in connection with the Action, the Released Claims, or the Settlement.

TERMINATION

25. If the Settlement is terminated pursuant to the terms of this Stipulation or the Effective Date of the Settlement otherwise fails to occur, other than as a result of the action or inaction of one or more of the Parties, then: (i) the Term Sheet, this Stipulation, and the Settlement, including without limitation the releases under Paragraphs 6–9 above, shall be null and void; (ii) the fact of the Settlement shall not be admissible in any trial of the Action; (iii) the Parties shall be deemed to have returned to their respective litigation positions in the Action

immediately before entering into the Term Sheet; and (iv) the Parties shall proceed in all respects as if the Term Sheet, this Stipulation, and any related orders had not been entered.

ENTIRE AGREEMENT

26. This Stipulation and its Exhibits constitute the entire agreement among the Parties with respect to the subject matter hereof and supersede all written or oral communications, agreements, or understandings that may have existed before the execution of this Stipulation, including the Term Sheet. The Parties acknowledge that they have neither made nor relied upon any representations, warranties, or statements of any nature whatsoever, whether written or oral, concerning this Stipulation or its Exhibits, other than the representations, warranties, and covenants expressly set forth in such documents.

27. Each Party agrees that, throughout the course of the litigation, it and its counsel complied with the provisions of Court of Chancery Rule 11 and similar laws relating to the institution, prosecution, defense, and/or settlement of the Action.

CONSTRUCTION

28. This Stipulation shall be construed in all respects as jointly drafted and shall not be construed, in any way, against any Party on the ground that the Party or its counsel drafted this Stipulation.

29. Headings have been inserted for convenience only and will not be used in determining the terms of this Stipulation.

GOVERNING LAW; CONTINUING JURISDICTION

30. This Stipulation and the Settlement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to Delaware's principles governing choice of law. The Parties irrevocably and unconditionally (i) consent to submit to the sole and exclusive jurisdiction of the Court of Chancery of the State of Delaware for any litigation arising out of or relating in any way to this Stipulation or the Settlement (or if subject-matter jurisdiction is lacking, to any other state or federal court located in Delaware having subject matter jurisdiction); (ii) agree that any dispute arising out of or relating in any way to this Stipulation or the Settlement shall not be litigated or otherwise pursued in any forum or venue other than any such court; (iii) waive any objection to venue of any such litigation in any such court; (iv) agree not to plead or claim in any such court that such litigation brought therein has been brought in any inconvenient forum; (v) expressly waive any right to demand a jury trial as to any such dispute; and (vi) acknowledge that a prevailing party may apply for fee-shifting on the grounds of bad faith.

AMENDMENTS

31. This Stipulation may be modified or amended only by a writing, signed by the Parties (or their duly authorized counsel), that refers specifically to this Stipulation.

SETTLEMENT NOT AN ADMISSION

32. Defendants and Amneal deny any and all allegations of wrongdoing, fault, liability, or damage in the Action.

33. The Parties covenant and agree that neither the Term Sheet, nor this Stipulation, nor the fact or any terms of the Settlement, nor any communications relating thereto, is evidence, or an admission or concession by any of the Parties or their counsel, or of any other Released Defendant Persons or Released Plaintiff Persons, of any fault, liability, or wrongdoing whatsoever, as to any facts, claims, or defenses alleged or asserted in the Action, or any other actions or proceedings, or as to the validity or merit of any of the facts, claims, or defenses alleged or asserted in any such action or proceeding.

34. The provisions contained in the Term Sheet, the Settlement or this Stipulation shall not be deemed a presumption, concession, or admission by any Party to this Stipulation of any fault, liability, or wrongdoing, or any infirmity or weakness of any claim or defense, as to any facts, claims, or defenses (including the Released Claims) that have been or might be alleged or asserted in the Action,

or any other action or proceeding that has been, will be, or could be brought, and shall not be interpreted, construed, deemed, invoked, offered, or received in evidence or otherwise used by any person in the Action, or in any other action or proceeding, whether civil, criminal, or administrative, for any purpose. Notwithstanding the prior sentence, the Released Parties may file this Stipulation and/or the Judgment in any action that has been or may be brought against them in order to support a claim or defense based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar, or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

REASONABLE BEST EFFORTS

35. The Parties and their respective counsel agree to use their reasonable best efforts to effect, take, or cause to be taken all actions, and to do, or cause to be done, all things reasonably necessary, proper, or advisable under applicable laws, regulations, and agreements to consummate and make effective, as promptly as practicable, this Stipulation and the Settlement (including but not limited to, using their best efforts to resolve any objections raised to the Settlement) and the dismissal of the Action with prejudice and without costs, fees, or expenses to any party (except as provided in this Stipulation).

BINDING EFFECT

36. This Stipulation shall be binding upon and inure to the benefit of the Parties hereto (and, in the case of the Released Claims, all Released Parties as third-party beneficiaries) and their respective agents, legal representatives, executors, heirs, successors, transferees, and assigns.

COUNTERPARTS

37. This Stipulation may be executed in one or more counterparts, each of which when so executed and delivered shall be deemed to be an original but all of which together shall constitute one and the same instrument.

AUTHORITY

38. Amneal represents and warrants that its representatives have been duly authorized to enter into this Stipulation and carry out Amneal's obligations hereunder. This Stipulation will be executed by counsel for each of the Parties, all of whom represent and warrant that they have the authority from their respective client(s) to enter into this Stipulation and bind their clients hereto.

OWNERSHIP OF SHARES; NON-ASSIGNMENT OF CLAIMS

39. Each Plaintiff represents and warrants that (i) he is and was at all relevant times an Amneal stockholder (including at the time of the KSP Transaction), (ii) he shall continue to hold such stock through the Effective Date, and (iii) none of his claims or causes of action referred to in the Action have been assigned, encumbered, or in any manner transferred in whole or in part.

NO WAIVER

40. Any failure by any Party to insist upon the strict performance by any other Party of any of the provisions of this Stipulation shall not be deemed a waiver of any of the provisions hereof, and such Party, notwithstanding such failure, shall have the right thereafter to insist on the strict performance of any and all of the provisions of this Stipulation to be performed by such other Party. No waiver, express or implied, by any Party of any breach or default in the performance by the other Party of its obligations under this Stipulation shall be deemed or construed to be a waiver of any other breach, whether prior, subsequent, or contemporaneous, under this Stipulation.

CONFIDENTIALITY

41. The Parties and their counsel agree, to the extent permitted by law, that all agreements made before and during the course of the Action relating to confidentiality of information shall survive this Stipulation. Notwithstanding the prior sentence, the parties agree that Amneal is allowed to disclose the Settlement, Stipulation, and Royalty Reduction Amendment to the extent required by applicable law, legal, regulatory or judicial process, the requirements of any regulatory authority or the rules or regulations of any stock exchange.

EXTENSIONS

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

NOTICE OF BREACH; OPPORTUNITY TO CURE

43. If any Party (the “Noticing Party”) maintains that another Party (the “Breaching Party”) is in material breach of the Settlement, the Noticing Party shall provide written notice to the Breaching Party describing such breach, along with an opportunity for the Breaching Party to cure such breach within fourteen (14) calendar days of the date of receipt of the written notice. In the event that the alleged breach is not cured within such period, the Parties agree that all of the Parties’ rights and remedies at law, equity, or otherwise, are expressly reserved.

SPECIFIC PERFORMANCE

44. The Parties acknowledge and agree that (i) any breach of this Stipulation will result in immediate and irreparable injury for which there is no adequate remedy available at law, and (ii) in addition to any other remedies available, specific performance and injunctive relief are appropriate remedies to compel performance of this Stipulation.

IN WITNESS WHEREOF, the undersigned Parties, by and through their respective counsel, have executed this Stipulation as of the date set forth below.

Dated: May 12, 2023

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