

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF OREGON

PORTLAND DIVISION

JS HALBERSTAM IRREVOCABLE  
GRANTOR TRUST, Derivatively and on  
Behalf of PORTLAND GENERAL  
ELECTRIC COMPANY,

Plaintiff,

JACK E. DAVIS, JOHN W. BALLANTINE,  
RODNEY L. BROWN, JR., KIRBY A.  
DYESS, MARK B. GANZ, MARIE OH  
HUBER, KATHRYN J. JACKSON, PH.D.,  
MICHAEL A. LEWIS, MICHAEL H.  
MILLEGAN, NEIL J. NELSON, M. LEE  
PELTON, PH.D., MARIA M. POPE,  
CHARLES W. SHIVERY, JAMES P.  
TORGERSON, AND JAMES LOBDELL,

Defendants,

and

PORTLAND GENERAL ELECTRIC  
COMPANY,

Nominal Defendant.

Case No. 3:21-cv-00413-SI

**NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF ACTION**

**TO: ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF THE COMMON STOCK OF PORTLAND GENERAL ELECTRIC COMPANY AS OF March 28, 2022, INCLUDING ANY AND ALL OF THEIR REPRESENTATIVES, TRUSTEES, EXECUTORS, ADMINISTRATORS, HEIRS, OR ASSIGNS, IMMEDIATE AND REMOTE, AND ANY PERSON OR ENTITY ACTING FOR OR ON BEHALF OF, OR CLAIMING UNDER ANY OF THEM, AND EACH OF THEM.**

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS OF**

**THIS LAWSUIT. IF THE COURT APPROVES THE PROPOSED SETTLEMENT OF THIS LAWSUIT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS, REASONABLENESS AND ADEQUACY OF THE PROPOSED SETTLEMENT AND RELATED MATTERS, AND FROM PURSUING THE SETTLED CLAIMS (AS DEFINED BELOW IN SECTION VI).**

**IF YOU HOLD SHARES OF PORTLAND GENERAL ELECTRIC COMPANY COMMON STOCK FOR THE BENEFIT OF ANOTHER INDIVIDUAL OR ENTITY, PLEASE PROMPTLY TRANSMIT THIS NOTICE TO SUCH BENEFICIAL OWNER.**

**PLEASE NOTE THAT THIS ACTION IS NOT A "CLASS ACTION" AND NO INDIVIDUAL SHAREHOLDER HAS THE RIGHT TO BE COMPENSATED AS A RESULT OF THE SETTLEMENT OF THIS ACTION.**

#### **I. THE PURPOSE OF THIS NOTICE**

The purpose of this Notice is to inform you of the above-captioned action pending in the U.S. District Court for the District of Oregon (the "Court"), and that a proposed settlement (the "Settlement") has been reached among Plaintiffs,<sup>1</sup> on behalf of themselves and derivatively on behalf of Portland General Electric Company ("PGE") and the Defendants, in connection with the above-captioned shareholder derivative action (the "Action") and related shareholder derivative actions captioned *Berning v. Pope et al.*, No. 21-cv-00783-SI, filed in this Court, and *Shimberg v. Pope et al.*, No. 21CV02957, and *Ashabraner v. Pope et al.*, No. 21CV13698, filed in Oregon Circuit Court, Multnomah County (collectively, the "Actions"). This Notice also informs you of your right to participate in a hearing to be held on May 9, 2022, at 2:00 p.m. at the U.S. District Court for the District of Oregon, Mark O. Hatfield United States Courthouse, Room 15B, 1000 Southwest Third Avenue, Portland, Oregon 97204 (the "Settlement Hearing") to determine: (i) whether the Court should approve the Settlement as fair, reasonable, adequate and in the best

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<sup>1</sup> A copy of the Parties' Stipulation and Agreement of Settlement (the "Stipulation") fully executed as of February 11, 2022, is available on PGE's website at <https://investors.portlandgeneral.com/>.

interests of Portland General Electric Company ("PGE" or the "Company") and PGE's shareholders pursuant to Federal Rule of Civil Procedure Rule 23.1; (ii) whether to enter a judgment dismissing the Action with prejudice and extinguishing and releasing all Settled Claims (as defined in Section VI, below); (iii) whether the requirements of the Federal Rules of Civil Procedure and due process have been satisfied in connection with notice of the Settlement; and (iv) whether the Court should approve Plaintiffs' Fee and Expense Amount (as defined in Section X, below), as well as to consider such other matters as may properly come before the Court.

This Notice describes the rights you may have under the Settlement and what steps you may, but are not required to, take in relation to the Settlement.

If the Court approves the Settlement, the parties to the Action will ask the Court to enter an Order and Final Judgment (as defined in Section VII, below) dismissing the Action with prejudice on the merits.

## **II. BACKGROUND OF THE LAWSUIT, THE PARTIES' SETTLEMENT NEGOTIATIONS AND REASONS FOR THE SETTLEMENT**

PGE is an electric utility duly incorporated under the laws of the State of Oregon with corporate headquarters located in Portland, Oregon. The Company is engaged in the generation, transmission and distribution of electricity to customers primarily in the state of Oregon.

On November 17, 2020, plaintiff Jason Berning ("Berning") served on PGE a books and records demand pursuant to Section 60.774 of the Oregon Revised Statutes, and PGE produced documents responsive to that demand on April 23, 2021.

On January 26, 2021, plaintiff Michael Shimberg filed a Verified Shareholder Derivative Complaint in an action captioned *Shimberg v. Pope et al.*, No. 21CV02957 in Multnomah County Circuit Court, Oregon, derivatively on behalf of nominal defendant PGE, against Maria M. Pope, James F. Lobdell, John Ballantine, Rodney Brown, Jack E. Davis, Kirby A. Dyess, Mark Ganz,

Marie Oh Huber, Kathryn Jackson, Michael Millegan, Neil Nelson, M. Lee Pelton and Charles Shivery (collectively, the "Individual Defendants") alleging that the Individual Defendants breached their fiduciary duties by failing to maintain an adequate system of internal controls to oversee PGE's energy trading and purportedly disseminating materially false and misleading statements relating to the Company's energy trading activities.

On March 17, 2021, plaintiff Halberstam filed a Verified Shareholder Derivative Complaint in the above-captioned action, derivatively on behalf of nominal defendant PGE, against (i) the Individual Defendants and (ii) James Torgerson and Michael Lewis (the "Halberstam Additional Individual Defendants," and, together with the Individual Defendants and nominal defendant PGE, "Defendants")<sup>2</sup> alleging that the Individual Defendants and Halberstam Additional Individual Defendants breached their fiduciary duties by failing to maintain an adequate system of internal controls to oversee PGE's energy trading and purportedly disseminating materially false and misleading statements relating to the Company's energy trading activities, and additionally alleging purported violations of Section 14(a) of the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. § 78n(a), for alleged misstatements and omissions in the Company's 2020 Proxy Statement.

On April 7, 2021, plaintiff Melisa Ashabraner filed a complaint in an action captioned *Ashabraner v. Pope et al.*, No. 21CV13698, in Multnomah County Circuit Court, Oregon, derivatively on behalf of nominal defendant PGE, against the Individual Defendants alleging that the Individual Defendants breached their fiduciary duties by failing to maintain an adequate system

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<sup>2</sup> Messrs. Torgerson and Lewis, the two members of PGE's Board appointed on January 1, 2021, are named as defendants in only the Halberstam Complaint.

of internal controls to oversee PGE's energy trading and purportedly disseminating materially false and misleading statements relating the Company's energy trading activities.

On May 21, 2021, plaintiff Berning filed a Verified Shareholder Derivative Complaint in an action captioned *Berning v. Pope et al.*, No. 21-cv-00783-SI, in this Court derivatively on behalf of nominal defendant PGE, against the Individual Defendants alleging that the Individual Defendants breached their fiduciary duties by failing to maintain an adequate system of internal controls to oversee PGE's energy trading and purportedly disseminating materially false and misleading statements relating to the Company's energy trading activities, and adding claims against Pope and Lobdell for contribution for purported violations of Sections 10(b) and 21D of the Exchange Act, 15 U.S.C. §§ 78j(b), 78u-4.

On October 15, 2021, parties in the Actions participated in a full-day mediation before David M. Murphy of Phillips ADR. After the mediation, counsel for the parties continued to engage in arm's-length negotiations with the assistance of the Mediator, and on December 16, 2021, the Parties entered into a memorandum of understanding (the "MOU") setting forth the terms of a settlement of the Actions subject to approval of the Court and other terms. On December 17, 2021, the parties in this Action notified the Court of the MOU and requested a stay of the Action for all purposes, including discovery and initial disclosures under FRCP 26(a)(1), except for submission and Court review of the settlement contemplated in the MOU.

On February 11, 2022, the parties in the Actions executed a Stipulation of Settlement (the "Stipulation") containing the terms of the Settlement, which was filed with the Court on February 15, 2022.

### **III. PLAINTIFFS' COUNSEL'S INVESTIGATION AND RESEARCH, PLAINTIFFS' CLAIMS AND THE BENEFITS OF SETTLEMENT**

Plaintiffs' counsel have determined that the proposed Settlement confers significant benefits on PGE and that it is fair, reasonable, and in the best interests of PGE and its shareholders. Plaintiffs' counsel reached this conclusion after reviewing and analyzing data from many other sources specific to this matter, including, but not limited to: (1) PGE's public filings with the SEC, press releases, announcements, transcripts of investor conference calls, and news articles; (2) non-public documents produced in response to Plaintiff Berning's Section 60.774 demand; and (3) securities analyst, business, and financial media reports about PGE. Plaintiffs' Counsel have also (1) researched the applicable law with respect to the claims asserted (or which could be asserted) in the stockholder derivative actions and the potential defenses thereto; (2) researched, drafted, and filed complaints; (3) prepared detailed mediation statements; (4) participated in settlement conferences held via Zoom on October 15, 2021; and (5) engaged in lengthy settlement discussions with Defendants' counsel. Thus, Plaintiffs' counsel were able to fully assess the strengths and weaknesses of the claims asserted in the action at the time that this Settlement was entered into.

#### **IV. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

The Individual Defendants and Halberstam Additional Individual Defendants have denied and continue to deny that they have committed or attempted to commit any violations of law, any breach of fiduciary duty owed to PGE, or any wrongdoing whatsoever. Without admitting the validity of any of the claims Plaintiffs have asserted in the Actions, or any liability with respect thereto, Defendants have concluded that it is desirable that the claims be settled on the terms and subject to the conditions set forth in the Stipulation. Defendants are entering into this Settlement because it will eliminate the uncertainty, distraction, disruption, burden, risk, and expense of further litigation. Further, Defendants acknowledge that the Settlement is fair, reasonable, adequate, and in the best interests of PGE and current PGE shareholders.

Neither this Stipulation, nor any of its terms or provisions, nor entry of the Order and Final Judgment, nor any document or exhibit referred or attached to the Stipulation, nor any action taken to carry out the Stipulation, is or may be construed or used as evidence of the validity of any of the Settled Claims or as an admission by or against Defendants of any fault, wrongdoing, or concession of liability whatsoever.

## **V. SETTLEMENT CONSIDERATION**

The Parties have agreed that in consideration for the full settlement and release of the Settled Claims as defined below and on the terms set forth below, within one hundred twenty (120) days of issuance of a final order approving the settlement of the Actions by the Court, PGE will implement or maintain the following reforms, which shall remain in effect for two (2) years. The reforms will be maintained for an additional two (2) years thereafter, if, in the Board's discretion, it is determined to be in PGE's best interests to maintain such changes. PGE acknowledges and agrees that the reforms set forth below provide benefits to the Company and its shareholders and that the reforms were not in effect prior to the filing of some or all of the Actions.

1. **EXECUTIVE RISK COMMITTEE**: PGE will create a new subcommittee of the Executive Risk Committee ("ERC") comprising of senior executives, including the Chief Financial Officer and General Counsel or another member of the General Counsel's office serving as a proxy for the General Counsel, that reports quarterly to the ERC on Power Operations trading and Power Operations risk management. The subcommittee will have the authority to conduct its own reviews at its discretion, including, among other things, requesting documents, requesting reports or interviewing members of Power Operations. The ERC will incorporate the information from the report prepared by the

subcommittee into a quarterly report to the Audit & Risk Committee. This quarterly reporting will also be reflected in the charter to the Audit & Risk Committee.

2. **AUDIT & RISK COMMITTEE**: PGE will amend the Audit & Risk Committee Charter to effectuate the reforms stated below. The amended Audit & Risk Committee Charter shall be posted on the Company's website.

a. The Audit & Risk Committee will review and discuss with management, at least four times annually, reports on the implementation and effectiveness of the Company's legal and regulatory compliance programs, the results of examinations conducted by regulatory agencies, and any other material compliance matters that are determined by the Company's Corporate Compliance Officer to warrant the Audit & Risk Committee's attention; and

b. The Audit & Risk Committee, with the assistance of the Corporate Compliance Officer and/or the Manager of Ethics and Compliance, shall review the Code of Conduct at least annually, in addition to monitoring compliance with the Code of Conduct.

3. **NOMINATING AND CORPORATE GOVERNANCE COMMITTEE**: PGE will amend the Nominating & Corporate Governance Committee Charter to effectuate the reform stated below. The amended Nominating & Corporate Governance Committee Charter shall be posted on the Company's website. The Company will also agree to maintain its current practice of the Nominating and Corporate Governance Committee meeting with each prospective new board member.

a. The Nominating & Corporate Governance Committee shall meet at least three times per year.

4. **BOARD COMPOSITION AND PRACTICES:** PGE will amend its corporate governance guidelines, as necessary, to adopt the following reforms:
  - a. Independent directors may sit on no more than four (4) additional boards of publicly traded companies; and
  - b. At least 75% of the Board must be independent under the NYSE listing standards.
5. **DIRECTOR ATTENDANCE AT ANNUAL SHAREHOLDER MEETINGS:** PGE will continue to expect director attendance at annual shareholder meetings, as required by the governance guidelines.
6. **WHISTLEBLOWER POLICY AND PROCEDURES:** PGE adopted a stand-alone whistleblower policy in February 2021, which provides protections separate and apart from the protections already set forth in the Company's Code of Conduct.
7. **COMPILATION OF CORPORATE COMPLIANCE OFFICER'S JOB DUTIES:** As a result of the Actions, PGE drafted a statement of the Corporate Compliance Officer's job duties that sets forth the current responsibilities and tasks of the individual serving in this position, which may be modified from time to time.

## **VI. RELEASE**

Final Approval (as defined below) of the Settlement pursuant to Federal Rule of Civil Procedure Rule 23.1 shall result in the full and complete dismissal of the Action with prejudice, and the settlement and release of, and a permanent injunction barring any claims, demands, rights, actions, causes of action, liabilities, damages, losses, obligations, judgments, duties, suits, costs, expenses, matters, and issues known or unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, liquidated or unliquidated, matured or unmatured, accrued or unaccrued, apparent or unapparent, that have been or could have been, asserted in any court,

tribunal, or proceeding (including but not limited to any claims arising under federal, state, foreign, or common law, including the federal securities laws and any state disclosure law), by or on behalf of Plaintiffs, PGE, or any PGE shareholder derivatively on behalf of PGE (collectively, the "Releasing Plaintiffs Persons") against the Defendants or any of their families, parent entities, controlling persons, associates, affiliates, or subsidiaries and each and all of their respective past or present officers, directors, shareholders, principals, representatives, employees, attorneys, financial or investment advisors, consultants, accountants, investment bankers, commercial bankers, entities providing fairness opinions, advisors or agents, heirs, executors, trustees, general or limited partners or partnerships, limited liability companies, members, joint ventures, personal or legal representatives, estates, administrators, predecessors, successors, or assigns (the "Released Defendants Persons") which the Releasing Plaintiffs Persons ever had, now have, or may have had by reason of, arising out of, relating to, or in connection with the acts, events, facts, matters, transactions, occurrences, statements, or representations, or any other matter whatsoever set forth in or otherwise related, directly or indirectly, to (i) the allegations in the Actions or (ii) to the purchase, sale, holding, or acquisition of PGE's stock during the period February 13, 2020 through August 24, 2020 (the "Settled Plaintiffs Claims"), and barring any claims, demands, rights, actions, causes of action, liabilities, damages, losses, obligations, judgments, duties, suits, costs, expenses, matters, and issues known or unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, liquidated or unliquidated, matured or unmatured, accrued or unaccrued, apparent or unapparent, that have been or could have been, asserted in any court, tribunal, or proceeding (including but not limited to any claims arising under federal, state, foreign, or common law, including the federal securities laws and any state disclosure law), by or on behalf of the Defendants, PGE, or any PGE shareholder (collectively, the "Releasing Defendants Persons")

against Plaintiffs or any of their families, parent entities, controlling persons, associates, affiliates, or subsidiaries and each and all of their respective past or present officers, directors, shareholders, principals, representatives, employees, attorneys, financial or investment advisors, consultants, accountants, investment bankers, commercial bankers, entities providing fairness opinions, advisors or agents, heirs, executors, trustees, general or limited partners or partnerships, limited liability companies, members, joint ventures, personal or legal representatives, estates, administrators, predecessors, successors, or assigns (the "Released Plaintiffs Persons," together with the Released Defendants Persons, the "Released Persons") which the Releasing Defendants Persons ever had, now have, or may have had by reason of, arising out of, relating to, or in connection with the commencement, litigation, prosecution, or settlement of the Actions (the "Settled Defendants Claims," together with the Settled Plaintiffs Claims, the "Settled Claims").

Notwithstanding anything to the contrary herein, "Settled Claims" does not include claims (i) relating to the enforcement of the Settlement; (ii) between any Releasing Defendants Persons and its, his or her respective insurance carriers, including claims for indemnification; or (iii) relating to Plaintiffs' claims, if any, to their *pro rata* portion of the settlement in *In re Portland General Electric Company Securities Litigation*, Case No. 3:20-cv-1583-SI (D. Or.) (the "Securities Class Action").

Upon Final Approval (defined below), the Releasing Plaintiffs Persons and Releasing Defendants Persons acknowledge, or 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 by them with respect to the Settled Plaintiffs Claims or Settled Defendants Claims, but that it is the intention of the Releasing Plaintiffs Persons and the Releasing Defendants Persons to completely, fully, finally and forever compromise, settle, release, discharge, extinguish, and

dismiss any and all Settled Claims, known or unknown, suspected or unsuspected, contingent or absolute, accrued or unaccrued, apparent or unapparent, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. The Releasing Plaintiffs Persons and the Releasing Defendants Persons acknowledge, or by operation of law shall be deemed to have acknowledged, that "Unknown Claims" are expressly included in the definition of "Settled Plaintiffs Claims" and "Settled Defendants Claims," and that such inclusion was expressly bargained for and was a key element of the Settlement and was relied upon by each and all of the Released Plaintiffs Persons and Released Defendants Persons in entering into this Stipulation. "Unknown Claims" means any claim that the Releasing Plaintiffs Persons and Releasing Defendants Persons do not know or suspect exists in his, her or its favor at the time of the release of the Settled Plaintiffs Claims or Settled Defendants Claims as against the Released Plaintiffs Parties or Released Defendants Parties, including without limitation those which, if known, might have affected the decision to enter into the Settlement.

The Settlement is intended to extinguish all of the Settled Claims and, consistent with such intention, upon the Court granting final approval of the Settlement, the Releasing Plaintiffs Persons and Releasing Defendants Persons shall waive and relinquish, to the fullest extent permitted by law, the provisions, rights, and benefits of any state, federal, or foreign law or principle of common law, which may have the effect of limiting the release set forth above. This shall include a waiver by the Releasing Plaintiffs Persons and Releasing Defendants Persons of any rights pursuant to section 1542 of the California Civil Code (or any similar, comparable, or equivalent provision of any federal, state, or foreign law, or principle of common law), which provides:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR**

**HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

Plaintiffs acknowledge, and the Releasing Plaintiffs Persons shall be deemed by operation of the entry of a final order and judgment approving the Settlement to have acknowledged, and Defendants acknowledge, and the Releasing Defendants Persons shall be deemed by operation of the entry of a final order and judgment approving the Settlement to have acknowledged, that the foregoing waiver was separately bargained for, is an integral element of the Settlement, and was relied upon by each and all of the Defendants and Plaintiffs in entering into the Settlement.

**VII. THE SETTLEMENT HEARING**

The Court has scheduled the Settlement Hearing to be held on May 9, 2022, at 2:00 p.m. at the U.S. District Court for the District of Oregon, Mark O. Hatfield United States Courthouse, Room 15B, 1000 Southwest Third Avenue, Portland, Oregon 97204 to determine:

- (i) whether the Court should approve the Settlement as fair, reasonable, adequate and in the best interests of PGE and PGE's shareholders pursuant to Federal Rule of Civil Procedure Rule 23.1;
- (ii) whether to enter judgment dismissing the Action with prejudice and extinguishing and releasing all Settled Claims; (iii) whether the requirements of the Federal Rules of Civil Procedure and due process have been satisfied in connection with this Notice; and (iv) whether to approve Plaintiffs' Fee and Expense Amount (as defined below), as well as to consider such other matters as may properly come before the Court.

The Court may adjourn the Settlement Hearing, or any part thereof, and approve the Settlement with or without modification, enter an Order and Final Judgment (as defined below), and order the payment of attorneys' fees and expenses without further notice to shareholders. The Court also has reserved the right to approve the Settlement at or after the Settlement Hearing with

such modification(s) as may be consented to by the parties to the Stipulation and without further notice.

If the Settlement is approved by the Court following the Settlement Hearing as fair, reasonable and adequate and in the best interests of PGE and PGE's shareholders, the Court shall enter an order (the "Order and Final Judgment") which will, among other things: (i) determine that the requirements of the Federal Rules of Civil Procedure and due process have been satisfied in connection with the notice of the Settlement; (ii) approve the Settlement as fair, reasonable and adequate and in the best interests of PGE, and PGE's shareholders; (iii) dismiss the Action with prejudice on the merits, as against any and all of the Individual Defendants and Halberstam Additional Individual Defendants, without costs except as provided in the Stipulation, and release the Released Persons from the Settled Claims; and (iv) determine whether to approve Plaintiffs' Fee and Expense Amount as provided in Section X below.

#### **VIII. YOUR RIGHT TO APPEAR AND OBJECT**

CURRENT PGE SHAREHOLDERS WHO HAVE NO OBJECTION TO THE PROPOSED SETTLEMENT NEED NOT TAKE ANY FURTHER ACTION. Any PGE shareholder who held PGE shares as of March 28, 2022 and that continues to hold PGE shares through the date of the Settlement Hearing ("Current PGE Shareholder") may object and/or appear and show cause, if he, she, or it has any concern, why the Settlement should not be finally approved as fair, reasonable, and adequate, or why the Order and Final Judgment should not be entered thereon, or why Plaintiffs' Fee and Expense Amount should not be finally approved; provided, however, unless otherwise ordered by the Court, no Current PGE Shareholder shall be heard or entitled to contest the approval of the terms and conditions of the Settlement, or, if approved, the Order and Final Judgment to be entered thereon approving the

same, or the Fee and Expense Amount, unless that Current PGE Shareholder has, at least fourteen (14) days prior to the Settlement Hearing: (i) filed with the Clerk of the Court a written objection to the Settlement setting forth: (a) the nature of the objection; (b) proof of ownership of PGE common stock at the time the Preliminary Approval Order was entered through the date of the Settlement Hearing, including the number of shares of PGE common stock and the date of purchase; and (c) any documentation in support of such objection; and (ii) if a Current PGE Shareholder intends to appear and requests to be heard at the Settlement Hearing, such Current PGE Shareholder must have, in addition to the requirements of (i) above, filed with the Clerk of the Court: (a) a written notice of such Current PGE Shareholder's intention to appear; (b) a statement that indicates the basis for such appearance; and (c) the identities of any witnesses the Current PGE Shareholder intends to call at the Settlement Hearing and a statement as to the subject of the testimony of each witness. Any Current PGE Shareholder who does not make his, her, or its objection in the manner provided herein shall be deemed to have waived such objection (including the right to appeal) and shall forever be foreclosed from making any objection to the fairness, reasonableness, or adequacy of the Settlement and Plaintiffs' Fee and Expense Amount, as set forth in the Stipulation, unless otherwise ordered by the Court, but shall otherwise be bound by the Order and Final Judgment to be entered and the releases to be given.

## **IX. FINAL APPROVAL**

The approval of the Settlement by the Court shall be considered final ("Final Approval") upon the later of (i) the expiration of the time for the filing or noticing of an appeal or motion for reargument or rehearing from the Court's Order and Final Judgment approving the material terms of the Settlement without such appeal or motion having been made; (ii) the date of final

unappealable affirmance of the Court's Order and Final Judgment on any appeal or reargument or rehearing; or (iii) the final dismissal of any appeal.

#### **X. PLAINTIFFS' FEE AND EXPENSE AMOUNT**

Counsel for Plaintiffs in the Actions reserve the right to seek attorneys' fees and expenses in this Court (the "Motion for Fees and Expenses"), which will promptly be paid by the Company or its insurance carrier or any combination thereof. Counsel for Plaintiffs agree not to seek an award of fees in any other court in connection with the Actions and the Settlement other than the Fee and Expense Amount.

After negotiating and agreeing upon the terms of the Settlement, as set forth in the MOU, counsel for Plaintiffs and PGE negotiated the amount of attorneys' fees and expenses to be paid to counsel for Plaintiffs. As a result of these negotiations and a mediator's proposal, Defendants and/or their insurers, agreed to pay Plaintiffs' counsel fees and expenses of \$750,000 in the aggregate and inclusive of any service payment to Plaintiffs, subject to Court approval (as approved by the Court, the "Fee and Expense Amount"), and that Defendants will not oppose or object to Plaintiffs' request for fees and expenses up to \$750,000. Defendants shall have no responsibility for the allocation of the Fee and Expense Amount among counsel for Plaintiffs.

The Court may consider and rule upon the fairness, reasonableness, and adequacy of the Settlement independently of the approval of Plaintiffs' Fee and Expense Amount. The failure of the Court to approve Plaintiffs' Fee and Expense Amount, in whole or in part, shall have no effect on the Settlement, and approval of Plaintiffs' Fee and Expense Amount shall not be a precondition to the dismissal of any of the Actions. PGE and/or its insurance carrier(s) shall be responsible for paying or causing to be paid the full amount of the Fee and Expense Amount approved by the Court, within twenty (20) business days following the later of entry of an order approving the Fee

and Expense Amount Award and the provision by counsel for Plaintiffs of a completed W-9 and all necessary wire transfer instructions. In the event that Final Approval does not occur or that the order approving the Fee and Expense Amount is reversed or modified on appeal counsel for Plaintiffs are obligated to refund to PGE: (i) the Fee and Expense Amount or the amount by which the Fee and Expense Amount was reduced; and (ii) all interest accrued or accumulated thereon.

Any failure of the Court to approve Plaintiffs' Fee and Expense Amount in whole or in part shall not affect the remainder of the Settlement. No fees or expenses will be owing nor shall be paid to counsel for Plaintiffs in the absence of Court approval of a complete release of all the Released Defendants Persons, in substantially the form of Section VI herein.

Except as provided above, Defendants shall have no obligation to pay or reimburse any fees, expenses, costs or damages alleged or incurred by Plaintiffs, by any PGE shareholder, or by their attorneys, experts, advisors, or representatives with respect to the Settled Claims defined herein. Defendants shall have no responsibility or liability with respect to any fee and expense allocation among Plaintiffs' Counsel or Plaintiffs.

#### **XI. NOTICE TO PERSONS OR ENTITIES HOLDING OWNERSHIP ON BEHALF OF OTHERS**

Brokerage firms, banks and/or other persons or entities who held shares of PGE common stock as of March 28, 2022 (the date of the Preliminary Approval Order) for the benefit of others are requested to immediately inform such beneficial owners of the Settlement and this Notice.

#### **XII. FURTHER INFORMATION**

Inquiries or comments about the Settlement should be directed in writing to the attention of Plaintiffs' Counsel as follows:

David C. Katz  
Mark D. Smilow

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New York, NY 10007  
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