



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

HEDGEPATH, LLC,

Plaintiff,

v.

C.A. No. 2019-0529-JTL

BRENDAN MAGRAB, STEFAN J.
CROSS, DR. R. DANA ONO, ROBERT
D. MARTIN, W. MARK WATSON,
NICHOLAS J. VIRCA and MAYNE
PHARMA VENTURES PTY LTD.,

Defendants,

and

HEDGEPATH PHARMACEUTICALS,
INC., a Delaware corporation,
Nominal Defendant.

SAMUEL SEARS, Individually And On
Behalf of All Others Similarly Situated,
Plaintiff,

v.

C.A. No. 2020-0215-JTL

BRENDAN MAGRAB, STEFAN J.
CROSS, DR. R. DANA ONO, ROBERT
D. MARTIN, W. MARK WATSON,
NICHOLAS J. VIRCA, and MAYNE
PHARMA VENTURES PTY LTD.,
Defendants.

**STIPULATION AND AGREEMENT OF
COMPROMISE, SETTLEMENT, AND RELEASE**

This Stipulation and Agreement of Compromise, Settlement, and Release (the **“Stipulation,”** the terms of which are the **“Settlement”**), dated as of September 9, 2022, is entered into between (i) Plaintiffs Hedgepath, LLC and Samuel Sears (**“Plaintiffs”**); (ii) defendants Brendan Magrab, Stefan J. Cross, R. Dana Ono, Robert D. Martin, W. Mark Watson, Nicholas J. Virca (**“Individual Defendants”**), and Mayne Pharma Ventures Pty Ltd. (**“Mayne”**); and (iii) Inhibitor Therapeutics, Inc., f/k/a Hedgepath Pharmaceuticals, Inc. (**“Nominal Defendant”** or the **“Company”**) (collectively with the Individual Defendants and Mayne, **“Defendants”**). Each Plaintiff and Defendant is referred to individually as a **“Party,”** and they are referred to collectively as the **“Parties.”** The Parties intend for this Stipulation to fully, finally, and forever resolve, discharge, and settle the above-captioned actions (together, the **“Actions”**) and the Released Claims (as defined below), subject to the approval of the terms and conditions of the Stipulation by the Court of Chancery of the State of Delaware (the **“Court”**);

PROCEDURAL BACKGROUND

WHEREAS:

A. The Company is a pharmaceutical development company that is focused on developing and ultimately commercializing innovative therapeutics for patients with certain cancers and certain non-cancerous proliferation disorders. On August 20, 2019, the Company changed its name from HedgePath Pharmaceuticals

(OTCQG:HPPI) to Inhibitor Therapeutics, Inc. (OTCQB:INTI). As of the date of this Stipulation, the Company has approximately 376,858,323 shares of Company common stock issued and outstanding.

B. The Company's majority stockholder, Mayne, is an Australian specialty pharmaceutical company that develops and manufactures branded and generic products, which it distributes directly or through distribution partners and provides contract development and manufacturing services. Mayne licensed to and supplied the Company with SUBA-Itraconazole, Mayne Pharma's patented formulation of itraconazole. Until December 17, 2018, the Company had sought FDA approval to use SUBA-Itraconazole as a treatment for basal cell carcinoma in patients with Basal Cell Carcinoma Nevus Syndrome ("**BCCNS**") within the United States.

C. On July 9, 2019, Plaintiff Hedgepath, LLC filed a complaint (the "**Initial Hedgepath Complaint**"; Transaction ID 63524207) initiating the litigation styled *Hedgepath, LLC v. Magrab et al.*, C.A. No. 2019-0529-JTL (the "**Hedgepath Action**"). Hedgepath, LLC is the Company's second largest stockholder (after Mayne) and, as of the date of this Stipulation, owns 79,627,069 shares of Company common stock.

D. The Initial Hedgepath Complaint alleged direct and derivative claims for breach of fiduciary duty, waste, declaratory judgment, statutory violations under

8 *Del C.* § 271, and dilution of stockholder equity, against the Individual Defendants and Mayne relating to, *inter alia*, (i) the issuance of certain of the Company’s equity securities to Mayne on or about January 8, 2018 (the “**January 2018 Transactions**”), and (ii) the Third Amended and Restated Supply and License Agreement between the Company and Mayne (“**Third Amended SLA**”) and certain transactions contemplated thereby (the “**December 2018 Transactions**,” and together with the January 2018 Transactions, the “**Challenged Transactions**”). The Initial Hedgepath Complaint also alleged claims for breach of fiduciary duty and fraudulent misrepresentation in connection with allegedly false and misleading statements included in the Company’s press releases and filings with the SEC. The Initial Hedgepath Complaint sought damages from Defendants, as well as equitable and other relief.

E. Before filing the Initial Hedgepath Complaint, Hedgepath, LLC served the Company with a corporate books and records demand pursuant to 8 *Del. C.* § 220 (“**Section 220**”) to investigate, among other things, alleged breaches of fiduciary duty in connection with, *inter alia*, the Challenged Transactions (the “**HPLLC 220 Demand**”). The Company produced to Hedgepath, LLC more than 13,000 pages of nonpublic Board-level, and senior officer-level corporate books and records regarding the Challenged Transactions (“**Section 220 Documents**”).

F. On September 27, 2019, Defendants moved to dismiss the Initial

Hedgepath Complaint (Transaction ID 64604558). Among other things, the motions argued that the Initial Hedgepath Complaint failed to state a claim under Court of Chancery Rules 9(b) and 12(b)(6) and, with respect to the derivative claims, failed to adequately plead demand futility under Rule 23.1.

G. On October 17, 2019, Plaintiff Samuel Sears (“**Plaintiff Sears**”) served the Company with a Section 220 demand to investigate, among other things, alleged breaches of fiduciary duty in connection with, *inter alia*, the Challenged Transactions (“**Sears 220 Demand**” and with the HPLLC 220 Demand, the “**Section 220 Demands**”). The Company produced to Plaintiff Sears the same Section 220 Documents the Company produced to Plaintiff Hedgepath, LLC.

H. On December 3, 2019, Plaintiff Hedgepath, LLC filed an amended complaint (the “**Amended Hedgepath Complaint**”; Transaction ID 64481043).

I. On January 10, 2020, Defendants moved to dismiss the Amended Hedgepath Complaint for the same reasons set forth in their original motions to dismiss.

J. On March 23, 2020, Plaintiff Samuel Sears filed a class action complaint (the “**Sears Complaint**”; Transaction ID 65532758) initiating the litigation styled *Samuel Sears v. Magrab et al.*, C.A. No. 2020-0215-JTL (the “**Sears Action**”). The Sears Complaint asserted breach of fiduciary duty claims similar to those asserted in the Hedgepath Action. While the Amended Hedgepath Complaint

asserted its breach of fiduciary duty claims derivatively, the Sears Complaint purported to assert all of its claims on behalf a “Class” defined to include “all other holders of the Company’s common stock (except Defendants herein and any persons, firm, trust, corporation, or other entity related to or affiliated with them and their successors-in-interest) who are or will be threatened with injury arising from Defendants’ wrongful action.”

K. On April 23, 2020, Defendants moved to dismiss the Sears Complaint.

L. On May 18, 2020, Plaintiff Sears filed his amended complaint (the **“Amended Sears Complaint”**; Transaction ID 65532758).

M. On June 4, 2020, following briefing and oral argument, the Court denied Defendants’ motions to dismiss the Amended Hedgepath Complaint.

N. On June 17, 2020, in light of the Court’s ruling in the Hedgepath Action, Defendants withdrew their motions to dismiss the Sears Complaint (Transaction ID 65705316).

O. On June 17, 2020, HedgePath, LLC served its First Set of Requests for Production of Documents Directed to all Defendants and its First Set of Interrogatories Directed to all Defendants.

P. Between August and September 2020, Defendants served Responses and Objections to Hedgepath, LLC’s discovery requests.

Q. Between August and October 2020, Hedgepath, LLC served subpoenas

on third parties The Weinberg Group, LLC, SciQuus, Inc., Ellenoff Grossman & Schole LLP, and Mentara, Inc.

R. On September 2, 2020, Plaintiff Sears served his First Request for Production of Documents Directed to All Defendants.

S. On September 17, 2020, the Individual Defendants served their First Set of Interrogatories Directed to Plaintiffs and their First Set of Requests for the Production of Documents Directed to Plaintiffs.

T. On September 17, 2020, Mayne served its First Set of Interrogatories Directed to Plaintiffs Hedgepath, LLC and Samuel Sears and their First Set of Requests for Production of Documents from Plaintiffs Hedgepath, LLC and Samuel Sears.

U. On November 2, 2020, Plaintiff Sears served his responses to the Individual Defendants' First Set of Interrogatories Directed to Plaintiffs, the Individual Defendants' First Set of Requests for the Production of Documents Directed to Plaintiffs, Mayne's First Set of Interrogatories Directed to Plaintiffs Hedgepath, LLC and Samuel Sears, and Mayne's First Set of Requests for Production of Documents from Plaintiffs Hedgepath, LLC and Samuel Sears.

V. On December 9, 2020, the Parties to the Hedgepath Action and the Sears Action filed a Stipulation and Proposed Order Regarding Coordination of Related Actions (Transaction ID 66172844), which required the parties to the

Actions to coordinate in good faith on all matters where it is practicable to do so, conduct the litigation in a manner designed to avoid duplication, and promote the efficient and speedy resolution of the Actions. On December 10, 2020, the Court granted the Stipulation and Order Regarding Coordination of Related Actions (Transaction ID 66176455).

W. In January 2021, the Parties agreed to discuss a potential resolution of the Actions. Between December 2020 and October 2021, at the request of Plaintiffs and to allow Plaintiffs to evaluate a potential settlement, Defendants produced more than 44,000 pages of documents to Plaintiffs.

X. On November 4, 2021, the Parties participated in a confidential mediation before the Honorable Stephen P. Lamb. Following the mediation, the Parties continued to engage in arm's-length negotiations, including the exchange of numerous offers and counteroffers.

Y. On June 20, 2022, the Parties reached an agreement-in-principle to settle the claims asserted in the Actions for the Settlement Consideration reflected in Paragraphs 2–13 below, subject to the execution of the Stipulation and related papers and Court approval.

Z. On June 27, 2022, via a joint status letter, the Parties informed the Court that the Parties had reached an agreement-in-principle to fully resolve the Actions (Transaction ID 67765786).

AA. Following an analysis of the strengths and weaknesses of the claims asserted in the Actions, including review and analysis of the documents Plaintiffs received, Plaintiffs believe that the Settlement Consideration described in Paragraphs 2–13 below provides the Company and the Class with substantial benefits.

BB. Although Plaintiffs believe that the Actions assert strong claims, they are agreeing to settle the Actions to eliminate the uncertainties inherent in further litigation and in recognition of the benefits this Settlement will afford the Company and the Class.

CC. Plaintiffs have determined that the terms of the Settlement are fair, reasonable, adequate, and in the best interests of the Company and the Class, and that it is reasonable to pursue a settlement of the Actions based upon those terms and the procedures outlined herein.

DD. At all times, Defendants have denied, and continue to deny, all allegations of wrongdoing in the Complaints, including without limitation that they have committed any breach of fiduciary duty, that they have violated Delaware law, that they have made any misrepresentations, or that Plaintiffs have suffered damages.

EE. Defendants expressly maintain that they have at all times complied with their fiduciary and other legal duties.

FF. Although Defendants believe that they have strong defenses to the claims asserted in the Actions, Defendants are entering into this Stipulation because the Settlement will eliminate the burden, expense, distraction, and uncertainties inherent in further litigation.

GG. This Stipulation (together with the Exhibits hereto), which has been duly executed by the undersigned signatories on behalf of their respective clients, reflects the final and binding agreement among the Parties concerning the Settlement, subject to Court approval.

NOW, THEREFORE, IT IS STIPULATED AND AGREED, in consideration of the benefits set forth below, and subject to the approval of the Court pursuant to Court of Chancery Rules 23 and 23.1, that the Actions and the Released Claims (as defined below) shall be compromised, settled, released, and dismissed with prejudice on the merits and without costs (except as provided below), subject to the following terms and conditions:

DEFINITIONS

1. The following terms shall have the meanings assigned to them herein:

(a) “Class” shall mean the class of all record holders and beneficial owners of Company common stock who held such stock at any time during the period between and including January 8, 2018 and December 17, 2018 (except as

limited by the following sentence), and their heirs, assigns, transferees, and successors-in-interest, in each case solely in their capacity as holders or owners of Company common stock. Excluded from the Class are (i) the Individual Defendants and Mayne (collectively, the “Excluded Parties” and each an “Excluded Party”); (ii) any Individual Defendant’s Immediate Family Members (as defined below); (iii) any persons, firm, trust, corporation, or other entity affiliated with an Excluded Party and their successors-in-interest; and (iv) any entity in which any Excluded Party has or had a direct or indirect controlling interest.

(b) “Class Member” shall mean a member of the Class.

(c) “Immediate Family Member” means any children, stepchildren, parents, stepparents, 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.

(d) “Complaints” shall mean the Amended Hedgepath Complaint and the Amended Sears Complaint.

(e) “Plaintiffs’ Releasees” shall mean each of the Company, Plaintiffs, and each Class Member, and each of their respective parents, subsidiaries, affiliates, and controlling persons, and any current or former officer, director, member or manager of any of the foregoing, and each of their respective heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations,

agents, employees, fiduciaries, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, divisions, parents, subsidiaries, affiliates, associated entities, stockholders, principals, officers, directors, managing directors, members, managers, managing members, managing agents, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns financial or investment advisors, attorneys (including all Plaintiffs' counsel in these Actions), personal or legal representatives, accountants, insurers, co-insurers, reinsurers, and associates.

(f) "Defendants' Releasees" shall mean each of Brendan Magrab, Stefan J. Cross, R. Dana Ono, Robert D. Martin, W. Mark Watson, Nicholas J. Virca, and Mayne, and each of their respective parents, subsidiaries, affiliates, and controlling persons, and any current or former officer, director, member or manager of any of the foregoing, and each of their respective heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, employees, fiduciaries, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, divisions, parents, subsidiaries, affiliates, associated entities, stockholders, principals, officers, directors, managing directors, members, managers, managing members, managing agents, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial or investment advisors, attorneys (including all Defendants'

counsel in these Actions), personal or legal representatives, accountants, insurers, co-insurers, reinsurers, and associates.

(g) “Plaintiffs’ Releasers” shall mean each of the Company, the Plaintiffs, the Class, each Class Member and each of their respective parents, subsidiaries, affiliates and controlling persons, successors-in-interest, and assigns.

(h) “Defendants’ Releasers” shall mean each of Brendan Magrab, Stefan J. Cross, R. Dana Ono, Robert D. Martin, W. Mark Watson, Nicholas J. Virca, and Mayne, and each of their respective parents, subsidiaries, affiliates and controlling persons, successors-in-interest, and assigns.

(i) “Releasing Parties” shall mean Plaintiffs’ Releasers and Defendants’ Releasers, collectively.

(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 known or unknown, 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, without limitation, Unknown Claims (as defined herein), whether based on state, local, foreign, federal,

statutory, regulatory, common or other law or rule, that are, have been, could have been, or could now be asserted in the Actions or in any other court, tribunal, forum, suit, action or proceeding, by any of the Plaintiffs' Releasors or any member of the Class, derivatively on behalf of the Company, or individually or as a member of the Class directly (in their capacities as current or former Company stockholders), or by the Company directly against any of the Defendants' Releasees that are based upon, relate in any way to, arise out of or involve, directly or indirectly, in whole or in part, the actual, alleged, or attempted actions, inactions, transactions, claims, facts, events, conduct, occurrences, practices, statements, representations, misrepresentations, omissions, allegations, votes, contracts, decisions, or any other matters, things, or causes whatsoever, or any series thereof, in connection with the Actions or the subject matter of the Actions or alleged, asserted, set forth, claimed, or referred to in the Complaints or any former complaints in the Actions, including, without limitation (i) the Challenged Transactions, (ii) any and all agreements between Mayne or its affiliates on the one hand, and the Company or Hedgepath LLC or its principals on the other hand, (iii) any statements by the Company or Defendants related to or in connection with the Challenged Transactions, or the agreements referenced in part (ii) of this sentence, or alleged in the Complaints; provided, however, that Plaintiffs' Released Claims shall not include claims relating to the

enforcement of the Settlement (including any agreements or provisions of agreements identified in this Stipulation as surviving the Settlement).

(k) “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 known or unknown, 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, without limitation, Unknown Claims (as defined herein), whether based on state, local, foreign, federal, statutory, regulatory, common, or other law or rule, that are, have been, could have been, or could now be asserted in the Actions or in any other court, tribunal, forum, suit, action or proceeding by any of the Defendants’ Releasers against any of the Plaintiffs’ Releasees that are based upon, relate in any way to, arise out of or involve, directly or indirectly, in whole or in part, the Section 220 Demands, the prosecution of the Actions or the subject matter thereof, including, without limitation, any and all agreements between Mayne or its affiliates on the one hand, and the Company or Hedgepath LLC or its principals on the other hand; provided, however, that Defendants’ Released Claims shall not include claims relating to the enforcement of

the Settlement (including any agreements or provisions of agreements identified in this Stipulation as surviving the Settlement).

(l) The “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 the Company and Defendants may have against their insurers.

(m) “Effective Date” shall have the meaning provided in Paragraph 36 below.

(n) “Mayne Debt” shall mean the \$3,000,000 (United States Dollars) advance made by Mayne to the Company pursuant to the Third Amended SLA.

(o) “Mayne Equity Holdings” shall mean all equity securities in the Company, including Company common stock, Company preferred stock, warrants to purchase Company stock, and options to purchase Company stock, that is held or owned, beneficially or of record, by Mayne (or any parent or subsidiary thereof), consisting of 205,065,189 shares of Company common stock, 17,391,306 shares of Company common stock upon conversion of Series B Preferred Stock, and warrants to purchase 4,347,827 shares of Company common stock as of the date of this Stipulation.

(p) “Mayne Short-Term Financing” shall mean (i) the \$371,000 (United States Dollars) currently owed by the Company to Mayne in connection with

a term debt facility memorialized in letter agreements dated December 12, 2020, January 13, 2022, and March 9, 2022 (Exhibits 10.11, 10.12, and 10.13, respectively, to the Company's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on March 30, 2022), and a letter agreement dated July 1, 2022, and (ii) any interim financing, in an amount not to exceed \$86,000 (United States Dollars), that Mayne may provide to the Company between the date of the Stipulation and the Effective Date to fund the Company's operating expenses (subject to Paragraphs 20 and 22 below) and expenses relating to Notice (as defined below). For the avoidance of doubt, under no circumstances shall the Mayne Short-Term Financing exceed \$457,000 (United States Dollars) in the aggregate, and following the Effective Date, the Company shall have no obligation to pay or repay any amounts to Mayne other than the Mayne Short-Term Financing.

(q) "SUBA-Itraconazole BCCNS" shall mean the use of SUBA-Itraconazole targeting basal cell carcinoma in patients with Basal Cell Carcinoma Nevus Syndrome.

(r) "Non-SUBA Formulations of Itraconazole" shall mean any formulations of Itraconazole that do not infringe on the claims of the itraconazole formulation described in U.S. Patent 8,771,739 "Pharmaceutical Compositions for Poorly Soluble Drugs."

(s) “Company Stockholders” shall refer to each and every person who is a record holder or beneficial owner of Company common stock as of the date that the Stipulation is filed with the Court.

(t) “Unknown Claims” are claims that the Releasing Parties did not know or suspect to exist at the time of the release.

SETTLEMENT CONSIDERATION

2. Within five (5) business days of the Effective Date, the Individual Defendants and Mayne shall pay or cause to be paid to the Company a total of \$14,250,000 (United States Dollars) in cash paid via wire transfer or check (the “Cash Consideration”).

3. The Mayne Equity Holdings shall be surrendered to the Company and canceled. Such surrender and cancellation will occur upon the Effective Date. The Individual Defendants shall retain any Company common stock that they own as of the Effective Date, but any options, warrants, or other rights to purchase Company shares that they possess shall be cancelled.

4. The Mayne Debt shall be canceled. Such cancellation will occur upon the Effective Date. Within ten (10) business days of receiving the Cash Consideration, the Company shall repay to Mayne the Mayne Short-Term Financing.

5. After the Effective Date, except as expressly provided herein, the Company shall have no further obligations to (and shall owe no amounts to) Mayne

or the Individual Defendants except with respect to Company common stock held by the Individual Defendants.

6. Upon the Effective Date, the Company shall convert the license, from the Company to Mayne, for the following intellectual property owned by the Company from exclusive to non-exclusive, without restriction as to field:

- a. U.S. Patent 9,129,609
Treatment and Prognostic Monitoring of Proliferation Disorders Using Hedgehog Pathway Inhibitors
Issued: 11-24-2015; Expires: 02-05-2034
- b. U.S. Patent 9,962,381
Treatment and Prognostic Monitoring of Cancerous Proliferation Disorders Using Hedgehog Pathway Inhibitors
Issued: 05-08-2018; Expires: 02-05-2034
- c. U.S. Patent 9,968,600
Treatment and Prognostic Monitoring of Non-Cancerous Proliferation Disorders Using Hedgehog Pathway Inhibitors
Issued: 05-05-2018; Expires: 02-05-2034
- d. U.S. Patent 10,328,072
Treatment of Lung Cancer Using Hedgehog Pathway Inhibitors
Issued: 6-25-2019; Expires: 02-05-2034
- e. U.S. Patent 10,363,252
Treatment of Prostate Cancer Using Hedgehog Pathway Inhibitors
Issued: 07-30-2019; Expires: 02-05-2034

The non-exclusive license of the aforementioned patents to Mayne under this Paragraph 6 shall be memorialized in a separate license agreement, entered into between INTI and Mayne, which shall survive this Stipulation.

7. Upon the Effective Date, Mayne will terminate the following licenses, from Mayne to the Company, for the following intellectual property owned or licensed by Mayne:

- a. The sublicense agreement, dated August 27, 2019, from Mayne Pharma International Pty Ltd, an affiliate of Mayne, for the exclusive U.S. patent rights to U.S. patent No 8,653,083 entitled “Hedgehog Pathway Antagonists to Treat Disease”, issued on February 28, 2014 and U.S. patent No 8,980,930 entitled “Angiogenesis Inhibitors”, issued March 17, 2015 (the “JHU Patents”)
- b. U.S. Patent 8,771,739
Pharmaceutical Compositions for Poorly Soluble Drugs
Issued: 07-08-2014; Expires: 12-16-2022
- c. U.S. Patent 8,921,374
Itraconazole Compositions and Dosage Forms and Methods Using Same
Issued: 12-30-2014; Expires: 06-21-2033
- d. U.S. Patent 9,272,046
Itraconazole Compositions and Dosage Forms and Methods Using Same
Issued: 03-01-2016; Expires: 06-21-2033
- e. U.S. Patent 9,713,642
Itraconazole Compositions and Dosage Forms and Methods Using Same
Issued: 07-25-2017; Expires: 06-21-2033
- f. U.S. Patent 10,473,740
Itraconazole Compositions and Dosage Forms and Methods Using Same
Issued: 11-05-2019; Expires: 06-21-2033
- g. U.S. Patent 10,806,792

*Itraconazole Compositions and Dosage Forms and Methods
Using Same*

Issued: 10-20-2019; Expires: 06-21-2033

Mayne further agrees that the Company will not owe or be required to pay any amounts that may be due under the licenses referenced in this Paragraph 7.

8. After the Effective Date, Mayne will remain amenable to discussing with the Company, in good faith, the potential licensing and/or sub-licensing of the JHU Patents, for a commercially reasonable licensing fee, to the extent the Company seeks to engage in such discussions.

9. Mayne will not take the position that the Company or persons affiliated with the Company, including Dr. Francis E. O'Donnell, Jr., are prohibited from developing or commercializing Non-SUBA Formulations of Itraconazole for any cancer or non-cancer indications. Nor shall Mayne take any action intended to restrict or limit the Company's ability or efforts to develop or commercialize Non-SUBA Formulations of Itraconazole for any cancer or non-cancer indications.

10. Upon the Effective Date, the Third Amended SLA shall be deemed void and each party shall be released from its rights and obligations thereunder; provided, however, that the Company will retain the right to a 9% cash royalty on future net sales, if any, of SUBA-Itraconazole BCCNS in the United States, on the same terms set forth in the Third Amended SLA (the "Royalty"). For the avoidance of doubt, although the Mayne Debt shall in other respects be canceled

under Paragraph 4 of this Stipulation, any Royalty will first be applied to pay down the \$3,000,000 (United States Dollars) advanced by Mayne to the Company under the Third Amended SLA, after which any further Royalties will be paid to the Company.

11. Mayne, in its sole and exclusive discretion, shall determine whether to develop SUBA-Itraconazole BCCNS.

12. Upon the Effective Date, the Equity Holders Agreement by and between the Company, Mayne, Hedgepath, LLC, Dr. Francis O'Donnell, and Nicholas Virca, dated as of June 24, 2014, as amended May 15, 2015 (the "EHA"), shall be deemed terminated pursuant to Section 8.1(b) of the EHA.

13. Any of the Individual Defendants who holds a position with the Company shall retire from each such position effective upon the Effective Date. At least five days before the Settlement Hearing, the Company's board shall execute a unanimous written consent appointing Dr. Francis E. O'Donnell, Jr. as a director of the Company effective upon the Effective Date.

PARTY REPRESENTATIONS

14. The Parties agree that the representations and warranties set forth herein are a material part of the Settlement and they are relying on the representations and warranties in connection with agreeing to the Settlement.

15. Each of the Plaintiffs represents and warrants that he or it has been a stockholder of the Company since prior to January 1, 2018, continually to the present, that as of the date hereof he or it continues to hold stock in the Company, and that he or it shall continue to hold such stock in the Company through the Effective Date. Each Plaintiff further represents that he or it has not sold, traded, collateralized, divested, alienated, assigned, or otherwise transferred the claims asserted in the Actions, or any of the Plaintiffs' Released Claims, to any person.

16. Mayne represents and warrants that it currently owns or has the rights to 205,065,189 shares of Company common stock, 17,391,306 shares of Company common stock upon conversion of Series B Preferred Stock, and warrants to purchase 4,347,827 shares of Company common stock, and that it has not exercised, sold, traded, canceled, collateralized, divested, alienated, assigned, or otherwise impaired its rights to any of the Mayne Equity Holdings subject to surrender and cancellation under Paragraph 3 of this Stipulation, and that it shall not exercise, sell, trade, cancel, collateralize, divest, alienate, assign, or otherwise impair its rights to any of the Mayne Equity Holdings subject to surrender and cancellation under Paragraph 3 of this Stipulation.

17. Each of the Individual Defendants represents and warrants that he currently owns the amount of Company equity securities (or options or rights to acquire Company equity securities) set forth next to his name: Brendan Magrab

(65,000 shares of common stock; no vested stock options); Stefan J. Cross (no equity securities); R. Dana Ono (453,000 shares of common stock; 3,080,734 vested stock options); Robert D. Martin (60,000 shares of common stock; 2,930,734 vested stock options); W. Mark Watson (1,054,100 shares of common stock; 4,227,347 vested stock options); Nicholas J. Virca (8,727,519 shares of common stock; 535,000 vested stock options).

18. The Individual Defendants further represent and warrant that they shall not exercise, sell, trade, cancel, collateralize, divest, alienate, assign, or otherwise impair any options or other rights to acquire Company stock subject to surrender and cancellation under Paragraph 3 of this Stipulation.

19. Mayne represents and warrants that apart from the surrender and cancellation under Paragraph 4 of this Stipulation, it has not exercised, sold, traded, canceled, collateralized, divested, alienated, assigned, or otherwise impaired its rights to any of the Mayne Debt, and that it shall not exercise, sell, trade, cancel, collateralize, divest, alienate, assign, or otherwise impair its rights to any of the Mayne Debt.

20. The Company represents and warrants that, prior to the Effective Date, the Company shall not: (i) issue any additional Company equity securities (or options or rights to acquire Company equity securities); (ii) incur or assume any additional debt on behalf of the Company that is not paid prior to the Effective Date

(except in the ordinary course of the Company's business, or as is reasonably necessary in connection with the Company's obligations and contemplated actions set forth in this Stipulation); or (iii) repay any of the Mayne Debt. Mayne represents and warrants that, prior to the Effective Date, it shall not take any actions to cause the Company to: (i) issue any additional Company equity securities (or options or rights to acquire Company equity securities); (ii) incur or assume any additional debt on behalf of the Company that is not paid prior to the Effective Date (except in the ordinary course of the Company's business, or as is reasonably necessary in connection with the Company's obligations and contemplated actions set forth in this Stipulation); or (iii) repay any of the Mayne Debt.

21. The Company represents and warrants that the Company has not sold, canceled, divested, alienated, assigned, or otherwise impaired its rights to the intellectual property described above in Paragraph 6. Mayne represents and warrants that it will not take any actions to cause the Company to sell, cancel, divest, alienate, assign, or otherwise impair the Company's rights to the intellectual property described above in Paragraph 6.

22. The Company represents and warrants that the Company will operate in the ordinary course until the Effective Date, and that the Company shall not dispose of or impair any of its material assets or incur any additional debt or obligations other than as provided in Paragraph 20. Mayne represents and warrants

that it will not take any actions to cause the Company (i) not to operate in the ordinary course until the Effective Date or (ii) to dispose of or impair any of the Company's material assets or incur any additional debt or obligations other than as provided in Paragraph 20.

23. The Company represents and warrants that the Certificate of Incorporation, amended as of August 14, 2019, and the Second Amended and Restated Bylaws of the Company, attached as exhibits to the Company's Annual Report on Form 10-K filed on March 26, 2021, are the Company's operative certification of incorporation and bylaws as of the date of this Stipulation. Defendants agree that neither Mayne nor the Individual Defendants shall take any action to further amend the certification of incorporation or bylaws after the date of this Stipulation.

24. Mayne represents and warrants that, except as expressly provided in Paragraph 10 herein and apart from the Mayne Debt and Mayne Short-Term Financing, it is not aware of, and will not seek to enforce payment of, any amounts or obligations owed by the Company to Mayne or its affiliates incurred prior to the Effective Date, including, but not limited to, any cash received for royalties in advance of being earned, dividends payable, notes payable, interest payable, loans, or debt financing.

RELEASE OF CLAIMS

25. Effective upon the Effective Date:

(a) The Plaintiffs' Releasors shall fully, finally, and forever release and discharge each and all of the Defendants' Releasees from any and all of Plaintiffs' Released Claims.

(b) The Defendants' Releasors shall fully, finally, and forever release and discharge each and all of the Plaintiffs' Releasees from any and all of Defendants' Released Claims.

26. 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.

27. 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.

28. 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.

DUE DILIGENCE; CONDITIONS OF THE SETTLEMENT

29. The Settlement was preceded by production to Plaintiffs and their counsel of books and records pursuant to the Section 220 Demands; the review of documents produced in discovery; the analysis by Plaintiffs of public filings by the Company with the U.S. Securities and Exchange Commission; the review by Plaintiffs of press releases issued by the Company and other public statements about

the Company; and the mediation submissions prepared by the Parties. Accordingly, in determining to enter into this Settlement, Plaintiffs believe that they were sufficiently informed of the circumstances and terms of the Challenged Transactions and Defendants' actions to determine whether the Settlement was in the best interests of the Company, the Class, and the Company Stockholders (other than Mayne and the Individual Defendants).

30. This Stipulation shall be terminated, and shall be void and of no force and 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, 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 Actions of any Party. In such event, and consistent with the applicable evidentiary rules, neither this Stipulation nor any of its contents, nor the existence of this Stipulation, shall be admissible in evidence or shall be referred to for any purpose in the Actions or in any other proceeding, except in connection with any claim for breach of this Stipulation or as otherwise specifically provided herein.

31. The Settlement shall be void and of no force and effect if the terms of the Settlement, except for the Fee and Expense Applications (as defined

below), do not receive Final Court Approval (as defined below), in which case the Parties shall revert to their litigation positions prior to entering into this Stipulation. For the avoidance of doubt, the Parties agree that court approval of the Fee and Expense Applications (as defined below) is not a condition precedent to the Settlement or Final Court Approval thereof.

32. In the event that any final injunction, decision, order, judgment, determination, or decree is entered or issued by any court or governmental entity prior to 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 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, in the event that any preliminary or temporary injunction, decision, order, determination, or decree (an “Interim Order”) is entered or issued by any court or governmental entity prior to Final Court Approval (as defined below) of this Stipulation and the Settlement that would 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 restrained, prevented, enjoined, or otherwise prohibited.

33. The Settlement shall be conditioned upon (i) entry of a Final Order and Judgment (the “Judgment”) in the form attached as Exhibit B, which shall release any and all claims described in Paragraphs 25-28 hereof (the “Settled Claims”); and (ii) the Judgment becoming Final (as defined below) (“Final Court Approval”).

SUBMISSION AND APPLICATION TO THE COURT

34. Within two (2) days of the execution of this Stipulation on behalf of all Parties, Plaintiffs’ 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 Judgment be entered substantially in the form attached as Exhibit B.

NOTICE

35. The Company shall be responsible for providing Notice of the Settlement to Company Stockholders and all members of the Class in the form and manner directed by the Court (when approved by the Court, the “Notice”),

substantially in the form attached hereto as Exhibit C. The Company shall cause to be paid all costs and expenses incurred in providing the Notice, including any costs and expenses associated with any additional copies of the Notice requested by record holders of the Company's common stock (whether for purpose of providing the Notice to beneficial owners or otherwise).

EFFECTIVE DATE/FINAL COURT APPROVAL

36. The "Effective Date" of the Settlement shall be the first date by which the Court has entered the Judgment and such Judgment has received Final Court Approval. "Final Court Approval" of any Court Order shall mean (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. Notwithstanding anything to the contrary herein, any appeal or proceeding seeking subsequent judicial review pertaining solely to an order issued with respect to attorneys' fees or expenses and/or

an incentive award payable to Plaintiffs shall not in any way delay the Effective Date of the Settlement.

INTERIM INJUNCTION

37. Subject to an order of the Court, pending final determination of whether the Settlement should be approved, the Parties shall 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 asserting any of the Released Claims as defined herein, either directly, representatively, derivatively, or in any other capacity, and all pending deadlines in any and all such actions shall be suspended.

ATTORNEYS' FEES AND EXPENSES

38. Hedgepath, LLC intends to petition the Court for an award of attorneys' fees and expenses actually incurred by it in connection with investigating and pursuing the claims asserted in the Actions (and to reimburse Hedgepath, LLC for the attorneys' fees and expenses already paid to its counsel), and Sears also intends to petition the Court for an award of attorneys' fees and expenses. Any attorneys' fees and expenses awarded by the Court shall be paid solely from the Cash Consideration, and from no other source, in an aggregate amount not to exceed \$2,000,000 (United States Dollars) (the "**Fee and Expense Applications**").

39. Plaintiffs' Counsel's Fee and Expense Applications are not the subject of any agreement among Plaintiffs and Defendants other than what is set forth in this Stipulation. Defendants agree that they will not object to or otherwise take any position on the Fee and Expense Applications so long as the Fee and Expense Applications seek an award or reimbursement in an amount no greater than \$2,000,000 (United States Dollars).

40. Plaintiffs' Counsel's attorneys' fees and expenses that are awarded by the Court (the "**Fee and Expense Reimbursement**") will be paid to Plaintiffs' Counsel and Plaintiffs (to the extent they have already paid such fees to their counsel) from the Cash Consideration.

41. An award of attorneys' fees 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 attorneys' fees or expenses or incentive awards to Plaintiffs.

42. Except as provided in this Stipulation, the Defendants' Releasees and the Company shall bear no other expenses, costs, damages, or fees alleged or incurred by any of Plaintiffs' counsel, or by any attorneys, experts, advisors, agents, or representatives of any Plaintiff or Class Member in connection with the Actions, the Settled Claims, or the Settlement. The Plaintiffs' Releasees shall bear no

expenses, costs, damages, or fees alleged or incurred by any Defendant, or by any of any Defendants' attorneys, experts, advisors, agents or representatives in connection with the Actions, the Settled Claims, or the Settlement.

TERMINATION

43. Prior to the Effective Date, each Party shall have the right to terminate the Settlement and this Stipulation by providing written notice of their election to do so, through counsel, to all other Parties hereto within thirty (30) calendar days of: (a) the Court's final refusal to enter the Scheduling Order in any material respect; (b) the Court's refusal to approve (including at the Settlement Hearing) the Settlement or any material part thereof; (c) the Court's refusal to enter the Judgment in any material respect or to dismiss the Actions with prejudice; (d) the date upon which an order vacating, modifying, revising or reversing the Judgment becomes Final; or (e) the date upon which Plaintiffs become aware that any of the representations and warranties provided in Paragraphs 16–24 are not true and correct as of the date of this Stipulation.

44. In the event that the Settlement is terminated pursuant to the terms of this Stipulation or the Effective Date of the Settlement otherwise fails to occur, then: (i) this Stipulation, and the Settlement, including without limitation the releases under Paragraphs 25–28 above, shall be 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 Actions immediately prior to the date of execution of the Stipulation; and (iv) the Parties shall proceed in all respects as if this Stipulation and any related orders had not been entered.

ENTIRE AGREEMENT

45. 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 prior to the execution of this Stipulation. No representations, warranties, or statements of any nature whatsoever, whether written or oral, have been made to or relied upon by any Party concerning this Stipulation or its Exhibits, other than the representations, warranties, and covenants expressly set forth in such documents.

CONSTRUCTION

46. 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.

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

GOVERNING LAW; CONTINUING JURISDICTION

48. 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 the Superior Court of the State of Delaware); (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 the laying of 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; and (v) expressly waive any right to demand a jury trial as to any such dispute.

AMENDMENTS

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

SETTLEMENT NOT AN ADMISSION

50. The provisions contained in the Settlement and 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 or claims (including the Settled Claims) that

have been or might be alleged or asserted in the Actions, 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 Actions, or in any other action or proceeding, whether civil, criminal, or administrative, for any purpose other than as permitted by applicable court rules and rules of evidence.

MISCELLANEOUS PROVISIONS

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

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

53. In the event of the entry of a final order of a court of competent jurisdiction determining that the transfer of the Cash Consideration or any portion thereof by or on behalf of Defendants was a preference, voidable transfer, fraudulent transfer, or similar transaction and any portion thereof is required to be returned, and such amount is not promptly transferred to the Company by others, then, at the election of Plaintiffs, Plaintiffs and Defendants shall jointly move the Court to vacate and set aside the Released Claims given and the Judgment entered pursuant to this Stipulation, in which event the Released Claims and Judgment shall be null and void, and Plaintiffs and Defendants shall be restored to their respective positions in the litigation as provided in Paragraph 44 above.

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

If to Plaintiffs or Plaintiffs'
Counsel:

Potter Anderson & Corroon LLP
Attn: Kevin R. Shannon
Attn: Tyler J. Leavengood
1313 North Market Street – 6th Floor
Wilmington, DE 19801
(302) 984-6000
kshannon@potteranderson.com
tleavengood@potteranderson.com

Andrews & Springer LLC
Attn: Peter B. Andrews
4001 Kennett Pike, Suite 250
Wilmington, Delaware 19807
(302) 504-4957
pandrews@andrewsspringer.com

If to Defendants:

Mayne:

Mayne Pharma Ventures Pty Ltd.
Attn: Laura Loftus
Level 1, 99 King Street
Melbourne VIC 3000 Australia
Laura.Loftus@maynepharma.com

Abrams & Bayliss LLP
Attn: A. Thompson Bayliss
20 Montchanin Road, Suite 200
Wilmington, DE 19807
Bayliss@AbramsBayliss.com

Curtis, Mallet-Prevost, Colt & Mosle LLP
Attn: Jacques Semmelman
101 Park Avenue
New York, NY 10178
jsemmelman@curtis.com

Brendan Magrab, Stefan J. Wilson Sonsini Goodrich & Rosati
Cross, Dr. R. Dana Ono, Attn: Andrew D. Cordo
Robert D. Martin, W. Mark 222 Delaware Avenue, 8th Floor
Watson, and Nicholas J. Wilmington, DE 19801
Virca: (302) 304-7600
acordo@wsgr.com

Nominal Defendant: Inhibitor Therapeutics, Inc.
Attn: Garrison Hasara
449 South 12th Street
Unit 1705
Tampa, Florida 33602
(888) 841-6811
ghasara@inhibitortx.com

Ashby & Geddes, PA
Attn: Troupe Mickler
500 Delaware Avenue
P.O. Box 1150
Wilmington, DE 19899
(302) 654-1888
tmickler@ashbygeddes.com

BINDING EFFECT

55. This Stipulation shall be binding upon and inure to the benefit of the Parties hereto and their respective agents, executors, heirs, successors, and assigns.

COUNTERPARTS

56. 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

57. This Stipulation will be executed by counsel for each of the Parties, each of whom represents and warrants that they have the authority from their client(s) to enter into this Stipulation and bind their clients hereto.

NO WAIVER

58. 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

59. Plaintiffs, Defendants, and their counsel agree, to the extent permitted by law, that all agreements relating to the confidentiality of information made before and during the course of the Actions shall survive this Stipulation. The parties agree that all non-public information relating to the use of SUBA-Itraconazole to treat oncology shall be deemed the confidential information of

Mayne and shall be kept confidential pursuant to the terms of the Third Amended SLA.

60. **IN WITNESS WHEREOF**, the Parties have caused this Stipulation to be executed, by their duly authorized attorneys, as of September 9, 2022.

POTTER ANDERSON &
CORROON LLP

/s/ Kevin R. Shannon

Kevin R. Shannon (#3137)
Tyler J. Leavengood (#5506)
Hercules Plaza, 6th Floor
1313 North Market Street
Wilmington, DE 19899
(302) 984-6000

Attorneys for Plaintiff Hedgepath, LLC

Of Counsel:

Jacques Semmelman
Grace E. Condro
CURTIS, MALLET-PREVOST, COLT
& MOSLE LLP
101 Park Avenue
New York, NY 10178
(212) 696-6000

ANDREWS & SPRINGER LLC

/s/ Peter B. Andrews

Peter B. Andrews (#4623)
Craig J. Springer (#5529)
David Sborz (#6203)
4001 Kennett Pike, Suite 250
Wilmington, Delaware 19807
(302) 504-4957

Attorneys for Plaintiff Samuel Sears

ABRAMS & BAYLISS LLP

/s/ A. Thompson Bayliss

A. Thompson Bayliss (#4379)
20 Montchanin Road, Suite 200
Wilmington, DE 19807
(302) 778-1000

*Attorneys for Defendant Mayne
Pharma Ventures Pty Ltd.*

WILSON SONSINI GOODRICH &
ROSATI, P.C.

/s/ Andrew D. Cordo

Andrew D. Cordo (#4534)
Daniyal M. Iqbal (#6167)
Leah E. León (#6536)
222 Delaware Avenue, Suite 800
Wilmington, Delaware 19801
(302) 304-7600

*Attorneys for Defendants Brendan
Magrab, Stefan J. Cross, Dr. R. Dana
Ono, Robert D. Martin, W. Mark
Watson, and Nicholas J. Virca*

ASHBY & GEDDES, P.A.

/s/ F. Troupe Mickler IV

F. Troupe Mickler IV (#5361)

Marie M. Degnan (#5602)

500 Delaware Avenue, 8th Floor

P.O. Box 1150

Wilmington, Delaware 19801

(302) 654-1888

*Attorneys for Nominal Defendant
Hedgepath Pharmaceuticals, Inc.*

Dated: September 9, 2022

Multi-Case Filing Detail: The document above has been filed and/or served into multiple cases, see the details below including the case number and name.

Transaction Details

Court: DE Court of Chancery Civil Action	Document Type: Stipulation for Compromise & Settlement
Transaction ID: 68068969	Document Title: Stipulation and Agreement of Compromise, Settlement, and Release
Submitted Date & Time: Sep 9 2022 9:55AM	

Case Details

Case Number	Case Name
2019-0529-JTL	CONF ORD - COORDINATED W/ 2020-0215-JTL - Hedgepath, LLC v. Brendan Magrab, et al.
2020-0215-JTL	CONF ORD/COORDINATED WITH 2019-0529-JTL - Samuel Sears v. Brendan Magrab, et al.



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

HEDGEPATH, LLC,

Plaintiff,

v.

BRENDAN MAGRAB, STEFAN J.
CROSS, DR. R. DANA ONO, ROBERT
D. MARTIN, W. MARK WATSON,
NICHOLAS J. VIRCA and MAYNE
PHARMA VENTURES PTY LTD.,

Defendants,

and

HEDGEPATH PHARMACEUTICALS,
INC., a Delaware corporation,

Nominal Defendant.

C.A. No. 2019-0529-JTL

SAMUEL SEARS, Individually And On
Behalf of All Others Similarly Situated,

Plaintiff,

v.

BRENDAN MAGRAB, STEFAN J.
CROSS, DR. R. DANA ONO, ROBERT
D. MARTIN, W. MARK WATSON,
NICHOLAS J. VIRCA, and MAYNE
PHARMA VENTURES PTY LTD.,

Defendants.

C.A. No. 2020-0215-JTL

[PROPOSED] SCHEDULING ORDER

WHEREAS, the parties to the above-captioned actions *Hedgepath, LLC v. Magrab et al.*, C.A. No. 2019-0529-JTL (the “Hedgepath Action”) and *Samuel Sears v. Magrab et al.*, C.A. No. 2020-0215-JTL (the “Sears Action,” and together with the Hedgepath Action, the “Actions”) have entered into a Stipulation and Agreement of Compromise, Settlement, and Release, dated September 9, 2022 (the “Stipulation”), which sets forth the terms and conditions for the proposed settlement and dismissal of the Actions, subject to review and approval by this Court pursuant to Court of Chancery Rules and 23 and 23.1, and upon notice to the stockholders of nominal defendant Inhibitor Therapeutics, Inc., f/k/a HedgePath Pharmaceuticals, Inc., (the “Company”) as of September 9, 2022;

NOW, upon application of the Parties, after review and consideration of the Stipulation filed with the Court.

IT IS HEREBY ORDERED this ____ day of ____, 2022, as follows:

1. Except for terms defined herein, the Court adopts and incorporates the definitions in the Stipulation for the purposes of this Order.
2. The Court hereby preliminarily certifies, solely for purposes of effectuating the proposed Settlement, the Sears Action as a non-opt out class action pursuant to Court of Chancery Rules 23(a), 23(b)(1) and 23(b)(2), on behalf of a Class consisting of all record holders and all beneficial owners of Company common stock who held such stock at any time during the period between and including

January 8, 2018 and December 17, 2018 (the “Class Period”), and their heirs, assigns, transferees, and successors-in-interest, in each case solely in their capacity as holders or owners of Company common stock. Excluded from the Class are (i) defendants Brendan Magrab, Stefan J. Cross, R. Dana Ono, Robert D. Martin, W. Mark Watson, Nicholas J. Virca (collectively, the “Individual Defendants”), and Mayne Pharma Ventures Pty Ltd. (“Mayne,” and collectively with the Individual Defendants, the “Excluded Parties” and each an “Excluded Party”); (ii) any Individual Defendants’ Immediate Family Members (as defined in the Stipulation); (iii) any persons, firm, trust, corporation, or other entity affiliated with an Excluded Party and their successors-in-interest; and (iv) any entity in which any Excluded Party has or had a direct or indirect controlling interest.

3. A hearing (the “Settlement Hearing”) shall be held on November 10, 2022, at 9:15 a.m. in the Delaware Court of Chancery in the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801, to: (a) determine whether the proposed Settlement, on the terms and conditions provided in the Stipulation, is fair, reasonable, adequate, and in the best interests of the Company, the Class, and the Company Stockholders (other than the Excluded Parties) and should be approved by the Court; (b) determine whether Plaintiffs and Plaintiffs’ counsel have adequately represented Plaintiffs, the Company, the Class, and the Company Stockholders; (c) determine whether the Court should enter a Final Order

and Judgment as provided in the Stipulation and approve the release and discharge of the Released Claims; (d) hear the Fee and Expense Applications by Plaintiffs' counsel; and (e) rule on such other matters as the Court may deem appropriate.

4. The Court reserves the right to adjourn the Settlement Hearing or any adjournment thereof, including the consideration of the Fee and Expense Applications, without further notice of any kind other than oral announcement at the Settlement Hearing or any adjournment thereof.

5. The Court reserves 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 to the Company Stockholders. Further, the Court may render its Final Order and Judgment, and order the payment of the Fee and Expense Reimbursement, all without further notice to the Company Stockholders.

6. The Court approves, in form and content, the *Notice of Pendency of Derivative and Class Actions, Proposed Settlement and Settlement Hearing* (the "Notice") substantially in the form attached as Exhibit B to the Stipulation. The date and time of the Settlement Hearing shall be included in the Notice before it is mailed and published.

7. Within ten (10) business days after the entry of this Order, the Company shall cause the Notice to be sent to all Company Stockholders of record

as of the close of business on the date that the Stipulation is filed with the Court and as shown on the stock records maintained by or on behalf of the Company. All record holders of common stock of the Company who are not also the beneficial owners of those shares shall be requested to forward the Notice to the beneficial owners of those shares. The Company shall use reasonable efforts to give notice to such beneficial owners by making additional copies of the Notice available to any record holder who, prior to the Settlement Hearing, requests it for distribution to beneficial owners.

8. Within ten (10) business days after the entry of this Order, the Company shall cause copies of the Notice and the Stipulation to be posted on the Company's corporate website (<https://investors.inhibitortx.com>), which documents shall remain posted on that website through the Effective Date of the Settlement.

9. Within ten (10) business days after the entry of this Order, the Company shall file with the United States Securities and Exchange Commission a Current Report on Form 8-K briefly describing the Settlement, including a statement as to where stockholders can locate the Notice and Stipulation.

10. The Court finds that the form and method of notice herein is the best notice practicable, constitutes due and sufficient notice of the Settlement to all persons entitled to receive such a notice, and meets the requirements of Court of Chancery Rules 23 and 23.1, due process and applicable law. Counsel for the

Company shall file with the Court an appropriate affidavit with respect to the mailing and other dissemination of the Notice at least ten (10) business days prior to the Settlement Hearing described herein.

11. All proceedings in the Actions, other than such proceedings as may be necessary to carry out the terms and conditions of the Settlement, are hereby stayed and suspended until further order of the Court. Pending final determination of whether the Settlement should be approved, the Parties and anyone acting or purporting to act on their behalf are barred and enjoined from commencing or prosecuting any action asserting any Released Claims as defined in the Stipulation.

12. Any Company Stockholder who objects to the Settlement, the Final Order and Judgment to be entered in the Actions, and/or Plaintiffs' counsel's Fee and Expense Applications, or who otherwise wishes to be heard, may appear in person or by such person's attorney at the Settlement Hearing and present evidence or argument that may be proper and relevant. However, except for good cause shown, no person shall be heard and no papers, briefs, pleadings, or other documents submitted by any person shall be considered by the Court unless, not later than fourteen (14) calendar days prior to the Settlement Hearing, such person files with the Court and serves upon counsel listed below: (a) a written notice of intention to appear; (b) a statement of such person's objections to any matters before the Court; (c) the grounds for such objections and the reasons that such person desires to appear

and be heard; and (d) documentation evidencing ownership of Company stock and any other documents or writings such person desires the Court to consider. Such submissions shall be filed with the Register in Chancery and served upon the following counsel:

POTTER ANDERSON & CORROON
LLP

Kevin R. Shannon, Esquire
Tyler J. Leavengood, Esquire
Hercules Plaza, 6th Floor
1313 North Market Street
Wilmington, DE 19899
(302) 984-6000

Attorneys for Plaintiff Hedgepath, LLC

WILSON SONSINI GOODRICH &
ROSATI, P.C.

Andrew D. Cordo, Esquire
Daniyal M. Iqbal, Esquire
Leah E. León, Esquire
222 Delaware Avenue, Suite 800
Wilmington, Delaware 19801
(302) 304-7600

*Attorneys for Defendants Brendan
Magrab, Stefan J. Cross, Dr. R. Dana
Ono, Robert D. Martin, W. Mark
Watson, and Nicholas J. Virca*

ANDREWS & SPRINGER LLC

Peter B. Andrews, Esquire
Craig J. Springer, Esquire
David Sborz, Esquire
4001 Kennett Pike, Suite 250
Wilmington, Delaware 19807
(302) 504-4957

Attorneys for Plaintiff Samuel Sears

ABRAMS & BAYLISS LLP

A. Thompson Bayliss, Esquire
20 Montchanin Road, Suite 200
Wilmington, DE 19807
(302) 778-1000

*Attorneys for Defendant Mayne Pharma
Ventures Pty Ltd.*

ASHBY & GEDDES, P.A.

F. Troupe Mickler IV, Esquire
Marie M. Degnan, Esquire
500 Delaware Avenue, 8th Floor
P.O. Box 1150
Wilmington, Delaware 19801
(302) 654-1888

*Attorneys for Nominal Defendant
Inhibitor Therapeutics, Inc. f/k/a
HedgePath Pharmaceuticals, Inc.*

13. Unless the Court otherwise directs, no person shall be entitled to object to the approval of the Settlement, any judgment entered thereon, the adequacy of the representation of the Company or its stockholders by Plaintiffs and Plaintiffs' counsel, or any Fee and Expense Reimbursement, or otherwise be heard, except by serving and filing a written objection and supporting papers and documents as described in Paragraph 12. Any person who fails to object in the manner described above shall be deemed to have waived the right to object (including any right of

appeal) and shall be forever barred from raising such objection in these or any other actions or proceedings.

14. Plaintiffs' counsel shall file and serve the opening papers in support of the proposed Settlement and Plaintiffs' counsel's Fee and Expense Applications no later than twenty-eight (28) calendar days prior to the Settlement Hearing; opposition papers, if any, shall be filed and served no later than fourteen (14) calendar days prior to the Settlement Hearing; and reply papers, if any, shall be filed and served no later than seven (7) calendar days prior to the Settlement Hearing.

15. If the Settlement, including any amendment made in accordance with the Stipulation, is not approved by the Court or shall not become effective for any reason whatsoever, the Settlement (including any modification thereof made with the consent of the Parties as provided in the Stipulation), and any actions taken or to be taken in connection therewith (including this Order and any judgment entered herein) shall be terminated and become void and of no further force and effect, except for the obligation of the Company to pay for any expenses incurred in connection with the Notice and administration contemplated by this Order. In that event, neither the Stipulation nor any provision contained in the Stipulation, any action undertaken pursuant thereto, or the negotiation thereof by any party shall be deemed an admission or received as evidence in these or any other actions or proceedings.

Vice Chancellor J. Travis Laster

Multi-Case Filing Detail: The document above has been filed and/or served into multiple cases, see the details below including the case number and name.

Transaction Details

Court: DE Court of Chancery Civil Action **Document Type:** Proposed Order
Transaction ID: 68068969 **Document Title:** Exhibit A to Stipulation and Agreement of Compromise, Settlement and Release: [Proposed] Scheduling Order
Submitted Date & Time: Sep 9 2022 9:55AM

Case Details

Case Number	Case Name
2019-0529-JTL	CONF ORD - COORDINATED W/ 2020-0215-JTL - Hedgepath, LLC v. Brendan Magrab, et al.
2020-0215-JTL	CONF ORD/COORDINATED WITH 2019-0529-JTL - Samuel Sears v. Brendan Magrab, et al.



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

HEDGEPATH, LLC,

Plaintiff,

v.

BRENDAN MAGRAB, STEFAN J.
CROSS, DR. R. DANA ONO, ROBERT
D. MARTIN, W. MARK WATSON,
NICHOLAS J. VIRCA and MAYNE
PHARMA VENTURES PTY LTD.,

Defendants,

and

HEDGEPATH PHARMACEUTICALS,
INC., a Delaware corporation,
Nominal Defendant.

C.A. No. 2019-0529-JTL

SAMUEL SEARS, Individually And On
Behalf of All Others Similarly Situated,
Plaintiff,

v.

BRENDAN MAGRAB, STEFAN J.
CROSS, DR. R. DANA ONO, ROBERT
D. MARTIN, W. MARK WATSON,
NICHOLAS J. VIRCA, and MAYNE
PHARMA VENTURES PTY LTD.,
Defendants.

C.A. No. 2020-0215-JTL

[PROPOSED] FINAL ORDER AND JUDGMENT

A hearing having been held before this Court on November 10, 2022, pursuant to this Court’s Scheduling Order, dated September __, 2022 (the “Scheduling Order”), and upon a Stipulation and Agreement of Compromise, Settlement, and Release, dated September 9, 2022 (the “Stipulation”) outlining a settlement of the above-captioned actions *Hedgepath, LLC v. Magrab et al.*, C.A. No. 2019-0529-JTL (the “Hedgepath Action”) and *Samuel Sears v. Magrab et al.*, C.A. No. 2020-0215-JTL (the “Sears Action,” and together with the Hedgepath Action, the “Actions”), which is incorporated herein by reference, the Parties having appeared by their attorneys of record, the Court having heard and considered the submissions and evidence presented in support of the proposed Settlement, Plaintiffs’ counsel having made applications for an award of attorneys’ fees and expenses, the opportunity to be heard having been given to all other persons requesting to be heard in accordance with the Scheduling Order, the Court having determined that Notice was adequate and sufficient, and the entire matter of the proposed Settlement having been heard and considered by the Court;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED this ____ day of _____, 2022, as follows:

1. Unless otherwise defined herein, all defined terms shall have the meanings as set forth in the Stipulation and the Scheduling Order.

2. The Court has jurisdiction over the subject matter of the Actions, and all matters relating to the Settlement of the Actions, as well as personal jurisdiction over all of the Parties, the Class, and each Class Member for purposes of the Settlement, and it is further determined that the Parties, the Class, and each Class Member, as well as their transferees, heirs, executors, successors, and assigns, are bound by this Final Order and Judgment (the “Judgment”).

3. The Court finds that each of the Plaintiffs in the Actions have held stock in the Company since January 1, 2018, otherwise have standing to prosecute the Actions, that Plaintiff Hedgepath, LLC is an adequate representative of the Company, and Plaintiff Samuel Sears is an adequate representative of the Class.

4. Based on the record in the Actions, each of the provisions of Court of Chancery Rules 23 and 23.1 has been satisfied and the Actions have been properly maintained according to the provisions of Court of Chancery Rules 23 and 23.1.

5. The Court hereby finally certifies, for the purposes of the Settlement only, the Sears Action as a non-opt out class action pursuant to Court of Chancery Rules 23(a), 23(b)(1) and 23(b)(2), on behalf of a Class consisting of all record holders and all beneficial owners of Company common stock who held such stock at any time during the period between and including January 8, 2018 and

December 17, 2018 (the “Class Period”) and their heirs, assigns, transferees, and successors-in-interest, in each case solely in their capacity as holders or owners of Company common stock. Excluded from the Class are (i) defendants Brendan Magrab, Stefan J. Cross, R. Dana Ono, Robert D. Martin, W. Mark Watson, Nicholas J. Virca (collectively, the “Individual Defendants”), and Mayne Pharma Ventures Pty Ltd. (“Mayne,” and collectively with the Individual Defendants, the “Excluded Parties” and each an “Excluded Party”); (ii) any persons, firm, trust, corporation, or other entity affiliated with an Excluded Party and their successors-in-interest; (iii) any Individual Defendant’s Immediate Family Members (as defined in the Stipulation); and (iv) any entity in which any Excluded Party has or had a direct or indirect controlling interest.

6. For the purposes of the Settlement only, the Court hereby finally appoints Plaintiff Sears as representative for the Class and Plaintiff Sears’s counsel as counsel for the Class. Plaintiff Sears and his counsel have fairly and adequately represented the Class both in terms of litigating the Sears Action and for purposes of entering into and implementing the Settlement.

7. Solely for purposes of the proposed Settlement of the Sears Action, the Court finds that each element required for certification of the Class pursuant to Court of Chancery Rules 23(a), 23(b)(1) and 23(b)(2) has been met in that: (a) the Company had more 375,000,000 shares outstanding at the time of the

Challenged Transactions held by hundreds if not thousands of beneficial owners, so the Class Members are so numerous that their joinder in the Sears Action would be impracticable; (b) there are questions of law and fact common to the Class, including whether the Challenged Transactions were fair to and in the best interests of the Company and the Class, whether the disclosures issued in connection with the Challenged Transactions were adequate, and whether and to what extent the Class was damaged by any alleged misconduct; (c) the claims of Plaintiff Sears are typical of the claims of the Class; (d) in connection with both the prosecution of the Sears Action as well as the Settlement, Plaintiff Sears and his counsel have and will fairly and adequately represent and protect the interests of the Class; (e) the prosecution of separate actions by individual Class Members would create a risk of inconsistent adjudications that would establish incompatible standards of conduct for the Individual Defendants and Mayne; (f) as a practical matter, the disposition of the Sears Action would influence the disposition of any pending or future identical cases brought by other Class Members; and (g) the Individual Defendants and Mayne have allegedly acted or refused to act on grounds generally applicable to the Class, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the Class as a whole.

8. The Notice has been given to all Company Stockholders as of September 9, 2022 pursuant to and in the manner directed by the Scheduling Order,

proof of mailing and other dissemination of the Notice was filed with the Court, and a full opportunity to be heard has been offered to all Parties, Class Members, Company Stockholders, and persons in interest. The Court finds that the form and means of the Notice was the best notice practicable under the circumstances and was given in full compliance with the requirements of Court of Chancery Rules 23 and 23.1, due process of law, and all other applicable law and rules, and that all parties and Company Stockholders are bound by this Judgment.

9. The Court finds that the Settlement is fair, reasonable, adequate, and in the best interests of the Company, the Class, and the Company Stockholders (other than the Excluded Parties).

10. Pursuant to Court of Chancery Rules 23(e) and 23.1, this Court approves the Settlement in all respects, and the Parties are directed to consummate the Settlement in accordance with the terms of the Stipulation. The Register in Chancery is directed to enter and docket this Judgment.

11. Upon entry of this Judgment, all Released Claims shall be fully, finally, and forever released, relinquished, settled, extinguished, discharged, and dismissed with prejudice; provided, however, that the Released Claims shall not include any claims to enforce the Settlement.

12. The Actions and all of the claims asserted against Defendants in the Actions are hereby dismissed with prejudice. The Parties are to bear their own

attorneys' fees and costs, except as otherwise provided in Paragraphs 15 and 16 below or as otherwise provided in the Stipulation and the Scheduling Order.

13. The Parties and each Class Member and anyone acting or purporting to act on their behalf are hereby barred and enjoined from commencing or prosecuting any action asserting any Released Claims.

14. Neither this Judgment, the Settlement, nor any act or omission in connection therewith shall be deemed or argued to be evidence of or to constitute a presumption, concession, or admission by any Defendant of any breach of duty, liability, fault, or wrongdoing as to any facts or claims alleged or asserted in the Actions, or in any other actions or proceedings, and shall not be interpreted, construed, deemed, invoked, offered, received in evidence, or otherwise used in the Actions or any other action or proceeding of any nature whatsoever except to enforce the Stipulation and Settlement. Neither the existence of the Settlement, the Stipulation, nor any provisions contained therein shall be deemed a concession or admission by Plaintiffs that the Actions lack merit.

15. Plaintiffs' counsel are hereby awarded attorneys' fees in the amounts of \$_____ with respect to the Hedgepath Action and \$_____ with respect to the Sears Action, inclusive of expenses, which amount the Court finds to be fair and reasonable and which shall be paid by the Company as set forth in the Stipulation. To the extent that counsel has already received payment with regard to

any amount of the fees awarded pursuant to this Paragraph, such payments shall be reimbursed to the payor of such fees.

16. The effectiveness of this Judgment and the obligations of Plaintiffs, Plaintiffs' counsel, and Defendants under the Settlement shall not be conditioned upon or subject to the resolution of any appeal that relates solely to the issue of Plaintiffs' or Plaintiffs' counsel's applications for an award of attorneys' fees or expenses or any incentive awards for Plaintiffs.

17. The Court further orders, adjudges, and decrees that all other relief be, and is hereby, denied, and that this Judgment disposes of all the claims against all the parties in the above-styled and numbered actions.

Vice Chancellor J. Travis Laster

Multi-Case Filing Detail: The document above has been filed and/or served into multiple cases, see the details below including the case number and name.

Transaction Details

Court: DE Court of Chancery Civil Action	Document Type: Proposed Order
Transaction ID: 68068969	Document Title: Exhibit B to Stipulation and Agreement of Compromise, Settlement and Release: [Proposed] Final Order and Judgment
Submitted Date & Time: Sep 9 2022 9:55AM	

Case Details

Case Number	Case Name
2019-0529-JTL	CONF ORD - COORDINATED W/ 2020-0215-JTL - Hedgepath, LLC v. Brendan Magrab, et al.
2020-0215-JTL	CONF ORD/COORDINATED WITH 2019-0529-JTL - Samuel Sears v. Brendan Magrab, et al.



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

HEDGEPATH, LLC,

Plaintiff,

v.

BRENDAN MAGRAB, STEFAN J.
CROSS, DR. R. DANA ONO, ROBERT
D. MARTIN, W. MARK WATSON,
NICHOLAS J. VIRCA and MAYNE
PHARMA VENTURES PTY LTD.,

Defendants,

and

HEDGEPATH PHARMACEUTICALS,
INC., a Delaware corporation,

Nominal Defendant.

C.A. No. 2019-0529-JTL

SAMUEL SEARS, Individually And On
Behalf of All Others Similarly Situated,

Plaintiff,

v.

BRENDAN MAGRAB, STEFAN J.
CROSS, DR. R. DANA ONO, ROBERT
D. MARTIN, W. MARK WATSON,
NICHOLAS J. VIRCA, and MAYNE
PHARMA VENTURES PTY LTD.,

Defendants.

C.A. No. 2020-0215-JTL

**NOTICE OF PENDENCY OF DERIVATIVE AND CLASS ACTIONS,
PROPOSED SETTLEMENT AND SETTLEMENT HEARING**

TO: ALL PERSONS OR ENTITIES WHO ARE OR WERE RECORD HOLDERS OR BENEFICIAL OWNERS OF SHARES OF THE COMMON STOCK OF INHIBITOR THERAPEUTICS, INC., F/K/A HEDGEPATH PHARMACEUTICALS, INC., (THE “COMPANY”) AS OF THE CLOSE OF BUSINESS ON SEPTEMBER 9, 2022 (THE “COMPANY STOCKHOLDERS”)

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF A LAWSUIT AND CONTAINS IMPORTANT INFORMATION. YOUR RIGHTS WILL BE AFFECTED BY THESE LEGAL PROCEEDINGS IN THIS LITIGATION. IF THE COURT APPROVES THE PROPOSED SETTLEMENT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS OF THE PROPOSED SETTLEMENT, OR PURSUING THE RELEASED CLAIMS (AS DEFINED BELOW).

IF YOU HOLD OR HELD COMMON STOCK OF THE COMPANY FOR A BENEFICIAL OWNER, PLEASE TRANSMIT THIS DOCUMENT PROMPTLY TO SUCH BENEFICIAL OWNER.

The purpose of this Notice is to inform you of a proposed settlement (the “Settlement”) of the above-captioned actions *Hedgepath, LLC v. Magrab et al.*, C.A. No. 2019-0529-JTL (the “Hedgepath Action”) and *Samuel Sears v. Magrab et al.*, C.A. No. 2020-0215-JTL (the “Sears Action,” and together with the Hedgepath Action, the “Actions”) pending before the Court of Chancery of the State of Delaware (the “Court”), and of a hearing to be held before the Court, in the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801 on November 10, 2022 at 9:15 a.m. (or remotely by such means as the Court may order) (the “Settlement Hearing”). The purpose of the Settlement Hearing is to determine: (a) whether the Court should approve the Settlement; (b) whether the Court should enter a Final Order and Judgment dismissing the claims asserted in the Actions on the merits and with prejudice as against Plaintiffs, the Company, the Class, and the Company Stockholders, and effectuating the releases described below; (c) whether the Court should grant the applications of (i) Hedgepath, LLC for an award of attorneys’ fees and expenses actually incurred by it in connection with investigating and pursuing the claims asserted in the Actions (and to reimburse Hedgepath, LLC for the attorneys’ fees and expenses already paid to its counsel), and (ii) Sears for an award of attorneys’ fees and expenses, to be paid solely from the Cash Consideration, and from no other source, in an aggregate amount not to exceed \$2,000,000 (as described below); and (d) such other matters as may properly come before the Court.

This Notice will inform you of how, if you so choose, you may enter your appearance in the Actions or object to the Settlement and may have your objection heard at the Settlement Hearing.

THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY CLAIMS OR DEFENSES BY ANY OF THE PARTIES. IT IS BASED ON STATEMENTS OF THE PARTIES AND IS SENT FOR THE SOLE PURPOSE OF INFORMING YOU OF THE EXISTENCE OF THE ACTIONS AND OF A HEARING ON A PROPOSED SETTLEMENT SO THAT YOU MAY MAKE APPROPRIATE DECISIONS AS TO STEPS YOU MAY, OR MAY NOT, WISH TO TAKE IN RELATION TO THE ACTIONS.

BACKGROUND AND DESCRIPTION OF THE ACTIONS

The Company is a pharmaceutical development company that is focused on developing and ultimately commercializing innovative therapeutics for patients with certain cancers and certain non-cancerous proliferation disorders. On August 20, 2019, the Company changed its name from HedgePath Pharmaceuticals (OTCQG:HPPI) to Inhibitor Therapeutics, Inc. (OTCQB:INTI). As of the date of the Stipulation and Agreement of Compromise, Settlement, and Release (the “Stipulation”), there are approximately 376,858,323 shares of the Company’s common stock issued and outstanding.

The Company’s majority stockholder, Mayne Pharma Ventures Pty Ltd (“Mayne”), is an Australian specialty pharmaceutical company that develops and manufactures branded and generic products, which it distributes directly or through distribution partners and provides contract development and manufacturing services. Mayne licensed to and supplied the Company with SUBA-Itraconazole, Mayne’s patented formulation of itraconazole. Until December 17, 2018, the Company had sought FDA approval to use SUBA-Itraconazole as a treatment for basal cell carcinoma in patients with Basal Cell Carcinoma Nevus Syndrome (“BCCNS”) within the United States.

On July 9, 2019, Plaintiff Hedgepath, LLC filed a complaint (the “Initial Hedgepath Complaint”) initiating the Hedgepath Action. Hedgepath, LLC is the Company’s second largest stockholder (after Mayne) and, as of the date of the Stipulation, owns 79,627,069 shares of Company common stock.

The Initial Hedgepath Complaint alleged direct and derivative claims for breach of fiduciary duty, waste, declaratory judgment, statutory violations under

8 *Del. C.* § 271, and dilution of stockholder equity against Brendan Magrab, Stefan J. Cross, Dr. R. Dana Ono, Robert D. Martin, W. Mark Watson and Nicholas J. Virca (the “Individual Defendants”) and Mayne relating to, among other things, (i) the issuance of certain of the Company’s equity securities to Mayne on or about January 8, 2018 (the “January 2018 Transactions”), and (ii) the Third Amended and Restated Supply and License Agreement between the Company and Mayne (“Third Amended SLA”) and certain transactions contemplated thereby (the “December 2018 Transactions,” and together with the January 2018 Transactions, the “Challenged Transactions”). The Initial Hedgepath Complaint also alleged claims for breach of fiduciary duty and fraudulent misrepresentation in connection with allegedly false and misleading statements included in the Company’s press releases and filings with the SEC. The Initial Hedgepath Complaint sought damages from Defendants, as well as equitable and other relief.

Before filing the Initial Hedgepath Complaint, Hedgepath, LLC served the Company with a demand pursuant to 8 *Del. C.* § 220 (“Section 220”) to inspect the Company’s books and records to investigate, among other things, alleged breaches of fiduciary duty in connection with, among other things, the Challenged Transactions (“HPLLC Section 220 Demand”). The Company produced to Hedgepath, LLC more than 13,000 pages of nonpublic Board-level, and senior officer-level corporate books and records regarding the Challenged Transactions (“Section 220 Documents”).

On September 27, 2019, Defendants moved to dismiss the Initial Hedgepath Complaint. Among other things, the motions argued that the Initial Hedgepath Complaint failed to state a claim under Court of Chancery Rules 9(b) and 12(b)(6) and, with respect to the derivative claims, failed to adequately plead demand futility under Rule 23.1.

On October 17, 2019, Plaintiff Samuel Sears (“Plaintiff Sears”) served the Company with a demand pursuant to Section 220 to investigate, among other things, alleged breaches of fiduciary duty in connection with, *inter alia*, the Challenged Transactions (“Sears Section 220 Demand” and with the HPLLC Section 220 Demand, the “Section 220 Demands”). The Company produced to Plaintiff Sears the same Section 220 Documents the Company produced to Plaintiff Hedgepath, LLC.

On December 3, 2019, Plaintiff Hedgepath, LLC filed an amended complaint (the “Amended Hedgepath Complaint”).

On January 10, 2020, Defendants moved to dismiss the Amended Hedgepath Complaint for largely the same reasons set forth in their original motions to dismiss.

On March 23, 2020, Plaintiff Samuel Sears filed a class action complaint (the “Sears Complaint”) initiating the Sears Action. The Sears Complaint asserted breach of fiduciary duty claims similar to those asserted in the Hedgepath Action. While the Amended Hedgepath Complaint asserted its breach of fiduciary duty claims derivatively, the Sears Complaint purported to assert all of its claims on behalf a “Class” defined to include “all other holders of the Company’s common stock (except Defendants herein and any persons, firm, trust, corporation, or other entity related to or affiliated with them and their successors-in-interest) who are or will be threatened with injury arising from Defendants’ wrongful action.”

On April 23, 2020, Defendants moved to dismiss the Sears Complaint.

On May 18, 2020, Plaintiff Sears filed his amended complaint (the “Amended Sears Complaint” and, together with the Amended Hedgepath Complaint, the “Complaints”).

On June 4, 2020, following briefing and oral argument, the Court denied Defendants’ motions to dismiss the Amended Hedgepath Complaint.

On June 17, 2020, in light of the Court’s ruling in the Hedgepath Action, Defendants withdrew their motions to dismiss the Sears Complaint.

On June 17, 2020, HedgePath, LLC served its First Set of Requests for Production of Documents Directed to all Defendants and its First Set of Interrogatories Directed to all Defendants.

Between August and September 2020, Defendants served Responses and Objections to Hedgepath, LLC’s discovery requests.

Between August and October 2020, Hedgepath, LLC served subpoenas on third parties The Weinberg Group, LLC, SciQuus, Inc., Ellenoff Grossman & Schole LLP, and Mentara, Inc.

On September 2, 2020, Plaintiff Sears served his First Request for Production of Documents Directed to All Defendants.

On September 17, 2020, the Individual Defendants served their First Set of Interrogatories Directed to Plaintiffs and their First Set of Requests for the Production of Documents Directed to Plaintiffs.

On September 17, 2020, Mayne served its First Set of Interrogatories Directed to Plaintiffs Hedgepath, LLC and Samuel Sears and their First Set of Requests for Production of Documents from Plaintiffs Hedgepath, LLC and Samuel Sears.

On November 2, 2020, Plaintiff Sears served his responses to the Individual Defendants’ First Set of Interrogatories Directed to Plaintiffs, the

Individual Defendants' First Set of Requests for the Production of Documents Directed to Plaintiffs, Mayne's First Set of Interrogatories Directed to Plaintiffs Hedgepath, LLC and Samuel Sears, and Mayne's First Set of Requests for Production of Documents from Plaintiffs Hedgepath, LLC and Samuel Sears.

On December 9, 2020, the Parties to the Hedgepath Action and the Sears Action filed a Stipulation and Proposed Order Regarding Coordination of Related Actions, which required the parties to the Actions to coordinate in good faith on all matters where it is practicable to do so, conduct the litigation in a manner designed to avoid duplication, and promote the efficient and speedy resolution of the Actions. On December 10, 2020, the Court granted the Stipulation and Order Regarding Coordination of Related Actions.

In January 2021, the Parties agreed to discuss a potential resolution of the Actions. Between December 2020 and October 2021, at the request of Plaintiffs and to allow Plaintiffs to evaluate a potential settlement, Defendants produced more than 44,000 pages of documents to Plaintiffs.

On November 4, 2021, the Parties participated in a confidential mediation before the Honorable Stephen P. Lamb. Following the mediation, the Parties continued to engage in arm's-length negotiations to settle the claims asserted in the Actions, including the exchange of numerous offers and counteroffers.

On June 20, 2022, the Parties reached an agreement-in-principle to settle the claims asserted in the Actions for the Settlement Consideration summarized below, subject to the execution of the Stipulation and related papers and Court approval.

On June 27, 2022, via a joint status letter, the Parties informed the Court that the Parties had reached an agreement-in-principle to fully resolve the Actions.

REASONS FOR THE SETTLEMENT

Following an analysis of the strengths and weaknesses of the claims asserted in the Actions, including review and analysis of the documents Plaintiffs received, Plaintiffs believe that the Settlement Consideration described below provides the Company and the Class with substantial benefits.

Although Plaintiffs and Plaintiffs' counsel believe that the Actions assert strong claims, they have agreed to settle the Actions in order to eliminate the uncertainties inherent in further litigation and in recognition of the benefits that the Settlement will afford the Company and the Class. For purposes of the Settlement, "Class" means the class of all record holders and beneficial owners of Company common stock who held such stock at any time during the period between and

including January 8, 2018 and December 17, 2018 (except as limited by the following sentence), and their heirs, assigns, transferees, and successors-in-interest, in each case solely in their capacity as holders or owners of Company common stock. Excluded from the Class are (i) the Individual Defendants and Mayne (collectively, the “Excluded Parties” and each an “Excluded Party”); (ii) any Individual Defendant’s children, stepchildren, parents, stepparents, spouses and siblings; (iii) any persons, firm, trust, corporation, or other entity affiliated with an Excluded Party and their successors-in-interest; and (iv) any entity in which any Excluded Party has or had a direct or indirect controlling interest.

Plaintiffs have determined that the terms of the Settlement are fair, reasonable, adequate, and in the best interests of the Company and the Class, and that it is reasonable to pursue a settlement of the Actions based upon those terms and the procedures outlined herein.

At all times, Defendants have denied, and continue to deny, the allegations of wrongdoing in the Complaints, including without limitation that they committed any breach of fiduciary duty, that they have violated Delaware law, that they have made any misrepresentations, or that Plaintiffs have suffered damages. Defendants expressly maintain that they have at all times complied with their fiduciary and other legal duties.

Although Defendants believe that they have strong defenses to the claims asserted in the actions, Defendants entered into the Stipulation because the Settlement would eliminate the burden, expense, distraction, and uncertainties inherent in further litigation and would benefit the Company and its stockholders.

SETTLEMENT CONSIDERATION

Within five (5) business days of the Effective Date (as defined below), the Individual Defendants and Mayne will pay or cause to be paid to the Company a total of \$14,250,000 in cash paid via wire transfer or check (the “Cash Consideration”).

The Mayne Equity Holdings will be surrendered to the Company and canceled. Such surrender and cancellation will occur upon the Effective Date. For purposes of the Stipulation, “Mayne Equity Holdings” means all equity securities in the Company, including Company common stock, Company preferred stock, warrants to purchase Company stock, and options to purchase Company stock, that is held or owned, beneficially or of record, by Mayne (or any parent or subsidiary thereof), consisting of 205,065,189 shares of Company common stock, 17,391,306

shares of Company common stock upon conversion of Series B Preferred Stock, and warrants to purchase 4,347,827 shares of Company common stock as of the date of the Stipulation.

The Individual Defendants will retain any Company common stock that they own as of the Effective Date, but any options, warrants, or other rights to purchase Company shares that they possess will be cancelled.

The Mayne Debt will be canceled. Such cancellation will occur upon the Effective Date. For purposes of the Stipulation, “Mayne Debt” means the \$3,000,000 advance made by Mayne to the Company pursuant to the Third Amended SLA.

Within ten (10) business days of receiving the Cash Consideration, the Company will repay to Mayne the “Mayne Short-Term Financing,” which, for purposes of the Stipulation, means (i) the \$371,000 currently owed by the Company to Mayne in connection with a term debt facility memorialized in letter agreements dated December 12, 2020, January 13, 2022, and March 9, 2022 (Exhibits 10.11, 10.12, and 10.13, respectively, to the Company’s Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on March 30, 2022), and a letter agreement dated July 1, 2022, and (ii) any interim financing, in an amount not to exceed \$86,000, that Mayne may provide to the Company between the date of the Stipulation and the Effective Date to fund the Company’s operating expenses and expenses relating to this Notice. After the Effective Date, except as expressly provided in the Stipulation, the Company shall have no further obligations to (and shall owe no amounts to) Mayne or the Individual Defendants except with respect to Company common stock held by the Individual Defendants.

Upon the Effective Date, the Company shall convert the license, from the Company to Mayne, for the following intellectual property owned by the Company from exclusive to non-exclusive, without restriction as to field:

- a. U.S. Patent 9,129,609
Treatment and Prognostic Monitoring of Proliferation Disorders Using Hedgehog Pathway Inhibitors
Issued: 11-24-2015; Expires: 02-05-2034
- b. U.S. Patent 9,962,381
Treatment and Prognostic Monitoring of Cancerous Proliferation Disorders Using Hedgehog Pathway Inhibitors

Issued: 05-08-2018; Expires: 02-05-2034

- c. U.S. Patent 9,968,600
Treatment and Prognostic Monitoring of Non-Cancerous Proliferation Disorders Using Hedgehog Pathway Inhibitors
Issued: 05-05-2018; Expires: 02-05-2034
- d. U.S. Patent 10,328,072
Treatment of Lung Cancer Using Hedgehog Pathway Inhibitors
Issued: 6-25-2019; Expires: 02-05-2034
- e. U.S. Patent 10,363,252
Treatment of Prostate Cancer Using Hedgehog Pathway Inhibitors
Issued: 07-30-2019; Expires: 02-05-2034

The non-exclusive license of the aforementioned patents to Mayne will be memorialized in a separate license agreement, entered into between INTI and Mayne, which will survive the Stipulation.

Upon the Effective Date, Mayne will terminate the following licenses, from Mayne to the Company, for the following intellectual property owned or licensed by Mayne:

- a. The sublicense agreement, dated August 27, 2019, from Mayne Pharma International Pty Ltd, an affiliate of Mayne, for the exclusive U.S. patent rights to U.S. patent No 8,653,083 entitled “Hedgehog Pathway Antagonists to Treat Disease”, issued on February 28, 2014 and U.S. patent No 8,980,930 entitled “Angiogenesis Inhibitors”, issued March 17, 2015 (the “JHU Patents”)
- b. U.S. Patent 8,771,739
Pharmaceutical Compositions for Poorly Soluble Drugs
Issued: 07-08-2014; Expires: 12-16-2022
- c. U.S. Patent 8,921,374
Itraconazole Compositions and Dosage Forms and Methods Using Same
Issued: 12-30-2014; Expires: 06-21-2033

- d. U.S. Patent 9,272,046
Itraconazole Compositions and Dosage Forms and Methods Using Same
Issued: 03-01-2016; Expires: 06-21-2033
- e. U.S. Patent 9,713,642
Itraconazole Compositions and Dosage Forms and Methods Using Same
Issued: 07-25-2017; Expires: 06-21-2033
- f. U.S. Patent 10,473,740
Itraconazole Compositions and Dosage Forms and Methods Using Same
Issued: 11-05-2019; Expires: 06-21-2033
- g. U.S. Patent 10,806,792
Itraconazole Compositions and Dosage Forms and Methods Using Same
Issued: 10-20-2019; Expires: 06-21-2033

Mayne further agrees that the Company will not owe or be required to pay any amounts that may be due under the aforementioned licenses.

After the Effective Date, Mayne will remain amenable to discussing with the Company, in good faith, the potential licensing and/or sub-licensing of the JHU Patents, for a commercially reasonable licensing fee, to the extent the Company seeks to engage in such discussions.

Mayne will not take the position that the Company or persons affiliated with the Company, including Dr. Francis E. O'Donnell, Jr., are prohibited from developing or commercializing Non-SUBA Formulations of Itraconazole for any cancer or non-cancer indications. Nor shall Mayne take any action intended to restrict or limit the Company's ability or efforts to develop or commercialize Non-SUBA Formulations of Itraconazole for any cancer or non-cancer indications. For purposes of the Stipulation, "Non-SUBA Formulations of Itraconazole" means any formulations of Itraconazole that do not infringe on the claims of the itraconazole formulation described in U.S. Patent 8,771,739 "Pharmaceutical Compositions for Poorly Soluble Drugs."

Upon the Effective Date, the Third Amended SLA shall be deemed void and each party shall be released from its rights and obligations thereunder; provided, however, that the Company will retain the right to a 9% cash royalty on future net sales, if any, of SUBA-Itraconazole BCCNS in the United States, on the same terms set forth in the Third Amended SLA (the “Royalty”). For the avoidance of doubt, although the Mayne Debt shall in other respects be canceled, any Royalty will first be applied to pay down the \$3,000,000 advanced by Mayne to the Company under the Third Amended SLA, after which any further Royalties will be paid to the Company. For purposes of the Stipulation, “SUBA-Itraconazole BCCNS” means the use of SUBA-Itraconazole targeting basal cell carcinoma in patients with Basal Cell Carcinoma Nevus Syndrome. Mayne, in its sole and exclusive discretion, shall determine whether to develop SUBA-Itraconazole BCCNS.

Upon the Effective Date, the Equity Holders Agreement by and between the Company, Mayne, Hedgepath, LLC, Dr. Francis O’Donnell, and Nicholas Virca, dated as of June 24, 2014, as amended May 15, 2015 (the “EHA”), shall be deemed terminated pursuant to Section 8.1(b) of the EHA.

Any of the Individual Defendants who holds a position with the Company shall retire from each such position effective upon the Effective Date. At least five days before the Settlement Hearing, the Company’s board shall execute a unanimous written consent appointing Dr. Francis E. O’Donnell, Jr. as a director of the Company effective upon the Effective Date.

RELEASE OF CLAIMS

Effective upon the Effective Date (as defined below):

(a) The Plaintiffs’ Releasors shall fully, finally, and forever release and discharge each and all of the Defendants’ Releasees from any and all of Plaintiffs’ Released Claims.

“Plaintiffs’ Releasors” means each of the Company, the Plaintiffs, the Class, each member of the Class (each, a “Class Member”) and each of their respective parents, subsidiaries, affiliates and controlling persons, successors-in-interest, and assigns.

“Defendants’ Releasees” means each of Brendan Magrab, Stefan J. Cross, R. Dana Ono, Robert D. Martin, W. Mark Watson, Nicholas J. Virca, and Mayne, and each of their

respective parents, subsidiaries, affiliates, and controlling persons, and any current or former officer, director, member or manager of any of the foregoing, and each of their respective heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, employees, fiduciaries, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, divisions, parents, subsidiaries, affiliates, associated entities, stockholders, principals, officers, directors, managing directors, members, managers, managing members, managing agents, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial or investment advisors, attorneys (including all Defendants' counsel in these Actions), personal or legal representatives, accountants, insurers, co-insurers, reinsurers, and associates.

“Plaintiffs’ Released Claims” means 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 known or unknown, 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, without limitation, Unknown Claims (as explained below), whether based on state, local, foreign, federal, statutory, regulatory, common or other law or rule, that are, have been, could have been, or could now be asserted in the Actions or in any other court, tribunal, forum, suit, action or proceeding, by any of the Plaintiffs’ Releasers or any member of the Class, derivatively on behalf of the Company, or individually or as a member of the Class directly (in their capacities as current or former Company stockholders), or by the Company directly against any of the Defendants’ Releasees that are based upon, relate in

any way to, arise out of or involve, directly or indirectly, in whole or in part, the actual, alleged, or attempted actions, inactions, transactions, claims, facts, events, conduct, occurrences, practices, statements, representations, misrepresentations, omissions, allegations, votes, contracts, decisions, or any other matters, things, or causes whatsoever, or any series thereof, in connection with the Actions or the subject matter of the Actions or alleged, asserted, set forth, claimed, or referred to in the Complaints or any former complaints in the Actions, including, without limitation (i) the Challenged Transactions, (ii) any and all agreements between Mayne or its affiliates on the one hand, and the Company or Hedgepath LLC or its principals on the other hand, (iii) any statements by the Company or Defendants related to or in connection with the Challenged Transactions, or the agreements referenced in part (ii) of this sentence, or alleged in the Complaints; provided, however, that Plaintiffs' Released Claims shall not include claims relating to the enforcement of the Settlement (including any agreements or provisions of agreements identified in the Stipulation as surviving the Settlement).

(b) The Defendants' Releasors shall fully, finally, and forever release and discharge each and all of the Plaintiffs' Releasees from any and all of Defendants' Released Claims.

"Defendants' Releasors" means each of Brendan Magrab, Stefan J. Cross, R. Dana Ono, Robert D. Martin, W. Mark Watson, Nicholas J. Virca, and Mayne, and each of their respective parents, subsidiaries, affiliates and controlling persons, successors-in-interest, and assigns.

"Plaintiffs' Releasees" means each of the Company, Plaintiffs, and each Class Member, and each of their respective parents, subsidiaries, affiliates, and controlling persons, and any current or former officer, director, member or manager of any of the foregoing, and each of their respective heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, employees, fiduciaries, partners, partnerships,

general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, divisions, parents, subsidiaries, affiliates, associated entities, stockholders, principals, officers, directors, managing directors, members, managers, managing members, managing agents, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial or investment advisors, attorneys (including all Plaintiffs' counsel in these Actions), personal or legal representatives, accountants, insurers, co-insurers, reinsurers, and associates.

“Defendants’ Released Claims” means 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 known or unknown, 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, without limitation, Unknown Claims, whether based on state, local, foreign, federal, statutory, regulatory, common, or other law or rule, that are, have been, could have been, or could now be asserted in the Actions or in any other court, tribunal, forum, suit, action or proceeding by any of the Defendants’ Releasers against any of the Plaintiffs’ Releasees that are based upon, relate in any way to, arise out of or involve, directly or indirectly, in whole or in part, the Section 220 Demands, the prosecution of the Actions or the subject matter thereof, including without limitation any and all agreements between Mayne or its affiliates on the one hand, and the Company or Hedgepath LLC or its principals on the other hand; provided, however, that Defendants’ Released Claims shall not include claims relating to the enforcement of the Settlement (including any agreements or provisions of agreements identified in the Stipulation as surviving the Settlement).

The “Released Claims” shall mean Plaintiffs’ Released Claims and Defendants’ Released Claims, collectively. The contemplated releases given by Plaintiffs’ Releasors and Defendants Releasors, collectively (the “Releasing Parties”) extend to claims that the Releasing Parties did not know or suspect to exist at the time of the Release (“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.

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 (as defined below), without regard to the subsequent discovery or existence of such additional or different facts, to the fullest extent permitted by law.

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

The claims described above in this section are referred to herein as the “Settled Claims.”

DUE DILIGENCE, CONDITIONS OF THE SETTLEMENT

The Settlement was preceded by production to Plaintiffs and their counsel of books and records pursuant to the Section 220 Demands; the review of documents produced in discovery; the analysis by Plaintiffs of public filings by the Company with the U.S. Securities and Exchange Commission; the review by Plaintiffs of press releases issued by the Company and other public statements about the Company; and the mediation submissions prepared by the Parties. Accordingly, in determining to enter into the Settlement, Plaintiffs believe that they were sufficiently informed of the circumstances and terms of the Challenged Transactions and Defendants' actions to determine whether the Settlement was in the best interests of the Company, the Class, and the Company Stockholders (other than Mayne and the Individual Defendants).

The Settlement shall be terminated, and shall be null and void and of no force and effect, unless otherwise agreed to by the Parties pursuant to the terms Stipulation, if (i) any Party exercises a right to terminate the Settlement pursuant to the terms of the Stipulation; or (ii) the Settlement does not receive Final Court Approval (as defined below). If the Stipulation is terminated, the Stipulation and the Settlement shall be void and of no effect, and the Stipulation shall not be deemed to prejudice in any way the positions of any Party in the Actions. In such event, and consistent with the applicable evidentiary rules, neither the Stipulation nor any of its contents, nor the existence of the Stipulation, shall be admissible in evidence or shall be referred to for any purpose in the Actions or in any other proceeding, except in connection with any claim for breach of the Stipulation or as otherwise specifically provided herein.

The Settlement shall be null and void and of no force and effect if the terms of the Settlement, except for the Fee and Expense Applications (as defined below), do not receive Final Court Approval (as defined below), in which case the Parties shall revert back to their litigation positions prior to entering into the Stipulation. For the avoidance of doubt, the Parties agree that court approval of the Fee and Expense Applications (as defined below) is not a condition precedent to the Settlement or Final Court Approval thereof.

EFFECTIVE DATE/FINAL COURT APPROVAL

The "Effective Date" of the Settlement shall be the first date by which the Court has entered the Judgment and such Judgment has received "Final Court Approval." "Final Court Approval" of any Court Order means (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 payable to Plaintiffs or Plaintiffs' counsel shall not in any way delay the Effective Date of the Settlement.

INTERIM INJUNCTION

Subject to an order of the Court, pending final determination of whether the Settlement should be approved, the Parties 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 asserting any of the Released Claims as defined herein, either directly, representatively, derivatively, or in any other capacity, and all pending deadlines in any and all such actions shall be suspended.

THE SETTLEMENT HEARING

The Settlement Hearing shall be held on November 10, 2022 at 9:15 a.m., in the Leonard L. Williams Justice Center, 500 N. King Street, Wilmington, DE 19801, or remotely by such means as the Court may order, to determine: (a) whether the Court should approve the Settlement; (b) whether the Court should enter a Final Order and Judgment dismissing the claims asserted in the Actions on the merits and with prejudice as against Plaintiffs, the Company, the Class, and the Company Stockholders, and effectuating the releases described above; (c) whether the Court should grant the applications of (i) Hedgepath, LLC for an award of attorneys' fees and expenses actually incurred by it in connection with investigating and pursuing the claims asserted in the Actions (and to reimburse Hedgepath, LLC for the attorneys' fees and expenses already paid to its counsel), and (ii) Sears for an award of attorneys' fees and expenses, in an aggregate amount not to exceed \$2,000,000 (as described below); and (d) such other matters as may properly come before the Court.

The Court reserves the right to adjourn the Settlement Hearing or any adjournment thereof, including the consideration of the applications for attorneys'

fees, without further notice of any kind other than oral announcement at the Settlement Hearing or any adjournment thereof.

The Court reserves 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 to the Company Stockholders or the Class.

RIGHT TO APPEAR AND OBJECT

Any Company Stockholder or member of the Class who objects to the Settlement, the Final Order and Judgment to be entered in the Actions, and/or Plaintiffs' counsel's applications for attorneys' fees and expenses, or who otherwise wishes to be heard, may appear in person or by his attorney at the Settlement Hearing and present evidence or argument that may be proper and relevant; provided, however, that, except for good cause shown, no person shall be heard and no papers, briefs, pleadings or other documents submitted by any person shall be considered by the Court unless not later than fourteen (14) calendar days prior to the Settlement Hearing such person files with the Court and serves upon counsel listed below: (a) a written notice of intention to appear; (b) a statement of such person's objections to any matters before the Court; and (c) the grounds for such objections and the reasons that such person desires to appear and be heard, documentation evidencing ownership of Company stock, as well as all documents or writings such person desires the Court to consider. Such submissions shall be filed with the Register in Chancery and served upon the following counsel:

POTTER ANDERSON & CORROON
LLP

Kevin R. Shannon, Esquire
Tyler J. Leavengood, Esquire
Hercules Plaza, 6th Floor
1313 North Market Street
Wilmington, DE 19899
(302) 984-6000

Attorneys for Plaintiff Hedgepath, LLC

WILSON SONSINI GOODRICH &
ROSATI, P.C.

Andrew D. Cordo, Esquire
Daniyal M. Iqbal, Esquire
Leah E. León, Esquire
222 Delaware Avenue, Suite 800
Wilmington, Delaware 19801
(302) 304-7600

*Attorneys for Defendants Brendan
Magrab, Stefan J. Cross, Dr. R. Dana
Ono, Robert D. Martin, W. Mark
Watson, and Nicholas J. Virca*

ANDREWS & SPRINGER LLC

Peter B. Andrews, Esquire
Craig J. Springer, Esquire
David Sborz, Esquire
4001 Kennett Pike, Suite 250
Wilmington, Delaware 19807
(302) 504-4957

Attorneys for Plaintiff Samuel Sears

ABRAMS & BAYLISS LLP

A. Thompson Bayliss, Esquire
20 Montchanin Road, Suite 200
Wilmington, DE 19807
(302) 778-1000

*Attorneys for Defendant Mayne Pharma
Ventures Pty Ltd.*

ASHBY & GEDDES, P.A.

F. Troupe Mickler IV, Esquire
Marie M. Degnan, Esquire
500 Delaware Avenue, 8th Floor
P.O. Box 1150
Wilmington, Delaware 19801
(302) 654-1888

*Attorneys for Nominal Defendant
Inhibitor Therapeutics, Inc. f/k/a
HedgePath Pharmaceuticals, Inc.*

Unless the Court otherwise directs, no person shall be entitled to object to the approval of the Settlement, any judgment entered thereon, the adequacy of the representation of the Company and the Class by Plaintiffs and their counsel, any award of attorneys' fees, or otherwise be heard, except by serving and filing a written objection and supporting papers and documents as prescribed above. Any person who fails to object in the manner described above shall be deemed to have waived the right to object (including any right of appeal) and shall be forever barred from raising such objection in this or any other action or proceeding. Any Company Stockholder who does not object to the Settlement or the requests by Plaintiffs' counsel for an award of attorneys' fees and expenses (described below) or to any other matter stated above need not take any action.

THE FINAL ORDER AND JUDGMENT

If the Court determines that the Settlement, as provided in the Stipulation, is fair, reasonable, adequate, and in the best interests of the Company, the Class, and the Company Stockholders (other than the Excluded Parties), the Parties to the Actions will ask the Court to enter the Final Order and Judgment (the “Judgment”), which will, among other things:

(a) approve the Settlement as fair, reasonable, adequate, and in the best interests of the Company, the Class, and the Company Stockholders (other than the Excluded Parties) and direct consummation of the Settlement in accordance with its terms and conditions;

(b) certify, for the purposes of the Settlement only, the Sears Action as a non-opt out class action on behalf of the Class;

(c) determine that the requirements of the rules of the Court and due process have been satisfied in connection with this Notice;

(d) dismiss the Actions with prejudice as against Plaintiffs, the Company, the Class, each Class Member and the Company Stockholders and grant the releases in accordance with the terms and conditions of the Stipulation;

(e) permanently bar and enjoin Plaintiffs, the Company, the Class, each Class Member and the Company Stockholders from instituting, commencing, or prosecuting any of the claims released by the Settlement; and

(f) award attorneys’ fees and expenses to Plaintiffs’ counsel.

ATTORNEYS’ FEES AND EXPENSES

Hedgepath, LLC intends to petition the Court for the reimbursement of attorneys’ fees and expenses actually incurred by it in connection with investigating and pursuing the claims asserted in the Actions (and to reimburse Hedgepath, LLC for the attorneys’ fees and expenses already paid to its counsel), and Sears also intends to petition the Court for an award of attorneys’ fees and expenses. Any attorneys’ fees and expenses awarded by the Court shall be paid solely from the Cash Consideration, and from no other source, in an aggregate amount not to exceed \$2,000,000 (United States Dollars) (“Fee and Expense Applications”). Defendants have agreed that they will not oppose fees awarded by the Court, up to a maximum of \$2,000,000. Accordingly, Plaintiffs and Plaintiffs’ counsel intend to petition the

Court for an award of attorneys' fees and expenses in connection with the Settlement of up to \$2,000,000 (inclusive of costs), and Defendants will not oppose that petition.

An award of attorneys' fees 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 attorneys' fees or expenses or incentive awards to Plaintiffs.

Except as provided in the Stipulation, the Defendants' Releasees and the Company shall bear no other expenses, costs, damages, or fees alleged or incurred by any Plaintiff or by any attorneys, experts, advisors, agents, or representatives acting on behalf of any Plaintiff, the Class or any Class Member in connection with the Actions, the Settled Claims, or the Settlement. The Plaintiffs' Releasees shall bear no expenses, costs, damages, or fees alleged or incurred by any Defendant, or by any of any Defendants' attorneys, experts, advisors, agents or representatives in connection with the Actions, the Settled Claims, or the Settlement.

NOTICE TO PERSONS OR ENTITIES THAT HELD OR HOLD OWNERSHIP ON BEHALF OF OTHERS

Brokerage firms, banks and/or other persons or entities who held or hold shares of the common stock of the Company for the benefit of others are requested to promptly send this Notice to all of their respective beneficial owners. If additional copies of the Notice are needed for forwarding to such beneficial owners, any requests for such copies may be made to:

Nicole Starzi – nstarzi@ashbygeddes.com

SCOPE OF THIS NOTICE AND ADDITIONAL INFORMATION

The foregoing description of the Settlement Hearing, the Actions, the terms of the proposed Settlement and other matters described herein do not purport to be comprehensive. Accordingly, the Company Stockholders and members of the Class are referred to the documents filed with the Court in the Actions. **PLEASE DO NOT WRITE OR CALL THE COURT.**

Inquiries or comments about the Settlement may be directed to the attention of Plaintiffs' counsel as follows:

Potter Anderson & Corroon LLP
Attn: Kevin R. Shannon

Attn: Tyler J. Leavengood
1313 North Market Street – 6th Floor
Wilmington, DE 19801
(302) 984-6000
kshannon@potteranderson.com
tleavengood@potteranderson.com

Andrews & Springer LLC
Attn: Peter B. Andrews
4001 Kennett Pike, Suite 250
Wilmington, Delaware 19807
(302) 504-4957
pandrews@andrewsspringer.com

Dated: _____

BY ORDER OF THE COURT OF
CHANCERY OF THE STATE OF
DELAWARE