

intended by the Settling Parties to fully, finally, and forever resolve, discharge, and settle the Released Claims¹ upon Court approval and subject to the terms and conditions hereof.

RECITALS

The Derivative Action

A. On December 1, 2014, Plaintiff Robert Hack filed an action in the United States District Court for the Southern District of Texas (the “*Hack Action*”) asserting claims on behalf of Conn’s against the Individual Defendants for breaches of fiduciary duties, unjust enrichment, gross mismanagement, and insider trading. Plaintiff alleged that all members of Conn’s Board of Directors knew that Conn’s had lowered its underwriting standards and offered credit lines to customers who lacked creditworthiness, as a strategy to generate revenue. Plaintiff further alleged the Individual Defendants caused Conn’s to make false and misleading statements and to fail to disclose numerous material adverse facts about its business, operations, and prospects, including the Company’s underwriting standards and collection practices during the fourth quarter of 2013 through the third quarter of 2014. Plaintiff alleged the Individual Defendants violated their fiduciary duty of candor and caused Conn’s to violate the federal securities laws by failing to disclose, among other things, the following material facts: (a) that Conn’s was increasing its sales revenues and improving its financial results by using underwriting practices that, despite its statements to the contrary, weakened its portfolio quality and left it vulnerable to substantial increases in delinquency rates and bad debt; (b) that Conn’s was experiencing rising delinquencies at a substantially higher rate than it was representing; and (c) that Conn’s credit segment practices substantially threatened the Company’s financial performance. Plaintiff also alleged that because of the false and misleading information in the Company’s public disclosures, Conn’s stock traded

¹ All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the “Definitions” section below.

at artificially inflated prices during the relevant period. Plaintiff alleged that Conn's stock price plummeted to \$31.89 on February 20, 2014, after the truth of its financial condition emerged. Plaintiff alleged that while Conn's stock prices were allegedly inflated, five of the Individual Defendants – Theodore M. Wright, Jon E.M. Jacoby, Douglas H. Martin, Scott L. Thompson, and Michael J. Poppe — sold over 1.3 million shares of their Conn's stock for over \$66 million using material non-public information regarding Conn's financial condition. Plaintiff alleged that as a result of the Individual Defendants' misconduct, Conn's has suffered substantial damages, including expenses incurred in connection with the related Securities Class Action, loss of market capitalization, goodwill, and damage to its reputation.

B. On February 25, 2015, 95250 Canada LTEE commenced a second shareholder derivative action on behalf of Conn's captioned *95250 Canada LTEE, derivatively on behalf of Conn's, Inc. v. Theodore M. Wright, et al.*, Civil Action No. 4:15-cv-00521 (the "95250 Canada LTEE Action") alleging the same claims against the same Individual Defendants based on many of the same events and transactions alleged in the *Hack* action.

C. On August 19, 2015, the Court consolidated the *Hack Action* and the *95250 Canada LTEE Action* appointed the Bottini & Bottini, Inc. and the Shuman Law Firm (subsequently renamed Shuman, Glenn & Stecker) as Co-Lead Counsel for the Plaintiffs, and on January 30, 2015, the Court stayed all proceedings, discovery, and deadlines in the consolidated action (hereinafter the "Derivative Action") pending resolution of motions to dismiss in the parallel Securities Class Action (defined below).

D. Prior to the filing of the Derivative Action, other purported Conn's shareholders filed putative securities fraud class action complaints against the Company and some of the Individual Defendants. These cases were consolidated under the caption *In re Conn's, Inc.*

Securities Litigation, Case No. 4:14-cv-00548 (S.D. Tex.) (“Securities Class Action”), and on October 11, 2018, the Court issued a final order approving settlement of the Class Action. One group of plaintiffs opted out of the Securities Class Action settlement and filed a separate action captioned *MicroCapital Fund LP, et al. v. Conn’s, Inc., et al.*; Case No. 4:18-cv-01020 (S.D. Tex.) (“*MicroCapital Opt-Out Litigation*” and, together with the “Class Action”, the “Related Securities Actions”).

E. On November 1, 2018, after the Securities Class Action settlement was approved, Defendants filed a motion to dismiss the Derivative Action. After the motion was fully briefed, the case was referred to Magistrate Judge Dena Hanovice Palermo who issued her Report and Recommendations (“R&R”) on the motion to dismiss on May 29, 2019. The R&R recommended that the Derivative Action be dismissed but Plaintiffs be granted leave to file an amended complaint. The District Court adopted the Report and Recommendations on July 5, 2019.

F. On July 19, 2019, Plaintiffs filed their Verified First Amended Shareholder Derivative Complaint (“Amended Complaint”) in the Derivative Action. Defendants moved to dismiss the Amended Complaint, and this second motion to dismiss was fully briefed by the parties.

G. On August 13, 2019, Magistrate Judge Palermo heard oral argument on the motion to dismiss. On July 22, 2020, Magistrate Judge Palermo issued a Report and Recommendation on Defendants’ motion to dismiss the Amended Complaint (“Second R&R”) concluding that Plaintiffs had alleged sufficient facts to proceed with their claims for breach of fiduciary duty, unjust enrichment, and gross mismanagement but that Plaintiffs had failed to allege sufficient facts to proceed with their insider trading claims.

H. On September 25, 2020, the District Court adopted the Second R&R and granted leave for Plaintiffs to file a further amendment adding 95250 Canada LTEE as a plaintiff. Plaintiffs filed a Corrected Verified First Amended Shareholder Derivative Complaint on October 21, 2020 which added 95250 Canada LTEE as a plaintiff.

I. During the litigation, Plaintiffs served three sets of requests for production of documents and one set of interrogatories on the Defendants, and Defendants served requests for production and interrogatories on both Plaintiffs Robert Hack and 95250 Canada LTEE. Plaintiffs also served three subpoenas for the production of documents on third parties, including Bank of America, Ernst & Young, and Stephens, Inc. The Defendants collectively produced more than 265,000 documents consisting of over a million pages, including emails and spreadsheets in native format. Third parties produced approximately 1,500 pages of documents. The Plaintiffs also deposed six witnesses, all of whom are named Defendants. At the time the Parties reached an agreement in principle to settle the case, Plaintiffs had requested at least four additional depositions, and Defendants had requested the depositions of both lead plaintiffs.

J. At times the discovery was contentious. The Parties appeared before the Court on several occasions to address discovery disputes. Both Plaintiffs and Defendants also filed multiple letter briefs with the Court summarizing their respective positions on discovery issues.

Settlement Negotiations

K. The Parties in the Derivative Action participated in a one-day mediation on January 14, 2021 with Robert A. Meyer, Esq. of JAMS (“Mediator”). Although the mediation was unsuccessful on that date, the Parties in the Derivative Action continued their discussions over the next several months. After extensive mediation and negotiations and submission of a Mediator’s proposal, the parties agreed to settle their dispute.

L. The Stipulation, together with the exhibits thereto, reflects the final and binding agreement between the Settling Parties.

CLAIMS OF PLAINTIFFS AND BENEFITS OF SETTLEMENT

M. Plaintiffs and Plaintiffs' Counsel believe that the claims asserted in the Derivative Action have merit. However, Plaintiffs and Plaintiffs' Counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Derivative Action against the Individual Defendants throughout a trial and any appeal(s). Plaintiffs and Plaintiffs' Counsel also have considered the uncertain outcome and the risk of any litigation, especially in complex actions such as the Derivative Action, as well as the difficulties and delays inherent in such litigation. Plaintiffs and Plaintiffs' Counsel are also mindful of the inherent problems of proof of, and possible defenses to, the claims asserted in the Derivative Action.

N. Plaintiffs' Counsel have conducted an extensive investigation, including, inter alia: (i) reviewing documents produced in the Derivative Action; (ii) reviewing Conn's press releases, public statements, Securities and Exchange Commission filings, and securities analysts' reports and advisories about the Company; (iii) reviewing media reports about the Company; (iv) retaining an expert witness (Scott Hakala of Valuescope) to prepare an expert report on damages; (v) researching the applicable law with respect to the claims alleged in the Derivative Action, the calculation of damages, and the potential defenses to the claims asserted; (vi) preparing and filing shareholder derivative complaints in the Derivative Action; (vii) reviewing and analyzing relevant pleadings in the Related Securities Actions and evaluating the merits of, and Defendants' liability in connection with, the Related Securities Actions and the Derivative Action, which included detailed damages analyses concerning the Company's and Defendants' potential exposure in connection therewith; (viii) reviewing the Company's existing corporate governance policies;

(ix) participating in extensive settlement discussions, including a full-day mediation on January 14, 2021 and numerous follow-up calls with the Mediator; and (x) negotiating this Stipulation and all of the exhibits hereto.

O. Based on Plaintiffs' Counsel's thorough investigation and analysis of the relevant facts, allegations, defenses, and controlling legal principles, Plaintiffs and Plaintiffs' Counsel believe that the Settlement set forth in this Stipulation is fair, reasonable, and adequate, and is in the best interests of Conn's and its stockholders. The Settlement confers substantial benefits under Delaware law upon Conn's and its stockholders, including the payment of \$11 million in cash to the Company exclusively for the release of the derivative claims. The \$11 million Cash Payment will be funded by the Defendants' insurers. As such, based on the foregoing and upon Plaintiffs' Counsel's evaluation, Plaintiffs have determined that the Settlement is in the best interests of Conn's and its stockholders, and have agreed to settle the Derivative Action upon the terms and subject to the conditions set forth herein.

THE INDIVIDUAL DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY

P. The Individual Defendants have denied and continue to deny each and every one of the claims, contentions, and allegations made against them or that could have been made against them in the Derivative Action, and expressly deny all charges of wrongdoing or liability against them. The Individual Defendants assert that they have satisfied their fiduciary duties at all relevant times, have acted in good faith and in the best interests of Conn's and its stockholders, have meritorious defenses to Plaintiffs' claims, and that judgment should be entered dismissing all claims against them with prejudice. The Individual Defendants also have denied and continue to deny, among other things, the allegations that Plaintiffs, Conn's, or its stockholders have suffered damage, or that Plaintiffs, Conn's, or its stockholders were harmed by the conduct alleged in the

Derivative Action. Without admitting any wrongdoing or liability whatsoever, the Individual Defendants are entering the Stipulation to put an end to all shareholder derivative litigation; avoid the continuing additional expense, inconvenience, and distraction of such litigation; and to avoid the risks inherent in such lawsuits.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the Plaintiffs (acting on their own behalf, and derivatively on behalf of Conn's and its stockholders), by and through their respective attorneys of record, the Individual Defendants, and Conn's, by and through their respective attorneys of record, that in exchange for the consideration set forth below, the Derivative Action and Released Claims shall be, subject to Court approval (and such approval becoming Final), fully, finally, and forever compromised, settled, discharged, relinquished, and released, and the Derivative Action shall be dismissed with prejudice, upon and subject to the terms and conditions of this Stipulation, as follows:

1. Definitions

As used in this Stipulation, the following terms have the meanings specified below:

- 1.1. "Board" means the past, present, and future Board of Directors of Conn's.
- 1.2. "Cash Payment" means the \$11 million Conn's will receive for the release of all derivative claims.
- 1.3. "Court" means the United States District Court for the Southern District of Texas, Houston Division.
- 1.4. "Current Conn's Stockholders" means any Person who owned Conn's common stock as of the date of the execution of this Stipulation and who continues to hold such Conn's common stock as of the date of the Settlement Hearing, excluding the Individual Defendants, the officers and directors of Conn's, members of their immediate families, and their legal

representatives, heirs, successors, or assigns, and any entity in which the Individual Defendants have or had a controlling interest.

1.5. “Defendants” means, collectively, the Individual Defendants and Conn’s.

1.6. “Defendants’ Counsel” means Vinson & Elkins L.L.P., Fletcher Held, PLLC, and any other law firm that appeared for any of the Defendants in the Derivative Action.

1.7. “Effective Date” means the first date by which all of the events and conditions specified in ¶ 6.1 of this Stipulation have been met and have occurred.

1.8. “Execution Date” means the date by which this Stipulation has been executed by all Settling Parties.

1.9. “Derivative Action” means the action styled *Hack, et al., derivatively on behalf of Conn’s, Inc. v. Wright, et al.*, Civil Action No. 4:14-cv-3442 (KPE) pending in the United States District Court for the Southern District of Texas, and all cases consolidated with it, including *95250 Canada LTEE, derivatively on behalf of Conn’s, Inc. v. Wright, et al.*, Civil Action No. 4:15-cv-00521 (KPE).

1.10. “Fee and Expense Amount” shall have the meaning defined in ¶ 4.1 hereof.

1.11. “Final” means the date upon which the last of the following shall occur with respect to the Judgment approving this Stipulation, substantially in the form of Exhibit B attached hereto: (1) the expiration of the time to file a notice of appeal from the Judgment; (2) if an appeal has been filed, the appellate court has either affirmed the Judgment or dismissed that appeal, and the time for any reconsideration or further appellate review has passed; or (3) if a higher court has granted further appellate review, that court has either affirmed the underlying Judgment or affirmed the appellate court’s decision affirming the Judgment or dismissing the appeal. For purposes of this paragraph, an “appeal” shall not include any appeal challenging the award of the Fee and Expense

Amount or the Service Awards. Any proceeding or order, or any appeal or complaint for a writ of certiorari pertaining solely to the Fee and Expense Amount or the Service Awards, shall not in any way delay or preclude the Judgment from becoming Final.

1.12. “Individual Defendants” means Theodore M. Wright, Bob L. Martin, Jon E.M. Jacoby, Kelly M. Malson, Douglas H. Martin, David Schofman, Scott L. Thompson, Brian Taylor, and Michal J. Poppe.

1.13. “Judgment” means the Final Order and Judgment to be rendered by the Court, substantially in the form attached hereto as Exhibit B.

1.14. “Notice” means the Notice of Pendency and Proposed Settlement of Stockholder Derivative Litigation as described in Section 3.2 below and substantially in the form attached hereto as Exhibits A-1 and A-2.

1.15. “Person” or “Persons” means an individual, corporation, limited liability company, professional corporation, limited liability partnership, partnership, limited partnership, association, joint venture, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any other business or legal entity, and each of their spouses, heirs, predecessors, successors, representatives, or assignees.

1.16. “Plaintiffs” means, collectively, Robert Hack and 95250 Canada LTEE.

1.17. “Plaintiffs’ Counsel” means Bottini & Bottini, Inc., Shuman, Glenn & Stecker, (collectively, “Plaintiffs’ Co-Lead Counsel”) and Sponsel Miller Greenberg PLLC.

1.18. “Related Persons” means each of the Defendants’ past or present agents, employees, officers, directors, parents, subsidiaries, divisions, affiliates, attorneys, accountants, auditors, advisors, insurers, co-insurers, reinsurers, spouses, immediate family members, heirs, executors, personal representatives, estates, administrators, trusts, predecessors, successors, and

assigns, or other person in which any Defendant has a controlling interest, and each and all of their respective past and present officers, directors, employees, agents, affiliates, parents, subsidiaries, divisions, attorneys, accountants, auditors, advisors, insurers, co-insurers, reinsurers, trusts, predecessors, successors, and assigns.

1.19. “Released Claims” shall collectively mean any and all claims for relief (including Unknown Claims), rights, demands, suits, matters, causes of action, or liabilities, known or unknown, asserted or unasserted, that have been or could have been asserted in the Derivative Action by Plaintiffs, by Conn’s, or by any Current Conn’s Stockholder derivatively on behalf of Conn’s against any Defendant or Released Person arising out of or based upon the facts, transactions, events, occurrences, acts, disclosures, statements, omissions, or failures to act that were or could have been alleged in the Derivative Action, or any claims in connection with, based upon, arising out of, or relating to the Settlement, but excluding any claims to enforce the Settlement set forth in this Stipulation. Excluded from the term “Released Claims” are (i) all claims alleged in the Related Securities Actions and (ii) all claims, rights, or obligations of Conn’s or the Individual Defendants regarding indemnification, contribution, or insurance matters, as set forth in ¶ 5.4 and ¶ 5.5.

1.20. “Released Persons” means each of the Defendants and their Related Persons.

1.21. “Related Securities Actions” means the securities class action in the U.S. District Court for the Southern District of Texas styled *In re Conn’s Inc. Securities Litigation*, Civil Action No. 4:14-cv-00548 (KPE) (S.D. Tex.) and the class action opt-out litigation captioned *MicroCapital Fund LP, et al. v. Conn’s, Inc., et al.*; Case No. 4:18-cv-01020 (S.D. Tex.).

1.22. “Scheduling Order” means the scheduling order to be entered by the Court, substantially in the form of Exhibit A attached hereto, requesting that the Court, inter alia, approve

the form and manner of the notice of the Settlement to Current Conn's Stockholders and schedule a Settlement Hearing to consider whether the Settlement and the Fee and Expense Amount should be finally approved.

1.23. "Securities Class Action" means *In re Conn's, Inc. Securities Litigation*, Case No. 4:14-cv-00548 (S.D. Tex.).

1.24. "Settlement" means the agreement, terms, and conditions contained in this Stipulation, dated November 24, 2021, and its exhibits.

1.25. "Settlement Hearing" means any hearing or hearings at which the Court will consider final approval of the Settlement.

1.26. "Settling Parties" means, collectively, each of the Plaintiffs and each of the Defendants.

1.27. "Unknown Claims" means any of the Released Claims which Plaintiffs, Conn's, Current Conn's Stockholders, or Defendants do not know or suspect to exist in his, her, or its favor at the time of the release of the Released Persons, including claims which, if known by him, her, or it, might have affected his, her, or its settlement with and release of the Released Persons, or might have affected his, her, or its decision not to object to this Settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Plaintiffs and Defendants shall expressly waive and each of the Current Conn's Stockholders shall be deemed to have, and by operation of the Judgment shall have, expressly waived, the provisions, rights, and benefits of California Civil Code Section 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT
TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE

RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Upon the Effective Date, Plaintiffs and Defendants shall expressly waive, and each of the Current Conn's Stockholders shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any law of any jurisdiction or any state or territory of the United States or any foreign jurisdiction, or principle of common law, which is similar, comparable or equivalent to California Civil Code Section 1542. Plaintiffs, Defendants, and Current Conn's Stockholders may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims, but, upon the Effective Date, each Plaintiff and Defendant shall expressly settle and release, and each Current Conn's Stockholder shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released, any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Settling Parties acknowledge, and the Current Conn's Stockholders shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the Settlement of which this release is a part.

1.28. “Conn’s” or the “Company” means Conn’s, Inc., a Delaware corporation with its headquarters in The Woodlands, Texas, including, but not limited to, its predecessors, successors, partners, joint ventures, subsidiaries, affiliates, divisions, and assigns.

2. Terms of the Settlement

2.1. Cash Payment. The Individual Defendants will cause their insurers to pay \$11,000,000.00 in cash to Conn’s on their behalf for the release of the derivative claims (the “Cash Payment”).

3. Notice and Approval

3.1. Within fifteen (15) days following the Execution Date, the Settling Parties shall submit the Stipulation, together with its exhibits, to the Court and shall jointly request entry of the Scheduling Order, substantially in the form of Exhibit A attached hereto, requesting: (i) approval of the form and manner of providing Notice (as defined below in ¶ 3.2); and (ii) establishment of the procedure and schedule for the Court’s consideration of the Settlement and Plaintiffs’ Counsel’s application for the Fee and Expense Amount and Plaintiffs’ Service Awards (as defined and described in ¶¶ 4.1 - 4.5 below), including a date for the Settlement Hearing.

3.2. Notice shall consist of the approved Notice of Pendency and Proposed Settlement of Stockholder Derivative Litigation (the “Notice”), which shall summarize the general terms of the Settlement set forth in this Stipulation and shall specify the date of the Settlement Hearing, substantially in the form attached hereto as Exhibit A-1 (“Long-Form Notice”) and Exhibit A-2 (“Summary Notice”).

3.3. Within twenty (20) business days after the entry of the Scheduling Order, Conn’s shall send, or cause to be sent, a copy of the Long-Form Notice, substantially in the form attached hereto as Exhibit A-1, to each Current Conn’s Stockholder (except the Individual Defendants). For

those Current Conn's Stockholders that have consented to receiving information from Conn's electronically, Conn's shall send the Long-Form Notice electronically. For all other Current Conn's Stockholders, Conn's shall mail the Long-Form Notice to his, her, or its last known address appearing in the stock transfer records maintained by or on behalf of Conn's as of the close of business on the date the Stipulation was filed with the Court. All Conn's stockholders who are record holders of Conn's common stock on behalf of beneficial owners shall be requested in the Long-Form Notice to forward the Long-Form Notice to such beneficial owners of those shares. Conn's shall use reasonable efforts to give notice to such beneficial owners by causing additional copies of the Long-Form Notice (i) to be made available to any record holder who, before the Settlement Hearing, requests the same for distribution to beneficial owners, or (ii) to be mailed to beneficial owners whose names and addresses Conn's receives from record owners. The costs and expenses for this mailing of the Long-Form Notice shall be borne by Conn's. Conn's shall also undertake the administrative responsibility for publication of the Notice as set as follows: within twenty (20) business days after the entry of the Scheduling Order by the Court, Conn's shall: (i) make available on its website a copy of the Stipulation (including its exhibits) and the Long-Form Notice, substantially in the form attached hereto as Exhibit A-1; and (ii) publish the Summary Notice, substantially in the form attached hereto as Exhibit A-2, once in Investors' Business Daily and over a national newswire such as GlobalNewsWire. Conn's shall be responsible for paying the costs and expenses related to the publication of the Notice as set forth in the preceding sentence. Plaintiffs' Counsel shall also post the Long-Form Notice on their respective firm websites, but not until the earlier of: (i) Conn's announcing or disclosing the Settlement; or (ii) the Stipulation has been filed in the Court. The Settling Parties believe the content and manner of the Notice, as set forth in this paragraph, constitutes adequate and

reasonable notice of the Settlement to all Persons entitled to receive such notice pursuant to applicable law and due process. Prior to the Settlement Hearing, the Settling Parties shall file with the Court appropriate affidavits or declarations regarding compliance with the notice provisions herein.

3.4. The Settling Parties agree to request that the Court hold a Settlement Hearing in the Derivative Action within sixty (60) calendar days after Notice is given, during which the Court will consider and determine whether the Judgment, substantially in the form of Exhibit B attached hereto, should be entered: (i) approving the terms of the Settlement as fair, reasonable, and adequate; and (ii) dismissing with prejudice the Derivative Action against the Defendants.

3.5. Following the execution of the Stipulation, the Settling Parties agree to cease all litigation activity in the Derivative Action, except activities related to seeking approval of the Settlement from the Court. The Settling Parties further agree to jointly request a continuance of any pending motions, discovery, and any other deadlines or filing requirements in the Derivative Action, other than those incident to the Settlement itself.

4. Plaintiffs' Counsel's Separately Negotiated Attorneys' Fees and Expenses

4.1. After negotiating the principal terms of the Settlement, counsel for the Settling Parties and their insurers, acting by and through their respective counsel, with the substantial assistance of the Mediator, separately negotiated the Plaintiffs' attorneys' fees and expenses the Defendants would cause their insurers to pay based on the monetary benefits conferred upon Conn's by the Settlement. Defendants will cause their insurers to pay, directly or through Conn's, \$225,000.00 in expenses and up to \$3,200,000.00 in attorneys' fees, subject to approval by the Court (the "Fee and Expense Amount") as detailed below. Defendants agree not to oppose Plaintiffs' Counsel's fee applications up to the Fee and Expense Amount but reserve all rights to

object, seek reconsideration, or appeal any higher awards of fees and/or expenses. Any attorneys' fees and expenses approved by the Court will be paid in addition to (not out of) the Cash Payment paid to Conn's.

4.2. Defendants will cause the Fee and Expense Amount awarded by the Court to be paid to an escrow account designated by Plaintiffs' Co-Lead Counsel within fifteen (15) business days following the later of (a) entry of an order by the Court awarding such Fees and Expenses, notwithstanding any objections or appeals, subject to Plaintiffs' Counsel's several obligation to make appropriate refunds or repayments plus interest (if any) earned thereon if, and when, as a result of any appeal and/or further proceedings or remand, or successful collateral attack, the fees and expenses awarded are lowered or reversed or the settlement is disapproved by a final order not subject to further review or the settlement otherwise does not become effective or final; (b) Defendants' receipt of an Internal Revenue Service Form W-9 for the escrow account designated by Plaintiffs' Co-Lead Counsel to receive the Fee and Expense Award; and (c) Defendants' receipt of written instructions from Plaintiffs' Co-Lead Counsel to make payment into such escrow account by electronic funds transfer, ACH, or wire (wiring instructions, including bank name, ABA routing number, swift code, account name, and account number).

4.3. Plaintiffs may seek service awards of up to \$7,500.00 for each of the Plaintiffs to be paid out of the Fee and Expense Amount, subject to Court approval, which Defendants shall not oppose ("Service Awards").

4.4. The payment of the Fee and Expense Amount pursuant to ¶¶ 4.1, 4.2, and 4.3 hereof shall constitute final and complete payment for Plaintiffs' Counsel's attorneys' fees and for the reimbursement of expenses and costs that have been incurred, or will be incurred, in connection with the Derivative Action. Plaintiffs' Counsel shall allocate the Fee and Expense Amount among

themselves. Plaintiffs' Counsel agree that any disputes regarding the allocation of the Fee and Expense Amount among them shall be presented to and be mediated, and, if necessary, finally decided and resolved by the Mediator through binding arbitration on the terms and subject to the processes and procedures set forth by the Mediator. The Mediator's fees and costs for any such mediation and/or arbitration shall be borne solely by Plaintiffs' Counsel and split evenly among Plaintiffs' Counsel.

4.5. The Fee and Expense Amount, as well as any Service Awards, are subject to the approval of the Court; however, the effectiveness of the Stipulation shall not be conditioned upon the approval, in whole or in part, of the Court of either the Fee and Expense Amount or the Service Awards.

5. Releases

5.1. Upon the Effective Date, Conn's, Plaintiffs (acting on their own behalf and derivatively on behalf of Conn's), and each of the Current Conn's Stockholders (solely in their capacity as such) shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged the Released Claims against the Released Persons and any and all claims (including Unknown Claims) arising out of, relating to, or in connection with the defense, settlement or resolution of the Derivative Action against the Released Persons, provided that nothing herein shall in any way impair or restrict the rights of any of the Settling Parties to enforce the terms of this Stipulation or the Judgment.

5.2. Upon the Effective Date, Conn's, Plaintiffs (acting on their own behalf and derivatively on behalf of Conn's), and each of the Current Conn's Stockholders (solely in their capacity as such) will be forever barred and enjoined from commencing, instituting, or prosecuting any of the Released Claims or any action or other proceeding against any of the Released Persons

based on the Released Claims or any action or proceeding arising out of, related to, or in connection with the settlement or resolution of the Derivative Action, provided that nothing herein shall in any way impair or restrict the rights of any of the Settling Parties to enforce the terms of this Stipulation or the Judgment.

5.3. Upon the Effective Date, each of the Released Persons shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged each and all of the Plaintiffs, Plaintiffs' Counsel, Conn's, and all of the Current Conn's Stockholders (solely in their capacity as such) from all claims (including Unknown Claims) arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement or resolution of the Derivative Action or the Released Claims. Nothing herein shall in any way impair or restrict the rights of any Settling Party to enforce the terms of this Stipulation or the Judgment.

5.4. Notwithstanding anything to the contrary in this Stipulation, nothing herein will affect either Conn's or the Individual Defendants' rights or obligations with respect to indemnification of or the advancement of fees and costs to the Individual Defendants in connection with any matter, including but not limited to the Related Securities Actions or the Derivative Action, or with respect to any proportionate liability analysis as provided for in the Private Securities Litigation Reform Act of 1995.

5.5. Notwithstanding anything to the contrary in this Stipulation, nothing herein shall constitute or reflect a waiver or release of any rights or claims of Defendants against their insurers, or their insurers' subsidiaries, predecessors, successors, assigns, affiliates, or representatives, including, but not limited to, any rights or claims by the Defendants under any directors' and officers' liability insurance or other applicable insurance coverage maintained by the Company. Nothing in this Stipulation constitutes or reflects a waiver or release of any rights or claims of the

Defendants relating in any way to indemnification or advancement of attorneys' fees relating to any matter, including but not limited to the Related Securities Class Action, the Derivative Action, or the Released Claims, whether under any written indemnification or advancement agreement, or under the Company's certificate of incorporation, by-laws or operating agreement, or under applicable law. The Settlement will neither be conditioned upon the obtaining of, or judicial approval of, any releases between or among any settling defendants, except as set forth in the Stipulation, and/or any third parties nor will it be conditioned upon the settlement, or the approval of the settlement, of any other lawsuits or claims, including the Related Securities Class Action.

6. Conditions of Settlement; Effect of Disapproval, Cancellation, or Termination

6.1. The Effective Date shall be conditioned on the occurrence of all of the following events:

- a. Court approval of the method of providing Notice, substantially in the forms of Exhibit A-1 and Exhibit A-2 attached hereto;
- b. dissemination of the Notice as set forth in ¶ 3.3;
- c. entry of the Judgment, substantially in the form of Exhibit B attached hereto, approving the Settlement without awarding costs to any party, except as provided herein;
- d. the payment of the Cash Payment in accordance with ¶ 2.1;
- e. the payment into escrow of the Fee and Expense Amount in accordance with ¶ 4.2; and
- f. the passing of the date upon which the Judgment becomes Final.

6.2. If any of the conditions specified above in ¶ 6.1 are not met, then this Stipulation shall be canceled and terminated subject to ¶ 6.3, unless counsel for the Settling Parties mutually agree in writing to proceed with this Stipulation.

6.3. If for any reason the Effective Date does not occur, the Judgment does not become Final, or if this Stipulation is canceled or terminated in accordance with its terms: (i) all Settling Parties shall be restored to their respective positions in the Derivative Action that existed immediately prior to the date of execution of this Stipulation; (ii) all releases delivered in connection with this Stipulation shall be null and void; (iii) the Cash Payment shall be immediately releasable to the insurer(s) that made such payment and are entitled to receive that amount; (iv) the Fee and Expense Amount shall be immediately releasable to the insurer(s) that made such payment and are entitled to receive that amount; (v) the terms and provisions of this Stipulation (other than those set forth in ¶¶ 1.1-1.26, 6.2-6.3, and 7.3-7.4 hereof) shall have no further force or effect with respect to the Settling Parties and shall not be used in the Derivative Action or in any other proceeding for any purpose; and (vi) all negotiations, proceedings, documents prepared, and statements made in connection herewith shall be without prejudice to the Settling Parties, shall not be deemed or construed to be an admission by a Settling Party of any act, matter, or proposition, and shall not be used in any manner for any purpose (other than to enforce the terms remaining in effect) in the Derivative Action, or in any other action or proceeding.

6.4. No order of the Court concerning the Fee and Expense Amount or the Service Awards or any interest awarded by the Court to Plaintiffs' Counsel, nor any modification or reversal on appeal of any such order of the Court, shall constitute grounds for cancellation or termination of the Stipulation, affect the enforceability of the Stipulation, or delay or preclude the Judgment from becoming Final.

7. Miscellaneous Provisions

7.1. The Settling Parties: (i) acknowledge that it is their intent to consummate the terms and conditions of this Stipulation; and (ii) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of the Stipulation and to exercise their best efforts to accomplish the foregoing terms and conditions of the Stipulation expeditiously.

7.2. The Settling Parties intend this Settlement to be a final and complete resolution of all disputes between Plaintiffs and Conn's and its stockholders, on the one hand, and the Released Persons, on the other hand, arising out of, based upon, or related to the Released Claims. The Settlement compromises claims that are contested and shall not be deemed an admission by any Settling Party or Released Person as to the merits of any claim, allegation, or defense. The Judgment shall contain a finding that (a) the Individual Defendants and Conn's agree that the Derivative Action was filed in good faith and was not frivolous, and is being settled voluntarily by the Defendants; and (b) the Settling Parties agree that throughout the course of the litigation, all parties and their counsel complied with the provisions of Federal Rule of Civil Procedure 11. No Settling Party or Related Person of a Settling Party shall assert any claims for violation Rule 11 of the Federal Rules of Civil Procedure, or any other similar laws relating to the institution, prosecution, defense, and/or settlement of the Derivative Action. The Settling Parties agree that the Released Claims are being settled voluntarily after consultation with legal counsel who could assess the strengths and weaknesses of their respective clients' claims or defenses.

7.3. Neither the Settlement, this Stipulation (including any exhibits attached hereto), nor any act performed or document executed pursuant to, or in furtherance of, the Stipulation or the Settlement: (i) is, may be deemed to be, or may be offered, attempted to be offered, or used in any way as a concession, admission, or evidence of the validity of any Released Claims, or of any fault,

wrongdoing, or liability of the Released Persons or Conn's; or (ii) is, may be deemed to be, or may be used as a presumption, admission, or evidence of, any liability, fault, or omission of any of the Released Persons in any civil, criminal, administrative, or other proceeding in any court, administrative agency, tribunal, or other forum. None of the Settling Parties makes any admission concerning liability or the strength of its case. Neither this Stipulation nor the Settlement shall be admissible in any proceeding for any purpose, except to enforce the terms of the Settlement, and except that the Released Persons may file or use the Stipulation and/or the Judgment in any action that has been or may be brought against them to support a defense or counterclaim based on principles of res judicata, collateral estoppel, full faith and credit, release, good faith settlement, standing, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion, or similar defense or counterclaim.

7.4. All designations and agreements made and orders entered during the course of the Derivative Action relating to the confidentiality of documents or information shall survive this Settlement.

7.5. Within thirty (30) days of the Effective Date, Plaintiffs shall each certify that they have destroyed or returned any documents obtained from Defendants that were marked Confidential in connection with the Derivative Action. However, Plaintiffs' Counsel may each retain a file copy of any court filings and any confidential attorney work-product that attaches, cites, or refers to any such documents.

7.6. All exhibits to this Stipulation are material and integral parts hereof and are fully incorporated herein by this reference.

7.7. In the event that there exists a conflict or inconsistency between the terms of this Stipulation and the terms of any exhibit hereto, the terms of this Stipulation shall prevail.

7.8. This Stipulation may be amended or modified only by a written instrument signed by, or on behalf of, all Settling Parties or their respective successors-in-interest.

7.9. This Stipulation shall be deemed drafted equally by all parties hereto.

7.10. This Stipulation and the exhibits attached hereto constitute the entire agreement among the Settling Parties and no representations, warranties, or inducements have been made to any Settling Party concerning the Stipulation and/or any of its exhibits, other than the representations, warranties, and covenants contained and memorialized in such documents.

7.11. The Stipulation supersedes and replaces any prior or contemporaneous writing, statement, or understanding pertaining to the Derivative Action.

7.12. Defendants confirm receipt of documentation from each of the Plaintiffs confirming that Plaintiffs in the Derivative Action separately represented that they have owned stock in Conn's during all relevant periods described in the Derivative Action, that they continue to own such stock as of the date of this Stipulation, and that they have standing to pursue the claims they have asserted in the Derivative Action.

7.13. It is understood by the Settling Parties that, except for matters expressly represented herein, the facts or law with respect to which this Stipulation is entered into may turn out to be other than, or different from, the facts or law now known to each party or believed by such party to be true; each party therefore expressly assumes the risk of facts or law turning out to be different, and agrees that this Stipulation shall be in all respects effective, and not subject to termination by reason of any such different facts or law.

7.14. Except as otherwise expressly provided herein, all parties, including all Individual Defendants, Conn's, Defendants' Counsel, Plaintiffs, and Plaintiffs' Counsel, shall bear their own fees, costs, and expenses.

7.15. Counsel for the Settling Parties are expressly authorized by their respective clients to take all appropriate actions required or permitted to be taken pursuant to the Stipulation to effectuate its terms and conditions. Conn's Board of Directors has approved this Stipulation and Settlement.

7.16. Plaintiffs represent and warrant they have not assigned or transferred, or attempted to assign or transfer, to any Person any Released Claim or any portion thereof or interest therein.

7.17. Each counsel or other Person executing this Stipulation or any of its exhibits on behalf of any party hereto, hereby warrants that such Person has the full authority to do so.

7.18. This Stipulation shall be binding upon, and inure to the benefit of, the Settling Parties and the Released Persons, and their respective successors, assigns, heirs, spouses, marital communities, executors, administrators, trustees in bankruptcy, and legal representatives, and any corporation or other entity into or with which any Settling Party merges, consolidates, or reorganizes. This Stipulation shall survive any change of control of the Company, regardless of the effect a change of control would otherwise have on the litigation.

7.19. Any failure by any party to this Stipulation to insist upon the strict performance by any other party of any of the provisions of the Stipulation shall not be deemed a waiver of any of the provisions, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of the Stipulation to be performed by such other party.

7.20. The Stipulation and the exhibits attached hereto may be executed in one or more counterparts. A facsimiled or PDF signature shall be deemed an original signature for purposes of this Stipulation. All executed counterparts, including facsimile and/or PDF counterparts, shall

be deemed to be one and the same instrument. A complete set of counterparts, either originally executed or copies thereof, shall be filed with the Court.

7.21. Without affecting the finality of the Judgment entered in accordance with this Stipulation, the Court shall retain jurisdiction with respect to interpretation, implementation, and enforcement of the terms of the Stipulation and the Judgment, and the Settling Parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in the Stipulation, and the Judgment, and for matters arising out of, concerning, or relating thereto.

7.22. This Stipulation and the exhibits attached hereto shall be governed by, construed, performed, and enforced in accordance with the laws of the State of Texas without regard to any state's principles, policies, or provisions governing choice of law. The Settling Parties agree that the Settlement, and all matters relating to its enforcement, will be subject to the continuing jurisdiction of the Court.

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

7.24. Nothing in this Stipulation, or the negotiations relating thereto, is intended to or shall be deemed to constitute a waiver of any applicable privilege or immunity, including, without limitation, the attorney-client privilege, the joint defense privilege, or work product protection.

7.25. No Settling Party will issue any press release or make any public statements concerning the settlement except that (a) Conn's in its sole discretion may disclose information necessary to fulfill its public reporting obligations and (b) Plaintiffs' Counsel may list the matter as a "settled case" on their websites and attach copies of the complaint and Court orders approving the settlement. In the event of press inquiries, the Settling Parties agree that words to the following

effect will be utilized to describe the resolution: the matter was resolved to both sides' mutual satisfaction with no admissions of liability.

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

IN WITNESS WHEREOF, the Settling Parties have caused the Stipulation to be executed by themselves and/or by their duly authorized attorneys.

Dated: November 24, 2021

BOTTINI & BOTTINI, INC.



Francis A. Bottini, Jr.
7817 Ivanhoe Ave., Suite 102
La Jolla, California 92037

Counsel for Plaintiff Robert Hack

SHUMAN, GLENN & STECKER



Kip B. Shuman
100 Pine Street, Suite 1250
San Francisco, California 94111

Counsel for Plaintiff 95250 Canada LTEE

VINSON & ELKINS L.L.P.

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*Counsel for Individual Defendants Theodore
M. Wright, Bob L. Martin, Jon E.M. Jacoby,
Kelly M. Malson, Douglas H. Martin, David
Schofman, Scott L. Thompson, Brian Taylor,
and Michael J. Poppe*

FLETCHER HELD, PLLC

N. Scott Fletcher

N. Scott Fletcher
Kenneth P. Held
Fletcher Held, PLLC
808 Travis Street, Suite 1420
Houston, Texas 77002

Counsel for Nominal Defendant Conn's, Inc.

B. Plaintiffs have made an application, pursuant to Federal Rule of Civil Procedure 23.1, for entry of a scheduling order in accordance with the Stipulation, approving the form and content of the notice of the Settlement to Current Conn's Stockholders and scheduling the date and time for the Settlement Hearing;

C. The Court having read and considered the Stipulation and the exhibits attached thereto; the Stipulation being sufficient to warrant notice to Current Conn's Stockholders; and all Parties having consented to the entry of this Order;

NOW THEREFORE, IT IS HEREBY ORDERED that:

1. **Settlement Hearing**: The Court will hold a settlement fairness hearing (the "Settlement Hearing") on _____, 2021, at __: __.m., in the United States District Court for the Southern District of Texas, Houston Division, 515 Rusk Street Houston, TX 77002 (or by telephonic or video means as may be designated by the Court in the interest of public safety) for the following purpose: (a) to determine whether the proposed Settlement on the terms and conditions in the Stipulation is fair, reasonable, and adequate to Plaintiffs, Conn's, and its stockholders, and should be approved by the Court; (b) to determine whether a Final Order and Judgment substantially in the form attached to the Stipulation as Exhibit B should be entered dismissing with prejudice the Derivative Action against the Defendants and extinguishing and releasing the Released Claims; (c) to determine whether the application by Plaintiffs' Counsel for an award of attorneys' fees and reimbursement of litigation expenses ("Fee and Expense Application"), and for Service Awards to each of the two named Plaintiffs ("Service Award Application"), should be approved; (d) to hear and consider any objections to the Settlement, the Fee and Expense Application, or the Service Award Application; and (e) to consider any other matters that may properly be brought before the Court in connection with the Settlement.

2. The Court may adjourn the Settlement Hearing without further notice to Current Conn's Stockholders.

3. The Court reserves the right to approve the proposed Settlement with such modifications as the Parties may agree to without further notice to Current Conn's Stockholders.

4. **Manner of Giving Notice:** Notice of the Settlement and the Settlement Hearing shall be given as follows:

- a. Within twenty (20) business days after the entry of this Scheduling Order, Conn's shall, at Conn's cost, send, or cause to be sent, a copy of the Long-Form Notice, substantially in the form attached as Exhibit 1 hereto, to each Current Conn's Stockholder (except the Individual Defendants). For those Current Conn's Stockholders that have consented to receiving information from Conn's electronically, Conn's shall send the Long-Form Notice electronically. For all other Current Conn's Stockholders, Conn's shall mail the Long-Form Notice to his, her, or its last known address appearing in the stock transfer records maintained by or on behalf of Conn's as of the close of business on the date the Stipulation was filed with the Court. All Conn's stockholders who are record holders of Conn's common stock on behalf of beneficial owners shall be requested in the Long-Form Notice to forward the Long-Form Notice to such beneficial owners of those shares. Conn's shall use reasonable efforts to give notice to such beneficial owners by causing additional copies of the Long-Form Notice (i) to be made available to any record holder who, before the Settlement Hearing, requests the same for distribution to beneficial owners, or (ii) to be mailed to beneficial owners whose names and addresses Conn's receives from record owners.

- b. Within twenty (20) business days after the entry of this Scheduling Order, Conn's shall, at Conn's cost: (i) post the Stipulation (including its exhibits) and the Long-Form Notice, substantially in the form attached hereto as Exhibit 1, on its website; and (ii) publish the Summary Notice, substantially in the form attached hereto as Exhibit 2, once in *Investors' Business Daily* and over a national newswire such as *GlobalNewsWire*.
- c. Within twenty (20) business days after the entry of this Scheduling Order, Plaintiffs' Counsel shall, at their cost, post the Long-Form Notice on their respective firm websites.
- d. Prior to the Settlement Hearing, the Settling Parties shall file with the Court appropriate affidavits or declarations regarding compliance with the notice provisions listed above.

5. **Approval of Form and Content of Notice:** The Court: (a) approves as to form and content the Notice, attached hereto as Exhibits 1 and 2, and (b) finds that issuance of the Notice in the manner set forth in paragraph 4 above: (i) constitutes notice that is reasonably calculated, under the circumstances, to apprise Current Conn's Stockholders of the pendency of the Derivative Action, of the effect of the proposed Settlement (including the releases to be provided thereunder), of the Fee and Expense Application, of the Service Award Application, of their right to object to the Settlement, the Fee and Expense Application, or the Service Award Application, and of their right to appear at the Settlement Hearing; (ii) constitutes due, adequate, and sufficient notice to all Persons entitled to receive notice of the proposed Settlement; and (iii) satisfies the requirements of Federal Rule of Civil Procedure 23.1, the United States Constitution (including the Due Process Clause), and all other applicable laws and rules. The date and time of the

Settlement Hearing shall be included in the Notice before it is issued.

6. **Appearance and Objections at the Settlement Hearing:** Any Current Conn's Stockholder who objects to the Settlement, the Fee and Expense Application, or the Service Award Application, or who otherwise wishes to be heard, may appear personally or through his, her, or its attorney at the Settlement Hearing and present any evidence or argument that may be proper and relevant; provided, however, that no such Person shall be heard, and no briefs, pleadings, or other documents submitted by any such Person shall be received and considered by the Court, unless, no later than 21 calendar days before the Settlement Hearing, such Person files with the United States District Court for the Southern District of Texas, Houston Division, 515 Rusk Street Houston, TX 77002, and serves upon the attorneys listed below: (a) a written and signed notice of intention to appear, which states the name, address, telephone number, and email address (if available) of the objector and, if represented, of his, her, or its counsel; (b) proof that the objector owned Conn's common stock as of the date of the execution of the Stipulation and continues to hold such shares; and (c) a written, detailed statement of the Person's objections to any matter before the Court, and the specific grounds therefor or the reasons why such Person desires to appear and to be heard, as well as all documents and writings which such Person desires the Court to consider, including any legal and evidentiary support. These writings must also be served by ECF, by email, byhand, by first-class mail, or by express service upon the following attorneys such that they are received no later than 21 calendar days before the Settlement Hearing:

To Plaintiff Robert Hack	Francis A. Bottini, Jr. BOTTINI & BOTTINI, INC. 7817 Ivanhoe Ave., Suite 102 La Jolla, California 92037
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To Plaintiff 95250 Canada LTEE	Kip B. Shuman SHUMAN, GLENN & STECKER 100 Pine Street, Suite 1250 San Francisco, California 94111
To Individual Defendants	Marissa Secco Giles VINSON & ELKINS L.L.P. 2801 Via Fortuna, Suite 100 Austin, TX 78746
To Nominal Defendant Conn's	N. Scott Fletcher FLETCHER HELD, PLLC 808 Travis Street, Suite 1420 Houston, Texas 77002

7. Unless the Court orders otherwise, any Person who does not make his, her, or its objection in the manner provided herein shall be deemed to have waived his, her, or its right to object to any aspect of the proposed Settlement, the Fee and Expense Application, or the Service Award Application and shall be forever barred and foreclosed from objecting to the fairness, reasonableness, or adequacy of the Settlement or the requested attorneys' fees and litigation expenses and service awards, or from otherwise being heard concerning the Settlement, the Fee and Expense Application or the Service Award Application in this or any other proceeding.

8. **Stay and Temporary Injunction:** Until otherwise ordered by the Court, the Court stays all proceedings in the Derivative Action other than proceedings necessary to carry out or enforce the terms and conditions of the Stipulation. Pending final determination of whether the Settlement should be approved, the Court bars and enjoins Plaintiffs and all other Current Conn's Stockholders from commencing, instituting, or prosecuting any of the Released Claims against any of the Released Persons.

9. **Termination of the Settlement:** If the Settlement is terminated pursuant to ¶ 6.2 of the Stipulation, the Settling Parties shall be restored to their respective positions in the

Derivative Action that existed immediately prior to the date of execution of the Stipulation.

10. **No Admission**: As stated in ¶ 7.3 of the Stipulation,

- a. Neither the Settlement, the Stipulation (including any exhibits attached thereto), nor any act performed or document executed pursuant to, or in furtherance of, the Stipulation or the Settlement: (i) is, may be deemed to be, or may be offered, attempted to be offered, or used in any way as a concession, admission, or evidence of the validity of any Released Claims, or of any fault, wrongdoing, or liability of the Released Persons or Conn's; or (ii) is, may be deemed to be, or may be used as a presumption, admission, or evidence of, any liability, fault, or omission of any of the Released Persons in any civil, criminal, administrative, or other proceeding in any court, administrative agency, tribunal, or other forum.
- b. Neither the Stipulation nor the Settlement shall be admissible in any proceeding for any purpose, except to enforce the terms of the Settlement, and except that the Released Persons may file or use the Stipulation and/or the Judgment in any action that has been or may be brought against them to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, full faith and credit, release, good faith settlement, standing, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion, or similar defense or counterclaim.

11. **Supporting Papers**: Plaintiffs' Counsel shall file and serve the opening papers in support of the proposed Settlement, plus the Fee and Expense Application and Service Award Application, and any supporting papers, no later than 35 calendar days before the Settlement Hearing. Opposition papers, if any, shall be filed and served no later than 21 calendar days before

the Settlement Hearing. Reply papers, if any, shall be filed and served no later than 7 calendar days before the Settlement Hearing.

DATED: _____, 2021

Dena Hanovice Palermo
United States Magistrate Judge

TO: ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF SHARES OF COMMON STOCK OF CONN'S, INC. ("CONN'S") AS OF THE CLOSE OF BUSINESS ON _____, 2021 ("CURRENT CONN'S STOCKHOLDERS").

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.

YOUR RIGHTS WILL BE AFFECTED BY THIS LITIGATION.

This Notice relates to a proposed settlement (the "Settlement") of the lawsuit captioned above (the "Derivative Action"). The Derivative Action was brought by Conn's stockholders on behalf of Conn's and is pending in the United States District Court for the District of Texas (the "Court"). If the Court approves the Settlement, it will resolve all claims brought, or that could have been brought, in the Derivative Action.

The complete terms of the Settlement, which will not take effect unless approved by the Court, are set forth in a Stipulation and Agreement of Settlement, dated November 24, 2021 (the "Stipulation"), entered into by and among: (i) plaintiffs Robert Hack and 95250 Canada LTEE ("Plaintiffs"), derivatively on behalf of Conn's; (ii) Defendants Theodore M. Wright, Bob L. Martin, Jon E.M. Jacoby, Kelly M. Malson, Douglas H. Martin, David Schofman, Scott L. Thompson, Brian Taylor, and Michael J. Poppe (the "Individual Defendants"); and (iii) Conn's, as nominal defendant (together with the Individual Defendants, "Defendants," and together with Plaintiffs and the Individual Defendants, the "Settling Parties").¹

Because the Derivative Action was brought derivatively on behalf of Conn's, the benefits of this Settlement will go directly to Conn's and not to Current Conn's Stockholders. Thus, Current Conn's Stockholders are not eligible to submit claims or receive payment in connection with the Settlement.

WHAT IS THE PURPOSE OF THIS NOTICE?

The purpose of this Notice is to inform Current Conn's Stockholders about (a) the Derivative Action; (b) the Settlement; (c) Current Conn's Stockholders' rights with respect to the Settlement; and (d) the hearing that the Court will hold on _____, 2021 at _____ .m., at the United States District Court for the Southern District of Texas, Houston Division, 515 Rusk Street Houston, TX 77002 (or by telephonic or video means as may be designated by the Court in the interest of public safety).

At this hearing (the "Settlement Hearing"), the Court will, among other things: (a) determine whether the Settlement is fair, reasonable, and adequate to Plaintiffs, Conn's, and its stockholders, and should be approved by the Court; (b) determine whether a Final Order and Judgment should be entered dismissing with prejudice the Derivative Action and extinguishing and releasing the Released Claims; (c) determine whether the application by Plaintiffs' Counsel

¹ Unless otherwise defined herein, capitalized terms used in this Notice shall have the meanings assigned to them in the Stipulation. A copy of the Stipulation is available at [Conn's website link] or by contact counsel listed below.

for an award of attorneys' fees and reimbursement of litigation expenses ("Fee and Expense Application"), and for Service Awards to the two named Plaintiffs ("Service Award Application"), should be approved; (d) hear and consider any objections to the Settlement or the Fee and Expense Application and the Service Award Application to be submitted by Plaintiffs' Counsel; and (e) consider any other matters concerning the Settlement that may properly be brought before the Court.

WHAT IS THIS CASE ABOUT?

THE FOLLOWING DESCRIPTION OF THE DERIVATIVE ACTION HAS BEEN PREPARED BY COUNSEL FOR THE SETTLING PARTIES. THE COURT HAS MADE NO FINDINGS WITH RESPECT TO SUCH MATTERS. THIS IS NOT AN EXPRESSION OR STATEMENT BY THE COURT OF ANY FINDINGS OF FACT.

On December 1, 2014, Plaintiff Robert Hack filed an action in the United States District Court for the Southern District of Texas (the "*Hack Action*") asserting claims on behalf of Conn's against the Individual Defendants for breaches of fiduciary duties, unjust enrichment, gross mismanagement, and insider trading. Plaintiff alleged that all members of Conn's board knew that Conn's had lowered its underwriting standards and offered credit lines to customers who lacked creditworthiness, as a strategy to generate revenue. Plaintiff further alleged the Individual Defendants caused Conn's to make false and misleading statements and to fail to disclose numerous material adverse facts about its business, operations, and prospects, including the Company's underwriting standards and collection practices during the fourth quarter of 2013 through the third quarter of 2014. Plaintiff alleged the Individual Defendants violated their fiduciary duty of candor and caused Conn's to violate the federal securities laws by failing to disclose, among other things, the following material facts: (a) that Conn's was increasing its sales revenues and improving its financial results by using underwriting practices that, despite its statements to the contrary, weakened its portfolio quality and left it vulnerable to substantial increases in delinquency rates and bad debt; (b) that Conn's was experiencing rising delinquencies at a substantially higher rate than it was representing; and (c) that Conn's credit segment practices substantially threatened the Company's financial performance. Plaintiff also alleged that because of the false and misleading information in the Company's public disclosures, Conn's stock traded at artificially inflated prices during the relevant period. Plaintiff alleged that Conn's stock price plummeted to \$31.89 on February 20, 2014, after the truth of its financial condition emerged. Plaintiff alleged that while Conn's stock prices were allegedly inflated, five of the Individual Defendants – Theodore M. Wright, Jon E.M. Jacoby, Douglas H. Martin, Scott L. Thompson, and Michael J. Poppe – sold over 1.3 million shares of their Conn's stock for over \$66 million using material non-public information regarding Conn's financial condition. Plaintiff alleged that as a result of the Individual Defendants' misconduct, Conn's has suffered substantial damages, including, expenses incurred in connection with the Related Securities Class, loss of market capitalization, goodwill, and damage to its reputation.

On February 25, 2015, Plaintiff 95250 Canada LTEE commenced a second shareholder derivative action on behalf of Conn's captioned 95250 Canada LTEE, derivatively on behalf of Conn's, Inc. v. Theodore M. Wright, et al., Civil Action No. 4:15-cv-00521 (the "*95250 Canada LTEE Action*") alleging claims against the same Individual Defendants based on many of the

same events and transactions alleged in the *Hack* Action.

On August 19, 2015, the Court consolidated the *Hack* Action and the *95250 Canada LTEE* Action (collectively, the “Derivative Action”), appointed Bottini & Bottini, Inc. and Shuman, Glenn & Stecker as Co-lead Counsel for the Plaintiffs, and on January 30, 2015, the Court stayed all proceedings, discovery, and deadlines in the Derivative Action pending resolution of motions to dismiss a parallel, putative securities fraud class action, *In re Conn’s, Inc. Securities Litigation*, No. 4:14-cv-00458.

On November 1, 2018, after a settlement of the putative securities fraud class action was approved, Defendants filed a motion to dismiss the Derivative Action. The Court granted Defendants’ motion to dismiss but allowed Plaintiffs to file an amended complaint. On July 19, 2019, Plaintiffs filed their Verified First Amended Shareholder Derivative Complaint (“Amended Complaint”) in the Derivative Action. The Court granted Defendants’ motion to dismiss in part, concluding that Plaintiffs had alleged sufficient facts to proceed with their claims for breach of fiduciary duty, unjust enrichment, and gross mismanagement but that Plaintiffs had failed to allege sufficient facts to proceed with their insider trading claims. On September 25, 2020, the Court allowed Plaintiffs to file a further amendment adding 95250 Canada LTEE as a plaintiff. Plaintiffs filed a Corrected Verified First Amended Shareholder Derivative Complaint on October 21, 2020, which added 95250 Canada LTEE as a plaintiff.

Plaintiffs served three sets of requests for production of documents and one set of interrogatories on the Defendants. Defendants served requests for production and interrogatories on both Plaintiffs Robert Hack and 95250 Canada LTEE. Plaintiffs also served three subpoenas on third parties. The Defendants collectively produced more than 265,000 documents consisting of over a million pages, including emails and spreadsheets in native format. Third parties produced approximately 1,500 pages of documents. The Plaintiffs also deposed 6 witnesses, all of whom are named Defendants. At the time the parties reached an agreement in principle to settle the case, Plaintiffs had requested at least four additional depositions, and Defendants had requested the depositions of both lead plaintiffs.

The Parties participated in a one-day mediation on January 14, 2021 with Robert A. Meyer, Esq. of JAMS (“Mediator”). Although the mediation was unsuccessful on that date, the Parties continued their discussions over the next several months. After extensive mediation and negotiations and submission of a Mediator’s proposal, the parties agreed to settle their dispute. The Settling Parties then drafted and negotiated the Stipulation to memorialize the terms of the Settlement. Plaintiffs intend to submit a Fee and Expense Application and a Service Award Application to the Court.

WHAT ARE THE TERMS OF THE PROPOSED SETTLEMENT?

In consideration of the proposed Settlement, the Individual Defendants will cause their insurance carriers to pay \$11,000,000.00 in cash to Conn's (the "Cash Payment"). The Plaintiffs' attorneys' fees and litigation expenses will also be paid by the Defendants' insurance carriers directly or through Conn's. The Derivative Action will be dismissed with prejudice. Plaintiffs will release the Released Persons from claims relating to the Derivative Action, and Defendants will release Plaintiffs from any claims relating to the bringing and prosecution of the Derivative Action.

HOW WILL PLAINTIFFS' COUNSEL BE PAID?

Before final approval of the proposed Settlement, Plaintiffs' Counsel will file a Fee and Expense Application with the Court. The Defendants' insurers will pay directly or through Conn's up to \$3,200,000.00 in attorneys' fees and \$225,000.00 in expenses (the "Fee and Expense Amount"), subject to approval by the Court. Any resulting award of fees and expenses will be paid in its entirety by the Defendants' insurer(s) and will be paid in addition to (not out of) the \$11 million settlement payment to Conn's.

Plaintiffs' Counsel will apply to the Court for a service award to each of the two named Plaintiffs for their services as a derivative representative of up to \$7,500.00. Any service award approved by the Court will be paid out of Plaintiffs' Counsel's award of attorneys' fees, and not out of the \$11 million settlement payment to the Company. Defendants do not oppose the Service Award Application.

The Settling Parties' agreement on the Fee and Expense Amount: (i) was reached only after all other material terms of the Settlement were agreed, and (ii) was reached following good-faith negotiation, with the assistance of the Mediator.

WHY ARE THE PARTIES SETTLING?

The Settling Parties have determined that it is desirable and beneficial that the Derivative Action and any dispute related thereto is fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation.

Plaintiffs and Plaintiffs' Counsel believe that the claims asserted in the Derivative Action have merit. However, Plaintiffs and Plaintiffs' Counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Derivative Action against the Individual Defendants throughout a trial and any appeal(s). Plaintiffs and Plaintiffs' Counsel have also considered the uncertain outcome and the risk of any litigation, especially in complex actions such as the Derivative Action, as well as the difficulties and delays inherent in such litigation. Plaintiffs and Plaintiffs' Counsel are also mindful of the inherent problems of proof of, and possible defenses to, the claims asserted in the Derivative Action.

The Individual Defendants have denied and continue to deny each and every one of the claims, contentions, and allegations made against them or that could have been made against them in the Derivative Action, and expressly deny all charges of wrongdoing or liability against them. The Individual Defendants assert that they have satisfied their fiduciary duties at all relevant times, have acted in good faith and in the best interests of Conn's and its stockholders, have meritorious defenses to Plaintiffs' claims, and that judgment should be entered dismissing all claims against them with prejudice. The Individual Defendants also have denied and continue to deny, among other things, the allegations that Plaintiffs, Conn's, or its stockholders have suffered damage, or that Plaintiffs, Conn's, or its stockholders were harmed by the conduct alleged in the Derivative Action. Without admitting any wrongdoing or liability whatsoever, the Individual Defendants entered the Stipulation to put an end to all shareholder derivative litigation; avoid the continuing additional expense, inconvenience, and distraction of such litigation; and to avoid the risks inherent in such lawsuits.

WHAT CLAIMS WILL THE SETTLEMENT RELEASE?

If the Settlement is approved, the Court will enter a Final Order and Judgment (the "Judgment"). Pursuant to the Judgment, within seven (7) calendar days of the Effective Date, the Derivative Action will be dismissed with prejudice, and, upon the Effective Date, the following releases will occur:

- a) Conn's, Plaintiffs (acting on their own behalf and derivatively on behalf of Conn's), and each of the Current Conn's Stockholders (solely in their capacity as such) shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged the Released Claims against the Released Persons and any and all claims (including Unknown Claims) arising out of, relating to, or in connection with the defense, settlement, or resolution of the Derivative Action against the Released Persons.
- b) Each of the Related Persons shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged each and all of the Plaintiffs, Plaintiffs' Counsel, Conn's, and all of the Current Conn's Stockholders (solely in their capacity as such) from all claims (including Unknown Claims) arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement or resolution of the Derivative Action or the Released Claims.
- c) Upon the Effective Date, Conn's, Plaintiffs (acting on their own behalf and derivatively on behalf of Conn's), and each of the Current Conn's Stockholders (solely in their capacity as such) will be forever barred and enjoined from commencing, instituting, or prosecuting any of the Released Claims or any action or other proceeding against any of the Released Persons based on the Released Claims or any action or proceeding arising out of, related to, or in connection with the settlement or resolution of the Derivative Action, provided that nothing herein shall in any way impair or restrict the rights of any of the Settling Parties to enforce the terms of the Stipulation or the Judgment.
- d) Neither the Stipulation nor the Settlement shall be admissible in any proceeding for any purpose, except to enforce the terms of the Settlement, and except that

the Released Persons may file or use the Stipulation and/or the Judgment in any action that has been or may be brought against them to support a defense or counterclaim based on principles of res judicata, collateral estoppel, full faith and credit, release, good faith settlement, standing, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion, or similar defense or counterclaim.

Until the Court decides whether to approve the Settlement, Plaintiffs and all other Current Conn's Stockholders are barred and enjoined from commencing, instituting, or prosecuting any of the Released Claims against any of the Released Persons.

The Stipulation defines these capitalized terms as follows:

“Defendants’ means, collectively, the Individual Defendants and Conn’s.”

“Related Persons’ means each of the Defendants’ past or present agents, employees, officers, directors, parents, subsidiaries, divisions, affiliates, attorneys, accountants, auditors, advisors, insurers, co-insurers, reinsurers, spouses, immediatefamily members, heirs, executors, personal representatives, estates, administrators, trusts, predecessors, successors, and assigns, or other person in which any Defendant has a controlling interest, and each and all of their respective past and present officers, directors, employees, agents, affiliates, parents, subsidiaries, divisions, attorneys, accountants, auditors, advisors, insurers, co-insurers, reinsurers, trusts, predecessors, successors, and assigns.”

“Released Claims’ shall collectively mean any and all claims for relief (including Unknown Claims), rights, demands, suits, matters, causes of action, or liabilities, known or unknown, asserted or unasserted, that have been or could have been asserted in the Derivative Action by Plaintiffs, Conn’s, or by any Current Conn’s Stockholder derivatively on behalf of Conn’s against any Defendant or Released Person arising out of or based upon the facts, transactions, events, occurrences, acts, disclosures, statements, omissions, or failures to act that were or could have been alleged in the Derivative Action, or any claims in connection with, based upon, arising out of, or relating to the Settlement, but excluding any claims to enforce the Settlement set forth in this Stipulation. Excluded from the term “Released Claims” are (i) all claims alleged in the Related Securities Actions and (ii) all claims, rights, or obligations of Conn’s or the Individual Defendants regarding indemnification, contribution, or insurance matters, as set forth in ¶ 5.4 and ¶ 5.5.”

“Released Persons’ means each of the Defendants and their Related Persons.”

“Unknown Claims’ means any of the Released Claims which Plaintiffs, Conn’s, Current Conn’s Stockholders, or Defendants do not know or suspect to exist in his, her, or its favor at the time of the release of the Released Persons, including claims which, if known by him, her, or it, might have affected his, her, or its settlement with and release of the Released Persons, or might have affected his, her, or its decision not to object to this Settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Plaintiffs and Defendants shall expressly waive and each of the Current Conn’s Stockholders shall be deemed to have, and by operation of the Judgment shall have, expressly waived the

provisions, rights, and benefits of California Civil Code Section 1542, which provides:

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

Upon the Effective Date, Plaintiffs and Defendants shall expressly waive, and each of the Current Conn's Stockholders shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any law of any jurisdiction or any state or territory of the United States or any foreign jurisdiction, or principle of common law, which is similar, comparable or equivalent to California Civil Code Section 1542. Plaintiffs, Defendants, and Current Conn's Stockholders may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims, but, upon the Effective Date, each Plaintiff and Defendant shall expressly settle and release, and each Current Conn's Stockholder shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released, any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Settling Parties acknowledge, and the Current Conn's Stockholders shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the Settlement of which this release is a part."

**WHEN AND WHERE WILL THE SETTLEMENT HEARING BE HELD?
DO I HAVE THE RIGHT TO APPEAR AT THE SETTLEMENT HEARING?**

The Court will consider the Settlement and all matters related to the Settlement at the Settlement Hearing. The Settlement Hearing will be held before the Honorable Keith P. Ellison at the United States District Court for the Southern District of Texas, Houston Division, 515 Rusk Street, Houston, TX 77002 (or by telephonic or video means as may be designated by the Court in the interest of public safety). The Court may change the date or time of the Settlement Hearing without further notice to the stockholders.

At the Settlement Hearing, the Court will consider, among other things: the matters listed on page 1 under the heading "WHAT IS THE PURPOSE OF THIS NOTICE?"

Any Current Conn's Stockholder who objects to the Settlement, the Fee and Expense Application, or the Service Award Application, or who otherwise wishes to be heard, may appear personally or through his, her, or its attorney at the Settlement Hearing and present any evidence or argument that may be proper and relevant; provided, however, that no such Person shall be heard, and no briefs, pleadings, or other documents submitted by any such Person shall

be received and considered by the Court unless, no later than 21 calendar days before the Settlement Hearing, such Person files with the Clerk of Court, United States District Court for the Southern District of Texas, Houston Division, 515 Rusk Street Houston, TX 77002: (a) a written and signed notice of intention to appear, which states the name, address, telephone number, and email address (if available) of the objector and, if represented, of his, her, or its counsel; (b) proof that the objector owned Conn's common stock as of the date of the execution of the Stipulation and continues to hold such shares; and (c) a written, detailed statement of the Person's objections to any matter before the Court, and the specific grounds therefor or the reasons why such Person desires to appear and to be heard, as well as all documents and writings which such Person desires the Court to consider, including any legal and evidentiary support. These writings must also be served by ECF, by email, by hand, by first-class mail, or by express service upon the following attorneys such that they are received no later than 21 calendar days before the Settlement Hearing:

To Plaintiff Robert Hack	Francis A. Bottini, Jr. BOTTINI & BOTTINI, INC. 7817 Ivanhoe Ave., Suite 102 La Jolla, California 92037
To Plaintiff 95250 Canada LTEE	Kip B. Shuman SHUMAN, GLENN & STECKER 100 Pine Street, Suite 1250 San Francisco, California 94111
To Individual Defendants	Marissa Secco Giles VINSON & ELKINS L.L.P. 2801 Via Fortuna, Suite 100 Austin, TX 78746
To Nominal Defendant Conn's	N. Scott Fletcher FLETCHER HELD, PLLC 808 Travis Street, Suite 1420 Houston, Texas 77002

Unless the Court orders otherwise, any Person who does not make his, her, or its objection in the manner provided herein shall be deemed to have waived his, her, or its right to object to any aspect of the proposed Settlement, the Fee and Expense Application, or the Service Award Application and shall be forever barred and foreclosed from objecting to the fairness, reasonableness, or adequacy of the Settlement or the requested attorneys' fees and litigation expenses and special awards, or from otherwise being heard concerning the Settlement, the Fee and Expense Application or the Service Award Application in this or any other proceeding.

**NOTICE TO PERSONS OR ENTITIES HOLDING
RECORD OWNERSHIP ON BEHALF OF OTHERS**

If you are a brokerage firm, bank, or other person or entity who or that held shares of common stock of Conn's as of the close of business on ____, 2021, as a record holder for the beneficial interest of persons or organizations other than yourself, you are hereby requested to promptly send this Notice to all of the respective beneficial owners. If additional copies of this Notice are needed for forwarding to such beneficial owners, any requests for such copies may be made to:

Computershare Investor Services
P.O. Box 505005
Louisville, KY 40233-5000

WHERE CAN I FIND ADDITIONAL INFORMATION?

This Notice contains only a summary of the terms of the Settlement. For more detailed information about the matters involved in the Action, you may refer to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Clerk of Court, United States District Court for the Southern District of Texas, Houston Division, 515 Rusk Street, Houston, TX 77002.

For more information concerning the Settlement, you may also call or write to any of the following Plaintiffs' Counsel: (a) counsel to Plaintiff Robert Hack, Francis A. Bottini, Jr., BOTTINI & BOTTINI, INC., 7817 Ivanhoe Ave., Suite 102, La Jolla, California 92037, Tel: (858) 914-2001; (b) counsel to Plaintiff 95250 Canada LTEE, Kip B. Shuman, SHUMAN, GLENN & STECKER, 100 Pine Street, Suite 1250, San Francisco, California 94111, Tel.: 1-866-569-4531.

DO NOT CALL OR WRITE THE COURT REGARDING THIS NOTICE.

Dated: _____, 2021

BY ORDER OF THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS

TO: ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF CONN'S, INC. ("CONN'S") COMMON STOCK (TICKER SYMBOL: CONN) AS OF THE CLOSE OF BUSINESS ON _____, 2021 ("CURRENT CONN'S STOCKHOLDERS").

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY THIS LITIGATION. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT AND DISMISSAL OF STOCKHOLDER DERIVATIVE LITIGATION AND CONTAINS IMPORTANT INFORMATION REGARDING YOUR RIGHTS. YOUR RIGHTS MAY BE AFFECTED BY LEGAL PROCEEDINGS IN THIS ACTION.

IF THE COURT APPROVES THE SETTLEMENT AND DISMISSAL OF THE ACTION, CURRENT CONN'S STOCKHOLDERS WILL BE FOREVER BARRED FROM CONTESTING THE APPROVAL OF THE PROPOSED SETTLEMENT AND FROM PURSUING THE SETTLED CLAIMS.

THE COURT HAS MADE NO FINDINGS OR DETERMINATIONS WITH RESPECT TO THE MERITS OF THE ACTION. THE RECITATION OF THE BACKGROUND AND CIRCUMSTANCES OF THE SETTLEMENT CONTAINED HEREIN DOES NOT CONSTITUTE THE FINDINGS OF THE COURT. IT IS BASED ON REPRESENTATIONS MADE TO THE COURT BY COUNSEL FOR THE PARTIES.

PLEASE TAKE NOTICE that the above-captioned stockholder Derivative Action is being settled, and the parties have entered into a Stipulation and Agreement of Settlement, dated November 24, 2021 (the "Stipulation"). The terms of the proposed Settlement are set forth in the Stipulation, and all capitalized terms herein have the same meaning as defined in the Stipulation. This notice should be read in conjunction with, and is qualified in its entirety by reference to, the text of the Stipulation, which has been filed with the Court. A further notice describing the Derivative Action along with the text of the Stipulation is available at [link to Conn's website].

In consideration of the proposed Settlement, the Individual Defendants will cause their insurance carriers to pay \$11 million in cash to Conn's.

IF YOU ARE A CURRENT RECORD OR BENEFICIAL OWNER OF CONN'S COMMON STOCK AS OF _____, 2021, YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS LITIGATION.

On _____, 2022 at ____:____.m., a hearing (the "Settlement Hearing") will be held before the Honorable Keith P. Ellison at the United States District Court for the Southern District of Texas, Houston Division, 515 Rusk Street Houston, TX 77002 (or by telephonic or video means as may be designated by the Court in the interest of public safety) to: (a) determine whether the Settlement is fair, reasonable, and adequate to Plaintiffs, Conn's, its stockholders, and the Individual Defendants, and should be approved by the Court; (b) determine whether a Final Order and Judgment should be entered dismissing with prejudice the Derivative Action and extinguishing and releasing the Released Claims; (c) determine whether the application by Plaintiffs' Counsel for an award of attorneys' fees and reimbursement of litigation expenses ("Fee and Expense Application"), and for Service Awards to the two named Plaintiffs ("Service Award Application"), should be approved; (d) hear and consider any objections to the Settlement or the Fee and Expense Application and the Service Award Application to be submitted by Plaintiffs' Counsel; and (e) consider any other matters concerning the Settlement that may properly be brought before the Court. The Court may adjourn the date of the Settlement Hearing without further notice to Current Conn's Stockholders, and the Settlement Hearing may be continued by the Court at the Settlement Hearing, or at any adjourned session thereof, without further notice.

Any Current Conn's Stockholder as of _____, 2021 shall have the right to appear and to be heard at the Settlement Hearing. However, no stockholder shall be heard at the Settlement Hearing unless, at least twenty-one (21) calendar days prior to the date of the Settlement Hearing, such stockholder has filed with the Court and delivered to counsel for the Settling Parties a written notice of objection in accordance with the requirements below. Only stockholders who have filed and delivered validly and timely written notices of objection will be entitled to be heard at the Settlement Hearing unless the Court orders otherwise.

Any written notice of objection must contain the following information:

- a) a written and signed notice which states the name, address, telephone number, and email address (if available) of the objector and, if represented, of his, her, or its counsel;
- b) proof that the objector owned Conn's common stock as of the date of the execution of the Stipulation and continues to hold such shares; and
- c) a written, detailed statement of the Person's objections to any aspect of the settlement, and the specific grounds therefor or the reasons why such Person desires to appear and to be heard, as well as all documents and writings which such Person desires the Court to consider, including any legal and evidentiary support.

If you wish to object to the settlement, you must file a written objection setting forth the grounds for such objection and the information listed above with the Court on or before 21 calendar days before the Settlement Hearing, with service to: (a) counsel to Plaintiff Robert Hack, Francis A. Bottini, Jr., BOTTINI & BOTTINI, INC., 7817 Ivanhoe Ave., Suite 102, La Jolla, California

92037; (b) counsel to Plaintiff 95250 Canada LTEE, Kip B. Shuman, SHUMAN, GLENN & STECKER, 100 Pine Street, Suite 1250, San Francisco, California 94111; (c) counsel to the Individual Defendants, Marissa Secco Giles, VINSON & ELKINS L.L.P., 2801 Via Fortuna, Suite 100, Austin, TX 78746; and (d) counsel to Nominal Defendant Conn's, Inc., N. Scott Fletcher, FLETCHER HELD, PLLC, 808 Travis Street, Suite 1420, Houston, Texas 77002.

Unless the Court orders otherwise, your objection will not be considered unless it is timely filed with the Court and delivered to the above counsel. ***Any Person who fails to object in the manner provided shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, reasonableness, or adequacy of the proposed settlement as set forth in the Stipulation and the Judgment, or to the award of attorneys' fees and expenses to Plaintiffs' Counsel, unless otherwise ordered by the Court. Current Conn's Stockholders who have no objection to the settlement do not need to appear at the Settlement Hearing or take any other action.***

Inquiries may be made to Plaintiffs' Counsel: (a) counsel to Plaintiff Robert Hack, Francis A. Bottini, Jr., BOTTINI & BOTTINI, INC., 7817 Ivanhoe Ave., Suite 102, La Jolla, California 92037, Tel.: (858) 914-2001; or (b) counsel to Plaintiff 95250 Canada LTEE, Kip B. Shuman, SHUMAN, GLENN & STECKER, 100 Pine Street, Suite 1250, San Francisco, California 94111, Tel.: 1-866-569-4531.

DO NOT CALL OR WRITE THE COURT REGARDING THIS NOTICE.

Dated: _____, 2021

Final Order and Judgment (the “Judgment”) should be entered in the above-captioned action and all consolidated cases (the “Derivative Action”).

It appearing that due notice of the Settlement Hearing has been given in accordance with the Scheduling Order, the Settling Parties having appeared by their respective attorneys of record, the Court having heard and considered evidence in support of the proposed Settlement, the attorneys for the Settling Parties having been heard, an 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 to Current Conn’s Stockholders was adequate and sufficient, and the entire matter of the proposed Settlement having been heard and considered by the Court,

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Court has jurisdiction over the subject matter of the Derivative Action, and all matters relating to the Settlement, as well as personal jurisdiction over the Settling Parties and Current Conn’s Stockholders.
2. This Final Judgment incorporates and makes a part hereof: (a) the Stipulation; (b) the Notice; and (c) the Scheduling Order.
3. Based on the record in the Derivative Action, the Court finds that each of the provisions of Federal Rule of Civil Procedure 23.1 has been satisfied and the Derivative Action has been properly maintained according to Federal Rule of Civil Procedure 23.1. Plaintiffs and Plaintiffs’ Counsel have adequately represented the interests of Conn’s and its stockholders, both in terms of litigating the Derivative Action and for purposes of entering into and implementing the Settlement.

4. The Court further finds that:
 - a. the Individual Defendants and Conn's agree that the Derivative Action was filed in good faith and was not frivolous, and is being settled voluntarily by the Defendants; and
 - b. the Settling Parties agree that throughout the course of the litigation, all parties and their counsel complied with the provisions of Federal Rule of Civil Procedure 11.
5. The Court finds that the Notice program:
 - a. was implemented in accordance with the Scheduling Order;
 - b. constituted notice that was reasonably calculated, under the circumstances, to apprise Current Conn's Stockholders of: (i) the pendency of the Action; (ii) the effect of the proposed Settlement (including the releases to be provided thereunder); (iii) Plaintiffs' Counsel's application for an award of attorneys' fees and reimbursement of litigation expenses ("Fee and Expense Application") and application for a service award to each of the five named Plaintiffs ("Service Award Application"); (iv) their right to object to the Settlement, Fee and Expense Application, or the Service Award Application; and (v) their right to appear at the Settlement Hearing.
 - c. constituted due, adequate, and sufficient notice to all persons and entities entitled to receive notice of the proposed Settlement; and
 - d. satisfied the requirements of Federal Rule of Civil Procedure 23.1, the United States Constitution (including the Due Process Clause), and all other applicable laws and regulations.

6. Pursuant to, and in accordance with, Federal Rule of Civil Procedure 23.1, the Court hereby fully and finally approves the Settlement set forth in the Stipulation in all respects and finds that the Settlement is, in all respects, fair, reasonable, and adequate to Plaintiffs, the Individual Defendants, Conn's, and its stockholders. The Settling Parties are directed to implement, perform, and consummate the Settlement in accordance with the terms and provisions contained in the Stipulation.

7. The definitions related to the Releases contained in ¶¶ 1.5, 1.18, 1.19, 1.20, and 1.27 of the Stipulation are expressly incorporated herein by reference and restated as follows:

- a. "Defendants" means, collectively, the Individual Defendants and Conn's.
- b. "Related Persons" means each of the Defendants' past or present agents, employees, officers, directors, parents, subsidiaries, divisions, affiliates, attorneys, accountants, auditors, advisors, insurers, co-insurers, reinsurers, spouses, immediate family members, heirs, executors, personal representatives, estates, administrators, trusts, predecessors, successors, and assigns, or other person in which any Defendant has a controlling interest, and each and all of their respective past and present officers, directors, employees, agents, affiliates, parents, subsidiaries, divisions, attorneys, accountants, auditors, advisors, insurers, co-insurers, reinsurers, trusts, predecessors, successors, and assigns.
- c. "Released Claims" shall collectively mean any and all claims for relief (including Unknown Claims), rights, demands, suits, matters, causes of action, or liabilities, known or unknown, asserted or unasserted, that

have been or could have been asserted in the Derivative Action by Plaintiffs, Conn's, or by any Current Conn's Stockholder derivatively on behalf of Conn's against any Defendant or Released Person arising out of or based upon the facts, transactions, events, occurrences, acts, disclosures, statements, omissions, or failures to act that were or could have been alleged in the Derivative Action, or any claims in connection with, based upon, arising out of, or relating to the Settlement, but excluding any claims to enforce the Settlement set forth in this Stipulation. Excluded from the term "Released Claims" are (i) all claims alleged in the Related Securities Class Action and (ii) all claims, rights, or obligations of Conn's or the Individual Defendants regarding indemnification, contribution, or insurance matters, as set forth in ¶ 5.4 and ¶ 5.5 of the Stipulation.

- d. "Released Persons" means each of the Defendants and their Related Persons.
- e. "Unknown Claims" means any of the Released Claims which Plaintiffs, Conn's, Current Conn's Stockholders, or Defendants do not know or suspect to exist in his, her, or its favor at the time of the release of the Released Persons, including claims which, if known by him, her, or it, might have affected his, her, or its settlement with and release of the Released Persons, or might have affected his, her, or its decision not to object to this Settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Plaintiffs and Defendants shall expressly waive and each of the Current Conn's

Stockholders shall be deemed to have, and by operation of the Judgment shall have, expressly waived, the provisions, rights, and benefits of California Civil Code Section 1542, which provides:

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

Upon the Effective Date, Plaintiffs and Defendants shall expressly waive, and each of the Current Conn's Stockholders shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any law of any jurisdiction or any state or territory of the United States or any foreign jurisdiction, or principle of common law, which is similar, comparable or equivalent to California Civil Code Section 1542. Plaintiffs, Defendants, and Current Conn's Stockholders may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims, but, upon the Effective Date, each Plaintiff and Defendant shall expressly settle and release, and each Current Conn's Stockholder shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released, any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional,

with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Settling Parties acknowledge, and the Current Conn's Stockholders shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the Settlement of which this release is a part.

8. The releases contained in ¶¶ 5.1 and 5.3 of the Stipulation shall be effective as of the Effective Date, and are expressly incorporated herein by reference and restated as follows:

- a. Upon the Effective Date, Conn's, Plaintiffs (acting on their own behalf and derivatively on behalf of Conn's), and each of the Current Conn's Stockholders (solely in their capacity as such) shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged the Released Claims against the Released Persons and any and all claims (including Unknown Claims) arising out of, relating to, or in connection with the defense, settlement or resolution of the Derivative Action against the Released Persons, provided that nothing herein shall in any way impair or restrict the rights of any of the Settling Parties to enforce the terms of the Stipulation or the Judgment.
- b. Upon the Effective Date, each of the Released Persons shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged each and all of the Plaintiffs, Plaintiffs' Counsel, Conn's, and all of the Current Conn's Stockholders

(solely in their capacity as such) from all claims (including Unknown Claims) arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement or resolution of the Derivative Action or the Released Claims. Nothing herein shall in any way impair or restrict the rights of any Settling Party to enforce the terms of the Stipulation or the Judgment.

9. Plaintiffs' Counsel are hereby awarded a Fee and Expense Award in the amount of \$ _____, which the Court finds to be fair and reasonable. The Fee and Expense Award shall be paid pursuant to the provisions of the Stipulation. Neither Plaintiffs, nor Plaintiffs' Counsel, shall make, or assist any other counsel in making, any application for an award of fees or expenses in any other jurisdiction. Plaintiffs are hereby also awarded a service award in the amount of \$ _____ each, to be paid from the Fee and Expense Award awarded to Plaintiffs' Counsel.

10. The above-captioned Derivative Action pending in this Court, and all of the claims asserted therein are dismissed with prejudice against Defendants. The Settling Parties are to bear their own costs, except as otherwise provided in this Judgment, the Scheduling Order, and the Stipulation. For the avoidance of doubt, nothing in this Final Judgment, the Settlement, or the Stipulation expands, augments, alters, restricts, curtails or limits the indemnification obligations of Conn's to the Individual Defendants.

11. The Court hereby permanently bars and enjoins Conn's, Plaintiffs (acting on their own behalf and derivatively on behalf of Conn's), and each of the Current Conn's Stockholders (solely in their capacity as such) from filing or prosecuting, or aiding in filing or prosecuting, the Released Claims.

12. Neither the Settlement, the Stipulation (including any exhibits attached thereto), nor any act performed or document executed pursuant to, or in furtherance of, the Stipulation or the Settlement: (i) is, may be deemed to be, or may be offered, attempted to be offered, or used in any way as a concession, admission, or evidence of the validity of any Released Claims, or of any fault, wrongdoing, or liability of the Released Persons or Conn's; or (ii) is, may be deemed to be, or may be used as a presumption, admission, or evidence of, any liability, fault, or omission of any of the Released Persons in any civil, criminal, administrative, or other proceeding in any court, administrative agency, tribunal, or other forum. Neither the Stipulation nor the Settlement shall be admissible in any proceeding for any purpose, except to enforce the terms of the Settlement, and except that the Released Persons may file or use the Stipulation and/or the Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, full faith and credit, release, good faith settlement, standing, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion, or similar defense or counterclaim.

13. No proceedings or court order with respect to the Fee and Expense Award or any other award of fees or expenses to counsel representing any Current Conn's Stockholder shall in any way disturb or affect any other provision of this Judgment (including precluding this Judgment from being treated as final for purposes of any appeal or otherwise being treated as entitled to preclusive effect), and any such proceedings or court order shall be considered separate from this Judgment. The binding effect of this Judgment and the obligations of the Settling Parties under the Settlement shall not be conditioned upon or subject to the resolution of any appeal that relates solely to the issue

of the Fee and Expense Award.

14. Without further approval from the Court, the Settling Parties are hereby authorized to agree to and adopt such amendments or modifications of the Stipulation to effectuate the Settlement that: (a) are not materially inconsistent with this Judgment; and (b) do not materially limit the rights of the Settling Parties or Current Conn's Stockholders in connection with the Settlement.

15. Without affecting the finality of this Judgment in any way, this Court retains continuing and exclusive jurisdiction over the Settling Parties and all Current Conn's Stockholders for purposes of the administration, implementation, and enforcement of the Settlement, Stipulation, and this Judgment.

16. There is no just reason to delay the entry of this Judgment as a final judgment in the above-captioned Derivative Action pending in this Court. Accordingly, the Clerk is expressly directed to enter immediately this Judgment dismissing with prejudice the above-captioned Derivative Action pending in this Court.

DATED: _____, 2021

Keith P. Ellison
United States District Court Judge