

EXHIBIT 1

1 UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF CALIFORNIA

3
4 MELISSA HANNA, Derivatively on Behalf of
5 MOMENTUS INC. (F/K/A STABLE ROAD
6 ACQUISITION CORP.),

7 Plaintiff,

8 vs.

9 BRIAN KABOT, JUAN MANUEL QUIROGA,
10 JAMES NORRIS, JAMES HOFMOCKEL,
11 MIKHAIL KOKORICH, DAWN HARMS,
12 FRED KENNEDY, CHRIS HADFIELD,
13 MITCHEL B. KUGLER, VICTORINO
14 MERCADO, KIMBERLEY A. REED, LINDA J.
15 REINERS, JOHN C. ROOD, STABLE ROAD
16 ACQUISITION CORP., and SRC-NI
17 HOLDINGS, LLC,

18 Defendants,

19 and

20 MOMENTUS INC. (F/K/A STABLE ROAD
21 ACQUISITION CORP.),

22 Nominal Defendant.
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Case No. 5:23-CV-00374

**STIPULATION AND AGREEMENT OF
SETTLEMENT**

STIPULATION AND AGREEMENT OF SETTLEMENT

This Stipulation and Agreement of Settlement, dated August 26, 2024 (the “Stipulation”), is made and entered into by and among the following Settling Parties (as defined herein), each by and through their respective counsel: (i) Melissa Hanna (“Hanna”), plaintiff in the shareholder derivative action captioned *Hanna v. Kabot, et al.*, Case No. 5:23-cv-00374 (N.D. Cal.) (the “Hanna Action”); (ii) Justin Rivlin (“Rivlin”), plaintiff in the shareholder derivative action captioned *Rivlin v. Kabot, et al.*, Case No. 2:23-cv-03120 (C.D. Cal.) (the “Rivlin Action”); (iii) Brian Lindsey (“Lindsey”), plaintiff in the shareholder derivative action captioned *Lindsey v. Quiroga, et al.*, Case No. 2023-0674 (Del. Ch.) (the “Lindsey Action”); (iv) Kamal Qureshi (“Qureshi”), a stockholder who served a litigation demand on the Board of Directors (“Board”) of Momentus Inc. (the “Litigation Demand,” and collectively with the other actions, the “Derivative Matters”);¹ (v) defendants Brian Kabot (“Kabot”), Juan Manuel Quiroga (“Quiroga”), Edward K. Freedman (“Freedman”), James Norris (“Norris”), Marc Lehmann (“Lehmann”), James Hofmockel (“Hofmockel”), Ann Kono (“Kono”), Dawn Harms (“Harms”), Fred Kennedy (“Kennedy”), Chris Hadfield (“Hadfield”), Mitchel B. Kugler (“Kugler”), Victorino Mercado (“Mercado”), Kimberly A. Reed (“Reed”), Linda J. Reiners (“Reiners”), and John C. Rood (“Rood”) (collectively, with defendant Mikhail Kokorich (“Kokorich”), the “Individual Defendants”); (vi) Stable Road Acquisition Corp. (“SRAC”) and SRC-NI Holdings LLC (the “Sponsor”) (collectively, the “SRAC Defendants”); and (vii) Momentus Inc. (“Momentus” or the “Company”) (together with the Individual Defendants and the SRAC Defendants, the “Defendants”) (Plaintiffs and the undersigned Individual Defendants and the SRAC Defendants are collectively referred to as the “Settling Parties” and together with Kokorich as the “Parties”).

This Stipulation, subject to the approval of the U.S. District Court for the Northern District of California (the “Northern District of California” or the “Court”), before which the Hanna Action is pending, is intended by the Settling Parties to fully, finally, and forever compromise, resolve,

¹ Plaintiffs Rivlin, Hanna, Lindsey, and stockholder Qureshi are collectively referred to herein as “Plaintiffs.”

1 discharge, and settle the Released Claims and to result in the complete resolution and/or dismissal
2 of the Derivative Matters with prejudice, upon the terms and subject to the conditions set forth
3 herein, and without any admission or concession as to the merits of any of the Settling Parties'
4 claims or defenses.

5 **I. INTRODUCTION**

6 **A. Factual Background**

7 Momentus, a Delaware corporation headquartered in San Jose, California, is a commercial
8 space company that offers satellites, satellite buses, and other satellite components, transportation
9 and infrastructure services, including hosted payloads and other in-orbit services, to help enable the
10 commercialization of space.

11 Momentus came to exist in its current form through a merger transaction (the "Merger") it
12 conducted with Stable Road Acquisition Company ("SRAC"), a special purpose acquisition
13 company ("SPAC"), and SRAC's affiliated subsidiaries. SRAC was incorporated on May 28, 2019,
14 in the state of Delaware with its headquarters located in Venice Beach, California. Prior to the
15 Merger, SRAC's stated purpose was to find and acquire a cannabis company. SRAC completed its
16 initial public offering ("IPO") on November 13, 2019, and on October 7, 2020, SRAC and
17 Momentus Inc. ("Legacy Momentus") announced they had entered into a merger agreement.
18 Pursuant to the Merger, which the Company consummated on August 12, 2021, Legacy Momentus'
19 business operations became the public Company's operations.

20 The Derivative Matters allege that, beginning in at least October 2020, Momentus, through
21 the actions of the Individual Defendants, engaged in a pattern of manipulation to boost its reported
22 financial performance. The Derivative Matters asserted claims for violations of Section 14(a) of
23 the Securities and Exchange Act (the "Exchange Act"), breaches of fiduciary duties, aiding and
24 abetting breaches of fiduciary duties, waste of corporate assets, unjust enrichment, abuse of control,
25 gross mismanagement and/or contribution under Sections 10(b) and 21D of the Exchange Act
26 against the Individual Defendants allegedly who caused Momentus to make – and fail to correct –
27 materially false and misleading statements and omissions regarding the business operations and
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1 prospects of Legacy Momentus, particularly leading up to the Merger, which certain of the
2 Defendants were materially interested in, which artificially inflated the Company's stock value.

3 Specifically, the Company's officers and directors are alleged to have failed to disclose to
4 investors that: (i) the federal government had determined that the founder of the Company's legacy
5 business, Defendant Kokorich, was a threat to national security; (ii) Legacy Momentus had never
6 successfully tested its technology in space; (iii) the projections of Legacy Momentus' future
7 revenues were grossly overstated; and (iv) the due diligence of Legacy Momentus was superficial,
8 ignored red flags that necessitated further investigation, and did not provide a reasonable basis for
9 the public statements about Legacy Momentus and its Merger with SRAC. It was further alleged
10 that the defendants failed to ensure that the Company maintained proper policies, procedures, and
11 controls to protect Momentus from harm caused by the issuance of false and misleading statements
12 and other related misconduct.

13 The Derivative Matters allege that, as a result of the Individual Defendants' and the
14 Sponsor's alleged mismanagement, self-dealing, and wrongdoing, the Company suffered significant
15 harm. The Derivative Matters allege that the Company faced an action by the U.S. Securities and
16 Exchange Commission ("SEC"), naming as defendants SRAC, the Sponsor, Kabot, and Kokorich
17 (the "SEC Action"). All parties apart from Kokorich settled the SEC Action, with the settlement
18 terms including more than \$8 million in penalties, tailored investor protection undertakings, and the
19 Sponsor's forfeiture of founder shares it stood to receive from the completed Merger. The SEC
20 Action brought claims for violation of Sections 10(b) and 17(a) of the Exchange Act and Rule 10b-
21 5 promulgated thereunder.

22 The Derivative Matters also allege that the Company grossly overpaid with newly issued
23 shares of common stock for acquiring the business operations of Legacy Momentus in connection
24 with the Merger (the "Overpayment Misconduct").

25 Additionally, on July 15, 2021, a securities class action was filed in the United States District
26 Court for the Central District of California, which is captioned *In re Stable Road Acquisition Corp.*
27 *Securities Litigation*, Case No. 2:21-cv-05744 (the "Securities Class Action"). The Securities Class
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1 Action named as defendants SRAC, Momentus, the Sponsor, Kabot, Quiroga, Norris, Hofmockel,
2 Kokorich, Harms, and Kennedy (collectively, the “Securities Class Action Defendants”). The
3 Securities Class Action brought claims for violation of Sections 10(b) and 20(a) of the Securities
4 Exchange Act of 1934, and Rule 10b-5 promulgated thereunder. On August 18, 2023, the parties
5 in the Securities Class Action agreed to a settlement of \$8.5 million. On April 23, 2024, the Court
6 entered an order and judgment finally approving the settlement of the Securities Class Action.

7 The Derivative Matters further allege that, despite ongoing issues and concerns, the Merger
8 closed in early August 2021. Just prior to that, and after the Securities Class Action was initiated,
9 the Company issued a proxy solicitation on July 23, 2021, on Form 424B3 (the “Merger Proxy”),
10 soliciting shareholders to approve (among other things), the Merger, the 2021 Equity Incentive Plan
11 (the “2021 Plan”), which directors, officers and others were eligible to receive equity awards
12 thereunder, and a proposal to increase the total number of authorized shares of common stock
13 immediately prior to the closing of the Merger.

14 The Merger Proxy, which allegedly contained materially false and misleading statements
15 and omissions, was successful in achieving shareholder approval of the proposals set further therein.
16 During the fiscal years ended December 31, 2021, and December 31, 2022, several of the Individual
17 Defendants received hundreds of thousands of dollars in stock awards granted under the 2021 Plan.
18 In addition, certain founders of Legacy Momentus, including Kokorich, were paid millions of
19 dollars by the Company after the Merger.

20 As set forth in more detail herein, the Defendants have vigorously denied, and continue to
21 deny vigorously, any and all allegations of wrongdoing or liability with respect to the claims
22 asserted in the Derivative Matters. The Defendants also contend that Plaintiffs lack standing to
23 maintain derivative claims on behalf of Momentus.

24 **B. Procedural Background**

25 **1. The Hanna Action**

26 On August 16, 2022, Plaintiff Hanna made a formal litigation demand (“Demand”) to the
27 Board where she demanded that the Board: (i) undertake (or cause to be undertaken) an independent
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1 internal investigation into the Individual Defendants' alleged violations of Delaware and federal
2 law; and (ii) if warranted, commence a civil action against the Individual Defendants (and any others
3 who may be similarly liable for breach of fiduciary duty of care, breach of fiduciary duty of loyalty,
4 aiding and abetting breaches of fiduciary duties, contribution, and indemnification against
5 Individual Defendants) to recover for the benefit of the Company the amount of damages sustained
6 by the Company as a result of their alleged breaches of fiduciary duties, as well as take additional
7 affirmative action to redress the wrongdoing and mismanagement and prevent such wrongdoing
8 from occurring again in the future.

9 The Demand further alleges that the Individual Defendants violated their core fiduciary duty
10 obligations during the relevant period defined therein through their alleged wrongful conduct, in the
11 Securities Class Action, and the SEC Action. To redress these alleged wrongs and prevent such
12 alleged wrongdoing from occurring again in the future, Plaintiff Hanna demanded: (i) the Board
13 require the directors and officers to account to the Company for all damages sustained, or to be
14 sustained, by the Company by reason of the wrongful conduct and mismanagement, and make
15 certain that no Company funds are used towards any settlement or resolution of the Securities Class
16 Action or any related or similar litigation or investigation arising from the misconduct stated above
17 or in the SEC Action or Securities Class Action; (ii) the Board require the directors and officers to
18 return to the Company all salaries, bonuses, and the value of other remuneration of whatever kind
19 paid to them during the time they were in breach of their fiduciary duties; (iii) the Board require the
20 directors and officers to pay interest, at the highest rate allowable by law, on the amount of damages
21 sustained by the Company as a result of their culpable conduct; and (iv) the Board adopt and
22 implement internal controls and systems at the Company and its subsidiaries, as well as corporate
23 governance reforms, to ensure that the alleged wrongful conduct and mismanagement is not
24 permitted to occur in the future.

25 The Demand further alleges that without providing any substantive information, for several
26 months, the Board continued to defer investigating the alleged wrongdoing identified in the
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1 Demand. Accordingly, on January 25, 2023, Plaintiff Hanna filed a lawsuit in the United States
2 District Court for the Northern District of California. *See* Hanna ECF No. 1.²

3 On April 12, 2023, the parties to the Hanna Action stipulated to stay the Hanna Action until
4 August 4, 2023, which the court ordered on April 19, 2023. Hanna ECF No. 16. On August 18,
5 2023, the parties to the Hanna Action stipulated to continue the stay pending the outcome of the
6 mediation, Hanna ECF No. 17, which was ordered by the court on August 21, 2023. Hanna ECF
7 No. 18. The parties further stipulated to extend the stay in November 2023 and January 2024. *See*
8 Hanna ECF Nos. 18–19, 22–23.

9 Following this, the parties to the Hanna Action filed status reports with the court informing
10 it of the progress of the settlement negotiations. *See* Hanna ECF Nos. 24, 26, 28, 30. The court
11 then set a date for a status conference regarding settlement on September 5, 2024, and ordered the
12 parties to file a joint status report regarding the status of settlement on or before August 23, 2024.
13 Hanna ECF No. 31.

14 **2. The Rivlin Action**

15 On April 25, 2023, Plaintiff Rivlin initiated a derivative action on the Company’s behalf
16 against a subset of the Individual Defendants in the United States District Court for the Central
17 District of California captioned *Rivlin v. Kabot, et al.*, Case No. 2:23-cv-03120 (C.D. Cal.). On July
18 14, 2023, these defendants filed motions to dismiss (Rivlin ECF No. 19), and Plaintiff responded
19 by filing a Verified Amended Shareholder Derivative Complaint, in which it named additional
20 Individual Defendants and the Sponsor as defendants. Rivlin ECF No. 28. The parties then
21 stipulated to extend defendants’ deadlines to respond to the amended complaint to allow the parties
22 to engage in good faith settlement negotiations by way of mediation. Rivlin ECF Nos. 34–35.
23 Following this, the parties vacated all deadlines for the Rivlin Action and submitted status reports
24 to the Court regarding the status of the settlement negotiations. Rivlin ECF Nos. 46–48, 50, 53, 54.

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26 ² References to “Hanna ECF No. ___” refer to filings on the docket in the Hanna Action; references
27 to “Rivlin ECF No. ___” refer to filings on the docket in the Rivlin Action; and references to “Lindsey
28 ECF No. ___” refer to filings on the docket in the Lindsey Action.

1 The Rivlin Action alleges that defendants violated Section 14(a) of the Exchange Act,
2 breached their fiduciary duties, including by enabling or participating in the alleged Overpayment
3 Misconduct, and/or engaged in related additional misconduct between October 7, 2020, and
4 November 22, 2022, and pleads that demand on the Board would have been futile and is thus,
5 excused. *See* Rivlin ECF No. 1.

6 Moreover, the Rivlin Action alleges that certain Individual Defendants and the Sponsor
7 unjustly materially benefited from hundreds of thousands of dollars' worth of stock grants provided
8 to them under the 2021 Plan, which was solicited and approved by way of the false and misleading
9 Merger Proxy. These awards allegedly provided certain of the director defendants with the financial
10 motivation to allow the alleged misconduct to occur, including the alleged Overpayment
11 Misconduct, and allegedly conflicted them from considering any demand to act against the
12 individuals that facilitated the schemes. As alleged in the Rivlin Action, the stock awards granted
13 under the 2021 Plan were allegedly materially greater than the fees paid, or cash earned for mere
14 director services (double to even ten times more in some cases). Rivlin ECF No. 1.

15 The Rivlin Action also alleges breach of fiduciary duty claims that raise a federal question
16 based on claims made in the Securities Class Action for making false and misleading statements
17 and omissions in violation of the federal securities laws and seeks contribution under Section 10(b)
18 and 21D of the Exchange Act against the Sponsor and Defendants Kabot, Kokorich, Harms, and
19 Kennedy. Rivlin ECF No. 1.

20 **3. The Lindsey Action**

21 On October 28, 2022, Plaintiff Lindsey made a formal demand on the Board to investigate
22 and commence legal proceedings against certain directors, executive officers and agents of the
23 Company.

24 On November 10, 2022, counsel to the Board responded to Plaintiff Lindsey's demand in an
25 email, stating that the Board was reviewing the October 28, 2022 demand and would provide a
26 response shortly.

1 On January 20, 2023, the Board’s counsel sent Plaintiff’s counsel a letter, stating: “Given
2 the time that remains before expiration of the applicable statutes of limitations, as well as the
3 similarity between the Haenisch/Shirley Matters and the litigation proposed in your previous
4 correspondence, the Company defers resolution of your request as it considers the propriety of
5 forming a demand review committee to evaluate all shareholder demands asserted against the
6 Company and the Company’s rights and potential claims to vindicate the best interests of the
7 Company.”

8 Thereafter, the Board allegedly failed to act upon Plaintiff Lindsey’s demand and five more
9 months passed. Plaintiff Lindsey considered the Board’s refusal to enter into a tolling agreement
10 with the Individual Defendants and failure to respond to his demand as more delay and as a *de facto*
11 refusal to act upon his demand. On June 30, 2023, Plaintiff Lindsey filed his demand refused
12 derivative action in Delaware Chancery Court. Lindsey ECF No. 1.

13 On July 24, 2023, the parties to the Lindsey Action stipulated to extend time for defendants
14 to move or otherwise respond to Plaintiff Lindsey’s complaint, Lindsey ECF No. 15, which was
15 granted on July 25, 2023. Lindsey ECF No. 16. The court further extended the time for defendants
16 to move or otherwise respond to the complaint on September 20, 2023, and November 20, 2023.
17 Lindsey ECF Nos. 17, 19.

18 On January 18, 2024, following the settlement negotiations (detailed *infra*) the court vacated
19 the deadline for the defendants to move or otherwise respond to Plaintiff Lindsey’s complaint, and
20 ordered the parties to either submit a status report regarding settlement negotiations or submit a
21 stipulation of settlement and motion papers. Lindsey ECF No. 20. The parties to the Lindsey Action
22 filed status reports to the court informing it of the status of settlement negotiations on February 16,
23 2024, March 18, 2024, and May 17, 2024. Lindsey ECF Nos. 21, 22, 26.

24 **4. The Litigation Demand**

25 On February 21, 2023, counsel for Plaintiff Hanna sent the Board a letter informing it that
26 another Momentus stockholder, Kamal Qureshi (“Qureshi”), had reviewed Plaintiff Hanna’s
27 Demand and was formally joining it in its entirety, as if it was originally served on his behalf. Hanna
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1 and Qureshi both previously served books and records demands pursuant to 8 *Del. C.* § 220, entered
2 into mutually agreed upon confidentiality agreements, and received documents from the Company.
3 Counsel for the Board acknowledged Qureshi’s joinder to the Demand in a letter sent to Plaintiff
4 Hanna’s and Qureshi’s counsel on March 1, 2023, but failed to provide Qureshi with any substantive
5 update regarding any investigation of the allegations made in the Demand.

6 **C. Settlement Negotiations**

7 On March 17, 2023, Plaintiff Hanna sent a settlement demand to Defendants which set forth,
8 *inter alia*, a demand to settle the Hanna Action in consideration of certain corporate governance
9 reforms.

10 On August 31, 2023, Plaintiff Lindsey also sent a settlement demand to Defendants which
11 set forth, *inter alia*, a demand to settle the Lindsey Action in consideration of certain corporate
12 governance reforms.

13 Following this, the Parties to the Derivative Matters agreed to a full day mediation on
14 October 25, 2023 (the “Mediation”) organized and conducted by Jed D. Melnick, Esq. of JAMS
15 ADR (the “Mediator”). During the Mediation, the Parties made substantial progress. While the
16 Parties did not settle that day, they continued, with the assistance of the Mediator, to exchange
17 detailed settlement demands and counter-demands and negotiated settlement terms over the course
18 of the following months.

19 Ultimately, on February 14, 2024, the Settling Parties reached an agreement in principle on
20 the corporate governance measures that will be adopted by Momentus as consideration for a global
21 resolution of the Derivative Matters. Thereafter, the Settling Parties negotiated the formal operative
22 terms of the settlement (the “Settlement”) in a Memorandum of Understanding (“MOU”), as now
23 set forth in this Stipulation of Settlement (the “Stipulation”).

24 After the Settling Parties reached an agreement in principle on the material substantive terms
25 to resolve the Derivative Matters, Plaintiffs’ Counsel and Defendants’ Counsel commenced
26 negotiations regarding an appropriate award of attorneys’ fees and expenses commensurate with the
27 value of the Settlement benefits and the contributions of Plaintiffs’ Counsel to the Settlement. The
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1 fee negotiations were facilitated and supervised by the Mediator, who was familiar with the
2 complexity of the issues, risks, and challenges confronted by Plaintiffs, as well as the Plaintiffs'
3 Counsel's efforts in securing the Settlement benefits. Following a number of exchanges through
4 the Mediator, Plaintiffs' Counsel and Defendants' Counsel agreed to a payment of attorneys' fees,
5 expenses, and service awards (the "Fee and Expense Amount") of **\$300,000**, subject to Court
6 approval, funded exclusively by the Company's insurance carriers.

7 **II. PLAINTIFFS' COUNSEL'S INVESTIGATION AND RESEARCH,**
8 **PLAINTIFFS' CLAIMS, AND THE BENEFIT OF SETTLEMENT**

9 Plaintiffs and Plaintiffs' Counsel believe that the claims asserted in the Derivative Matters
10 have merit and that their investigations support the claims asserted. However, and without
11 conceding the merit of any of Defendants' defenses or the lack of merit of any of their own
12 allegations, based upon their thorough investigation and evaluation of the relevant evidence,
13 substantive law, procedural rules, and their assessment of the interests of Momentus and Current
14 Momentus Stockholders, Plaintiffs and Plaintiffs' Counsel have determined that the Settlement
15 confers substantial benefits upon Momentus and Current Momentus Stockholders in the form of the
16 Corporate Governance Reforms reflected in **Exhibit A** hereto ("Reforms"), which are fair,
17 reasonable and adequate consideration for forgoing the pursuit of a potentially superior recovery
18 through further litigation, and serve the best interests of Momentus and Current Momentus
19 Stockholders.

20 Plaintiffs' Counsel attest that they conducted an investigation relating to the claims and the
21 underlying events alleged in the Derivative Matters, including, but not limited to: (i) reviewing and
22 analyzing Momentus' public filings with the SEC, press releases, announcements, transcripts of
23 investor conference calls, and news articles; (ii) reviewing and analyzing the investigations in
24 publicly-available pleadings against Momentus related to the allegations in the Derivative Matters;
25 (iii) reviewing and analyzing the allegations contained in the related Securities Class Action; (iv)
26 researching, drafting, and filing shareholder derivative complaints; (v) reviewing internal books and
27 records produced by the Company pursuant to books and records demands; (vi) researching the
28 applicable law with respect to the claims asserted (or which could be asserted) in the Derivative

1 Matters and the potential defenses thereto; (vii) researching corporate governance issues; (viii)
2 preparing detailed litigation and settlement demands on behalf of various Plaintiffs and a mediation
3 statement; (ix) participating in the Mediation; (x) engaging in extensive pre- and post-mediation
4 settlement discussions and exchanging extensive corporate governance reforms and counteroffers,
5 with the Mediator and counsel for the Defendants; and (xi) negotiating and drafting the settlement
6 documentation for presentment to the Court.

7 Plaintiffs and Plaintiffs' Counsel also have taken into account the uncertain outcome and the
8 risk of any litigation, especially complex litigation such as the Derivative Matters, as well as the
9 difficulties and delays inherent in such litigation. Plaintiffs' Counsel's views are further informed
10 by their experience and thorough analysis of the facts and law governing the applicable derivative
11 standing and pleading requirements, substantive claims and defenses, and damages and
12 disgorgement remedies. Plaintiffs' Counsel's assessment of the facts and legal issues material to
13 their recommendation in favor of the Settlement was honed and refined in the course of drafting
14 litigation demands and pleadings, and during the lengthy substantive written and verbal exchanges
15 with Defendants' Counsel and the Mediator.

16 Accordingly, Plaintiffs have agreed to settle the Derivative Matters upon the terms and
17 subject to the conditions set forth herein having fully vetted the strengths and weaknesses of the
18 relevant factual issues and legal claims for the benefit of the Company and its stockholders.

19 **III. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

20 The Defendants deny any and all allegations of wrongdoing or liability with respect to the
21 claims asserted in the Derivative Matters, including without limitation that they breached their
22 fiduciary duties or any other duty owed to the Company or its stockholders or that they aided and
23 abetted others in breach of such duties. The Defendants further assert that at all relevant times, they
24 acted in good faith and in a manner that they reasonably believed to be in the best interests of the
25 Company and its stockholders, and diligently and scrupulously complied with any applicable
26 fiduciary duties. Defendants also contend that Plaintiffs have not alleged sufficient facts to establish
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1 that they may maintain their derivative claims, either by failing to plead demand futility or failing
2 to plead that demand was wrongfully refused.

3 Without admitting the validity of any of the claims that Plaintiffs have asserted in the
4 Derivative Matters, or any liability with respect thereto, the Defendants have concluded that it is
5 desirable and in the best interests of Momentus and Current Momentus Stockholders that the claims
6 be settled on the terms and subject to the conditions set forth herein. Defendants are entering into
7 this Settlement solely to avoid the burden, inconvenience, expense, risk, and distraction of continued
8 litigation, and finally put to rest and terminate all the claims that were or could have been asserted
9 against Defendants in the Derivative Matters.

10 Neither this Stipulation, nor any of its terms or provisions, nor the Settlement or entry of the
11 Judgment, nor any document or exhibit referred or attached to the Settlement, may be construed or
12 used as evidence of the validity of any of the Plaintiffs' Released Claims or of Defendants' Released
13 Claims, or an admission by or against Defendants of any fault, wrongdoing, or concession of
14 liability whatsoever.

15 **IV. BOARD APPROVAL**

16 The independent members of the Company's Board shall approve a resolution reflecting its
17 determination, in a good faith exercise of its business judgment, that the Settlement is fair,
18 reasonable, and in the best interests of the Company and its stockholders, and that the Settlement,
19 including the Reforms, confers substantial benefits upon the Company and its stockholders.³

20 **V. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT**

21 Plaintiffs (for themselves and derivatively on behalf of Momentus), the Individual
22 Defendants, the Sponsor, and nominal defendant Momentus, by and through their respective counsel
23 or attorneys of record, hereby stipulate and agree that, subject to approval by the Court, in
24 consideration of the benefits flowing to the Settling Parties hereto, the Derivative Matters and all of
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26 ³ Plaintiffs acknowledge and agree that the following Board members are independent for purposes
27 of this provision: Chris Hadfield, Mitchel B. Kugler, Victorino Mercado, Kimberly A. Reed, Linda
28 J. Reiners, and John C. Rood.

1 the Released Claims shall be fully, finally, and forever compromised, settled, released, discharged,
2 and dismissed with prejudice and with full preclusive effect as to all Parties, upon the terms and
3 subject to the conditions set forth herein as follows:

4 **1. Definitions**

5 As used in this Stipulation, the following terms have the meanings specified below. In the
6 event of any inconsistency between any definition set forth below and any definition set forth in any
7 document in the form of the exhibits to this Stipulation, the definition set forth below shall control.

8 1.1 “Board” means the Momentus Board of Directors.

9 1.2 “Court” refers to the United States District Court for the Northern District of
10 California before the Honorable Edward J. Davila.

11 1.3 “Current Momentus Stockholders” means any Person who owns Momentus common
12 stock as of the date of the execution of this Stipulation and continues to hold their Momentus
13 common stock as of the date of the Settlement Hearing, excluding the Individual Defendants, the
14 Sponsor, the officers and directors of Momentus, members of their immediate families, and their
15 legal representatives, heirs, successors, or assigns, and any entity in which Individual Defendants
16 have or had a controlling interest.

17 1.4 “Defendants” means, collectively, the Individual Defendants, the SRAC Defendants,
18 and nominal defendant Momentus.

19 1.5 “Defendants’ Counsel” means Baker and McKenzie LLP; Bradley Arant Boult
20 Cummings LLP; Christensen & Dougherty LLP; Esbrook P.C.; Kirkland & Ellis LLP; the Maloney
21 Firm, APC; Richards, Layton & Finger, P.A.; the Rosner Law Group LLC; Wilson Elser Moskowitz
22 Edelman & Dicker LLP; Winston Strawn LLP; and Stoner Carlson LLP.

23 1.6 “Defendants’ Releasees” shall mean the Company and each Defendant in each of the
24 Derivative Matters and each of their respective parents, subsidiaries, affiliates and controlling
25 persons, and any current or former officer or director of any of the foregoing, and each of their
26 respective past, present, or future family members, spouses, heirs, trusts, trustees, executors, estates,
27 administrators, beneficiaries, distributes, foundations, agents, employees, fiduciaries, partners,
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1 partnerships, general or limited partners or partnerships, joint ventures, member firms, limited
2 liability companies, corporations, divisions, affiliates, associated entities, stockholders, principals,
3 officers, directors, managing directors, members, managing members, managing agents,
4 predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial or
5 investment advisors, advisors, consultants, investment bankers, entities providing any fairness
6 opinion, underwriters, brokers, dealers, lenders, commercial bankers, attorneys (including all
7 Defendants’ counsel in the Derivative Matters), counsel, personal or legal representatives,
8 accountants, insurers, co-insurers, reinsurers, and associates.

9 1.7 “Defendants’ Released Claims” shall mean all manner of claims, demands, rights,
10 liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions,
11 fees, attorneys’ fees, actions, potential actions, causes of action, suits, agreements, judgments,
12 decrees, matters, issues and controversies of any kind, nature, or description whatsoever, whether
13 known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent,
14 foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not
15 liquidated, fixed or contingent, including unknown claims, whether based on state, local, foreign,
16 federal, statutory, regulatory, common, or other law or rule, that are, have been, could have been,
17 could now be, or in the future could, can, or might be asserted, in the Derivative Matters, or in any
18 other court, tribunal, or proceeding by Defendants’ Releasees against any of the Plaintiffs’ Releasees
19 which have in the past been, or now or hereafter, are based upon, arise out of, relate in a material
20 way to, or materially involve, directly or indirectly, the actions, transactions, occurrences,
21 statements, representations, misrepresentations, omissions, allegations, disclosures, facts, practices,
22 events, claims, or any other matters, things, or causes whatsoever, or any series thereof, that were
23 alleged, asserted, set forth, claimed, embraced, involved, or referred to in, or related to, in each case,
24 (a) the Derivative Matters, or (b) which could have been asserted against any of the Plaintiffs’
25 Releasees in the Derivative Matters. Defendants’ Released Claims shall not include any Unreleased
26 Claims as defined herein at ¶ 1.39.

1 1.8 “Derivative Matters” means, collectively: (i) the Rivlin Action; (ii) the Hanna Action;
2 (iii) the Lindsey Action; and (iv) the Litigation Demand.

3 1.9 “Effective Date” means the first date by which all of the events and conditions
4 specified in §V, ¶6.1 herein have been met and have occurred.

5 1.10 “Fee and Expense Amount” means the terms of the sum to be paid to Plaintiffs’
6 Counsel and for their attorneys’ fees and expenses, as detailed in §V, ¶¶5.1, *et seq.* of this
7 Stipulation, subject to approval by the Court.

8 1.11 “Final” means the date upon which the last of the following shall occur with respect
9 to the Final Order and Judgment approving this Stipulation, substantially in the form of **Exhibits E,**
10 **F and G** attached hereto: (i) the expiration of the time to file a notice of appeal from the Judgment;
11 or (ii) if an appeal has been filed, the court of appeals has either affirmed the Judgment or dismissed
12 that appeal and the time for any reconsideration or further appellate review has passed; or (iii) if a
13 higher court has granted further appellate review, that court has either affirmed the underlying
14 Judgment or affirmed the court of appeal’s decision affirming the Judgment or dismissing the
15 appeal. For purposes of this paragraph, an “appeal” shall not include any appeal that concerns only
16 the issue of attorneys’ fees and expenses or the payment of service awards to the Plaintiffs. Any
17 proceeding or order, or any appeal or petition for a writ of certiorari pertaining solely to the
18 application for attorneys’ fees, costs, or expenses, or the payment of service awards to the Plaintiffs
19 shall not in any way delay or preclude the Judgment from becoming Final.

20 1.12 “Final Order and Judgment” or “Judgment” means the final order and judgment to be
21 entered by the Court, substantially in the form attached hereto as **Exhibit E.**

22 1.13 “Hanna Action” means the shareholder derivative action filed by Plaintiff Melissa
23 Hanna in the United States District Court for the Northern District of California, captioned: *Hanna*
24 *v. Kabot, et al.*, Case No. 5:23-cv-00374 (N.D. Cal.).

25 1.14 “Individual Defendants” means, collectively, Brian Kabot, Juan Manuel Quiroga,
26 Edward K. Freedman, James Norris, Marc Lehmann, James Hofmockel, Ann Kono, Mikhail
27

1 Kokorich, Dawn Harms, Fred Kennedy, Chris Hadfield, Mitchel B. Kugler, Victorino Mercado,
2 Kimberly A. Reed, Linda J. Reiners, and John C. Rood.

3 1.15 “Lindsey Action” means the shareholder derivative action filed by Plaintiff Lindsey
4 in the Court of Chancery of Delaware, captioned: *Lindsey v. Quiroga, et al.*, Case No. 2023-0674
5 (Del. Ch.).

6 1.16 “Litigation Demand” means the shareholder litigation demand served on the Board
7 by shareholder Kamal Qureshi to investigate and commence legal proceedings against certain of the
8 Defendants.

9 1.17 “Mediator” means Jed D. Melnick, Esq. of JAMS ADR.

10 1.18 “Momentum” or the “Company” means nominal defendant Momentum Inc. and
11 includes all of its subsidiaries, predecessors (including but not limited to SRAC), successors,
12 affiliates, officers, directors, employees, and agents.

13 1.19 “Notice” means the Notice of Proposed Derivative Settlement and of Settlement
14 Hearing, substantially in the form of **Exhibit C** attached hereto.

15 1.20 “Person(s)” means an individual, corporation, limited liability company, professional
16 corporation, partnership, limited partnership, limited liability partnership, association, joint stock
17 company, estate, legal representative, trust, unincorporated association, government or any political
18 subdivision or agency thereof, and any business or legal entity, and their spouses, heirs,
19 predecessors, successors, administrators, parents, subsidiaries, affiliates, representatives, or
20 assignees.

21 1.21 “Plaintiffs” means, collectively, Justin Rivlin, Melissa Hanna, and Brian Lindsey,
22 along with stockholder Kamal Qureshi.

23 1.22 “Plaintiffs’ Counsel” means (i) Johnson Fistel LLP, 501 West Broadway, Suite 800,
24 San Diego, CA 92101; (ii) The Brown Law Firm, P.C., 767 Third Avenue, Suite 2501, New York,
25 NY 10017; (iii) The Rosen Law Firm, P.A., 275 Madison Avenue, 40th Floor, New York, NY
26 10016; and (iv) Gainey McKenna & Egleston, 260 Madison Avenue, 22nd Floor, New York, NY
27 10016.

1 1.23 “Plaintiffs’ Releasees” shall mean each Plaintiff and each and every other Company
2 stockholder (directly or indirectly), and each of their respective parents, subsidiaries, affiliates and
3 controlling persons, and any current or former officer or director of any of the foregoing, and each
4 of their respective past, present, or future family members, spouses, heirs, trusts, trustees, executors,
5 estates, administrators, beneficiaries, distributes, foundations, agents, employees, fiduciaries,
6 partners, partnerships, general or limited partners or partnerships, joint ventures, member firms,
7 limited liability companies, corporations, divisions, affiliates, associated entities, stockholders,
8 principals, officers, directors, managing directors, members, managing members, managing agents,
9 predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial or
10 investment advisors, advisors, consultants, investment bankers, entities providing any fairness
11 opinion, underwriters, brokers, dealers, lenders, commercial bankers, attorneys (including
12 Plaintiffs’ Counsel), personal or legal representatives, accountants, insurers, co-insurers, reinsurers,
13 and associates.

14 1.24 “Plaintiffs’ Released Claims” shall mean any and all manner of claims, demands,
15 rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties,
16 sanctions, fees, attorneys’ fees, actions, potential actions, causes of action, suits, agreements,
17 judgments, decrees, matters, issues and controversies of any kind, nature, or description whatsoever,
18 whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or not
19 apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or
20 not liquidated, fixed or contingent, including unknown claims, whether based on state, local,
21 foreign, federal, statutory, regulatory, common, or other law or rule, that are, have been, could have
22 been, could now be, or in the future could, can, or might be asserted, in the Derivative Matters or in
23 any other court, tribunal, or proceeding by Plaintiffs, any other Company stockholder derivatively
24 on behalf of the Company, or by the Company directly against any of the Defendants’ Releasees
25 which have in the past been, or now or hereafter, are based upon, arise out of, relate in a material
26 way to, or materially involve, directly or indirectly, the actions, transactions, occurrences,
27 statements, representations, misrepresentations, omissions, allegations, disclosures, facts, practices,
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1 events, claims, or any other matters, things, or causes whatsoever, or any series thereof, that were
2 alleged, asserted, set forth, claimed, embraced, involved, or referred to in, or related to, in each case,
3 (a) the Derivative Matters, or (b) which could have been asserted against any of the Defendants’
4 Releasees in the Derivative Matters. Plaintiffs’ Released Claims shall not include any Unreleased
5 Claims as defined herein at ¶ 1.39.

6 1.25 “Preliminary Approval Order” means the order to be entered by the Court,
7 substantially in the form of **Exhibit B** attached hereto, preliminarily approving the terms and
8 conditions of the Settlement as set forth in this Stipulation, directing that Notice be provided to
9 Current Momentus Stockholders, and scheduling a Settlement Hearing to consider whether the
10 Settlement, Fee and Expense Amount, and Plaintiff Service Awards should be finally approved.

11 1.26 “Related Person(s)” means each of a Person’s past, present, or future family members,
12 spouses, domestic partners, parents, associates, affiliates, divisions, subsidiaries, officers, directors,
13 shareholders, owners, members, representatives, employees, attorneys, financial or investment
14 advisors, consultants, underwriters, investment banks or bankers, commercial bankers, insurers,
15 reinsurers, excess insurers, co-insurers, advisors, principals, agents, heirs, executors, trustees,
16 estates, beneficiaries, distributees, foundations, general or limited partners or partnerships, joint
17 ventures, personal or legal representatives, administrators, or any other person or entity acting or
18 purporting to act for or on behalf of any Person, and each of their respective predecessors,
19 successors, and assigns.

20 1.27 “Released Claim(s)” means collectively all claims (including Unknown Claims),
21 demands, debts, losses, damages, duties, rights, disputes, actions, causes of action, liabilities,
22 obligations, judgments, suits, matters, controversies, proceedings, or issues, of any kind, nature,
23 character, or description whatsoever (and including, but not limited to, any claims for damages,
24 whether compensatory, consequential, special, punitive, exemplary, or otherwise, and any and all
25 fees, costs, interest, expenses, or charges), whether known or unknown, contingent or absolute,
26 suspected or unsuspected, foreseen or unforeseen, disclosed or undisclosed, concealed or hidden,
27 apparent or not apparent, accrued or unaccrued, matured or unmatured, liquidated or not liquidated,
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1 asserted or unasserted, at law or in equity, that have been asserted, could have been asserted, or in
2 the future could be asserted against any Released Persons in the Litigation, or in any other court,
3 tribunal, forum, or proceeding, based upon, arising from, or in any way related to the transactions
4 or occurrences referenced in the Derivative Matters (including without limitation claims of fraud,
5 breach of any duty, negligence, gross negligence, mismanagement, gross mismanagement,
6 corporate waste, abuse of control, unjust enrichment, disgorgement, recoupment, contribution,
7 indemnification, and violations of federal securities laws, whether individual, derivative,
8 representative, legal, equitable, or any other type, and arising under United States federal, state or
9 local law, foreign law, common law, statutory law, administrative law, rule, regulation, or at equity).
10 Released Claim(s) shall not include any Unreleased Claims as defined herein at ¶ 1.39.

11 1.28 “Rivlin Action” means the shareholder derivative action filed in the United States
12 District Court for the Central District of California, captioned: *Rivlin v. Kabot, et al.*, Case No. 2:23-
13 cv-03120 (C.D. Cal.).

14 1.29 “Securities Class Action” means *In re Stable Road Acquisition Corp. Securities*
15 *Litigation*, Case No. 2:21-cv-05744 (C.D. Cal.).

16 1.30 “Settling Parties” means, collectively, Plaintiffs (on behalf of themselves and
17 derivatively on behalf of Momentus), the undersigned Individual Defendants (excluding Kokorich),
18 the SRAC Defendants, and nominal defendant Momentus.

19 1.31 “Settlement” means the agreement, terms, and conditions contained in this Stipulation
20 and its exhibits.

21 1.32 “Settlement Hearing” means a hearing by the Court to review the adequacy, fairness,
22 and reasonableness of the Settlement set forth in this Stipulation and to determine: (i) whether to
23 enter the Judgment; and (ii) all other matters properly before the Court.

24 1.33 “Sponsor” means SRC-NI Holdings LLC.

25 1.34 “SRAC” means Stable Road Acquisition Corp.

26 1.35 “SRAC Defendants” means, collectively, Stable Road Acquisition Corp. and the
27 Sponsor.

1 1.36 “Stipulation” means this Stipulation and Agreement of Settlement, dated August 26,
2 2024.

3 1.37 “Summary Notice” means the Summary Notice of Proposed Derivative Settlement,
4 substantially in the form of **Exhibit D** attached hereto.

5 1.38 “Unknown Claims” means any claim a Person does not know or suspect to exist in
6 his, her, or its favor at the time of the releases provided for herein, including claims which, if known
7 by him, her, or it, might have affected his, her, or its settlement with and release of the Released
8 Persons as described herein, or might have affected his, her, or its decision not to object to this
9 Settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree
10 that, upon the Effective Date, the Releasing Persons shall expressly waive, and shall be deemed to
11 have, and by operation of the Judgment shall have, expressly waived the provisions, rights, and
12 benefits conferred by or under California Civil Code §1542, or any other law of the United States
13 or any state or territory of the United States, or principle of common law, which is similar,
14 comparable, or equivalent in effect to §1542, which provides:

15
16 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE**
17 **CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO**
18 **EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE**
19 **RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE**
MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE
DEBTOR OR RELEASED PARTY.

20 The Settling Parties acknowledge that they may discover facts in addition to or different
21 from those now known or believed to be true by them with respect to the released claims, but it is
22 the intention of the Settling Parties completely, fully, finally, and forever to compromise, settle,
23 release, discharge, and extinguish any and all of the Released Claims, known or unknown, suspected
24 or unsuspected, contingent or absolute, accrued or unaccrued, apparent or unapparent, which now
25 exist, heretofore existed, or may hereafter exist, and without regard to the subsequent discovery or
26 existence of additional or different facts, and based upon any theory of law or equity, including, but
27 not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any
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1 duty, law or rule. The Settling Parties acknowledge, and the Releasing Persons shall be deemed by
2 operation of the Judgment to have acknowledged, that the foregoing waiver was separately
3 bargained for and was a material element of the Settlement.

4 1.39 “Unreleased Claims”: means (i) any direct and/or class action claims (not derivative
5 claims) asserted against any of the Defendants expressly named as a defendant in the class action
6 captioned *In re Momentus Inc. S’holder Litig.*, Case No. 2022-1023 (Del. Ch. Nov. 11, 2022) before
7 the Honorable Paul A. Fioravanti, Jr.; or (ii) any claims for indemnification or advancement,
8 entitlement to insurance proceeds, or any other claim belonging to an Individual Defendant against
9 the Company.

10 **2. Terms of the Settlement**

11 2.1 Within sixty (60) days after the Effective Date, the Company shall implement the
12 Reforms set forth in **Exhibit A** hereto, which shall remain in effect for no less than four (4) years
13 from the date the Judgment becomes Final (the “Effective Term”), subject to the provisions of § V,
14 ¶¶ 7.1 and 7.2.

15 2.2 The Company acknowledges and agrees that the filing, issuance, pendency, and
16 settlement of the Derivative Matters were a material cause of its decision to adopt, implement, and
17 maintain the Reforms.

18 2.3 The Company further acknowledges and agrees that the Reforms benefit the Company
19 and its stockholders and constitute fair, reasonable and adequate consideration for Plaintiffs’ release
20 of the derivative claims.

21 **3. Approval and Notice**

22 3.1 Within *ten (10) business days* after the execution of this Stipulation, Plaintiff in the
23 Hanna Action shall submit this Stipulation, together with its exhibits, to the Court. Thereafter,
24 Plaintiff in the Hanna Action will apply for entry of the Preliminary Approval Order, substantially
25 in the form of **Exhibit B** attached hereto, requesting, *inter alia*: (i) preliminary approval of the
26 Settlement set forth in this Stipulation; (ii) approval of the method of providing notice of the
27 proposed Settlement to Current Momentus Stockholders; (iii) approval of the form of Notice
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1 attached hereto as **Exhibit C** and the Summary Notice attached hereto as **Exhibit D**; and (iv) a date
2 for the Settlement Hearing.

3 3.2 Within *ten (10) days* after the Court's entry of the Preliminary Approval Order, the
4 Company shall: (1) post a copy of the Notice and the Stipulation (including exhibits thereto) on the
5 Investor Relations page of the Company's website; (2) issue a press release with the Summary
6 Notice on *Business Wire*, *GlobeNewswire*, or similar news wire service; and (3) file with the SEC
7 the Notice and Stipulation (including exhibits thereto) as exhibits to a Form 8-K with the SEC.

8 3.3 The Notice and Summary Notice shall provide a link to the Investor Relations page
9 on the Company's website where the Notice and Stipulation (including exhibits thereto) may be
10 viewed, which page will be maintained through the date of the Settlement Hearing. The Company
11 shall be solely responsible for paying the costs and expenses related to providing notice of the
12 Settlement set forth in §V, ¶3.2. The Parties shall confirm in appropriate settlement filings that they
13 believe the manner of the notice procedures set forth in this paragraph constitute adequate and
14 reasonable notice to the Company's stockholders pursuant to applicable law and due process, and
15 the Company's counsel shall file a declaration or affidavit confirming compliance with provision of
16 the notice of the Settlement as approved by the Court within *twenty (20) days* after the Court's entry
17 of the Preliminary Approval Order.

18 3.4 The Plaintiff in the Hanna Action shall request that the Court hold the Settlement
19 Hearing to approve the Settlement and the Fee and Expense Amount and Plaintiffs' Service Awards
20 at least forty-five (45) calendar days after the notice program detailed in §V, ¶3.2 above is given.

21 3.5 Pending the Court's determination as to final approval of the Settlement, Plaintiffs
22 and all other Persons are barred and enjoined from commencing, prosecuting, instigating, or in any
23 way participating in the commencement or prosecution of any action asserting any Released Claim
24 against any of the Released Persons.

25 **4. Releases**

26 4.1 Upon the Effective Date, Plaintiffs, on behalf of themselves and their Related Persons,
27 derivatively on behalf of the Company, and on behalf of all current Company stockholders who may
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1 act derivatively on behalf of the Company, shall release, relinquish, and discharge the Defendants’
2 Releasees from Plaintiffs’ Released Claims.

3 4.2 Upon the Effective Date, Defendants, on behalf of themselves and their Related
4 Persons, shall release, relinquish, and discharge each and all of the Plaintiffs’ Releasees from any
5 and all manner of Defendants’ Released Claims.

6 4.3 If the Settlement is approved by the Court, Defendants and/or Defendants’ Releasees
7 may file the Settlement and/or Judgment in any action that has been or may be brought against them
8 in order to cause the dismissal and to support as may be necessary a claim or defense based on
9 principles of *res judicata*, *collateral estoppel*, release, good faith settlement, judgment bar or
10 reduction, or any other theory of claim preclusion or issue preclusion or similar defense or
11 counterclaim, and Plaintiffs’ Counsel in the Derivative Matters other than the Hanna Action shall
12 promptly dismiss their Derivative Matters with prejudice in accordance with §V, ¶¶ 6.4 herein.

13 4.4 Notwithstanding §V, ¶¶ 4.1 through 4.3 above, nothing in the Stipulation or the
14 Judgment shall provide a release of any claims to enforce this Stipulation, the Settlement, or the
15 Judgment or bar any action by any Settling Party to enforce the terms of the Stipulation, the
16 Settlement, or the Judgment. In addition, nothing in §V, ¶¶ 4.1 through 4.3 above is intended to
17 release any rights to indemnification, insurance coverage, or advancement of expenses that any
18 Released Person has or may have under any insurance policy, contract, bylaw, or charter provision,
19 or under Delaware law, including, but not limited to, any rights any Released Person has or may
20 have related to any pending or threatened civil or government proceedings.

21 **5. Separately Negotiated Fee and Expense**
22 **Amount and Plaintiffs’ Service Awards**

23 5.1 After reaching agreement in principle on the substantive consideration for the
24 Settlement, the Settling Parties commenced good faith, arm’s-length negotiations concerning a fair
25 and reasonable amount of attorneys’ fees and expenses to be paid to Plaintiffs’ Counsel, overseen
26 and assisted by the Mediator. The Settling Parties acknowledge and agree that the Settlement and
27 the Reforms identified in the Stipulation provide substantial benefits to the Company. As a result,
28 and in recognition of those substantial benefits, the Company’s directors’ and officers’ liability

1 insurance carriers have agreed to pay to Plaintiffs' Counsel an award of attorneys' fees and expenses
2 in the total amount of \$300,000 (the "Fee and Expense Amount"), subject to approval by the Court.
3 The Settling Parties mutually agree that Plaintiffs' Counsel are entitled to awards of reasonable
4 attorneys' fees and expenses for their roles in connection with the Settlement, and Defendants
5 further agree not to oppose Plaintiffs' request for an amount up to or including the Fee and Expense
6 Amount.

7 5.2 Defendants shall not object to Plaintiffs' request to the Court for approval of
8 reasonable service awards (the "Service Awards") to be paid to each of the Plaintiffs from the Fee
9 and Expense Amount.

10 5.3 The Fee and Expense Amount shall be transferred to a trust account (the "Trust
11 Account") held by Johnson Fistel LLP ("Johnson Fistel"), as receiving agent for Plaintiffs' Counsel
12 within *thirty (30) calendar days* after the date of entry of the Preliminary Approval Order.
13 Defendants and Defendants' Counsel shall have no responsibility for, nor bear any risk or liability
14 with respect to, the Trust Account, its operation, and any taxes or expenses incurred in connection
15 with the Trust Account. Johnson Fistel shall be solely responsible for any administrative costs
16 associated with the Trust Account as well as the filing of all informational and other tax returns with
17 the Internal Revenue Service, or any other state or local taxing authority, as may be necessary or
18 appropriate.

19 5.4 The attorneys' fees and costs, to the extent approved by the Court, shall be released
20 to Plaintiffs' Counsel from the Trust Account once the Court enters the Final Order and Judgment
21 approving the Settlement and the Fee and Expense Amount, notwithstanding any potential appeals.
22 Plaintiffs' Counsel shall allocate the Fee and Expense Amount among themselves. Should the Court
23 order the payment of attorneys' fees and expenses in an amount less than the agreed Fee and
24 Expense Amount, then only the Court-approved amount, plus interest earned thereon, shall be
25 released to Plaintiffs' Counsel from the Trust Account, and all remaining amounts shall be returned
26 to Momentus within *fifteen (15) calendar days* of the entry of the Judgment.

1 5.5 Payment of the Fee and Expense Amount shall constitute final and complete payment
2 for all of Plaintiffs' Counsel's attorneys' fees and expenses in connection with the Derivative
3 Matters. Plaintiffs' Counsel agree that any disputes regarding the allocation of the Fee and Expense
4 Amount among them shall be presented to and be mediated by the Mediator, and if mediation is
5 unsuccessful, decided on a final, binding, non-appealable basis by the Mediator, on the terms and
6 subject to the processes and procedures set forth by the Mediator in his sole discretion. The
7 Mediator's fees and costs for any such mediation and/or arbitration shall be borne solely by
8 Plaintiffs' Counsel and split evenly among Plaintiffs' Counsel. Defendants and Defendants'
9 Counsel shall have no responsibility for the allocation or distribution of the Fee and Expense
10 Amount amongst Plaintiffs' Counsel. Defendants shall have no obligation to make any payment to
11 Plaintiffs' Counsel. The Company's insurance carriers shall have no obligation to make any
12 payment to Plaintiffs' Counsel other than the payment to the Trust Account as provided in
13 §V, ¶¶5.1-5.2 herein.

14 5.6 If for any reason, any condition in §V, ¶6.1 is not met, if the Stipulation does not
15 become effective or is in any way canceled or terminated, if the court in the Rivlin Action and/or
16 the Lindsey Action indicates that it will not enter dismissal with prejudice of such action as
17 contemplated in §V, ¶6.4, or if the Judgment does not become Final (individually or collectively, a
18 "Triggering Event"), each of Plaintiffs' Counsel (and each of their successors) shall be obligated to
19 repay to Momentus, within *fifteen (15) calendar days* of the Triggering Event, the amount of the
20 Fee and Expense Amount, or part thereof, that they received respectively. To the extent all or any
21 remaining portion of the Fee and Expense Amount remains in the Trust Account at the time of a
22 Triggering Event, then Johnson Fistel will return all (or any remaining portion) of the Fee and
23 Expense Amount to Momentus (with the interest accrued thereon) within *fifteen (15) calendar days*
24 of the Triggering Event.

25 5.7 The Trust Account, Johnson Fistel (as receiving agent), and each of Plaintiffs'
26 Counsel who receives any portion of the Fee and Expense Amount shall be subject to the Court's
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1 jurisdiction for the purposes of enforcing Section V herein or any other of the provisions herein
2 related to the Fee and Expense Amount (except as otherwise provided above).

3 5.8 Except as otherwise provided herein, each of the Settling Parties shall bear his, her,
4 or its own costs and attorneys' fees.

5 5.9 In light of the benefits they have helped to create for all Current Momentus
6 Stockholders, each of the Plaintiffs may apply for Court-approved Service Awards in the amount of
7 as much as \$2,000 each (the "Service Awards"). The Service Awards shall be funded exclusively
8 from the Fee and Expense Amount. Defendants shall not object to Plaintiffs' request to the Court
9 for approval of reasonable Service Awards, and Defendants shall have no obligation to separately
10 pay any such Service Award.

11 **6. Conditions of Settlement, Effect**
12 **Of Disapproval, Cancellation, or Termination**

13 6.1 The Effective Date of the Stipulation shall be conditioned upon the occurrence of all
14 of the following events:

15 (i) the Court's entry of the Preliminary Approval Order, substantially in the form
16 as **Exhibit B**, and approval of the content and method of providing notice of the proposed Settlement
17 to Current Momentus Stockholders, and the subsequent dissemination of the notice to Current
18 Momentus Stockholders;

19 (ii) Court entry of the Judgment, in all material respects in the form set forth as
20 **Exhibit E**, approving the Settlement and dismissing the Hanna Action with prejudice, without
21 awarding costs to any party, except as provided herein;

22 (iii) Plaintiffs' submission of requests for dismissal with prejudice of the Rivlin
23 Action and the Lindsey Action, in accordance with §V, ¶¶ 6.4 herein;

24 (iv) the payment of the Fee and Expense Amount in accordance with
25 §V, ¶¶ 5.1-5.2 hereof; and

26 (v) the passing of the date upon which the Judgment become Final.

27 6.2 If any of the conditions specified in §V, ¶ 6.1 are not met, then the Stipulation shall
28 be canceled and terminated subject to §V, ¶6.4, and the Settling Parties shall be restored to their

1 respective positions in the Derivative Matters as of the date immediately preceding the date of this
2 Stipulation, unless Plaintiffs' Counsel and Defendants' Counsel mutually agree in writing to
3 proceed with the Stipulation. Notwithstanding anything herein to the contrary, an order or
4 proceeding relating to the Fee and Expense Amount, or any appeal from any order relating thereto
5 (or reversal or modification thereof), shall not operate to cancel the Stipulation, allow for the
6 termination of the Settlement, or affect or delay the finality of the Judgment.

7 6.3 In the event that the Stipulation is not approved by the Court, or the Settlement is
8 terminated for any reason, including pursuant to §V, ¶6.2 above, all negotiations, proceedings,
9 documents prepared, and statements made in connection herewith shall be without prejudice to the
10 Settling Parties, shall not be deemed or construed to be an admission by any of the Settling Parties
11 of any act, matter, or proposition, and shall not be used in any manner for any purpose in any
12 subsequent proceeding in the Litigation. In such event, the terms and provisions of the Stipulation
13 shall have no further force and effect with respect to the Settling Parties and shall not be used in the
14 Derivative Matters for any purpose, and any judgment or orders entered by the Court in accordance
15 with the terms of the Stipulation shall be treated as vacated, *nunc pro tunc*.

16 6.4 Within **five (5) days** of the Court's entry of the Judgment in all material respects in
17 the form set forth as **Exhibit E**, (i) Plaintiffs in the Rivlin Action and Lindsey Action shall file the
18 necessary documents for voluntary dismissal of those respective actions with prejudice in
19 accordance with local rules and substantially in the forms attached hereto as **Exhibits F and G**, and
20 (ii) the Plaintiffs shall cause the Litigation Demand and any other such demand on the Board of
21 Momentus to be withdrawn. The Settling Parties agree to cooperate to accomplish the terms as set
22 forth herein.

23 7. **Bankruptcy**

24 7.1 In the event any proceedings by or on behalf of Momentus, whether voluntary or
25 involuntary, are initiated under any chapter of the United States Bankruptcy Code, including an act
26 of receivership, asset seizure, or similar federal or state law action ("Bankruptcy Proceedings"), the
27 Settling Parties agree to use their reasonable best efforts to obtain all necessary orders, consents,
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1 releases, and approvals for effectuation of the Stipulation in a timely and expeditious manner;
2 provided, however, that this Stipulation and any orders contemplated hereby shall not prevent a
3 bankruptcy court from subsequently approving a bankruptcy plan that modifies or supersedes the
4 Reforms in whole or in part; and provided further that nothing herein shall preclude or limit in any
5 way any Person from advancing arguments in Bankruptcy Proceedings regarding the priority of
6 Unreleased Claims or claims regarding entitlement to insurance proceeds and/or assets of the estate
7 in the event of any Bankruptcy Proceedings.

8 7.2 In the event of any Bankruptcy Proceedings by or on behalf of Momentus, the Settling
9 Parties agree that all dates and deadlines set forth in the Stipulation will be extended for such periods
10 of time as are necessary to obtain necessary orders, consents, releases and approvals from the
11 bankruptcy court to carry out the terms and conditions of the Stipulation.

12 **8. Miscellaneous Provisions**

13 8.1 The Settling Parties: (i) acknowledge that it is their intent to consummate this
14 Stipulation; and (ii) agree to cooperate to the extent reasonably necessary to effectuate and
15 implement all terms and conditions of the Stipulation and to exercise their best efforts to accomplish
16 the foregoing terms and conditions of the Stipulation.

17 8.2 The Settling Parties intend this Settlement to be, and shall be deemed by operation of
18 the Judgment to be, a final and complete resolution of all disputes between them with respect to the
19 Derivative Matters. The Settling Parties further agree that the terms of the Settlement were
20 negotiated in good faith and at arm's length by the Settling Parties and reflect a settlement that was
21 reached voluntarily based upon adequate information and after consultation with competent legal
22 counsel. The Settling Parties agree not to assert under Rule 11 of the Federal Rules of Civil
23 Procedure or any similar law, rule, or regulation, that the Derivative Matters were brought or
24 defended in bad faith or without a reasonable basis.

25 8.3 Each of the Defendants expressly denies and continues to deny all allegations of
26 wrongdoing, liability, or damages against himself or herself arising out of any conduct, statements,
27 acts, or omissions alleged, or which could have been alleged, in the Derivative Matters.

1 8.4 Whether or not the Settlement is approved by the Court, and whether or not the
2 Settlement is consummated, the fact and terms of this Stipulation (including any exhibits attached
3 hereto, all proceedings in connection with the Settlement, and any act performed or document
4 executed pursuant to or in furtherance of the Stipulation or the Settlement):

5 (a) shall not be offered, received, or used in any way against the Settling Parties
6 as evidence of, or be deemed to be evidence of, (i) a presumption, concession, or admission
7 by any of the Settling Parties with respect to the truth of any fact alleged by Plaintiffs, (ii) the
8 validity, or lack thereof, of any claim that has been or could have been asserted or raised in
9 the Derivative Matters or in any other litigation, (iii) the deficiency or infirmity of any defense
10 that has been or could have been asserted or raised in the Derivative Matters or in any other
11 litigation, or (iv) any fault, wrongdoing, negligence, or liability of any of Defendants'
12 Releasees;

13 (b) shall not be offered, received, or used in any way (i) against any of
14 Defendants' Releasees as evidence of, or be deemed to be evidence of, a presumption,
15 concession, or admission of any fault, misrepresentation or omission with respect to any
16 statement or written document approved, issued, or made by any of Defendants' Releasees,
17 or (ii) against Plaintiffs' Releasees as evidence of any infirmity in their claims;

18 (c) shall not be offered, received, or used in any way against any of Defendants'
19 Releasees as evidence of, or be deemed to be evidence of, a presumption, concession, or
20 admission of any liability, fault, negligence, omission, or wrongdoing, or in any way referred
21 to for any other reason as against Defendants' Releasees in any arbitration proceeding or other
22 civil, criminal, or administrative action or proceeding in any court, administrative agency, or
23 other tribunal.

24 8.5 Neither this Stipulation nor the Settlement, nor any act performed or document
25 executed pursuant to or in furtherance of this Stipulation, or the Settlement, shall be admissible in
26 any proceeding for any purpose, except to enforce the terms of the Settlement; provided, however,
27 that the Released Persons may refer to the Settlement, and file the Stipulation, the Court order
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1 approving the Stipulation, and/or the Judgment, in any action that may be brought against them to
2 effectuate the protections granted them hereunder, including, without limitation, to support a
3 defense or claim based on principles of *res judicata*, *collateral estoppel*, full faith and credit, release,
4 standing, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion
5 or issue preclusion or similar defense or claim under United States federal or state law or foreign
6 law.

7 8.6 The exhibits to the Stipulation are material and integral parts hereof and are fully
8 incorporated herein by this reference.

9 8.7 The Stipulation may be amended or modified only by a written instrument signed by
10 or on behalf of all the Settling Parties or their respective successors-in-interest. Without further
11 order of the Court, the Settling Parties may agree to reasonable extensions of time to carry out any
12 provisions of this Stipulation.

13 8.8 This Stipulation and the exhibits attached hereto represent the complete and final
14 resolution of all disputes among the Settling Parties with respect to the Derivative Matters, constitute
15 the entire agreement among the Settling Parties, and supersede any and all prior negotiations,
16 discussions, agreements, or undertakings, whether oral or written, with respect to such matters.

17 8.9 The waiver by one party of any breach of the Settlement by any other party shall not
18 be deemed a waiver of any other prior or subsequent breach of the Settlement. The provisions of
19 the Settlement may not be waived except by a writing signed by the affected party, or counsel for
20 that party.

21 8.10 The headings in the Stipulation and its exhibits are used for the purpose of
22 convenience only and are not meant to have legal effect.

23 8.11 The Stipulation and the Settlement shall be binding upon, and inure to the benefit of,
24 the successors and assigns of the Settling Parties, Defendants' Releasees, and Plaintiffs' Releasees.
25 The Settling Parties agree that this Stipulation will run to their respective successors-in-interest, and
26 they further agree that any planned, proposed, or actual sale, merger or change-in-control of
27 Momentus shall not void this Stipulation, and that, in the event of a planned, proposed, or actual
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1 sale, merger, or change-in-control of Momentus, they will continue to seek final approval of this
2 Stipulation expeditiously, including, but not limited to, the Settlement terms reflected in this
3 Stipulation and the Fee and Expense Amount.

4 8.12 The Stipulation and the exhibits attached hereto shall be considered to have been
5 negotiated, executed, and delivered, and to be wholly performed, in the State of California and the
6 rights and obligations of the Settling Parties to the Stipulation shall be construed and enforced in
7 accordance with, and governed by, the internal, substantive laws of the State of California without
8 giving effect to that State's choice of law principles. No representations, warranties, or inducements
9 have been made to any party concerning the Stipulation or its exhibits other than the representations,
10 warranties, and covenants contained and memorialized in such documents.

11 8.13 This Stipulation shall be construed as if the Settling Parties collectively prepared it,
12 and any uncertainty or ambiguity shall not be interpreted against any of the Settling Parties.

13 8.14 All agreements made and orders entered during the course of the Derivative Matters
14 relating to the confidentiality of information and documents shall survive this Stipulation.

15 8.15 Nothing in this Stipulation, or the negotiations or proceedings relating to the
16 Settlement, is intended, or shall be deemed, to constitute a waiver of any applicable privilege or
17 immunity, including, without limitation, the attorney-client privilege, the joint defense privilege,
18 the accountants' privilege, or work product immunity; further, all information and documents
19 transmitted between Plaintiffs' Counsel, on the one hand, and Defendants' Counsel, on the other
20 hand, in connection with the Settlement shall be kept confidential and shall be inadmissible in any
21 proceeding in any United States federal or state court, or other tribunal or otherwise, in accordance
22 with Rule 408 of the Federal Rules of Evidence as if such Rule applied in all respects in any such
23 proceeding or forum.

24 8.16 The Settling Parties intend that the Court retain jurisdiction for the purpose of
25 effectuating and enforcing the terms of the Settlement.

1 8.17 Each Person executing the Stipulation or its exhibits on behalf of any of the Settling
2 Parties hereby warrants that such Person has the full authority to do so. The Stipulation shall be
3 binding upon, and inure to the benefit of, the successors and assigns of the Settling Parties.

4 **IN WITNESS WHEREOF**, the Settling Parties hereto have caused the Stipulation to be
5 executed, by their duly authorized attorneys, dated as of August 26, 2024.

6 /s/ Brett M. Middleton
7 Brett M. Middleton

/s/ Charles E. Elder
Charles E. Elder

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