

ST. LUCIE COUNTY FIRE DISTRICT  
FIREFIGHTERS’ PENSION TRUST,  
individually and on behalf of all others  
similarly situated

§ IN THE DISTRICT COURT OF  
§  
§  
§  
§ HARRIS COUNTY, TEXAS  
§  
§  
§  
§  
§ 61ST JUDICIAL DISTRICT

v.

SOUTHWESTERN ENERGY COMPANY,  
ET AL.

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION**

**TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED SOUTHWESTERN ENERGY COMPANY (“SOUTHWESTERN” OR THE “COMPANY”) DEPOSITARY SHARES PURSUANT OR TRACEABLE TO THE COMPANY’S JANUARY 16, 2015, REGISTRATION STATEMENT, AND WHO WERE ALLEGEDLY DAMAGED THEREBY (THE “CLASS” OR “CLASS MEMBERS”).<sup>1</sup>**

**IN ORDER TO QUALIFY FOR A SETTLEMENT PAYMENT, YOU MUST TIMELY SUBMIT A PROOF OF CLAIM AND RELEASE FORM (“PROOF OF CLAIM”) BY OCTOBER 12, 2021.**

**THIS NOTICE WAS AUTHORIZED BY THE COURT. IT IS NOT A LAWYER SOLICITATION. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.**

**WHY SHOULD I READ THIS NOTICE?**

- This Notice is given pursuant to an order issued by the 61st Judicial District Court of Harris County, Texas (the “Court”).
- This Notice serves to inform you of the proposed settlement (the “Settlement”) of the above-captioned class action lawsuit (the “Litigation”) and the remote hearing (the “Settlement Fairness Hearing”) to be held by the Court at the Harris County Civil Courthouse, 201 Caroline Street, 9th Floor, Houston, Texas 77002 to consider the fairness, reasonableness, and adequacy of the Settlement, as set forth in the Stipulation of Settlement, dated June 15, 2021 (the “Stipulation”), by and between Plaintiff St. Lucie County Fire District Firefighters’ Pension Trust (“St. Lucie” or “Plaintiff”), on behalf of itself and the Class, and Defendants Southwestern; Steven L. Mueller, R. Craig Owen, Josh C. Anders, John D. Gass, Catherine A. Kehr, Greg D. Kerley, Terry L. Rathert, Vello A. Kuuskraa, Kenneth R. Mourton, Elliott Pew, and Alan H. Stevens (together, the “Individual Defendants”); and Merrill Lynch, Pierce, Fenner & Smith Incorporated, now known as BofA Securities, Inc.; Citigroup Global Markets, Inc.; J.P. Morgan Securities LLC; Wells Fargo Securities, LLC; BNP Paribas Securities Corp.; RBS Securities Inc., now known as NatWest Markets Securities Inc.; BMO Capital Markets Corp.; Mitsubishi UFJ Securities (USA), now known as MUFG Securities Americas Inc.; Mizuho Securities USA LLC, f/k/a Mizuho Securities USA Inc.; SMBC Nikko Securities America, Inc.; BBVA Securities Inc.; Credit Agricole Securities (USA) Inc.; RBC Capital Markets, LLC; CIBC World Markets Corp.; SG Americas Securities, LLC; Truist Securities, Inc., formerly BB&T Capital Markets, a division of BB&T Securities, LLC; Robert W. Baird & Co. Incorporated; Comerica Securities, Inc.; Fifth Third Securities, Inc.; HSBC Securities (USA) Inc.; Heikkinen Energy Securities, LLC; KeyBanc Capital Markets Inc.; Macquarie Capital (USA) Inc.; PNC Capital Markets LLC; Scotia Capital (USA) Inc.; Tudor, Pickering, Holt & Co. Securities, Inc.; and U.S. Bancorp Investments, Inc. (together, the “Underwriter Defendants” and with Southwestern and the Individual Defendants, “Defendants”).
- If approved by the Court, the proposed Settlement will provide \$7,000,000 to pay claims from investors who purchased or otherwise acquired Southwestern Depository Shares pursuant or traceable to the Registration Statement (the “Class”), who were allegedly damaged thereby, and are not otherwise excluded from the Class.
- The Court has not yet approved the Settlement. Payments will be made only if the Court approves the Settlement and after any appeals are resolved. Please be patient.

<sup>1</sup> For purposes of the Settlement only, the “Class” includes all Persons who purchased or otherwise acquired Southwestern Depository Shares pursuant or traceable to the Registration Statement, and who were allegedly damaged thereby, unless excluded by the terms of the Stipulation.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</b>	
<b>Submit a Proof of Claim and Release Form</b>	Proof of Claim and Release Forms must be postmarked (if mailed) or received (if submitted online) on or before October 12, 2021. <b>This is the only way to get a payment.</b>
<b>Exclude Yourself from the Class</b>	Submit a request for exclusion no later than September 30, 2021. This is the only way you can ever be part of any other lawsuit against the Defendants or the other Released Parties relating to the legal claims in this case. <b>If you exclude yourself, you will receive no payment and cannot object or speak at the hearing.</b>
<b>Object</b>	Write to the Court no later than September 30, 2021, about why you do not like the Settlement. You can still submit a Proof of Claim and Release Form. If the Court approves the Settlement, you will be bound by it.
<b>Attend the Hearing</b>	Ask to speak in Court about the fairness of the Settlement at the hearing on October 21, 2021. You can still submit a Proof of Claim and Release Form. If the Court approves the Settlement, you will be bound by it.
<b>Do Nothing</b>	<b>Get no payment AND give up your right to bring your own individual action relating to the claims asserted in the Litigation.</b>

**This Notice is intended to inform you how the Litigation and proposed Settlement may affect your rights and what steps you may take in relation to it. This Notice is NOT an expression of any opinion by the Court as to the merits of the claims or defenses asserted in the Litigation or whether Defendants engaged in any wrongdoing.**

### **WHAT IS THIS LAWSUIT ABOUT?**

#### **I. THE ALLEGATIONS**

Southwestern explores for, develops, and produces certain commodities. On January 15, 2015, the Company announced an offering of 34,500,000 Depositary Shares, each of which represented a 1/20th interest in a share of Southwestern's 6.25% Series B Mandatory Convertible Preferred Stock, at a price of \$50 per depositary share, for proceeds of approximately \$1.725 billion ("Offering"). Southwestern issued a registration statement in connection with the Offering on January 16, 2015 (the "Registration Statement"). The Offering closed on January 21, 2015. The Offering's proceeds were to be used to help repay an approximately \$5 billion loan to fund Southwestern's purchase of 400,000 acres in Appalachia from Chesapeake Energy Corporation (the "Acquisition"). Plaintiff alleged that some or all Defendants violated Sections 11, 12(a)(2), and 15 of the Securities Act of 1933 (the "Securities Act") by reason of material untrue statements and omissions in the Company's Registration Statement, issued in connection with the Offering. Specifically, Plaintiff alleged that the Registration Statement omitted that the fair value of the reserve estimates of the Chesapeake property had declined by over \$1 billion between June 30, 2014, and the close of the Acquisition on December 22, 2014. Plaintiff also alleged that up until December 2014, the majority of Southwestern's revenues came from its extraction of dry natural gas from shale in a field in Fayetteville, Arkansas ("Fayetteville Property"). Defendants allegedly failed to disclose in the Registration Statement that by 2014, the Fayetteville Property no longer had economically recoverable reserves.

Defendants deny all of Plaintiff's allegations. Without limiting the generality of the foregoing in any way, Defendants have denied, and continue to deny, among other things, that any misstatements or materially misleading omissions were made or that Plaintiff or the Class have suffered any damages. Defendants do not admit any liability or wrongdoing in connection with the allegations set forth in the Litigation or any facts related to those allegations.

**THE COURT HAS NOT RULED AS TO WHETHER DEFENDANTS ARE LIABLE TO PLAINTIFF OR THE CLASS. THIS NOTICE IS NOT INTENDED TO BE AN EXPRESSION OF ANY OPINION BY THE COURT WITH RESPECT TO THE TRUTH OF THE ALLEGATIONS IN THE LITIGATION OR THE MERITS OF THE CLAIMS OR DEFENSES ASSERTED. THIS NOTICE IS SOLELY TO ADVISE YOU OF THE PROPOSED SETTLEMENT OF THE LITIGATION AND YOUR RIGHTS IN CONNECTION WITH THAT SETTLEMENT.**

## **II. PROCEDURAL HISTORY**

Plaintiff filed an Original Petition for Violation of the Securities Act on October 17, 2016. Defendants removed the case to federal court and the case was stayed pending the Supreme Court's decision in *Cyan, Inc. v. Beaver County Employees Retirement Fund*, 138 S. Ct. 1061 (2018). After the *Cyan* court determined that class action claims filed in state court under the Securities Act could not be removed, the case was remanded and the stay lifted. On May 25, 2018, Plaintiff filed its First Amended Petition for Violations of the Securities Act (the "Petition"). Defendants filed a motion to dismiss the Petition on June 13, 2018, under Texas Rule of Civil Procedure 91a. Plaintiff filed an opposition on July 9, 2018; Defendants filed a reply on November 28, 2018; and Plaintiff filed a sur-reply on December 6, 2018.

While continuing to vigorously litigate the case, on June 18, 2018, the parties engaged the services of a neutral third-party mediator, the Honorable Layn Phillips. The parties scheduled a mediation for September 7, 2018. Prior to the mediation, the parties agreed to stay the Litigation pending the outcome of the mediation. Certain parties also exchanged mediation statements. The mediation was unsuccessful and the stay was lifted.

The Trial Court heard oral argument on Defendants' Rule 91a motion to dismiss on August 1, 2019. On August 14, 2019, the Trial Court denied Defendants' Rule 91a motion to dismiss. On September 25, 2019 Defendants filed a petition for a writ of mandamus in the First Court of Appeals, Houston, Texas. Plaintiff filed an opposition on October 23, 2019, and Defendants filed a reply on October 29, 2019. On February 11, 2020, the Court of Appeals denied Defendants' petition in a *per curiam* order.

On March 13, 2020, Defendants filed a petition for writ of mandamus before the Texas Supreme Court. Plaintiff filed a response to that petition on March 31, 2020. On August 28, 2020, the Texas Supreme Court requested briefing on the merits. Defendants filed their opening brief on November 12, 2020, and Plaintiff filed its response on March 1, 2021.

On December 18, 2020, the parties re-engaged in the mediation process. Over the course of the next few months the parties continued to negotiate, again with the assistance of the Honorable Layn Phillips. On April 17, 2021, the parties agreed in principle (subject to approval by the Court) to resolve the action, subject to reaching agreement on the specific terms in a written settlement agreement. On June 14, 2021, the parties executed the Stipulation of Settlement.

### **HOW DO I KNOW IF I AM A CLASS MEMBER?**

If you purchased or acquired Southwestern Depository Shares pursuant or traceable to the Registration Statement and were allegedly damaged thereby, you are a member of the Class. For purposes of the Settlement only, you are a Class Member if you purchased or otherwise acquired Southwestern Depository Shares in the Offering, unless excluded from the Class by the terms of the Stipulation. As set forth in the Stipulation, excluded from the Class are: Defendants; the present or former officers of Southwestern and their immediate family members (as defined in 17 C.F.R. §229.404 (Instructions (1)(a)(iii) and (1)(b)(ii))); the representatives, heirs, successors, or assigns of any of the foregoing; and any entity in which a Defendant has a controlling interest. Notwithstanding anything to the contrary, any investment company, pooled investment fund, or separately managed account (including, but not limited to, mutual fund families, exchange-traded funds, fund of funds, private equity funds, real estate funds, hedge funds, and employee benefit plans) in which any Underwriter Defendant or any of its affiliates has or may have a direct or indirect interest or as to which any Underwriter Defendant or any of its affiliates may act as an investment advisor, general partner, managing member, or in other similar capacity are not excluded from the Class. Also excluded from the Class are any Persons who would otherwise be a member of the Class but who exclude themselves by submitting a timely and valid request for exclusion that is accepted by the Court.

**PLEASE NOTE:** Receipt of this Notice does not mean that you are a Class Member or that you will be entitled to receive a payment from the Settlement. Persons who did not purchase or acquire Southwestern Depository Shares between January 16, 2015, and October 17, 2016, will not be entitled to any payment from the Settlement. Section III further describes the proposed Plan of Allocation. If you are a Class Member and you wish to be eligible to participate in the distribution of proceeds from the Settlement, you are required to submit the Proof of Claim that is being distributed with this Notice, and the required supporting documentation, as set forth therein, postmarked or submitted online on or before October 12, 2021.

## WHAT IS THE MONETARY VALUE OF THE PROPOSED SETTLEMENT?

The Settlement, if approved, will result in the creation of a cash settlement fund of \$7,000,000 (the “Settlement Amount”). The Settlement Amount, plus accrued interest and minus the costs of this Notice and all costs associated with the administration of the Settlement Fund, as well as attorneys’ fees and expenses and the award to Plaintiff for representing the Class, as approved by the Court (the “Net Settlement Fund”), will be distributed to eligible Class Members pursuant to the Plan of Allocation that is described in the next section of this Notice.

## WHAT IS THE PROPOSED PLAN OF ALLOCATION?

Plaintiff’s Counsel worked with its damages expert to develop the Plan of Allocation. It is not a formal damages analysis. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among the Class based on their respective alleged economic losses resulting from the securities law violations alleged in the Litigation.

The Claims Administrator shall determine each Class Member’s share of the Net Settlement Fund based upon the recognized loss formula (the “Recognized Claim”) described below. A Recognized Claim will be calculated for each share of Southwestern Depositary Shares purchased or otherwise acquired in the Offering. The calculation of a Recognized Claim will depend upon several factors, including when the shares were purchased or otherwise acquired and in what amounts, whether the shares were ever sold, and, if so, when they were sold and for what amounts. The Recognized Claim is not intended to estimate the amount a Class Member might have been able to recover after a trial, nor to estimate the amount that will be paid to Class Members pursuant to the Settlement. The Recognized Claim is the basis upon which the Net Settlement Fund will be proportionately allocated to Class Members.

At this time, it is not possible to determine how much any individual Class Member may receive from the Settlement. Your share of the Net Settlement Fund will depend on, among other factors, the number of valid Proofs of Claim that other Class Members send in and how many securities those forms represent relative to the Net Settlement Fund, how many shares of Southwestern Depositary Shares you purchased or otherwise acquired in the Offering, and whether you sold any of those shares and when you sold them.

The calculation of claims below is not an estimate of the amount you will receive. It is a formula for allocating the Net Settlement Fund among all Authorized Claimants. Furthermore, if any of the formulas set forth below yield an amount less than \$0.00, the claim per share is \$0.00.

### III. PROPOSED PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS

Persons who purchased publicly tradable shares of Southwestern Depositary Shares pursuant or traceable to the Registration Statement are potentially eligible for damages under the Securities Act (the “Eligible Shares”) based on their “Recognized Losses”<sup>2</sup> and resulting total value of their Recognized Claim (as a percentage of the Aggregate Recognized Claims of all Authorized Claimants), as set forth below. The total number of damaged Eligible Shares is estimated to be 34.5 million. No Recognized Losses shall be recognized on any sales of Eligible Shares that took place prior to October 22, 2015, due to loss limitation rules under the Securities Act, because such shares would have been sold prior to the date of the first corrective disclosure alleged in the second amended complaint.

#### A. Calculation of Recognized Losses on Purchases of Southwestern Energy Company Depositary Shares Pursuant to a Registration Statement dated January 16, 2015

This Settlement covers all purchasers of Depositary Shares (each share representing 1/20<sup>th</sup> of a Series B Preferred Share) of Southwestern Energy Company (ticker: SWNC) purchased in connection with or traceable to the public offering (the “Offering”) in connection with a Registration Statement dated **January 16, 2015**. **Persons who purchased shares between January 16, 2015, and October 17, 2016 (the “Relevant Period”) may be eligible for payment under this Settlement.** Due to the fixed amount of Depositary Shares offered, **all purchases of such shares from January 16, 2015, through October 17, 2016, will be eligible for damages under the 1933 Securities Act.** Damages will be based on their Recognized Claim (as a percentage of the Aggregate Recognized claims of all Authorized Claimants), as set forth below.

The total number of eligible 1933 Act Depositary shares of Southwestern is 34.5 million. The expected gross recovery per damaged share is expected to average at least \$0.203 per share. Persons that sold such 1933 Act Eligible Depositary shares on or before October 22, 2015, shall not be credited with any Recognized Losses due to 1933 Act loss

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<sup>2</sup> The “Recognized Losses” are determined based on the calculations set forth below for calculating Recognized Losses on a per share basis for each share purchased during the Relevant Period.

limitation rules and due to the fact that such shares would have been sold prior to the first identified relevant news date (October 23, 2015).<sup>3</sup>

1. For each 1933 Act Eligible Depositary share purchased on or before October 22, 2015, and sold on or before October 22, 2015, the Recognized Loss for each such share shall be zero.
2. For each 1933 Act Eligible Depositary share purchased on or before March 8, 2016, the Recognized Loss for each such share shall be based on the lesser of:
  - a. The inflation per share at the date of purchase minus the inflation per share at the time of sale in accordance with Table 1.<sup>4</sup>

**Table 1: Inflation per Share**

Period	Begin Date	End Date	Inflation per Share
1	16-Jan-15	22-Oct-15	\$6.42
2	23-Oct-15	18-Feb-16	\$5.66
3	19-Feb-16	25-Feb-16	\$3.56
4	26-Feb-16	28-Feb-16	\$2.41
5	29-Feb-16	29-Feb-16	\$1.59
6	1-Mar-16	8-Mar-16	\$0.81
7	9-Mar-16	15-Jan-18	\$0.00

- b. If sold on or before October 17, 2016, the difference between the lesser of: (i) the purchase price (excluding any fees or commissions) or (ii) \$50.00 per Depositary share then minus the sale price (excluding any fees or commissions).
  - c. If sold or held after October 17, 2016, the difference between the lesser of: (i) the purchase price (excluding any fees or commissions) or (ii) \$50.00 per Depositary share then minus the greater of: (i) the sale price (excluding any fees or commissions) if sold; or (ii) \$29.28 per Depositary Share.<sup>5</sup>
3. For each 1933 Act Eligible Depositary share purchased on or before October 17, 2016, and sold after October 22, 2015, the Alternative Recognized Loss for each such share shall be based on the lesser of:
  - a. If sold on or before October 17, 2016, 15% of the difference between the lesser of: (i) the purchase price (excluding any fees or commissions) or (ii) \$30.00 per Depositary share<sup>6</sup> then minus the sale price (excluding any fees or commissions).
  - b. If sold or held after October 17, 2016, 20% of the difference between the lesser of: (i) the purchase price (excluding any fees or commissions) or (ii) \$30.00 per Depositary share then minus the greater of: (i) the sale price (excluding any fees or commissions) if sold; or (ii) \$29.28 per Depositary Share.<sup>7</sup>
4. For each 1933 Act Eligible Depositary share purchased after October 17, 2016, the Recognized Loss for each such share shall be zero.<sup>8</sup>

<sup>3</sup> This was determined based on an event study analysis and considering the fact that the decline in the Depositary Share price from January 15, 2015, to October 22, 2015, was largely explained by market and industry factors in the event study analysis.

<sup>4</sup> This was estimated by Plaintiff's expert using an event study and assessing the relative factors associated with the decline in the Depositary share price on various dates attributable to the claims of the Plaintiff and the merits of such claims.

<sup>5</sup> The \$29.28 number was the closing price per share on October 17, 2016, when the first complaint was filed. This closing price sets the limit on losses. The preferred shares matured on January 15, 2018, at a value under \$12.80.

<sup>6</sup> The \$30.00 number is an estimate of the portion of the decline in the share price from the Offering attributed on average to market forces as determined based on an event study through October 23, 2015.

<sup>7</sup> The quote price of \$29.28 was the closing price per share on October 17, 2016, when the first complaint was filed. This closing price sets the limit on losses. The preferred shares matured on January 15, 2018, at a value under \$12.80.

<sup>8</sup> The filing of the first operative complaint was on October 17, 2016.

All eligible shares will be entitled to a Recognized Claim based on the greater of the Recognized Loss or the Alternative Recognized Loss for each such share.

## **B. Additional Provisions**

For Class Members who made multiple purchases, acquisitions, or sales during the Relevant Period, the First-In, First-Out (“FIFO”) method will be applied to such purchases, acquisitions, and sales for purposes of calculating a claim. Under the FIFO method, sales of Southwestern Depository shares during the Relevant Period will be matched, in chronological order, starting with Depository shares purchased in the Offering. The remaining Depository shares purchased during the Relevant Period will then be matched, in chronological order, against Depository shares purchased or acquired during the balance of the Relevant Period.

The date of purchase or sale is the “contract” or “trade” date as distinguished from the “settlement” date. All purchase, acquisition, and sale prices shall exclude any fees and commissions. The receipt or grant by gift, devise, or operation of law of Southwestern Depository shares during the Relevant Period shall not be deemed a purchase or sale of Southwestern Depository shares for the calculation of a claimant’s Recognized Claim, nor shall it be deemed an assignment of any claim relating to the purchase of such Depository shares unless specifically provided in the instrument of gift or assignment.

Gains on short sales of Depository shares made on or between January 16, 2015, and March 9, 2016, will be used to offset losses. The date of covering a “short sale” is deemed to be the date of purchase of the Southwestern Depository shares. The date of a “short sale” is deemed to be the date of sale of the Southwestern Depository shares. Under the Plan of Allocation, however, the Recognized Loss on “short sales” is zero.

## **C. Allocation of Net Settlement Proceeds Based on Recognized Losses**

An Authorized Claimant’s “Recognized Claim” under the Plan of Allocation shall be the sum of his, her, or its Recognized Loss or gain amounts for their 1933 Act Eligible Depository shares.

The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a “Distribution Amount” will be calculated for each Authorized Claimant, which shall be the Authorized Claimant’s Recognized Claim divided by the aggregate Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If any Authorized Claimant’s Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to such Authorized Claimant.

A Class Member will be eligible to receive a distribution from the Net Settlement Fund only if a Class Member had a net overall loss, after all profits from transactions in all Southwestern Depository shares described above during the Relevant Period are subtracted from all losses. To the extent an Authorized Claimant had a market gain with respect to his, her, or its overall transactions in Southwestern Depository shares during the Relevant Period, the value of the Authorized Claimant’s Recognized Claim shall be zero. Such Authorized Claimants shall in any event be bound by the Settlement. To the extent that an Authorized Claimant suffered an overall market loss with respect to his, her, or its overall transactions in Southwestern Depository shares during the Relevant Period, but that market loss was less than the total Recognized Claim calculated above, then the Authorized Claimant’s Recognized Claim shall be limited to the amount of the actual market loss.

For purposes of determining whether an Authorized Claimant had a market gain with respect to his, her, or its overall transactions in Depository shares during the Relevant Period or suffered a market loss, the Claims Administrator shall determine the difference between (i) the “Total Purchase Amount”<sup>9</sup> and (ii) the sum of the “Total Sales Proceeds”<sup>10</sup> (for Depository shares sold during the Relevant Period) and (for Depository shares not sold but still held as of the end of the Relevant Period) the “Holding Value”.<sup>11</sup> This difference shall be deemed an Authorized Claimant’s market gain or loss with respect to his, her, or its overall transactions in Southwestern Depository shares during the Relevant Period.

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<sup>9</sup> The “Total Purchase Amount” is the total amount the Authorized Claimant paid (excluding commissions and other charges) for SWNC shares purchased or acquired during the Relevant Period.

<sup>10</sup> The total amount received (excluding commissions and other charges) for the sales of Southwestern Depository shares sold during the Relevant Period shall be the “Total Sales Proceeds.”

<sup>11</sup> For shares still held and not deemed sold by January 15, 2018, the Claims Administrator shall ascribe a value of \$12.80 per share for Southwestern Depository shares purchased or acquired during the Relevant Period and still held as of January 15, 2018. The resulting total value of such shares using that per share value shall be the “Holding Value”.

The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired. Approval of the Settlement is separate from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

Each Authorized Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her, or its Proof of Claim. Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Authorized Claimants.

You should contact the Claims Administrator or Plaintiff's Counsel if you disagree with any determinations that may be made by the Claims Administrator regarding your Proof of Claim. If you are unsatisfied with the determinations, you may ask the Court, which retains jurisdiction over all Class Members and the claims administration process, to decide the issue by submitting a written request. Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. Defendants shall not have any liability, obligation, or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund, or the Plan of Allocation. The Released Parties shall have no liability, obligation, or responsibility whatsoever to any person, including, but not limited to, Class Members, the Escrow Agent, Plaintiff's Counsel, Plaintiff, or the Claims Administrator, in connection with (a) the selection of the Claims Administrator; (b) the Plan of Allocation; (c) the administration of the Settlement; (d) the management, distribution, or investment of the Settlement Fund; (e) the processing of claims, including the determination, administration, or calculation of any Claim; (f) any loss suffered by, or fluctuation in the value of, the Settlement Fund or the Net Settlement Fund; or (g) the disbursement of the Settlement Fund or the Net Settlement Fund.

Payment pursuant to the Plan of Allocation, or such other plan as may be approved by the Court, shall be conclusive against all Authorized Claimants.

### **DO I NEED TO CONTACT PLAINTIFF'S COUNSEL IN ORDER TO PARTICIPATE IN DISTRIBUTION OF THE SETTLEMENT FUND?**

No. If you have received this Notice and timely submit your Proof of Claim to the designated address, you need not contact Plaintiff's Counsel. If your address changes, please contact the Claims Administrator at:

*Southwestern Securities Litigation Settlement*

Claims Administrator

c/o A.B. Data, Ltd.

P.O. Box 173134

Milwaukee, WI 53217

Website: [www.SouthwesternEnergySecuritiesLitigation.com](http://www.SouthwesternEnergySecuritiesLitigation.com)

### **THERE WILL BE NO PAYMENTS IF THE STIPULATION IS TERMINATED.**

The Stipulation may be terminated under several circumstances outlined in it. If the Stipulation is terminated, the Litigation will proceed as if the Stipulation had not been entered into.

### **WHAT ARE THE REASONS FOR SETTLEMENT?**

The Settlement was reached after a thorough investigation by Plaintiff's Counsel, the denial of Defendants' Rule 91a motion to dismiss, the Court of Appeal's denial of Defendants' petition for a writ of mandamus, and Defendants' petition for a writ of mandamus to the Texas Supreme Court. The Court has not reached any final decisions in connection with Plaintiff's claims. Instead, Plaintiff and Defendants have agreed to the Settlement, which was reached with the substantial assistance of a highly respected mediator of complex class actions. In reaching the Settlement, the Settling Parties have avoided the cost, delay, and uncertainty of further litigation.

As in any litigation, Plaintiff and the proposed Class would face an uncertain outcome if they did not agree to the Settlement. The Settling Parties expected that the Litigation could continue for a lengthy period of time and that if Plaintiff succeeded at trial, Defendants would file appeals that would postpone final resolution of the Litigation. Continuation of the Litigation against Defendants could result in a judgment greater than the Settlement. Conversely, continuing the Litigation could result in no recovery at all or a recovery that is less than the Settlement Amount.

Plaintiff and Plaintiff's Counsel believe that the Settlement is fair and reasonable to the Class. They have reached this conclusion for several reasons. Specifically, if the Settlement is approved, the Class will receive a certain and immediate monetary recovery. Additionally, Plaintiff's Counsel believe that the significant and immediate benefits of the Settlement,

when weighed against the significant risk, delay, and uncertainty of continued litigation, are a very favorable result for the Class.

### WHO REPRESENTS THE CLASS?

The following attorneys are counsel for the Class:

David R. Scott, Esq.  
Amanda Lawrence, Esq.  
Randy L. Moonan, Esq.  
SCOTT+SCOTT ATTORNEYS AT LAW LLP  
The Helmsley Building  
230 Park Avenue, 17th Floor  
New York, NY 10169  
Telephone: (646) 571-0608

If you have any questions about the Litigation or Settlement, you are entitled to consult with Plaintiff's Counsel by contacting counsel at the phone number listed above.

You may obtain a copy of the Stipulation by contacting the Claims Administrator at:

*Southwestern Securities Litigation Settlement*  
Claims Administrator  
c/o A.B. Data, Ltd.  
P.O. Box 173134  
Milwaukee, WI 53217  
(877) 777-9159  
[www.SouthwesternEnergySecuritiesLitigation.com](http://www.SouthwesternEnergySecuritiesLitigation.com)

### HOW WILL PLAINTIFF'S COUNSEL BE PAID?

Plaintiff's Counsel will file a motion for an award of attorneys' fees and expenses that will be considered at the Settlement Fairness Hearing. Plaintiff's Counsel will apply for an attorneys' fee award for Plaintiff's Counsel in the amount of up to 33-1/3% or 1/3 of the Settlement Fund, plus payment of Plaintiff's Counsel's expenses incurred in connection with the Litigation in an amount not to exceed \$350,000. In addition, Plaintiff may seek a payment of up to \$10,000 in the aggregate for its efforts in representing the Class. Such sums, as may be approved by the Court, will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

The Fee and Expense Award requested will be the only payment to Plaintiff's Counsel for their efforts in achieving the Settlement and for their risk in undertaking this representation on a wholly contingent basis. The fees requested will compensate Plaintiff's Counsel for their work in achieving the Settlement. The Court will decide what constitutes a reasonable fee award and may award less than the amount requested by Plaintiff's Counsel.

### CAN I EXCLUDE MYSELF FROM THE SETTLEMENT?

Yes. If you do not want to receive a payment from the Settlement, or you want to keep the right to sue or continue to sue Defendants on your own about the legal issues in the Litigation, then you must take steps to get out of the Class. This is called excluding yourself from, or "opting out" of, the Class. If you are requesting exclusion because you want to bring your own lawsuit based on the matters alleged in the Litigation, you may want to consult an attorney and discuss whether any individual claim that you may wish to pursue would be time-barred by the applicable statutes of limitation or repose.

To exclude yourself from the Class, you must send a signed letter by mail saying that you want to be excluded from the Class in the following Litigation: *St. Lucie County Fire District Firefighters' Pension Trust v. Southwestern Energy Co., et al.*, Cause No. 2016-70651. Be sure to include your name, address, telephone number, and the date(s) and the amount of Southwestern Depository Shares purchased, acquired, or sold, and the price paid or received for each such purchase, acquisition, or sale. Your exclusion request must be **postmarked no later than September 30, 2021**, and sent to the Claims Administrator at:

*Southwestern Securities Litigation Settlement*

Claims Administrator

EXCLUSIONS

c/o A.B. Data, Ltd.

P.O. Box 173001

Milwaukee, WI 53217

You cannot exclude yourself by phone or email. If you make a proper request for exclusion, you will not receive a settlement payment and you cannot object to the Settlement. If you make a proper request for exclusion, you will not be legally bound by anything that happens in this lawsuit.

**CAN I OBJECT TO THE SETTLEMENT, REQUESTED ATTORNEYS' FEES,  
REQUESTED PAYMENT OF COSTS AND EXPENSES, REQUESTED PAYMENT  
TO THE PLAINTIFF, AND/OR PLAN OF ALLOCATION?**

Yes. If you are a Class Member, you may object to the terms of the Settlement. Whether or not you object to the terms of the Settlement, you may also object to the requested attorneys' fees, costs, and expenses, Plaintiff's request for an award for representing the Class, and/or the Plan of Allocation. In order for any objection to be considered, you must file a written statement, accompanied by proof of Class membership, with the Court and send a copy to Plaintiff's Counsel and Defendants' Counsel at the addresses listed below **by September 30, 2021**. The Court's address is 61st Judicial District Court of Harris County, Texas, 201 Caroline Street, 9th Floor, Houston, Texas 77002; Plaintiff's Counsel's address is Scott+Scott Attorneys at Law LLP, c/o Randy L. Moonan, 230 Park Avenue, 17th Floor, New York, New York, 10169; and Defendants' Counsels' addresses are Skadden, Arps, Slate, Meagher & Flom LLP, c/o Noelle M. Reed, 1000 Louisiana Street, Suite 6800, Houston, Texas 77002 and Norton Rose Fulbright US LLP, c/o Ellen Sessions, 2200 Ross Avenue, Suite 3600, Dallas, Texas 75201. Attendance at the Settlement Fairness Hearing is not necessary. Persons wishing to be heard orally at the Settlement Fairness Hearing are required to indicate in their written objection their intention to appear at the hearing and identify any witnesses they may call to testify and exhibits, if any, they intend to introduce into evidence.

**WHAT IS THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING  
MYSELF FROM THE SETTLEMENT?**

Objecting is telling the Court that you do not like something about the proposed Settlement, the Plan of Allocation, Plaintiff's request for an award for representing the Class, or Plaintiff's Counsel's request for an award of attorneys' fees and expenses. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the Litigation no longer applies to you.

**WHAT ARE MY RIGHTS AND OBLIGATIONS UNDER THE SETTLEMENT?**

If you are a Class Member and you do not exclude yourself from the Class, you may receive the benefit of, and you will be bound by, the terms of the Settlement, as described in this Notice, upon approval by the Court.

**HOW CAN I GET A PAYMENT?**

In order to qualify for a payment, you must timely complete and return the Proof of Claim that accompanies this Notice. A Proof of Claim is enclosed with this Notice and also may be downloaded at [www.SouthwesternEnergySecuritiesLitigation.com](http://www.SouthwesternEnergySecuritiesLitigation.com). Read the instructions carefully; fill out the Proof of Claim; sign it; and mail or submit it online so that it is **postmarked (if mailed) or received (if submitted online) no later than October 12, 2021**. The Proof of Claim may be submitted online at [www.SouthwesternEnergySecuritiesLitigation.com](http://www.SouthwesternEnergySecuritiesLitigation.com). If you do not submit a timely Proof of Claim with all of the required information, you will not receive a payment from the Net Settlement Fund; however, unless you expressly exclude yourself from the Class, as described above, you will still be bound in all other respects by the Settlement, Judgment, and releases contained in them.

**WHAT CLAIMS WILL BE RELEASED BY THE SETTLEMENT?**

If the Settlement is approved by the Court, the Court will enter a Judgment. If the Judgment becomes final pursuant to the terms of the Stipulation, all Class Members shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged any and all of the Released Parties from all Released Claims.

- "Released Claims" means, collectively, the Released Plaintiff's Claims and the Released Defendants' Claims.

- “Released Defendants’ Claims” means any and all claims, causes of action, complaints, third-party claims, cross-claims, counterclaims, demands, liabilities, obligations, promises, agreements, controversies, actions, suits, rights, damages, costs, losses, debts, charges, and expenses (including attorneys’ fees, expert fees, and disbursements of counsel and other professionals) of any and every nature and description whatsoever, whether known or unknown, suspected or unsuspected, foreseen or unforeseen, ripened or unripened, accrued or unaccrued, matured or not matured, whether arising under federal, state, local, common, foreign law, or any other law, rule, or regulation (whether foreign or domestic), whether arising in equity or under the law of contract, tort, malpractice, statutory breach, or any other legal right or duty, whether direct, derivative, individual, representative, or in any other capacity, whether class or individual in nature, and to the fullest extent that the law permits their release in the Action, that arise out of or are based upon or related to the institution, prosecution, assertion, settlement, or resolution of the Action or the Released Plaintiff’s Claims, except for claims relating to the enforcement of the Settlement. “Released Defendants’ Claims” includes “Unknown Claims.”
- “Released Plaintiff’s Claims” means any and all claims, causes of action, complaints, third-party claims, cross-claims, counterclaims, demands, liabilities, obligations, promises, agreements, controversies, actions, suits, rights, damages, costs, losses, debts, charges, and expenses (including attorneys’ fees, expert fees, and disbursements of counsel and other professionals) of any and every nature and description whatsoever, whether known or unknown, suspected or unsuspected, foreseen or unforeseen, ripened or unripened, accrued or unaccrued, matured or not matured, whether arising under federal, state, local, common, foreign law, or any other law, rule, or regulation (whether foreign or domestic), whether arising in equity or under the law of contract, tort, malpractice, statutory breach, or any other legal right or duty, whether direct, derivative, individual, representative, or in any other capacity, whether class or individual in nature, and to the fullest extent that the law permits their release in the Action, that Plaintiff or any other member of the Class:
  - asserted in the Action, the Original Petition, the Amended Petition, or any other pleadings or briefs filed in the Action; or
  - ever could have asserted from the beginning of time to the end of time in any forum that arise out of, relate to, are connected with, or are in any way based upon or related to either:
    - the purchase, acquisition, disposition, sale, or holding of Depository Shares, or
    - the allegations, transactions, facts, matters, occurrences, representations, or omissions involved, set forth, or referred to in the Original Petition, the Amended Petition, or any other pleadings or briefs filed by any party in the Action, except for claims relating to the enforcement of the Settlement. “Released Plaintiff’s Claims” includes “Unknown Claims.”
- “Released Parties” means Defendants and each of their past or present parents, subsidiaries, affiliates, directors, officers, employees, partners, insurers, co-insurers, reinsurers, principals, controlling shareholders, members, attorneys, underwriters, investment bankers, personal or legal representatives, agents, predecessors, successors, divisions, joint ventures, assigns, assignees, spouses, heirs, estates, related or affiliated entities, accountants, auditors, consultants, advisors (including financial or investment advisors), the Individual Defendants’ immediate family members, and any person, firm, trust, corporation, partnership, limited liability company, officer, director, or other individual or entity in which Defendants or their past or present predecessors, successors, parents, affiliates, and subsidiaries have or had a controlling interest or which has or had a controlling interest in Southwestern or its past or present predecessors, successors, parents, affiliates, and subsidiaries.
- “Unknown Claims” means, collectively, any and all Released Plaintiff’s Claims, of every nature and description, that any Plaintiff or any other Class Member does not know or suspect to exist in his, her, or its favor at the time of the Effective Date, and any Released Defendants’ Claims, of every nature and description, that any Defendant does not know or suspect to exist in his, her, or its favor at the time of the Effective Date, that, if known by him, her, or it, might have affected his, her, or its settlement with and release of the Released Parties, or might have affected his, her, or its decision(s) with respect to the Settlement, including whether not to object to or opt out of this Settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Plaintiff and Defendants shall expressly waive, and each of the other Class Members shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, the provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, that is similar, comparable, or equivalent to California Civil Code §1542, which provides, in relevant part:

**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.**

Plaintiff and the other Class Members may later discover facts, legal theories, or authorities in addition to or different from those that he, she, or it now knows or believes to be true with respect to the subject matter of the Released Plaintiff's Claims, but, upon the Effective Date, Plaintiff shall expressly, and each other Class Member shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Plaintiff's Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, that now exist or may have existed based on any theory of law or equity now existing or coming into existence in the future, including but not limited to, conduct that 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, legal theories, or authorities. Defendants may later discover facts, legal theories, or authorities in addition to or different from those that he, she, or it now knows or believes to be true with respect to the subject matter of the Released Defendants' Claims, but, upon the Effective Date, Defendants shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Defendants' Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, that now exist or may have existed based on any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that 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, legal theories, or authorities. Plaintiff and Defendants acknowledge, and the other Class Members shall be deemed by operation of the Judgment to have acknowledged, that this waiver was separately bargained for and is an essential term of the Stipulation.

The above description of the proposed Settlement is only a summary. The complete terms are set forth in the Stipulation (including its exhibits), which may be obtained at [www.SouthwesternEnergySecuritiesLitigation.com](http://www.SouthwesternEnergySecuritiesLitigation.com), or by contacting Plaintiff's Counsel listed on page 9 above.

#### THE SETTLEMENT FAIRNESS HEARING

The Court will hold a remote Settlement Fairness Hearing on October 21, 2021, at 1:00 p.m., before the Honorable Fredericka Phillips at the 61st Judicial District Court of Harris County, Texas, 201 Caroline Street, 9th Floor, Houston, Texas 77002 for the purpose of determining whether: (i) the Settlement, as set forth in the Stipulation, for \$7,000,000 in cash should be approved by the Court as fair, reasonable, and adequate; (ii) Judgment, as provided under the Stipulation, should be entered; (iii) to award Plaintiff's Counsel attorneys' fees and expenses out of the Settlement Fund and, if so, in what amount; (iv) to pay Plaintiff out of the Settlement Fund for its efforts in representing the Class and, if so, in what amount; and (v) the Plan of Allocation should be approved by the Court. Details about how to access the Settlement Fairness Hearing will be posted on the website [www.SouthwesternEnergySecuritiesLitigation.com](http://www.SouthwesternEnergySecuritiesLitigation.com) once available. Any updates and/or changes to the scheduling of the Settlement Fairness Hearing will be posted there as well. The Court may adjourn or continue the Settlement Fairness Hearing without further notice to members of the Class.

Any Class Member may appear at the Settlement Fairness Hearing and be heard on any of the foregoing matters; provided, however, that no such Person shall be heard unless his, her, or its objection is made in writing and is filed, together with proof of membership in the Class and with copies of all other papers and briefs to be submitted by them to the Court at the Settlement Fairness Hearing, with the Court no later than September 30, 2021, and showing proof of service on the following counsel:

Randy Moonan  
SCOTT+SCOTT ATTORNEYS AT  
LAW LLP  
230 Park Avenue, 17th Floor  
New York, New York 10169

*Attorneys for Plaintiff*

Noelle M. Reed  
SKADDEN, ARPS, SLATE,  
MEAGHER & FLOM LLP  
1000 Louisiana Street, Suite 6800  
Houston, Texas 77002

*Attorneys for Southwestern and the  
Individual Defendants*

Ellen Sessions  
NORTON ROSE FULBRIGHT US LLP  
2200 Ross Avenue, Suite 3600  
Dallas, Texas 75201

*Attorneys for the Underwriter  
Defendants*

Unless otherwise directed by the Court, any Class Member who does not make his, her, or its objection in the manner provided above shall be deemed to have waived all objections to the Settlement and shall be foreclosed from raising (in this or any other proceeding or on any appeal) any objection and any untimely objection shall be barred.

If you hire an attorney (at your own expense) to represent you for purposes of objecting, your attorney must serve a notice of appearance on counsel listed above and file it with the Court (at the address set out above) by no later than September 30, 2021.

### **INJUNCTION**

The Court has issued an order enjoining all Class Members from instituting, commencing, maintaining, or prosecuting any action in any court or tribunal that asserts Released Claims against any Released Party, pending Final determination by the Court of whether the Settlement should be approved.

### **HOW DO I OBTAIN ADDITIONAL INFORMATION?**

This Notice contains only a summary of the terms of the proposed Settlement. The records in the Litigation may be examined and copied at any time during regular office hours, and subject to customary copying fees, at the Clerk of the 61st Judicial District Court of Harris County, Texas. In addition, all of the Settlement documents, including the Stipulation, this Notice, the Proof of Claim, and proposed Judgment, may be obtained by contacting the Claims Administrator at:

*Southwestern Securities Litigation Settlement*  
Claims Administrator  
c/o A.B. Data, Ltd.  
P.O. Box 173134  
Milwaukee, WI 53217  
[www.SouthwesternEnergySecuritiesLitigation.com](http://www.SouthwesternEnergySecuritiesLitigation.com)

In addition, you may contact Randy L. Moonan, Scott+Scott Attorneys at Law LLP, 230 Park Avenue, 17th Floor, New York, New York 10169, Tel. No. (646) 571-0608, if you have any questions about the Litigation or the Settlement.

### **DO NOT WRITE TO OR TELEPHONE THE COURT FOR INFORMATION.**

### **SPECIAL NOTICE TO BANKS, BROKERS, AND OTHER NOMINEES**

If you hold any Southwestern Depository Shares purchased or acquired in the Offering, as a nominee for a beneficial owner, then, within 14 business days after you receive this Notice, you must either: (i) send a copy of this Notice by First-Class Mail to all such Persons; or (ii) provide a list of the names and addresses of such Persons to the Claims Administrator:

*Southwestern Securities Litigation Settlement*  
Claims Administrator  
c/o A.B. Data, Ltd.  
P.O. Box 173134  
Milwaukee, WI 53217  
Email: [info@SouthwesternEnergySecuritiesLitigation.com](mailto:info@SouthwesternEnergySecuritiesLitigation.com)  
Telephone: (877) 777-9159  
[www.SouthwesternEnergySecuritiesLitigation.com](http://www.SouthwesternEnergySecuritiesLitigation.com)

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for, or advancement of, reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice, and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

DATED: JULY 14, 2021