

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE WEATHERFORD INTERNATIONAL
SECURITIES LITIGATION

11 Civ. 1646 (LAK) (JCF)

CLASS ACTION

DEMAND FOR JURY TRIAL

STIPULATION OF SETTLEMENT AND RELEASE

This Stipulation of Settlement and Release (the “Stipulation”) is submitted pursuant to Rule 23 of the Federal Rules of Civil Procedure. Subject to the approval of the District Court, this Stipulation is entered into between and among the Court-appointed Lead Plaintiff American Federation of Musicians and Employers’ Pension Fund (“AFME”) and named plaintiff Georgia Firefighters’ Pension Fund (“Georgia Firefighters” and, together with AFME, “Plaintiffs” or “Settlement Class Representatives”) on behalf of themselves and the Settlement Class (as defined below in ¶1(hh)), and defendants Weatherford International Ltd. (“Weatherford” or the “Company”), Bernard J. Duroc-Danner, Andrew P. Becnel, Jessica Abarca and Charles E. Geer, Jr. (the “Defendants” and collectively, with Plaintiffs, the “Settling Parties”), by and through their respective counsel in the above-captioned consolidated class action. Subject to the approval of the District Court and certain limitations expressly provided herein, this Settlement is intended

to settle and release all claims against Defendants and the other Released Parties (as defined below in ¶1(cc)).¹

A. WHEREAS, beginning on March 9, 2011, a class action was filed in the District Court, alleging violations of the federal securities laws and captioned as follows: *Dobina v. Weatherford International Ltd., et al.* (the “Original Complaint”). The foregoing action and any related cases were consolidated by the District Court’s Order dated June 27, 2011 (the “Consolidation Order”) (ECF No. 34), under the caption *In re Weatherford Int’l Sec. Litig.*, Case No. 11 Civ. 1646 (LAK) (JCF) (the “Action”). In addition, pursuant to the District Court’s Consolidation Order, the District Court appointed AFME as Lead Plaintiff, and the law firm of Kessler Topaz Meltzer & Check, LLP (“Kessler Topaz”) as Lead Counsel.

B. WHEREAS, on August 26, 2011, Lead Plaintiff filed an Amended Class Action Complaint (the “Amended Complaint”) (ECF No. 59), asserting claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 against the Defendants.

C. WHEREAS, following full briefing and oral argument on Defendants’ motions to dismiss the Amended Complaint, on November 7, 2012, the District Court granted in part and denied in part Defendants’ motions (ECF. No. 103).

F. WHEREAS, on April 1, 2013, Plaintiffs filed a motion to certify this Action as a class action, for certification of Plaintiffs as class representatives and for appointment of Kessler Topaz as class counsel (ECF Nos. 117-118). Defendants did not oppose certification of the

¹ All terms with initial capitalization not otherwise defined shall have the meanings ascribed to them in ¶1 herein.

proposed class (which is identical to the proposed Settlement Class) or the appointment of Georgia Firefighters and Kessler Topaz as class representative and class counsel, respectively, but did oppose the appointment of AFME as a class representative. At the time the Settlement was reached, the District Court had yet to rule upon the class certification motion.

G. WHEREAS, on August 26, 2013, Plaintiffs filed a Motion to Amend and attached a Proposed Amended Complaint, and on September 26, 2013 sent the Court a revised Proposed Amended Complaint, asserting claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 against the Defendants. (Collectively, the Original Complaint, Amended Complaint, and two Proposed Amended Complaints are referred to herein as the “Complaints.”)

H. WHEREAS, Lead Counsel has conducted an investigation and extensive discovery relating to the claims and the underlying events and transactions alleged in the Complaints. Lead Counsel has also researched the applicable law with respect to the claims of Plaintiffs and the other Settlement Class Members (as defined herein) against the Defendants and the potential defenses thereto.

I. WHEREAS, Plaintiffs, through Lead Counsel, have had several in-person and telephonic settlement discussions, mediations and arm’s-length negotiations with counsel for Defendants, with a view to achieving the best relief possible consistent with the interests of the Settlement Class.

J. WHEREAS, based upon their investigation, substantial discovery, and extensive negotiations, Plaintiffs and Lead Counsel have concluded that the terms and conditions of this

Settlement and the documents incorporated herein by reference are fair, reasonable and adequate to Plaintiffs and the other Settlement Class Members and in their best interests, and have agreed to settle the claims raised in the Action as against Defendants pursuant to the terms and provisions of this Stipulation, after considering, among other things, the attendant risks of litigation and the desirability of permitting the Settlement to be consummated as provided by the terms of this Stipulation.

K. WHEREAS, nothing in this Stipulation shall be construed or deemed to be evidence of an admission, concession or infirmity on the part of any Settling Party with respect to any claim, defense, fault, liability, wrongdoing or damages whatsoever.

L. WHEREAS, Defendants and Plaintiffs agree that each has complied fully with Rule 11 of the Federal Rules of Civil Procedure.

NOW THEREFORE, without any admission or concession on the part of Plaintiffs of any lack of merit of the Action whatsoever, and without any admission or concession of any liability or wrongdoing or lack of merit in the defenses whatsoever by Defendants and the other released persons and entities, it is hereby **STIPULATED AND AGREED**, by and among the parties to this Stipulation, through their respective attorneys, subject to approval of the District Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, in consideration of the benefits flowing to the parties hereto from the Settlement, that all Settled Claims (as defined below) as against the Released Parties (as defined below) and all Released Parties' Claims (as

defined below) shall be compromised, settled, released and dismissed with prejudice, upon and subject to the following terms and conditions:

CERTAIN DEFINITIONS

1. As used in this Stipulation, and in any exhibits attached hereto and made a part hereof, the following terms shall have the following meanings:

a. “Action” shall mean *In re Weatherford Int’l Sec. Litig.*, Case No. 11 Civ. 1646 (LAK) (JCF).

b. “Authorized Claimant” shall mean a Settlement Class Member who submits a timely and valid Proof of Claim Form to the Claims Administrator in connection with this Settlement, in accordance with the requirements established by the District Court, and who is approved for payment from the Net Settlement Fund.

c. “Claim” shall mean a claim for payment from the Net Settlement Fund.

d. “Claim Form” or “Proof of Claim Form” shall mean the form substantially in the form attached hereto as Exhibit A-2, that a Claimant must complete should that Claimant seek to be potentially eligible to share in a distribution of the Net Settlement Fund.

e. “Claimant” shall mean a person or entity that submits a Claim Form to the Claims Administrator seeking to be potentially eligible to share in the proceeds of the Net Settlement Fund.

f. “Claims Administrator” shall mean The Garden City Group, Inc., the firm retained by Plaintiffs and Lead Counsel subject to approval of the District Court to provide all

notices approved by the District Court to potential Settlement Class Members and to administer the Settlement and distribute the Net Settlement Fund.

g. “Class Distribution Order” shall mean the first order entered by the District Court authorizing and directing that the Net Settlement Fund be distributed, in whole or in part, to the Authorized Claimants.

h. “Complaints” shall mean the Original Complaint, Amended Complaint, and Proposed Amended Class Action Complaints for Violations of the Federal Securities Laws that were attached to Plaintiffs’ Motion to Amend filed with the District Court on August 26, 2013 (ECF No. 162-164) and to Plaintiffs’ correspondence to the District Court on September 26, 2013.

i. “Defendants” shall mean Weatherford International, Ltd., Bernard J. Duroc-Danner, Andrew P. Becnel, Jessica Abarca and Charles E. Geer, Jr.

j. “Defendants’ Counsel” shall mean the law firm of Latham & Watkins LLP.

k. “District Court” or “Court” shall mean the United States District Court for the Southern District of New York.

l. “Effective Date” shall mean the date on which all of the following shall have occurred: (i) the District Court has entered the Notice Order; (ii) the District Court has approved the Settlement, following notice to the Settlement Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure; (iii) none of the Settling Parties have elected to

terminate the Settlement pursuant to ¶31 below and the time for such election has expired; and (iv) the District Court has entered the Judgment, which has become Final.

m. “Escrow Account” shall mean an account controlled by Lead Counsel, acting as agents for Plaintiffs and the Settlement Class, wherein the Settlement Amount shall be deposited and held in escrow.

n. “Escrow Agent” shall mean The Huntington National Bank, which shall be responsible for overseeing, safeguarding and distributing the Escrow Account, acting as agent for the Settlement Class.

o. “Final,” when referring to the Judgment, shall mean: (i) that the time for appeal or appellate review of such Judgment has expired; or (ii) if there has been an appeal, that the Judgment has been affirmed on appeal or that said appeal has been decided without causing a material change in the Judgment, and such Judgment is no longer subject to appellate review by further appeal or writ of *certiorari*; or (iii) if the Judgment on said appeal is subject to appellate review by further appeal or writ of *certiorari*, the date of final dismissal of any appeal from the order or judgment or the final dismissal of any proceeding on *certiorari* to review the Judgment.

p. “Judgment” shall mean (a) the proposed judgment to be entered by the District Court pursuant to Rule 54(b) of the Federal Rules of Civil Procedure approving the Settlement, substantially in the form attached hereto as Exhibit B, or (b) a form of judgment that may be entered by the Court herein but in a form other than the form of Judgment provided for in

this Stipulation and where none of the parties hereto elect to terminate this Settlement by reason of such variance.

q. “Lead Counsel” shall mean the law firm of Kessler Topaz Meltzer & Check, LLP.

r. “Lead Plaintiff” shall mean AFME.

s. “Litigation Expenses” shall mean the costs and expenses incurred by Plaintiffs’ Counsel in connection with commencing and prosecuting the Action (which may include the costs and expenses of the Settlement Class Representatives directly related to their representation of the Settlement Class), for which Lead Counsel intends to apply to the District Court for reimbursement from the Settlement Fund.

t. “Net Settlement Fund” shall mean the Settlement Fund less any: (i) Taxes; (ii) Notice and Administration Costs; (iii) Litigation Expenses awarded by the District Court; and (iv) attorneys’ fees awarded to Plaintiffs’ Counsel by the District Court.

u. “Notice” shall mean the Notice of Pendency of Class Action and Proposed Settlement, Settlement Fairness Hearing and Motion for Attorneys’ Fees and Reimbursement of Litigation Expenses, substantially in the form attached hereto as Exhibit A-1, which is to be sent to potential Settlement Class Members.

v. “Notice and Administration Costs” shall mean the costs, fees and expenses that are incurred by the Claims Administrator and Lead Counsel in connection with (i) providing

notice to the Settlement Class, including obtaining shareholder lists; (ii) administering the Claims process; and (iii) any expenses incurred in connection with the Escrow Account.

w. “Notice Order” shall mean the order, substantially in the form attached hereto as Exhibit A, to be entered by the District Court certifying the Settlement Class for settlement purposes only, and directing that notice of the Settlement be provided to the Settlement Class.

x. “Opt-Out Threshold” shall have the definition provided in the Supplemental Agreement described in ¶29.

y. “Plaintiffs” means AFME and Georgia Firefighters.

z. “Plaintiffs’ Counsel” shall mean Lead Counsel and all other legal counsel who, at the direction and under the supervision of Lead Counsel, represent any Plaintiffs in the Action.

aa. “Plan of Allocation” shall mean the plan of allocation of the Net Settlement Fund which will be proposed to the District Court by Plaintiffs.

bb. “Publication Notice” or “Summary Notice” shall mean the Summary Notice of Pendency of Class Action and Proposed Settlement, Settlement Fairness Hearing and Motion for Attorneys’ Fees and Reimbursement of Litigation Expenses, to be published substantially in the form attached hereto as Exhibit A-3.

cc. “Released Parties” means, with respect to each Defendant: (1) the Defendants; (2) the immediate family members, heirs, executors, administrators, successors,

assigns, present and former employees, officers, directors, managers, attorneys, legal representatives, insurers, re-insurers, auditors and agents of each of them; (3) any person or entity that is or was related to or affiliated with any Defendant or in which any Defendant has or had a controlling interest and the present and former parents, subsidiaries, divisions, affiliates, predecessors, successors, employees, officers, directors, managers, attorneys, assigns, auditors and agents of each of them; and (4) the present and former employees, officers, directors, managers, attorneys, assigns, auditors and agents of any of the foregoing.

dd. “Released Parties’ Claims” shall mean any and all claims, rights, demands, liabilities and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, common or foreign law, to the fullest extent permitted by law, that have been or could have been asserted in the Action or any forum by the Released Parties or any of them against Plaintiffs, the Settlement Class or their attorneys, which arise out of or relate in any way to the institution, prosecution, or settlement of the claims asserted in this Action, except for claims relating to the enforcement of the Settlement.

ee. “Settled Claims” shall mean any and all claims, rights, remedies, demands, liabilities and causes of action of every nature and description (including but not limited to any claims for damages, punitive damages, compensation, restitution, disgorgement, rescission, interest, injunctive relief, attorneys’ fees, expert or consulting fees, obligations, debts, losses, and any other costs, expenses or liabilities of any kind or nature whatsoever), whether legal, statutory or equitable in nature to the fullest extent that the law permits their release in this Action,

whether known claims or Unknown Claims, whether arising under federal, state, common or foreign law, whether class or individual in nature, that Plaintiffs or any other Settlement Class Member: (a) asserted in this litigation, including in any complaint filed or submitted to the Court in this Action; or (b) could have asserted in any forum or proceeding that arise out of or are based upon or are related to the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaints that arise out of the purchase or acquisition of Weatherford common stock during the Settlement Class Period. Notwithstanding the foregoing, “Settled Claims” does not include the claims asserted as of the date of execution of this Stipulation in the actions captioned (i) *Wandel v. Duroc-Danner et al.*, 12-cv-01305-LAK; (ii) *Freedman v. Weatherford International Ltd. et al.*, Case No. 12 Civ. 2121 (LAK); and (iii) *Iron Workers Mid-South Pension Fund v. Duroc-Danner, et al.*, No. 201119822 (Harris County, TX). Defendants hereby represent that the actions listed in the preceding sentence constitute all of the securities class actions, derivative actions or individual actions that have been filed against all or some of them as of the date hereof that relate to the purchase, acquisition or ownership of Weatherford common stock during the Settlement Class Period based upon similar allegations. Settled Claims also does not include any claims relating to the enforcement of the Settlement.

ff. “Settlement” shall mean the settlement with Defendants provided for by this Stipulation.

gg. “Settlement Amount” shall mean fifty two million five hundred thousand dollars (\$52,500,000.00) in cash.

hh. “Settlement Class” shall mean, solely for purposes of this Settlement, all persons who purchased or otherwise acquired Weatherford common stock between April 25, 2007 and March 1, 2011, inclusive, and who were allegedly damaged thereby. Excluded from the Settlement Class are Defendants and Weatherford’s officers, affiliates, and directors, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which a Defendant has a controlling interest. Also excluded from the Settlement Class are any persons or entities who exclude themselves from the Settlement Class by filing a timely request for exclusion in accordance with the requirements set forth in the Notice.

ii. “Settlement Class Member” shall mean a person or entity that is a member of the Settlement Class and does not exclude himself, herself or itself by filing a timely request for exclusion in accordance with the requirements set forth in the Notice.

jj. “Settlement Class Period” shall mean the period between April 25, 2007 and March 1, 2011, through and inclusive.

kk. “Settlement Class Representatives” shall mean the Plaintiffs.

ll. “Settlement Fund” shall mean the Settlement Amount plus any income or interest earned thereon.

mm. "Settlement Hearing" shall mean the hearing set by the District Court under Rule 23(d)(1)(c) of the Federal Rules of Civil Procedure to consider final approval of the Settlement.

nn. "Settling Parties" shall mean, collectively, the Plaintiffs, on behalf of themselves and the Settlement Class, and Defendants.

oo. "Taxes" shall mean collectively: (i) any and all taxes, duties and similar charges (including any estimated taxes, withholdings, interest or penalties and interest thereon) arising in any jurisdiction with respect to the income or gains earned by or in respect of the Settlement Fund, including, without limitation, any taxes or tax detriments that may be imposed upon Defendants or Defendants' Counsel with respect to any income earned by the Settlement Fund for any period during which the Settlement Fund may be finally determined to not qualify as a Qualified Settlement Fund (within the meaning contemplated in ¶9 herein) for federal or state income tax purposes or any distribution of any portion of the Settlement Fund to Authorized Claimants and other persons or entities entitled thereto pursuant to this Stipulation; and (ii) expenses and costs incurred in connection with the taxation of the Settlement Fund (including, without limitation, expenses of tax attorneys and accountants).

pp. "Unknown Claims" shall mean any and all Settled Claims which any Plaintiff or any other Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of such claims, and any Released Parties' Claims which Defendants or any other Released Party does not know or suspect to exist in his, her or its favor

at the time of the release of such claims, which if known by him, her or it might have affected his, her or its decision(s) with respect to the Settlement. With respect to any and all Settled Claims and Released Parties' Claims, the parties stipulate and agree that upon the Effective Date, Plaintiffs and Defendants shall expressly waive, and each other Settlement Class Member and each other Released Party shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Plaintiffs and Defendants acknowledge, and each other Settlement Class Member and each other Released Party by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Settled Claims and Released Parties' Claims was separately bargained for and was a key element of the Settlement.

CLASS CERTIFICATION

2. Solely for the purpose of the Settlement, Defendants hereby stipulate and agree to: (a) certification of the Action as a class action, pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure, on behalf of the Settlement Class; (b) appointment of AFME and Georgia Firefighters as Settlement Class Representatives; and (c) appointment of Lead Counsel as Class Counsel pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.

Plaintiffs and Defendants will move for entry of the Notice Order, which will certify the Action to proceed as a class action for settlement purposes only.

RELEASE OF CLAIMS

3. The obligations incurred pursuant to this Stipulation shall be in full and final disposition of the Action as against Defendants and shall fully and finally release any and all of the Settlement Class Members' Settled Claims as against all Released Parties and shall also release any and all Released Parties' Claims as against Plaintiffs and any other Settlement Class Member and all of their respective counsel, including Lead Counsel. Upon the Effective Date, the Action shall be dismissed as against Defendants with prejudice and without costs.

4. Pursuant to the Judgment, upon the Effective Date, each of the Plaintiffs and all other Settlement Class Members, on behalf of themselves and their immediate family members, heirs, executors, administrators, successors, and assigns, shall release and shall be deemed by operation of law to have irrevocably, absolutely and unconditionally, fully, finally and forever released, waived, discharged and dismissed each and every Settled Claim against each and all of the Released Parties with prejudice, and shall forever be enjoined from prosecuting any or all Settled Claims against any Released Party.

5. Pursuant to the Judgment, upon the Effective Date, Defendants, on behalf of themselves and the other Released Parties, release and shall be deemed by operation of law to have released, waived, discharged and dismissed each and every Released Parties' Claims against each and all of the Plaintiffs, any other Settlement Class Member and all of their

respective counsel, including Lead Counsel, and shall forever be enjoined from prosecuting any or all of the Released Parties' Claims against Plaintiffs, any other Settlement Class Member and all of their respective counsel, including Lead Counsel.

THE SETTLEMENT CONSIDERATION

6. In consideration of the Settlement of claims asserted in this Action, and subject to the terms and conditions of this Stipulation, Defendants shall cause to be paid the Settlement Amount into the Escrow Account within ten (10) business days of the District Court's granting of a motion for entry of an order authorizing dissemination of notice of the proposed Settlement to the Settlement Class, provided Lead Counsel shall provide to Defendants' Counsel complete and accurate payment instructions, payment address, and a completed and executed W-9 form.

USE OF SETTLEMENT FUND

7. The Settlement Fund shall be used to pay: (a) Taxes; (b) Notice and Administration Costs; (c) any Litigation Expenses awarded by the District Court; and (d) any attorneys' fees awarded to Plaintiffs' Counsel by the District Court. The balance remaining in the Settlement Fund following the foregoing payments (the "Net Settlement Fund") shall be distributed to Authorized Claimants as provided below.

8. Except as provided herein or pursuant to orders of the District Court, the Net Settlement Fund shall remain in the Escrow Account prior to the Effective Date. All funds held by the Escrow Agent shall be deemed to be in the custody of the District Court and shall remain subject to the jurisdiction of the District Court until such time as the funds shall be distributed or

returned pursuant to the terms of this Stipulation and/or further order of the District Court. The Escrow Agent shall invest the Settlement Fund exclusively in instruments backed by the full faith and credit of the United States Government or fully insured by the United States Government or an agency thereof, including a United States Treasury Money Market Fund or a bank account fully insured by the United States Government Federal Deposit Insurance Corporation (“FDIC”) up to the guaranteed FDIC limit. All risks related to the investment of the Settlement Fund shall be borne by the Settlement Fund.

9. The parties hereto agree that the Settlement Fund is intended to be a separate Qualified Settlement Fund within the meaning of Treasury Regulation Section 1.468B-1 and that Lead Counsel shall act as the administrator of the Qualified Settlement Fund within the meaning of Treasury Regulation Section 1.468B-2(k)(3), and shall be responsible for filing or causing to be filed all informational and other tax returns for the Settlement Fund and paying from the Settlement Fund any Taxes owed thereon. Defendants’ Counsel will cause to be provided to Lead Counsel the statement described in Treasury Regulation Section 1.468B-3(e) within the time specified by the Section. Lead Counsel, as administrator of the Settlement Fund within the meaning of Treasury Regulation Section 1.468B-2(k)(3), shall timely make such elections as are necessary or advisable to carry out this paragraph, including, as necessary, making a “relation back election,” as described in Treasury Regulation Section 1.468-1(j), to cause the Qualified Settlement Fund to come into existence at the earliest allowable date, and shall take or cause to be taken all actions as may be necessary or appropriate in connection therewith.

10. All Taxes shall be paid out of the Settlement Fund, and shall be timely paid by the Escrow Agent pursuant to the disbursement instructions to be set forth in the Escrow Agreement, and without prior Order of the District Court. Any tax returns prepared for the Settlement Fund (as well as the election set forth therein) shall be consistent with the previous paragraph and in all events shall reflect that all Taxes (including any interest or penalties) on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided herein. The Settlement Fund shall hold all Released Parties harmless for any Taxes and related expenses of any kind whatsoever, if any, payable by Defendants by reason of any income earned on the Settlement Fund. Defendants' Counsel shall notify the Escrow Agent promptly if Defendants receive any notice of any claim for Taxes relating to the Settlement Fund.

11. This is not a claims-made settlement. Upon the occurrence of the Effective Date, neither Defendants nor any Released Party, nor any person or entity who or which paid any portion of the Settlement Fund on their behalf shall have any right to the return of the Settlement Fund or any portion thereof irrespective of the number of Claims filed, the collective amount of losses of Authorized Claimants, the percentage of recovery of losses, or the amounts to be paid to Authorized Claimants from the Net Settlement Fund.

12. The Claims Administrator shall discharge its duties under Lead Counsel's supervision and subject to the jurisdiction of the District Court. Except as otherwise provided herein, Defendants shall have no responsibility for the administration of the Settlement and shall have no liability to any person or entity, including, but not limited to, the Settlement Class

Members, in connection with such administration. Lead Counsel shall cause the Claims Administrator to mail the Notice and Proof of Claim Form to those members of the Settlement Class at the address of each such person or entity as set forth in the records of Weatherford or who otherwise may be identified through further reasonable effort. For purposes of identifying and providing notice to the Settlement Class, within ten (10) calendar days of the Settling Parties' execution of this Stipulation, Weatherford or its transfer agent shall use its best efforts to provide or cause to be provided to the claims administrator (at no cost to the Settlement Fund, Plaintiffs, Lead Counsel or the claims administrator) its shareholder lists (consisting of shareholder names and addresses during the Settlement Class Period), in electronic form. Lead Counsel will cause to be published the Publication Notice pursuant to the terms of the Notice Order or whatever other form or manner might be ordered by the District Court.

13. Notwithstanding the fact that the Effective Date has not yet occurred, Lead Counsel may pay from the Settlement Fund, without further approval from Defendants or further order of the District Court, all reasonable Notice and Administration Costs actually incurred. Such costs and expenses shall include, without limitation, the actual costs of printing and mailing the Notice and Proof of Claim Form, reimbursements to nominee owners for forwarding the Notice to their beneficial owners, publication of the Summary Notice, the administrative expenses incurred and fees charged by the Claims Administrator in connection with providing Notice and processing the submitted Claims, and the fees, if any, of the Escrow Agent. In the event that the Settlement is terminated pursuant to the terms of this Stipulation, all Notice and

Administration Costs reasonably paid or reasonably incurred, including any related fees, shall not be returned or repaid to Defendants or any other Released Party, or to any person or entity who or which paid any portion of the Settlement Amount on their behalf.

14. The Released Parties shall have no responsibility for, interest in, or liability whatsoever with respect to the maintenance, investment or distribution of the Settlement Fund, the establishment or maintenance of the Escrow Account, the establishment or administration of the Plan of Allocation, the determination, administration, or calculation of claims, the payment or withholding of Taxes, the distribution of the Net Settlement Fund, the administration of the Settlement, or any losses incurred in connection with such matters. Defendants take no position with respect to the provisions of this Stipulation governing those issues. The Released Parties shall have no further or other liability or obligations to Plaintiffs, Lead Counsel or any member of the Settlement Class with respect to the Settled Claims, except as expressly stated in this Stipulation.

ATTORNEYS' FEES AND LITIGATION EXPENSES

15. Lead Counsel will apply to the District Court for a collective award of attorneys' fees to Plaintiffs' Counsel from the Settlement Fund. Lead Counsel will also apply to the District Court for reimbursement of Litigation Expenses, which may include a request for reimbursement of the Settlement Class Representatives' costs and expenses in accordance with 15 U.S.C. § 78u-4(a)(4).

16. Any attorneys' fees and Litigation Expenses that are awarded by the District Court shall be paid from the Escrow Account to Lead Counsel, on behalf of Plaintiffs' Counsel, immediately upon the entry of the District Court's order approving such attorneys' fees and Litigation Expenses, or at such later date as required by the Court, notwithstanding the existence of any timely filed objections thereto, or potential for appeal therefrom, or collateral attack on the Settlement or any part thereof. Lead Counsel agrees to make appropriate refunds or repayments to the Settlement Fund, plus any interest, if any, actually accrued on such funds, if the Settlement is terminated pursuant to the terms of this Stipulation or if, as a result of any appeal or further proceedings on remand, or successful collateral attack, the award of attorneys' fees and/or Litigation Expenses is reduced or reversed. Lead Counsel shall make the appropriate refund or repayment in full no later than ten (10) business days after receiving from Defendants' Counsel or from a court of appropriate jurisdiction notice of any such reduction of the award of attorneys' fees and/or Litigation Expenses, or notice of the termination of the Settlement. An award of attorneys' fees and/or Litigation Expenses is not a necessary term to this Stipulation or a condition of this Stipulation, the Settlement or the releases provided herein. Plaintiffs and Lead Counsel may not cancel or terminate the Stipulation or the Settlement based on the District Court's ruling or any appellate court's ruling with respect to attorneys' fees and/or Litigation Expenses. Any appeal relating to an award of attorneys' fees or Litigation Expenses will not affect the finality of the Settlement, the Judgment or the releases provided herein.

CLAIMS ADMINISTRATOR

17. The Claims Administrator shall administer the process of receiving, reviewing and approving or denying Claims under Lead Counsel's supervision and subject to the jurisdiction of the District Court. Neither Defendants nor any other Released Party shall have any responsibility whatsoever to any person or entity, including, but not limited to, Plaintiffs, Settlement Class Members or Lead Counsel in connection with such administration. Defendants' Counsel shall cooperate in the administration of the Settlement to the extent reasonably necessary to effectuate its terms.

18. The Claims Administrator shall receive Claims and determine first, whether the Claim is a valid Claim, in whole or in part; and second, each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's loss amount (as set forth in the Plan of Allocation to be submitted by Lead Counsel to the District Court for approval, or in such other plan of allocation as the District Court approves).

19. A particular plan of allocation to be proposed by Lead Counsel is not a necessary term of this Stipulation, and it is not a condition of this Stipulation, the Settlement, or the releases provided herein that any particular plan of allocation be approved by the District Court. Plaintiffs and Lead Counsel may not cancel or terminate the Stipulation or the Settlement based on the District Court's or any appellate court's ruling with respect to any particular plan of allocation in this Action. Neither Defendants nor any other Released Party (or their respective counsel) shall have any responsibility or liability whatsoever for allocation of the Net Settlement

Fund. Any appeal relating to the allocation of the Net Settlement Fund, the administration of the Settlement or the claims process will not affect the finality of the Settlement, the Judgment or the releases provided herein.

20. Any Settlement Class Member who does not timely submit a valid Claim Form will not be entitled to receive any distribution from the Net Settlement Fund but will otherwise be bound by all of the terms of this Stipulation and Settlement, including the terms of the Judgment to be entered in the Action and the releases provided for herein, and will be permanently barred and enjoined from bringing any action, claim or other proceeding of any kind against any and all Released Parties concerning any and all of the Settled Claims, unless that Settlement Class Member excludes himself, herself or itself in accordance with the provisions set forth in the Notice.

21. Lead Counsel shall be responsible for supervising the administration of the Settlement and disbursement of the Net Settlement Fund. Neither Defendants nor any other Released Party (or their respective counsel), shall have any liability, obligation or responsibility whatsoever for the administration of the Settlement or disbursement of the Net Settlement Fund. Neither Defendants nor any other Released Party, shall be permitted to review, contest or object to any Claim Form or any decision of the Claims Administrator or Lead Counsel with respect to accepting or rejecting any Claim Form or Claim for payment by a Settlement Class Member. Lead Counsel shall have the right, but not the obligation, to waive what it deems to be formal or technical defects in any Claim Forms submitted in the interests of achieving substantial justice.

22. For purposes of determining the extent, if any, to which a Settlement Class Member shall be entitled to be treated as an Authorized Claimant, the following conditions shall apply:

a. Each Settlement Class Member shall be required to submit a Claim Form supported by such documents as are designated therein, including proof of the transactions and holdings claimed and the claimed incurred losses, or such other documents or proof as the Claims Administrator or Lead Counsel, in their discretion, may deem acceptable.

b. All Claim Forms must be submitted by the date that will be set by the District Court, unless such deadline is extended by Order of the District Court. Any Settlement Class Member who fails to submit a Claim Form by such date shall be forever barred from receiving any distribution from the Net Settlement Fund or payment pursuant to this Stipulation (unless, by Order of the District Court, late-filed Claim Forms are accepted), but shall in all other respects be bound by all of the terms of this Stipulation and the Settlement including the terms of the Judgment and the releases provided for herein, and will be permanently barred and enjoined from bringing any action, claim or other proceeding of any kind against any and all Released Parties concerning any and all of the Settled Claims, unless that Settlement Class Member excludes himself, herself or itself in accordance with the provisions set forth in the Notice. Provided that it is received before the motion for the Class Distribution Order is filed, a Claim Form shall be deemed to be submitted when posted, if received with a postmark indicated on the envelope and if mailed by first-class mail and addressed in accordance with the instructions

thereon. In all other cases, the Claim Form shall be deemed to have been submitted when actually received by the Claims Administrator.

c. Each Claim Form shall be submitted to and reviewed by the Claims Administrator, under the supervision of Lead Counsel, who shall determine in accordance with this Stipulation and the Court-approved plan of allocation the extent, if any, to which each Claim shall be allowed, subject to review by the District Court pursuant to subparagraph (e) below.

d. Claim Forms that do not meet the submission requirements may be rejected. Prior to rejecting a Claim in whole or in part, the Claims Administrator shall attempt to communicate with the Claimant in writing, to give the Claimant the chance to remedy any curable deficiencies in the Claim Form submitted. The Claims Administrator, under the supervision of Lead Counsel, shall attempt to notify, in a timely fashion and in writing, all Claimants whose Claims the Claims Administrator proposes to reject in whole or in part, setting forth the reasons therefore, and shall indicate in such notice that the Claimant whose Claim is to be rejected has the right to a review by the District Court if the Claimant so desires and complies with the requirements of subparagraph (e) below.

e. If any Claimant whose Claim has been rejected in whole or in part desires to contest such rejection, the Claimant must, within twenty (20) days after the date of mailing of the notice required in subparagraph (d) above, serve upon the Claims Administrator a notice and statement of reasons indicating the Claimant's grounds for contesting the rejection along with any supporting documentation, and requesting a review thereof by the District Court. If a

dispute concerning a Claim cannot be otherwise resolved, Lead Counsel shall thereafter present the request for review to the District Court.

f. The administrative determinations of the Claims Administrator accepting and rejecting Claims shall be presented to the District Court for approval by the District Court in the Class Distribution Order.

23. Each Claimant shall be deemed to have submitted to the jurisdiction of the District Court with respect to the Claimant's Claim, and the Claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to that Claimant's status as a Settlement Class Member and the validity and amount of the Claimant's Claim. No discovery shall be allowed on the merits of this Action or this Settlement in connection with the processing of Claim Forms.

24. Lead Counsel will apply to the District Court for a Class Distribution Order, *inter alia*: (a) approving the Claims Administrator's administrative determinations concerning the acceptance and rejection of the Claims submitted; and (b) if the Effective Date has occurred, directing payment of the Net Settlement Fund to the Authorized Claimants from the Escrow Account. Payment and/or distribution of any of the Settlement Amount to Settlement Class Members shall be made only after the Effective Date.

25. Payment pursuant to the Class Distribution Order shall be final and conclusive against all Settlement Class Members. All Settlement Class Members whose Claims are not approved by the District Court shall be barred from participating in distributions from the Net

Settlement Fund, but otherwise shall be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment to be entered in the Action and the releases provided for therein and herein and will be permanently barred and enjoined from bringing any Settled Claim against any and all Released Parties.

26. All proceedings with respect to the administration, processing and determination of Claims and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of Claims, shall be subject to the jurisdiction of the District Court.

REQUESTS FOR EXCLUSION

27. Persons who otherwise would be members of the Settlement Class but desire to be excluded from this Settlement shall be required to provide a written statement that the person or entity wishes to be excluded from the Settlement Class for receipt by the Claims Administrator on or before thirty (30) calendar days prior to the Settlement Hearing. Members of the Settlement Class requesting exclusion shall be requested to provide the following information to the Claims Administrator subject to the requirements of the Notice Order as specified below: (i) name, (ii) address, (iii) telephone number, (iv) number of shares of Weatherford common stock purchased or otherwise acquired during the Settlement Class Period, and if any of such shares were sold, how many shares were sold, (v) prices or other consideration paid or received for such shares, and (vi) the date of each purchase, acquisition or sale transaction. Unless otherwise ordered by the District Court, any person or entity who purchased or acquired Weatherford

common stock during the Settlement Class Period who does not submit a timely request for exclusion as provided by this section shall be bound by this Stipulation and Settlement.

28. The Claims Administrator shall scan and send electronically copies of all requests for exclusion to Lead Counsel expeditiously after the Claims Administrator receives such a request. Upon receiving any request(s) for exclusion pursuant to ¶27, Lead Counsel shall within two (2) business days notify counsel for the Defendants of such request(s) for exclusion and provide copies of such request(s) for exclusion and any documentation accompanying them by facsimile or electronic mail. As part of the reply papers in support of the Settlement, Lead Counsel will cause to be provided to the Court an updated Judgment which includes a list of all persons and entities who have requested exclusion from the Settlement Class.

SUPPLEMENTAL AGREEMENT

29. Simultaneously herewith, Lead Counsel and Defendants' Counsel are executing a "Supplemental Agreement." Unless otherwise directed by the Court, the Supplemental Agreement will not be filed with the Court. The Settling Parties may, in accordance with the terms set forth in the Supplemental Agreement, terminate the Settlement and this Stipulation under certain conditions set forth in the Supplemental Agreement if Lead Counsel and/or Defendants' Counsel are unable to cure these conditions in accordance with the terms of the Supplemental Agreement. Such election must be done in writing to the other Settling Parties. If required by the Court, the Supplemental Agreement and/or any of its terms may be disclosed to the Court for purposes of approval of the Settlement, but such disclosure shall be carried out to

the fullest extent possible in accordance with the practices of the Court so as to preserve the confidentiality of the Supplemental Agreement, particularly the Opt-Out Threshold. In the event of a termination of this Settlement pursuant to the Supplemental Agreement, this Stipulation and Settlement shall become null and void and of no further force and effect, with the exception of the provisions of ¶32, which shall continue to apply.

TERMS OF THE JUDGMENT

30. Lead Counsel and Defendants' Counsel shall request that the District Court enter a Judgment, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, substantially in the form annexed hereto as Exhibit B.

WAIVER OR TERMINATION

31. Defendants and Plaintiffs shall have the right to terminate the Settlement and this Stipulation by providing written notice of their election to do so to all other parties to this Stipulation within thirty (30) days of: (a) the District Court's declining to enter the Notice Order in any material respect without leave to amend and resubmit; (b) the District Court's refusal to approve this Stipulation and Settlement or any material part of it without leave to amend and resubmit; (c) the District Court's declining to enter the Judgment in any material respect without leave to amend and resubmit; (d) the passage of the time permitted by which the Settling Parties must exercise their option to terminate the Settlement pursuant to the provisions of this Stipulation (including the Supplemental Agreement described in ¶29 above) or (e) the date upon which the Judgment is modified or reversed in any material respect by the Court of Appeals or

the Supreme Court. In addition, Plaintiffs shall also have the right to terminate the Settlement in the event that Defendants do not cause to be paid the Settlement Amount as provided in ¶6 above. Any decision with respect to an application for attorneys' fees or Litigation Expenses, or with respect to any plan of allocation, shall not be considered material to this Stipulation and shall not be grounds for termination.

32. Except as otherwise provided herein, in the event the Settlement is terminated or fails to become effective for any reason, the Settlement termination shall be without prejudice, and none of the terms shall be effective or enforceable and the facts of the Settlement shall not be admissible for any purpose, and the parties to this Stipulation shall be deemed to have reverted *nunc pro tunc* to their respective status in the Action as of January 12, 2014, and, except as otherwise expressly provided, the parties shall proceed in all respects as if this Stipulation and any related orders had not been entered, and the Settlement consideration previously paid by or on behalf of Defendants, including any funds disbursed in payment of Litigation Expenses and attorneys' fees, together with any interest earned or appreciation thereon, less any Taxes paid or due with respect to such income, and less Notice and Administration Costs actually and reasonably incurred and paid or payable consistent with the provisions of ¶13 above, shall be returned to Defendants within ten (10) business days after immediate written notification of such event by Defendants and Lead Counsel to the Escrow Agent.

NO ADMISSION OF WRONGDOING

33. This Stipulation, whether or not consummated, and any proceedings taken pursuant to it:

a. shall not be offered or received against any of the Released Parties as evidence of, or construed as or deemed to be evidence of, any presumption, concession or admission by any of the Released Parties with respect to the truth of any fact alleged by Plaintiffs or the validity of any claim that was or could have been asserted against any of the Released Parties in this Action or in any litigation, or of any liability, negligence, fault or wrongdoing of any of the Released Parties;

b. shall not be offered or received against any of the Released Parties as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by any of the Released Parties, or against any of the Plaintiffs or any other Settlement Class Members as evidence of any infirmity in the claims of the Plaintiffs or the other Settlement Class Members;

c. shall not be offered or received against any of the Released Parties or against any of the Plaintiffs or any other Settlement Class Members as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing, or in any way referred to for any other reason as against any of the Released Parties, or against any of the Plaintiffs or any other Settlement Class Members, in any other civil, criminal or administrative action, arbitration or proceeding, other than such proceedings as may

be necessary to effectuate the provisions of this Stipulation; provided, however, that if this Stipulation is approved by the District Court, Defendants, Plaintiffs and any other Settlement Class Member may file or refer to this Stipulation to effectuate the protection from liability granted them hereunder and/or by the Judgment in any action for any purpose, including, but not limited to, in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release and discharge, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim, or otherwise to enforce the terms of the Settlement;

d. shall not be construed against any Released Parties, Plaintiffs or any other Settlement Class Member as an admission, concession or presumption that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial;

e. shall not be construed as or received in evidence as an admission, concession or presumption against Plaintiffs or any other Settlement Class Member that any of their claims are without merit or that damages recoverable under the Complaints would not have exceeded the Settlement Amount; and

f. shall not be construed as or received in evidence as an admission, concession or presumption against Defendants that any of their defenses are without merit or that any damages would have been recoverable under the Complaints.

MISCELLANEOUS PROVISIONS

34. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein.

35. Within ten (10) days of the submission of the Stipulation to the Court, Defendants shall serve CAFA Notice on the State and Federal officials as required by 28 U.S.C. Section 1715(b). Defendants shall bear the costs associated with serving the CAFA Notice, and these costs shall not be paid from the Settlement Fund. Pursuant to 28 U.S.C. Section 1715(d), the Settlement Hearing shall not be held earlier than ninety (90) days after the CAFA Notice is served.

36. In the event of the entry of a Final order of a court of competent jurisdiction determining the transfer of money to the Settlement Fund or any portion thereof by or on behalf of any of the Released Parties to be a preference, voidable transfer, fraudulent transfer or similar transaction and any portion thereof is required to be returned, and such amount is not promptly deposited to the Settlement Fund by others, then, at the election of Plaintiffs, the parties shall jointly move the District Court to vacate and set aside the releases given and the Judgment entered in favor of Defendants and the other Released Parties pursuant to this Stipulation, which releases and Judgment shall be null and void, and the parties shall be restored to their respective positions in the litigation immediately prior to January 12, 2014, and any cash amounts in the Settlement Fund, as well as any attorneys' fees or Litigation Expenses paid to Plaintiffs' Counsel, shall be returned as provided in ¶32 above, provided, however, that the provisions in this

paragraph requiring return of funds shall expire and terminate upon the initial distribution from the Net Settlement Fund to Settlement Class Members pursuant to a Class Distribution Order.

37. The parties to this Stipulation intend the Settlement to be a final and complete resolution of all disputes asserted or which could be asserted by Plaintiffs or any other Settlement Class Members against the Released Parties with respect to all Settled Claims. Accordingly, Plaintiffs and Defendants agree not to assert in any forum that this Action was brought by Plaintiffs, or any other plaintiff in the actions consolidated in the Action, or defended by Defendants in bad faith or without a reasonable basis. The parties hereto shall assert no claims of any violation of Rule 11 of the Federal Rules of Civil Procedure relating to the prosecution, defense or settlement of this Action. The parties to this Stipulation agree that the amount paid and the other terms of the Settlement were negotiated at arm's-length in good faith by the Settling Parties, and reflect a settlement that was reached voluntarily after consultation with experienced legal counsel.

38. While retaining the right to deny or declare that the claims asserted in this Action were meritorious, Plaintiffs and Defendants, in any statement made to any media representative (whether or not for attribution) or in any other context, shall not deny that the Action was commenced, defended, and prosecuted in good faith and is being settled voluntarily after consultation with competent legal counsel; shall refrain from any accusations of wrongful or actionable conduct by either party concerning the prosecution, defense, and resolution of this

Action; and shall not otherwise suggest that the Settlement constitutes an admission of any wrongdoing, claim, or defense alleged.

39. This Stipulation may not be modified or amended, nor may any of its provisions be waived, except in writing signed by all signatories hereto or their successors-in-interest.

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

41. The administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of the District Court, and the District Court shall retain jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and Litigation Expenses to Lead Counsel and enforcing the terms of this Stipulation.

42. The waiver by one party of any breach of this Stipulation by any other party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

43. This Stipulation and its exhibits and the Supplemental Agreement constitute the entire agreement among the parties hereto concerning this Settlement, and no representations, warranties or inducements have been made by any party hereto concerning this Stipulation, its exhibits and the Supplemental Agreement other than those contained and memorialized in such documents.

44. This Stipulation may be executed in one or more original, e-mail and/or faxed counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument.

45. This Stipulation shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

46. The construction, interpretation, operation, effect and validity of this Stipulation, and all documents necessary to effectuate it, shall be governed by the internal laws of the State of New York without regard to conflicts of laws, except to the extent that federal law requires that federal law govern.

47. This Stipulation shall not be construed more strictly against one party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the parties, it being recognized that it is the result of arm's-length negotiations between the parties, and all parties have contributed substantially and materially to the preparation of this Stipulation.

48. All counsel and any other persons executing this Stipulation and any of the exhibits hereto, or any related Settlement documents, warrant and represent that they have full authority to do so and that they have the authority to take appropriate action required or permitted to be taken pursuant to this Stipulation to effectuate its terms.

49. Lead Counsel and Defendants' Counsel agree to cooperate fully with one another in seeking District Court approval of the Notice Order, this Stipulation and the Settlement, and final approval by the District Court of the Settlement.

50. If any party is required to give notice to the other parties under this Stipulation, such notice shall be in writing and shall be deemed to have been duly given upon receipt of hand

delivery, e-mail, or facsimile transmission with confirmation of receipt. Notice shall be provided to counsel as indicated on the signature block below.

IN WITNESS WHEREOF, the parties hereto have caused the Stipulation to be executed, by their duly authorized attorneys dated as of January 28, 2014.

[signatures begin on the next page]

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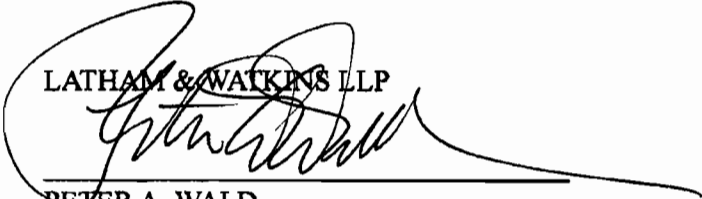
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