

IN THE DISTRICT COURT OF JOHNSON COUNTY, KANSAS

MONICA ROSS-WILLIAMS, derivatively,)
on behalf of SPRINT NEXTEL)
CORPORATION,)
)
Plaintiff,)

vs.)

Civil Action No. 11-cv-00890

ROBERT R. BENNETT, GORDON M.)
BETHUNE, LARRY C. GLASSCOCK,)
JAMES H. HANCE, JR., DANIEL R. HESSE,)
V. JANET HILL, IRVINE O. HOCKADAY, JR.,)
FRANK IANNA, SVEN-CHRISTER NILSSON,)
WILLIAM R. NUTI, RODNEY O'NEAL, GARY)
D. FORSEE, PAUL N. SALEH and WILLIAM)
G. ARENDT,)

**STIPULATION OF
SETTLEMENT**

Defendants,)

and)

SPRINT NEXTEL CORPORATION, a Kansas)
Corporation,)
Nominal Defendant.)

STIPULATION AND AGREEMENT OF SETTLEMENT

This Stipulation and Agreement of Settlement (the “Stipulation”), dated February 22, 2016, is made and entered into by and among the following Parties (as defined herein), each by and through their respective counsel of record: (i) Monica Ross-Williams (“Ross-Williams”), the plaintiff in the above captioned stockholder derivative action (the “*Ross-Williams* Action”); (ii) Kent D. Murphy (“Murphy”), the plaintiff in a related stockholder derivative action pending in the U.S. District Court for the District of Kansas (the “Federal Court”) captioned *Murphy v. Forsee, et al.*, No. 2:09-cv-02242-EFM/KMH (D. Kan.) (the “*Murphy* Action”); (iii) Cheryl Randolph (“Randolph”), the plaintiff in a related stockholder derivative action pending in the District Court of Johnson County, Kansas (the “State Court”) captioned *Randolph v. Forsee, et*

al., No. 10CV06261 (Johnson Cnty. Dist. Ct., Kan.) (the “*Randolph* Action”); and (iv) Connie Price (“Price” and with Murphy, Ross-Williams, and Randolph, collectively, “Plaintiffs”), the plaintiff in a related stockholder derivative action pending in the State Court captioned *Price v. Forsee, et al.*, No. 11CV03257 (Johnson Cnty. Dist. Ct., Kan.) (the “*Price* Action”), on behalf of themselves and derivatively on behalf of Sprint Nextel Corporation (“Sprint” or the “Company” or the “Nominal Defendant”); (v) Nominal Defendant Sprint; and (vi) individual defendants Robert R. Bennett, James H. Hance, Jr., Irvine O. Hockaday, Jr., Gordon M. Bethune, Larry C. Glasscock, V. Janet Hill, Rodney O’Neal, Keith J. Bane, Linda K. Lorimer, William E. Kennard, William H. Swanson, Frank M. Drendel, Gary D. Forsee, Paul N. Saleh, Barry J. West, Mark E. Angelino, Timothy E. Kelly, and William G. Arendt, each of whom is a current or former member of the Board of Directors (the “Board”) of Sprint and/or a current or former senior officer of Sprint (collectively, the “Individual Defendants” and together with Sprint, the “Defendants”).

This Stipulation is intended by the Parties to fully, finally, and forever compromise, resolve, discharge, and settle the Plaintiffs’ Released Claims (as defined herein), upon the terms and subject to the conditions set forth herein.

I. INTRODUCTION

A. Factual Background of the Actions

As alleged in the Actions (defined below), in December 2004, Sprint announced that it would acquire Nextel Communications (“Nextel”) in what was touted as a “merger of equals.” On August 12, 2005, Sprint completed the purchase of Nextel for \$37.8 billion (the “Merger”).

In connection with the Merger, Sprint booked \$15.6 billion – the amount that the purchase price exceeded the fair value of Nextel’s assets – as goodwill. This purchase price

reflected anticipated synergies from integrating Sprint's Code Division Multiple Access ("CDMA") technology with Nextel's proprietary network, called iDEN. However, according to the allegations raised in the Actions, integration efforts following the Merger were plagued by serious problems. The poor quality of Nextel's subscriber base lowered Sprint's average revenue per user ("ARPU") and increased the percentage of subscribers who discontinued a particular service each month, referred to as the "churn" rate. Sprint also suffered numerous technical, financial, and operational issues. Critically, Sprint was unable to successfully integrate the CDMA and iDEN technologies.

As alleged in the Actions, to conceal the significant post-Merger problems, the Individual Defendants publicly touted tightened credit standards, decreased reliance on subprime subscribers, improved wireless subscriber metrics, the successful integration of Sprint and Nextel, and the value of Sprint's goodwill assets associated with Nextel. Yet, the Actions allege that at the end of 2006 the Individual Defendants had actually reversed credit controls previously implemented and loosened credit standards in order to boost subscriber numbers, which resulted in increased churn and inflated ARPU through the addition of costly subprime customers on both the iDEN and CDMA networks. In addition, the Actions allege that the Individual Defendants concealed the fact that incompatibility issues prevented any progress in consolidating the CDMA and iDEN networks.

In addition, Plaintiffs have alleged that in order to conceal these serious operational deficiencies, the Board approved massive stock buybacks. This resulted in Sprint expending over \$3.5 billion of Company money to repurchase its own stock.

Ultimately, as alleged in the Actions, on February 28, 2008, the Company disclosed that it was going to record a non-cash goodwill impairment charge of \$29.7 billion in the fourth

quarter of fiscal year 2007, and that the impairment would result in a net loss for the quarter of \$29.5 billion. The next day, Sprint filed its Annual Report on Form 10-K for fiscal year 2007, which revealed that Sprint lost 683,000 post-paid subscribers in the fourth quarter, that the Company had increased credit extended in early 2007 and 2006, that earlier in the year the Company had adjusted its credit policy in certain markets in an effort to attract new subscribers, and that in late 2007 the Company adjusted its credit policies and returned to policy standards similar to those in mid-2006. On that date, in light of this news, Sprint's stock fell by approximately 10%.

B. Procedural Background of the Actions

The *Murphy* Action was initiated on April 3, 2009 in the State Court alleging that pre-suit demand on the Board was excused and asserting claims against the Individual Defendants for breaches of fiduciary duty, abuse of control, waste of corporate assets, and gross mismanagement. Defendants removed the *Murphy* Action to the Federal Court on May 7, 2009.¹

On March 10, 2010, plaintiff Ross-Williams issued a pre-suit demand on the Board pursuant to Kan. R. Civ. P. 60-223A (the "Demand"). On November 15, 2010, counsel for Ross-Williams received a letter from the Company's counsel, formally refusing the Demand. Plaintiff Ross-Williams filed the above-captioned *Ross-Williams* Action on Sprint's behalf on February 25, 2011 in the State Court, alleging that the Demand had been wrongfully refused by the Board, and asserting claims against the Individual Defendants for breach of fiduciary duty, failure to properly oversee and manage the Company, unjust enrichment, abuse of control, and waste of corporate assets.

¹ Plaintiff Murphy was substituted as plaintiff to the *Murphy* Action in place of Arthur I. Murphy, Jr., IRA by order of the Federal Court dated April 20, 2012.

On July 14, 2010, plaintiff Randolph filed the *Randolph* Action in the State Court, alleging that pre-suit demand on the Board was excused and asserting claims against the Individual Defendants for breaches of fiduciary duty, waste of corporate assets and unjust enrichment. Defendants subsequently removed the *Randolph* case to the Federal Court. On December 13, 2010, after substantial briefing relating to the issue of federal jurisdiction, the Honorable Julie A. Robinson granted plaintiff Randolph's motion for remand, and remanded the *Randolph* Action to the State Court.

Plaintiff Price filed the *Price* Action on April 15, 2011 in the State Court, alleging that pre-suit demand on the Board was excused and asserting a claim for declaratory relief.

In all four Actions filed by Plaintiffs between April 2009 and April 2011, Plaintiffs negotiated case management orders generally providing for: (a) an extension of the obligation of any defendant to respond to the complaint through the completion of discovery in the factually related securities class action, captioned *Bennett v. Sprint Nextel Corporation, et al.*, Case No. 09-CV-2122-EFM-GEB (D. Kan.) (the "Securities Class Action"); and (b) access to all discovery taken in the Securities Class Action, including documents and deposition transcripts. Pursuant to these orders, Plaintiffs' Counsel received approximately 460,000 documents spanning approximately 2.5 million pages.

Plaintiffs' Counsel coordinated efforts to strategically review the documents produced by Defendants. The document review by Plaintiffs' Counsel was conducted almost entirely on a single document review management platform, ensuring that the same document was not unnecessarily reviewed and coded twice. Potentially hot documents identified by key word searches or advanced software analytics were assigned in batches to attorneys to review and code. Attorneys reviewing and coding documents were also repeatedly encouraged to make use

of “mass” coding features, which enabled reviewing attorneys to efficiently code near duplicate or related documents in bulk. Counsel overseeing the document review also made use of features in the document review management platform to monitor the progress and efficiency of the attorneys reviewing and coding the documents. Deposition transcripts from the Securities Class Action were also reviewed and summarized. In all, Plaintiffs’ Counsel efficiently reviewed and coded over 103,600 documents, or 22.5% of the discovery production.

On or around June 25, 2013, Sprint shareholders voted to approve a merger transaction by which SoftBank Group Corp. (“SoftBank”) acquired over 70% of Sprint’s stock, while Sprint shareholders who did not sell their holdings for cash, in exchange for their Sprint stock, were given stock in a new company, Sprint Corporation.

Also in June 2013, Plaintiffs’ Counsel began a coordinated effort to prepare a lengthy amended complaint to be potentially filed in their Actions. The amended complaint, which has not yet been filed, reflects and cites extensive material uncovered and analyzed by counsel in connection with Plaintiffs’ review of discovery produced by Defendants.

On July 10, 2013, Sprint and SoftBank announced completion of the merger, and as a result, SoftBank became the owner of over 70% of Sprint.

C. Settlement Negotiations

Plaintiffs’ Counsel used the discovery from the Securities Class Action that had been reviewed as of December 2012 to prepare a lengthy, detailed, formal settlement demand (the “Settlement Demand”), which was set forth in a letter to counsel for Defendants dated December 11, 2012. In the Settlement Demand, Plaintiffs’ Counsel identified findings from the document review, including numerous apparent deficiencies in the Company’s internal controls and corporate governance policies relating to the claims asserted in the Actions. The Settlement

Demand proposed a broad set of corporate governance and internal control reforms to address the apparent deficiencies.

The Parties subsequently participated in an in-person mediation on July 8, 2014 (the “First Mediation”), before the Honorable Layn R. Phillips, U.S. District Judge (Retired) (the “Mediator” or “Judge Phillips”) in New York City. In connection with the First Mediation and negotiations that followed shortly thereafter, the Parties made significant progress in establishing the general framework for a potential settlement of the Actions.

In October 2014, Plaintiffs’ Counsel retained Dr. James Tompkins (“Dr. Tompkins”) of Board Evaluation Services, Inc. to assist with the evaluation of Sprint’s corporate governance and the preparation of detailed corporate governance reforms.

On December 12, 2014, Plaintiffs’ Counsel provided the Mediator with an extensive, detailed corporate governance term sheet that Plaintiffs’ Counsel prepared with the assistance of Dr. Tompkins.

As settlement negotiations continued, a second in-person mediation (the “Second Mediation”) was conducted with Judge Phillips on March 9, 2015 in New York City. In connection with the Second Mediation, Plaintiffs’ Counsel provided the Mediator with substantial briefing concerning the the findings from the coordinated document review and Defendants’ directors’ and officers’ (“D&O”) insurance coverage, which Plaintiffs’ Counsel analyzed with the assistance of an insurance expert. While the Actions were not resolved at the Second Mediation, significant strides were made regarding the details of the corporate governance reforms demanded by Plaintiffs, and settlement discussions continued thereafter with the substantial assistance of the Mediator.

A third in-person mediation (the “Third Mediation,” and together with the First Mediation and the Second Mediation, the “Mediations”) was held with Judge Phillips in New York City on December 11, 2015. With the substantial assistance of Judge Phillips, the Parties reached an agreement in principle to settle the Actions at the Third Mediation. After the Parties agreed on corporate governance reforms to be adopted and implemented at Sprint, the Mediator issued a “Mediator’s Proposal” regarding counsel fees for Plaintiffs’ Counsel, which all Parties accepted. The Parties thereafter executed a term sheet dated December 11, 2015. The Parties subsequently negotiated and executed the Stipulation.

II. PLAINTIFFS’ COUNSEL’S INVESTIGATION AND RESEARCH, PLAINTIFFS’ CLAIMS, AND THE BENEFITS OF SETTLEMENT

Plaintiffs’ Counsel (as defined herein) conducted an extensive investigation relating to the claims and the underlying events alleged in the Actions, including, but not limited to: (1) inspecting, analyzing, and reviewing Sprint’s public filings with the U.S. Securities and Exchange Commission (“SEC”), press releases, announcements, transcripts of investor conference calls, and news articles; (2) counsel for Ross-Williams drafting the pre-suit Demand; (3) drafting and filing the respective complaints in the Actions; (4) researching the applicable law with respect to the claims asserted in the Actions and the potential defenses thereto; (5) researching and analyzing corporate governance issues and working with a corporate governance expert in connection with preparing and negotiating corporate governance reforms; (6) preparing and submitting multiple detailed mediation statements in connection with the Mediations, including a mediation statement analyzing Defendants’ D&O insurance coverage prepared with the assistance of an insurance expert; (7) preparing and submitting detailed settlement demands; (8) participating in the three rounds of Mediations; (9) strategically searching, reviewing and/or

analyzing approximately 2.5 million pages of non-public documents produced by Defendants; and (10) participating in extensive settlement discussions with counsel for the Defendants.

Plaintiffs' Counsel believe that the claims asserted in the Actions have merit and that their investigation supports the claims asserted. Without conceding the merit of any of Defendants' defenses or the lack of merit of any of their own allegations, and solely in order to avoid the potentially protracted time, expense, and uncertainty associated with continued litigation, including any potential trial(s) and appeal(s), Plaintiffs have concluded that it is desirable that the Actions be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation. Plaintiffs and Plaintiffs' Counsel recognize the significant risk, expense, and length of continued proceedings necessary to prosecute the Actions against the Individual Defendants through trial(s) and through possible appeal(s). Plaintiffs' Counsel also have taken into account the uncertain outcome and the risk of any litigation, especially complex litigation such as the Actions, as well as the difficulties and delays inherent in such litigation. Based on their evaluation, Plaintiffs and Plaintiffs' Counsel have determined that the Settlement is in the best interests of Sprint and its stockholders, and have agreed to settle the Actions upon the terms and subject to the conditions set forth herein.

III. DEFENDANTS' DENIAL OF WRONGDOING AND LIABILITY

The Individual Defendants have denied and continue to deny that they have committed or attempted to commit any violations of law, any breach of fiduciary duty owed to Sprint, or any wrongdoing whatsoever. Without admitting the validity of any of the claims Plaintiffs have asserted in the Actions, or any liability with respect thereto, Defendants have concluded that it is desirable that the claims be settled on the terms and subject to the conditions set forth herein. Defendants are entering into this Settlement because it will eliminate the uncertainty, distraction,

disruption, burden, risk, and expense of further litigation. Further, Defendants acknowledge that the Settlement is fair, reasonable, adequate, and in the best interests of Sprint and its stockholders.

Neither this Stipulation, nor any of its terms or provisions, nor entry of the Judgment, nor any document or exhibit referred or attached to this Stipulation, nor any action taken to carry out this Stipulation, is or may be construed or used as evidence of the validity of any of Plaintiffs' Released Claims (defined herein), or as an admission by or against Defendants of any fault, wrongdoing, or concession of liability whatsoever by any Person in the Actions, or any other actions or proceedings, whether civil, criminal, or administrative.

IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT

Plaintiffs (on behalf of themselves and derivatively on behalf of Sprint), the Individual Defendants, and Nominal Defendant Sprint, by and through their respective counsel or attorneys of record, hereby stipulate and agree that, subject to the approval of the Court, Plaintiffs' Released Claims and Defendants' Released Claims shall be finally and fully compromised, settled, and released, and the Actions shall be dismissed with prejudice, as to all Parties, upon the terms and subject to the conditions set forth herein as follows:

1. Definitions

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

1.1 "Actions" means the following related shareholder derivative actions: *Murphy v. Forsee, et al.*, No. 2:09-cv-02242-EFM/KMH (D. Kan.); *Randolph v. Forsee, et al.*, No. 10CV06261 (Johnson Cnty. Dist. Ct., Kan.); *Ross-Williams v. Bennett, et al.*, No. 11CV01688 (Johnson Cnty. Dist. Ct., Kan.); and *Price v. Forsee, et al.*, No. 11CV03257 (Johnson Cnty. Dist. Ct., Kan.).

1.2 “Board” means the Sprint Board of Directors.

1.3 “Court” means the District Court of Johnson County, Kansas.

1.4 “Defendants” means, collectively, the Individual Defendants and Nominal Defendant Sprint.

1.5 “Defendants’ Counsel” means (i) Bryan Cave, LLP, 1200 Main Street, Suite 3500, Kansas City, MO, 64105; (ii) Erise IP, P.A., 6201 College Boulevard, Suite 300, Overland Park, KS 66211; and (iii) Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, NY 10036.

1.6 “Defendants’ Released Claims” means collectively all actions, suits, claims, demands, rights, liabilities, and causes of action of every nature and description whatsoever, including both known claims and Unknown Claims, that might have been asserted in any forum by Defendants against any of the Plaintiff Released Persons, which arise out of, are based on, or relate in any way, directly or indirectly, to the institution, prosecution, or settlement of the Actions (except for claims to enforce the Settlement).

1.7 “Defendant Released Persons” means each of the Defendants and their past or present agents, officers, directors, attorneys, accountants, auditors, advisors, consultants, spouses, family members, heirs, executors, representatives, employees, estates, administrators, trusts, predecessors, successors, general or limited partners or partnership, limited liability companies, members, joint ventures, and assigns or other individual or entity in which any Defendant has a controlling interest, and each and all of their respective past and present officers, directors, employees, agents, affiliates, parents, subsidiaries, divisions, attorneys, accountants, auditors, advisors, heirs, executors, personal representatives, estates, administrators, trusts, predecessors, successors, and assigns.

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

1.9 “Execution Date” means the date this Stipulation has been signed by all the signatories through their respective counsel.

1.10 “Final” means the expiration of all time to seek appeal or other review of the Final Order and Judgment, or if any appeal or other review of the Final Order and Judgment is upheld on appeal in all material respects and is no longer subject to appeal, reargument, or review by writ of certiorari or otherwise.

1.11 “Final Order and Judgment” means the order and judgment to be rendered by the Court, substantially in the form attached hereto as Exhibit E.

1.12 “Individual Defendants” means, collectively, Defendants Robert R. Bennett, James H. Hance, Jr., Irvine O. Hockaday, Jr., Gordon M. Bethune, Larry C. Glasscock, V. Janet Hill, Rodney O’Neal, Keith J. Bane, Linda K. Lorimer, William E. Kennard, William H. Swanson, Frank M. Drendel, Gary D. Forsee, Paul N. Saleh, Barry J. West, Mark E. Angelino, Timothy E. Kelly, and William G. Arendt.

1.13 “Notice” means the Notice of Pendency and Proposed Settlement of Stockholder Actions, substantially in the form of Exhibit C attached hereto.

1.14 “Parties” means, collectively, each of the Plaintiffs (on behalf of themselves and derivatively on behalf of Sprint), each of the Individual Defendants, and Nominal Defendant Sprint.

1.15 “Person” or “Persons” means an individual, corporation, limited liability corporation, professional corporation, partnership, limited partnership, limited liability partnership, association, joint stock company, estate, legal representative, trust, unincorporated

association, government or any political subdivision or agency thereof, and any business or legal entity, and their spouses, heirs, predecessors, successors, representatives, or assignees.

1.16 “Plaintiffs” means, collectively, Monica Ross-Williams, Kent D. Murphy, Cheryl Randolph, and Connie Price.

1.17 “Plaintiffs’ Counsel” means: (i) Dollar, Burns, & Becker, L.C., 1100 Main St., Suite 2600, Kansas City, MO 64105; (ii) The Weiser Law Firm, P.C., 22 Cassatt Avenue, Berwyn, Pennsylvania 19312 (the “Weiser Firm”); (iii) Wright Schimmel, LLC, 6900 College Blvd., Overland Park, KS 66211; (iv) Robbins Arroyo LLP, 600 B Street, Suite 1900, San Diego, CA 92101; (v) The Hershewe Law Firm, P.C., 1100 Main St., Kansas City, MO 64105; (vi) Law Office of Alfred G. Yates, Jr., P.C., 519 Allegheny Building, 429 Forbes Avenue, Pittsburgh, PA 15219; (vii) Morris, Laing, Evans, Brock, & Kennedy, CHTD., 800 SW Jackson St., Suite 1310 Topeka, KS 66612-1216; and (viii) Schubert Jonckheer & Kolbe LLP, Three Embarcadero Center, Suite 1650, San Francisco, CA 94111.

1.18 “Plaintiffs’ Released Claims” means any and all past and present suits, claims, debts, demands, rights, liabilities, damages, losses, equities, duties, expenses, matters and issues, and causes of action of every nature, including accrued and unaccrued, contingent and absolute, known and Unknown Claims, that have been or could have been, asserted by Plaintiffs as stockholders, any other Sprint stockholder, or any other Person acting or purporting to act on behalf of Sprint, that arose out of or relate in any way to the allegations, transactions, facts, matters or occurrences, representations or omissions set forth in the Actions regardless of the legal or equitable theory such claims are based upon, including claims based upon state, federal, or foreign law (except for claims to enforce the Settlement and any claims by the Defendants or any other insured to enforce their rights under any contract or policy of insurance.) For avoidance

of any doubt, Plaintiffs' Released Claims do not include shareholder derivative claims that have been or could be asserted by Sprint stockholders based on allegations by the New York Attorney General that Sprint failed to assess and collect sales taxes on receipts from its sale of wireless telephone services in New York in violation of New York law, including the derivative claims previously asserted by plaintiff Ross-Williams in the shareholder derivative action captioned *Ross-Williams v. Bennett, et al.*, Case No. 13CV4900 (Johnson Cnty. Dist. Ct., Kan.) and by plaintiff Randolph in the derivative action captioned *Randolph v. Hesse*, Case No. 12-cv-04447 (Johnson Cnty. Dist. Ct. Kan.).

1.19 "Plaintiff Released Persons" means Plaintiffs, Plaintiffs' Counsel and each of Plaintiffs' immediate family members, spouses, heirs, executors, administrators, successors, trustees, advisors, estates, assigns, and agents.

1.20 "Preliminary Approval Order" means the Order to be entered by the Court, substantially in the form of Exhibit B attached hereto, including, *inter alia*, preliminarily approving the terms and conditions of the Settlement as set forth in this Stipulation, directing that Notice be provided to Sprint stockholders, and scheduling a Settlement Hearing (defined below) to consider whether the Settlement and the Fee Award should be finally approved.

1.21 "Released Claims" means Plaintiffs' Released Claims and Defendants' Released Claims.

1.22 "Released Parties" means Defendant Released Persons and Plaintiff Released Persons.

1.23 "Settlement" means the settlement documented in this Stipulation.

1.24 “Settlement Hearing” means a hearing by the Court to review this Stipulation and determine: (i) whether to enter the Final Order and Judgment; and (ii) all other matters properly before the Court.

1.25 “Summary Notice” means the summarized Notice substantially in the form of Exhibit D attached hereto.

1.26 “Unknown Claims” means any of Released Claims that any Party does not know or suspect exists in his, her, or its favor at the time of the release of the Released Claims, including, without limitation, those claims which, if known, might have affected the decision to enter into, or not object to, the Settlement. The Parties expressly waive, relinquish, and release any and all provisions, rights, and benefits conferred by or under California Civil Code Section 1542 (“§ 1542”) or any other law of the United States or any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to § 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.

The Parties acknowledge that they may hereafter discover facts in addition to or different from those now known or believed to be true by them, with respect to the subject matter of the Released Claims, but it is the intention of the Parties to completely, fully, finally, and forever compromise, settle, release, discharge, and extinguish any and all Plaintiffs’ Released Claims and Defendants’ Released Claims known or unknown, suspected or unsuspected, contingent or absolute, accrued or unaccrued, apparent or unapparent, which do now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or

different facts. The Parties acknowledge that the foregoing waiver was separately bargained for and is a key element of this Stipulation of which this release is a part, and was relied upon by each and all of the Parties in entering into the Settlement.

2. Settlement Consideration

2.1 Within thirty (30) calendar days of the entry by the Court of the Final Order and Judgment approving the Settlement, Sprint, through its Board, shall adopt and implement the corporate governance measures (the “Reforms”) attached as Exhibit A to this Stipulation.

2.2 The Reforms provided herein will be reviewed and assessed periodically by the Board, and, unless otherwise provided herein or necessary to remain compliant with applicable rules and regulations, shall remain in effect as follows: Reforms already implemented or in effect at Sprint shall be maintained for three years following the Execution Date of this Stipulation; Reforms not yet implemented shall be maintained for three years following their implementation. After two years from the date of agreement, the Board may modify or terminate all or parts of the Reforms upon providing notice on the Investor Relations page of Sprint.com.

2.3 Sprint acknowledges that the Actions were a substantial factor for the Reforms enacted or to be enacted since the filing of the Actions. Defendants agree that the Reforms confer a material benefit on Sprint and its stockholders.

2.4 Nothing herein shall supersede, void, terminate or alter Section 3.3 of Sprint's Amended and Restated Bylaws.

3. Procedures for Implementing the Settlement

3.1 Within five (5) business days after the Execution Date of this Stipulation, the Plaintiffs shall submit the Stipulation together with its exhibits to the Court and shall apply for entry of the Preliminary Approval Order, substantially in the form of Exhibit B attached hereto,

requesting, *inter alia*: (i) preliminary approval of the Settlement set forth in this Stipulation; (ii) approval of the method of providing Notice; (iii) approval of the form of Notice and Summary Notice attached hereto as Exhibits C and D, respectively; and (iv) a date for the Settlement Hearing.

3.2 Within ten (10) business days of the Court's entry of the Preliminary Approval Order, Sprint shall: (a) cause a copy of the Notice to be filed with the SEC via a Current Report on Form 8-K; (b) cause a copy of the Summary Notice to be published one time in *Investors' Business Daily*, and (c) post the Notice on the Investor Relations portion of Sprint's website. All costs of such Notice and posting and any other notice ordered by the Court shall be paid by Sprint on behalf of the Individual Defendants. Within ten (10) business days of the Court's entry of the Preliminary Approval Order one or more of Plaintiffs' Counsel shall post the Notice on their respective firm websites and Plaintiffs' Counsel shall issue a press release announcing the entry of the Preliminary Approval Order.

3.3 Pending the Court's determination as to final approval of the Settlement, Plaintiffs agree to stay the Actions and not to initiate any other proceedings other than those incident to the Settlement itself.

3.4 The Parties will request the Court to order (in the Preliminary Approval Order) that, pending the Court's determination as to final approval of the Settlement, Plaintiffs in the Actions and all Sprint stockholders are barred and enjoined from commencing, prosecuting, instigating, or in any way participating in the commencement or prosecution of any action asserting any of the Plaintiffs' Released Claims against any of the Defendant Released Persons.

3.5 Within five (5) business days after the Settlement becomes Final, the parties in the *Randolph* Action, the *Murphy* Action, and the *Price* Action shall (respectively) jointly apply for

dismissal with prejudice of the *Randolph* Action, the *Murphy* Action, and the *Price* Action, and shall use their best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things reasonably necessary, proper or advisable under applicable laws, regulations and agreements to secure such dismissal with prejudice.

4. Releases

4.1 Upon the Effective Date, Sprint, Plaintiffs (acting on their own behalf and derivatively on behalf of Sprint), and each of Sprint stockholders (solely in their capacity as Sprint stockholders) shall be deemed to have, and by operation of the Final Order and Judgment shall have, fully, finally and forever settled, released, relinquished, extinguished, discharged, and dismissed with prejudice as against any of the Defendant Released Persons any and all of Plaintiffs' Released Claims, and shall forever be barred and enjoined from instituting, commencing, or prosecuting any and all of Plaintiffs' Released Claims against any of the Defendant Released Persons.

4.2 Upon the Effective Date, Defendant Released Persons shall be deemed to have, and by operation of the Final Order and Judgment shall have, fully, finally and forever settled, released, relinquished, extinguished, discharged, and dismissed with prejudice as against any of the Plaintiff Released Persons any and all of Defendants' Released Claims, and shall forever be barred and enjoined from instituting, commencing, or prosecuting any and all Defendants' Released Claims against any of the Plaintiff Released Persons.

4.3 Nothing herein shall in any way impair or restrict the rights of any Party to enforce the terms of the Stipulation.

5. Plaintiffs' Counsel's Attorneys' Fees and Expenses

5.1 After negotiation of the principal terms of the settlement, Plaintiffs' Counsel and Sprint separately negotiated at arm's length the amount of attorneys' fees and expenses for Plaintiffs' Counsel, with the substantial assistance and oversight of Judge Phillips. In accordance with the "Mediator's Proposal" made by Judge Phillips and accepted by the Parties, Sprint has agreed to pay or cause to be paid to Plaintiffs' Counsel attorneys' fees and expenses in the total amount of four million two hundred fifty thousand dollars (\$4,250,000) (the "Fee Award"), subject to approval by the Court.

5.2 The amount of the Fee Award approved by the Court shall be paid to the Weiser Firm, as receiving agent for Plaintiffs' Counsel, within ten (10) business days after the Court enters the Final Order and Judgment, subject to the Weiser Firm's sole obligation to refund that amount, or any part thereof, within ten (10) business days if the Settlement or Fee Award is reversed or modified on appeal ("Repayment"). The Weiser Firm has the right to seek contribution from any or all Plaintiffs' Counsel in the event that Repayment occurs, and each of Plaintiffs' Counsel who receives any portion of the Fee Award is subject to the Court's jurisdiction for the purposes of enforcing this paragraph. Any law firm that receives any portion of the Fee Award shall be required to return its share of the Fee Award to the Weiser Firm within five (5) business days in the event of Repayment.

5.3 Payment of the Fee Award in the amount approved by the Court shall constitute final and complete payment for Plaintiffs' Counsel's attorneys' fees and expenses that have been incurred or will be incurred in connection with the filing and prosecution of the Actions and the resolution of the claims alleged therein. Plaintiffs' Counsel shall have the sole authority and obligation for the allocation and distribution of the Fee Award to Plaintiffs' Counsel and any

additional counsel involved with the filing and prosecution of Plaintiffs' Released Claims. Other than as provided herein, Defendants shall have no obligation to pay or reimburse any fees, expenses, costs or damages alleged or incurred by Plaintiffs, by Sprint stockholders, or by their attorneys, experts, or representatives.

5.4 Except as otherwise provided herein, each of the Parties shall bear his, her, or its own fees and costs.

5.5 Any or all of the Plaintiffs may apply for Court-approved incentive awards in the amount of \$5,000 each (the "Incentive Awards") in recognition of Plaintiffs' participation and efforts in the prosecution of the Actions. The Incentive Awards shall be funded from the Fee Award, to the extent it is approved by the Court in whole or in part. The failure of the Court to approve any requested Incentive Award, in whole or in part, shall have no effect on the Settlement set forth in this Stipulation. Neither Sprint nor any of the Individual Defendants shall be liable for any portion of any Incentive Award.

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

6.1 The Settlement shall be conditioned on the occurrence of all of the following events:

(a) the dismissal with prejudice of the *Ross-Williams* Action without the award of any damages, costs, fees or the grant of any further relief, except as provided in Section 5 of this Stipulation;

(b) the dismissal with prejudice of the *Randolph* Action, the *Murphy* Action, and the *Price* Action;

(c) the entry by the Court of the Final Order and Judgment and providing for the dismissal with prejudice of the *Ross-Williams* Action and granting the release of the Released Claims;

(d) the inclusion in the Final Order and Judgment of a provision enjoining Plaintiffs and Sprint stockholders from asserting any of the Plaintiffs' Released Claims; and

(e) the Settlement becoming Final.

6.2 If any of the conditions specified in ¶ 6.1 are not met, then the Stipulation shall be null and void and of no force and effect and the Parties shall be restored to their respective positions in the Actions as of the date immediately prior to the Execution Date, and all negotiations, proceedings, documents prepared and statements made in connection herewith shall be without prejudice to the Parties, shall not be deemed or construed to be an admission of fact by any of the Parties of any act, matter, or proposition, and shall not be used in any manner for any purpose in any subsequent proceeding in the Actions or in any other action or proceeding. In such event, the terms and provisions of the Stipulation, with the exception of this paragraph and ¶ 7.9 herein, shall have no further force and effect with respect to the Parties and shall not be used in the Actions or in any other proceeding for any purpose, and any judgment or orders entered by the Court in accordance with the terms of the Stipulation shall be treated as vacated, *nunc pro tunc*.

6.3 In the event any claims related to the subject matter of the Actions are commenced or prosecuted against any of the Defendant Released Persons in any court prior to the Settlement becoming Final, the Parties agree to cooperate and use their reasonable best efforts to secure the dismissal (or a stay in contemplation of dismissal following final approval of the Settlement) of such claims.

7. Miscellaneous Provisions

7.1 The Parties: (i) acknowledge that it is their intent to consummate this Stipulation; and (ii) agree to cooperate to the extent reasonably necessary to effectuate and implement all

terms and conditions of the Stipulation and to exercise their best efforts to accomplish the foregoing terms and conditions of the Stipulation.

7.2 The Parties agree that the terms of the Settlement were negotiated in good faith by the Parties, and reflect a settlement that was reached voluntarily after consultation with competent legal counsel and with the substantial assistance of the Mediator. No discussions regarding attorneys' fees for Plaintiffs' Counsel were conducted until all material settlement terms were first agreed upon. The Parties reserve their right to rebut, in a manner that such party determines to be appropriate, any contention made in any public forum that the Actions were brought or defended in bad faith or without a reasonable basis.

7.3 Neither the Stipulation (including any exhibits attached hereto) nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement is or may be deemed to be or may be offered, attempted to be offered or used in any way by the Parties as a presumption, a concession or an admission of, or evidence of, the validity of any of Plaintiffs' Released Claims, or of any fault, wrongdoing or liability of any of the Parties in any other action or proceeding in any court, administrative agency, or other tribunal, except for any litigation or judicial proceeding arising out of or relating to this Stipulation or the Settlement whether civil, criminal, or administrative, for any purpose other than as provided expressly herein.

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

7.5 The Stipulation may be amended or modified only by a written instrument signed by or on behalf of all signatories hereto.

7.6 The Stipulation and the exhibits attached hereto represent the complete and final resolution of all disputes among the Parties with respect to the Actions, constitute the entire agreement among the Parties, and supersede any and all prior negotiations, discussions, agreements, or undertakings, whether oral or written, with respect to such matters.

7.7 The Stipulation and the Settlement shall be binding upon the Parties, and shall inure to the benefit of the Released Parties and their respective agents, executors, heirs, successors, and assigns. The Parties agree that if any disputes arise related to the implementation and enforcement of the terms of the Stipulation, said disputes are to be resolved by the Mediator first by way of mediation, and if mediation is unsuccessful then by way of binding, non-appealable arbitration. If for any reason the Mediator is unavailable or has a conflict, the Parties shall agree on a substitute neutral so that this paragraph may be enforced without returning to the Court. If the Parties cannot agree upon a substitute neutral, they will jointly petition the Mediator to select a neutral for them to enforce this paragraph.

7.8 This Stipulation and the Settlement contemplated by it shall be considered to have been negotiated, executed, and delivered, and to be wholly performed, in the State of Kansas and the rights and obligations of the Parties to the Stipulation shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of the State of Kansas without giving effect to that State's choice of law principles. No representations, warranties, or inducements have been made to any of the Parties concerning the Stipulation or its exhibits other than the representations, warranties, and covenants contained and memorialized in such documents.

7.9 All agreements made and orders entered during the course of the Actions relating to the confidentiality of information and documents shall survive this Stipulation.

7.10 Each counsel or other Person executing the Stipulation or its exhibits on behalf of any of the Parties hereby warrants that such Person has the full authority to do so.

7.11 The Stipulation may be executed in one or more counterparts by the signatories hereto. All executed counterparts and each of them shall be deemed to be one and the same instrument. A complete set of original executed counterparts shall be filed with the Court.

REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the Parties hereto have caused the Stipulation to be executed, by their duly authorized attorneys, dated as of February 22, 2016.

THE WEISER LAW FIRM, P.C.



ROBERT B. WEISER
BRETT D. STECKER
JAMES M. FICARO
22 Cassatt Ave., Suite 100
Berwyn, PA 19312
Telephone: (610) 225-2677
Facsimile: (610) 408-8062

DOLLAR, BURNS & BECKER, L.C.

TIM E. DOLLAR
TOM HERSHEWE
1100 Main St., Suite 2600
Kansas City, MO 64105
Telephone: (816) 876-2600
Facsimile: (816) 221-8763

LAW OFFICES OF BRUCE

G. MURPHY
BRUCE G. MURPHY
265 Llwyds Lane
Vero Beach, FL 32963
Telephone: (772) 231-4202
Facsimile: (772) 492-1044

**ALLISON LEFFEW, ATTORNEY
AT LAW**

ALISON LEFFEW
80 Royal Palm Pointe, #202
Vero Beach, FL 32960
Telephone: (772) 770-6110
Facsimile: (772) 562-7997

Attorneys for Plaintiff Ross-Williams

ERISE IP, P.A.

MARK W. MCGRORY, KS #12316
6201 College Boulevard, Suite 300
Overland Park, KS 66211
Tele: (913) 777-5600
Fax: (913) 777-5601
mark.mcgrory@eriseip.com

**SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP**

JAY B. KASNER
SCOTT D. MUSOFF
Four Times Square
New York, New York 10036
Telephone: (212) 735-3000
Fax: (212) 735-2000/1
jay.kasner@skadden.com
scott.musoff@skadden.com

*Attorneys for Gary D. Forsee, Paul N. Saleh,
Barry J. West, Mark E. Angelino, Timothy E.
Kelly, William G. Arendt, and nominal
defendant Sprint Nextel Corporation*

BRYAN CAVE LLP

W. PERRY BRANDT, D. KAN. Bar No. 77842
Jennifer L. Berhorst, KS Bar No. 24461
1200 Main Street, Suite 3500
Kansas City, MO 64105
Telephone: (816) 374-3200

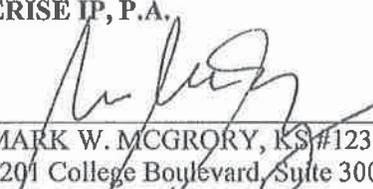
*Attorneys for Defendants Robert R. Bennett,
James H. Hance, Jr., Irvine O. Hockaday, Jr.,
Gordon M. Bethune, Larry C. Glasscock, V.
Janet Hill, Rodney O'Neal, Keith J. Bane,*

IN WITNESS WHEREOF, the Parties hereto have caused the Stipulation to be executed, by their duly authorized attorneys, dated as of February 22, 2016.

THE WEISER LAW FIRM, P.C.

ERISE IP, P.A.

ROBERT B. WEISER
BRETT D. STECKER
JAMES M. FICARO
22 Cassatt Ave., Suite 100
Berwyn, PA 19312
Telephone: (610) 225-2677
Facsimile: (610) 408-8062


MARK W. MCGRORY, KS #12316
6201 College Boulevard, Suite 300
Overland Park, KS 66211
Tele: (913) 777-5600
Fax: (913) 777-5601
mark.mcgrory@eriseip.com

DOLLAR, BURNS & BECKER, L.C.
TIM E. DOLLAR
TOM HERSHEWE
1100 Main St., Suite 2600
Kansas City, MO 64105
Telephone: (816) 876-2600
Facsimile: (816) 221-8763

**SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP**
JAY B. KASNER
SCOTT D. MUSOFF
Four Times Square
New York, New York 10036
Telephone: (212) 735-3000
Fax: (212) 735-2000/1
jay.kasner@skadden.com
scott.musoff@skadden.com

*Attorneys for Gary D. Forsee, Paul N. Saleh,
Barry J. West, Mark E. Angelino, Timothy E.
Kelly, William G. Arendt, and nominal
defendant Sprint Nextel Corporation*

**LAW OFFICES OF BRUCE
G. MURPHY**
BRUCE G. MURPHY
265 Llwyds Lane
Vero Beach, FL 32963
Telephone: (772) 231-4202
Facsimile: (772) 492-1044

BRYAN CAVE LLP

**ALLISON LEFFEW, ATTORNEY
AT LAW**
ALISON LEFFEW
80 Royal Palm Pointe, #202
Vero Beach, FL 32960
Telephone: (772) 770-6110
Facsimile: (772) 562-7997

W. PERRY BRANDT, D. KAN. Bar No. 77842
Jennifer L. Berhorst, KS Bar No. 24461
1200 Main Street, Suite 3500
Kansas City, MO 64105
Telephone: (816) 374-3200

Attorneys for Plaintiff Ross-Williams

*Attorneys for Defendants Robert R. Bennett,
James H. Hance, Jr., Irvine O. Hockaday, Jr.,
Gordon M. Bethune, Larry C. Glasscock, V.
Janet Hill, Rodney O'Neal, Keith J. Bane,*

IN WITNESS WHEREOF, the Parties hereto have caused the Stipulation to be executed, by their duly authorized attorneys, dated as of February 22, 2016.

THE WEISER LAW FIRM, P.C.

ERISE IP, P.A.

ROBERT B. WEISER
BRETT D. STECKER
JAMES M. FICARO
22 Cassatt Ave., Suite 100
Berwyn, PA 19312
Telephone: (610) 225-2677
Facsimile: (610) 408-8062

MARK W. MCGRORY, KS #12316
6201 College Boulevard, Suite 300
Overland Park, KS 66211
Tele: (913) 777-5600
Fax: (913) 777-5601
mark.mcgrory@eriseip.com

DOLLAR, BURNS & BECKER, L.C.

TIM E. DOLLAR
TOM HERSHEWE
1100 Main St., Suite 2600
Kansas City, MO 64105
Telephone: (816) 876-2600
Facsimile: (816) 221-8763

**SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP**

JAY B. KASNER
SCOTT D. MUSOFF
Four Times Square
New York, New York 10036
Telephone: (212) 735-3000
Fax: (212) 735-2000/1
jay.kasner@skadden.com
scott.musoff@skadden.com

LAW OFFICES OF BRUCE

G. MURPHY
BRUCE G. MURPHY
265 Llwyds Lane
Vero Beach, FL 32963
Telephone: (772) 231-4202
Facsimile: (772) 492-1044

*Attorneys for Gary D. Forsee, Paul N. Saleh,
Barry J. West, Mark E. Angelino, Timothy E.
Kelly, William G. Arendt, and nominal
defendant Sprint Nextel Corporation*

**ALLISON LEFFEW, ATTORNEY
AT LAW**

ALISON LEFFEW
80 Royal Palm Pointe, #202
Vero Beach, FL 32960
Telephone: (772) 770-6110
Facsimile: (772) 562-7997

BRYAN CAVE LLP



W. PERRY BRANDT, D. KAN. Bar No. 77842
Jennifer L. Berhorst, KS Bar No. 24461
1200 Main Street, Suite 3500
Kansas City, MO 64105
Telephone: (816) 374-3200

Attorneys for Plaintiff Ross-Williams

*Attorneys for Defendants Robert R. Bennett,
James H. Hance, Jr., Irvine O. Hockaday, Jr.,
Gordon M. Bethune, Larry C. Glasscock, V.
Janet Hill, Rodney O'Neal, Keith J. Bane,*

**SCHUBERT JONCKHEER
& KOLBE LLP**



ROBERT C. SCHUBERT
WILLEM F. JONCKHEER
Three Embarcadero Center
Suite 1650
San Francisco, CA 94111
Telephone: (415) 788-4220
Facsimile: (415) 788-0161

*Linda K. Lorimer, William E. Kennard, William
H. Swanson, and Frank M. Drendel*

**MORRIS, LAING, EVANS, BROCK,
& KENNEDY, CHTD.**

Roger N. Walter KS Bar No. 8620
800 SW Jackson St., Suite 1310
Topeka, KS 66612-1216
Telephone: (785) 232-2662
Facsimile: (785) 232-9983

Counsel for Plaintiff Connie Price

ROBBINS ARROYO LLP

BRIAN ROBBINS
GEORGE AGUILAR
JAY N. RAZZOUK
600 B Street, Suite 1900
San Diego, CA 92101
Telephone: (619) 525-3990
Facsimile: (619) 525-3991

WRIGHT SCHIMMEL LLC

Charles T. Schimmel, KS Bar NO. 18357
6900 College Blvd., Suite 285
Overland Park, Kansas 66211
Telephone: (913) 534-8534
Facsimile: (913) 534-8536

Counsel for Plaintiff Cheryl Randolph

**SCHUBERT JONCKHEER
& KOLBE LLP**

*Linda K. Lorimer, William E. Kennard, William
H. Swanson, and Frank M. Drendel*

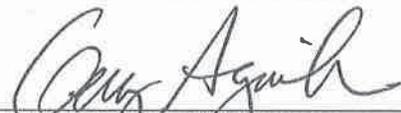
ROBERT C. SCHUBERT
WILLEM F. JONCKNER
Three Embarcadero Center
Suite 1650
San Francisco, CA 94111
Telephone: (415) 788-4220
Facsimile: (415) 788-0161

**MORRIS, LAING, EVANS, BROCK,
& KENNEDY, CHTD.**

Roger N. Walter KS Bar No. 8620
800 SW Jackson St., Suite 1310
Topeka, KS 66612-1216
Telephone: (785) 232-2662
Facsimile: (785) 232-9983

Counsel for Plaintiff Connie Price

ROBBINS ARROYO LLP



BRIAN ROBBINS
GEORGE AGUILAR
JAY N. RAZZOUK
600 B Street, Suite 1900
San Diego, CA 92101
Telephone: (619) 525-3990
Facsimile: (619) 525-3991

WRIGHT SCHIMMEL LLC

Charles T. Schimmel, KS Bar NO. 18357
6900 College Blvd., Suite 285
Overland Park, Kansas 66211
Telephone: (913) 534-8534
Facsimile: (913) 534-8536

Counsel for Plaintiff Cheryl Randolph

**LAW OFFICE OF ALFRED
G. YATES JR., P.C.**



ALFRED G. YATES JR
GERALD L. RUTLEDGE
519 Allegheny Building
429 Forbes Avenue
Pittsburgh, PA 15219
Telephone: 412-391-5164
Facsimile: 412-471-1033

THE HERSHEWE LAW FIRM, P.C.

Michelle O'Neal, KS Bar No. 18701
431 South Virginia Avenue
Joplin, MO 64801
Telephone: (417) 782-3790
Fax: (417) 782-8482

Counsel for Plaintiff Kent D. Murphy

EXHIBIT A

EXHIBIT A

CORPORATE GOVERNANCE REFORMS

General Corporate Governance:

- The Board shall maintain a majority of non-Sprint employee members.
- If the Board determines that the Chairman and CEO roles shall no longer remain separate, then Sprint shall disclose the Board's vote in terms of the total number of director votes for and against the change, as well as number of abstentions, and the rationale for selecting the person for the dual role of Chairman and CEO in Sprint's next SEC filing.
- Company shall maintain its policy that non-Sprint employee directors shall hold an executive session without management present at the end of at least two regularly scheduled meetings per year. In addition, any director shall be permitted to request an executive session at any meeting.
- Paragraph 4 of Sprint's Corporate Governance Guidelines (Evaluating Director Candidates) shall be amended to consider the existing portfolio of director experience, expertise, and attributes, relative to the experience, expertise, and attributes that are desired in light of the strategic direction of the Company.
- Section IV, paragraph 14 of Sprint's Nominating and Corporate Governance Committee's charter shall be amended to state as follows:

14. Review the scope, status, adequacy, and effectiveness of the Ethics and Compliance Program and other procedures designed to promote integrity and an ethical culture, and compliance with laws, regulations and Sprint policies, including Sprint's Code of Conduct and the Securities Law Compliance Program. Review management's monitoring of these programs. The chief ethics officer shall have the authority to communicate personally with the Governance Committee and shall provide an update at least annually on the results of the compliance reporting system and any material issues regarding compliance with laws or Sprint's policies. Consider and approve management's proposed appointment, termination or transfer of the chief ethics officer and of the stock trading compliance officer. If an ethics or compliance issue comes to the attention of Sprint's Nominating and Corporate Governance Committee, it shall inform the Audit Committee about matters brought to the Governance Committee's attention that could have a significant impact on Sprint's financial statements or may concern the integrity, adequacy, and effectiveness of Sprint's accounting and financial reporting processes and internal control and external reporting policies and procedures. A committee designated

by the Board shall annually report to the Board regarding Sprint's Ethics and Compliance Program.

- The following provisions in Sprint's Securities Law Compliance Policy as last updated in July 2013 shall be maintained substantially in current form: (i) the insider trading prohibition; (ii) blackout periods; and (iii) the requirement that board members and certain executive officers obtain pre-clearance and provide notice of transactions.
- The Nominating and Governance Committee will only include non-Sprint employee directors as members.
- The Compensation Committee will only include non-Sprint employee directors as members. To the extent any Sprint employee whose compensation is being considered is invited to attend a Compensation Committee meeting, the Committee shall hold an executive session without such employee(s) present.
- The Finance Committee will include a majority of non-Sprint employee directors.
- The Finance Committee charter will change responsibility #6 to reflect review of such policies to be at least on an annual basis in contrast to a "periodic".

M&A Activity

- The Finance Committee shall continue to be the committee responsible for the review of proposed acquisitions, dispositions, mergers, joint ventures, investments, and similar transactions consistent with the authorization levels set forth in the Sprint fiscal policy ("Transactions").
- At least annually for two years, management, or at the request of the Finance Committee an advisor with expertise in M&A processes, shall conduct a presentation to the Finance Committee regarding practices as they relate to M&A, due diligence and implementation, including but not limited to Sprint's M&A objectives and criteria for evaluating a target's financial attractiveness, strategic fit, and execution risk.
- For the Transactions, the Finance Committee shall be authorized to do the following:
 - Institute Board-approved policies and procedures resulting in review and potential approval of Transactions that the Company is considering, and assist management in developing effective disclosures to the Board of the appropriate business, financial, technical, and other information to permit fully informed review and evaluation of such Transactions;
 - Review, and report to the Board as necessary or appropriate on, the skill and expertise of Sprint's management necessary to successfully make transaction decisions and their subsequent implementation;
 - Discuss risks relevant to each Transaction that the Company is pursuing, including the impact on then existing Sprint vision and goals, and technology-related issues that may require special due diligence or post-merger monitoring;

- Review post-merger integration plans, including any assignments of key executives with accountability for specific areas of post-integration responsibilities; and
- Receive regular reports regarding the progress of post-merger integration and merger synergies.
- At the first regularly scheduled Board meeting after closing of a combination with an ongoing business, whether by merger, consolidation or asset purchase in which Sprint acquires a business with an enterprise value of \$500 million or more, and periodically thereafter as may be necessary or appropriate, Sprint management shall use reasonable best efforts to keep the Board informed regarding:
 - Integration strategy, including plans for technology integration;
 - Progress in attaining merger integration goals, including technology integration;
 - Perceived risks in achieving merger integration goals, including technology integration; and
 - Costs associated with achieving merger integration goals.

Audit Committee:

- The Audit Committee shall continue to review the integrity, adequacy and effectiveness of Sprint's accounting and financial reporting processes and internal control and external reporting policies consistent with the Audit Committee Charter as last updated on November 5, 2014.
- On an annual basis, or more frequently as determined by either the Audit Committee or Sprint's management in consultation with Sprint independent auditors, Sprint management and/or its independent auditors shall update the Audit Committee on the status and any results of the Company's goodwill impairment testing, including the inputs and assumptions used by the Company in calculating goodwill or the fair value of the Company.
- Management shall periodically make a presentation to the Audit Committee regarding the Company's customer mix, including as may be necessary (a) the criteria used to designate customers as subprime; (b) the number of subprime customers serviced by the Company, including as a percentage of the Company's total customer base; (c) the "churn" rate and related metrics associated with subprime customers; (d) the performance of the Company's subprime customer risk management policies; and (e) any information technology issues impacting Management's ability to oversee the Company. This presentation shall also discuss, as necessary, management's credit policy, changes to credit policy, and changes to internal controls over implementation of credit policy.
- Sprint management shall continue to present to the Audit Committee regarding the effectiveness of Sprint's risk management programs and internal audit function as consistent with Sprint's Audit Committee charter as last updated on November 5, 2014,

including but not limited to a discussion regarding the framework and processes for adequately identifying, analyzing and mitigating current and potential material risks.

- The Audit Committee shall review, in consultation with Internal Audit, Risk Management, and the Company's outside auditor (or other appropriate advisor(s)), the sufficiency of the Company's processes with regard to ensuring the accuracy and integrity of significant public statements, including with regard to: (a) customer credit loosening or tightening; (b) the value of goodwill; and (c) post-merger synergies. The Audit Committee will report the findings of the review to the Board. The Audit Committee will act in good faith to work with management to correct any deficiencies identified during the review.
- The Audit Committee will annually review the Company's Internal Audit function.
- Internal Audit shall keep a log tracking analysis, proposals, and recommendations provided to other departments or management regarding internal controls and loss mitigation procedures, including the time and place (if applicable) that such information was provided, and any deadlines related thereto.
- Sprint's Director of Internal Audit, or a similarly designated individual with similar responsibilities, shall review the allegations or assertions in the Derivative Actions, the demand made on Sprint's then-existing Board by Monica Ross-Williams on March 10, 2010, and *Bennett v. Sprint-Nextel, Corporation*, 2:09-cv-02122-EFM-KMH (D. Kan.), relevant to integration and synergy, and determine whether any recommendations to the Audit Committee or Board shall be made.

Share Repurchase Policy

- In connection with the institution of a share repurchase program, if any, the Board shall consider: (i) the impact of repurchases on the cash position of the Company; (ii) the capital needs of the Company; (iii) whether there is a better alternative use of the Company's cash surplus, such as through dividends, acquisitions, or capital expenditures; (iv) the effect of the repurchases on the Company's earnings, liquidity, investor relations, and credit ratings; and (v) any other issues deemed to be relevant to the share repurchase decision.

Other

- Within thirty (30) days of the issuance of an Order approving the settlement of the Action, the Board will adopt resolutions, amend committee charters, and take other steps necessary to implement the reforms provided for herein.
- The reforms provided herein will be reviewed and assessed periodically by the Board, and, unless otherwise provided herein or necessary to remain compliant with applicable rules and regulations, shall remain in effect for three years following the date of the agreement to the proposals by Sprint. After two years from the date of agreement, the

Board may modify or terminate all or parts of this agreement upon providing notice on the Investor Relations page of Sprint.com.

- Nothing herein shall supersede, void, terminate or alter Section 3.3 of Sprint's Amended and Restated Bylaws.