

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE SABA SOFTWARE, INC. : CONSOLIDATED
STOCKHOLDER LITIGATION : C.A. No. 10697-VCS

**NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED
SETTLEMENT OF CLASS ACTION AND SETTLEMENT HEARING**

TO: ALL PERSONS OR ENTITIES WHO HELD SHARES OF SABA SOFTWARE, INC. ("SABA" OR THE "COMPANY") COMMON STOCK (OR ANY INTEREST THEREIN), EITHER OF RECORD OR BENEFICIALLY, AT THE CLOSE OF THE ACQUISITION WITH VECTOR CAPITAL ON MARCH 30, 2015, AND WHO WERE CASHED OUT OF THEIR SHARES OF SABA COMMON STOCK IN THE ACQUISITION, INCLUDING ANY AND ALL OF THEIR RESPECTIVE SUCCESSORS-IN-INTEREST, SUCCESSORS, PREDECESSORS-IN-INTEREST, PREDECESSORS, REPRESENTATIVES, TRUSTEES, EXECUTORS, ADMINISTRATORS, ESTATES, HEIRS, ASSIGNS OR TRANSFEREES, IMMEDIATE AND REMOTE, AND ANY PERSON OR ENTITY ACTING FOR OR ON BEHALF OF, OR CLAIMING UNDER, ANY OF THEM, AND EACH OF THEM, BUT EXCLUDING DEFENDANTS, MEMBERS OF THE IMMEDIATE FAMILY OF EACH INDIVIDUAL DEFENDANT, CURRENT OR FORMER OFFICERS OR DIRECTORS OF SABA OR VECTOR CAPITAL, VECTOR CAPITAL AND ANY AFFILIATES OF VECTOR CAPITAL, ANY ENTITY CONTROLLED BY ANY OF THE DEFENDANTS, AND ANY SUCCESSORS IN INTEREST THERETO; AND THE LEGAL REPRESENTATIVES, AGENTS, AFFILIATES, HEIRS, BENEFICIARIES, SUCCESSORS IN INTEREST OR ASSIGNS OF ANY EXCLUDED PARTY (THE "CLASS" OR "SETTLEMENT CLASS").

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS ACTION. IF THE COURT APPROVES THE PROPOSED SETTLEMENT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS OF THE PROPOSED SETTLEMENT OR PURSUING THE "RELEASED CLAIMS" (DEFINED HEREIN).

BROKERAGE FIRMS, BANKS, AND OTHER PERSONS OR ENTITIES WHO HELD CLASS SHARES OR WHO HELD SHARES OF RECORD WHO ARE NOT ALSO BENEFICIAL OWNERS, ARE DIRECTED TO FORWARD THIS NOTICE PROMPTLY TO THE BENEFICIAL OWNERS OF SUCH SHARES, OR REQUEST LEAD COUNSEL TO DO SO.

The purpose of this Notice is to inform you about: (i) the pendency of the above-captioned consolidated stockholder class action (the "Consolidated Action"), which was brought by Saba stockholders on behalf of and for the benefit of a class of Saba stockholders in the Court of Chancery of the State of Delaware (the "Court"); (ii) a proposed settlement of the Consolidated Action (the "Settlement"), subject to Court approval and subject to other conditions of the Settlement being satisfied, *i.e.*, the occurrence of the Effective Date, as provided in the Stipulation and Agreement of Compromise and Settlement (the "Stipulation") that was filed with the Court and is publicly available for review as indicated in paragraph 41 below; (iii) the hearing that the Court will hold on September 24, 2018 at 2:00 p.m., at the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801, to (a) determine whether the proposed Settlement, on the terms and conditions provided for in the Stipulation, is fair, reasonable, and adequate; (b) determine whether the Court should finally approve the Stipulation and enter the Order and Final Judgment as provided in the Stipulation, dismissing the Consolidated Action with prejudice, extinguishing and releasing the Released Claims, and permanently barring and enjoining prosecution of any and all Released Claims in any forum; (c) consider Lead Counsel's application for an award of attorneys' fees, costs, and expenses as provided in the Stipulation ("Fee Application"), and an application for an award to be paid to Lead Plaintiff ("Incentive Award"); (d) hear and determine any objections to the proposed Settlement, Lead Counsel's Fee Application, or any application for Incentive Award to Lead Plaintiff; and (e) rule on such other matters.¹

The Stipulation was entered into as of May 31, 2018 between and among: lead plaintiff Gary Poltash ("Lead Plaintiff," "Plaintiff," or "Poltash"), on his own behalf and on behalf of the Class; (ii) Saba; and (iii) Shawn Farshchi, William V. Russell, Dow R. Wilson, William M. Klein, William N. MacGowan, Michael Fawkes, and Nora Denzel ("Individual Defendants") (collectively with Saba and Lead Plaintiff, the "Parties"), subject to the approval of the Court, pursuant to Delaware Court of Chancery Rule 23.

¹ All capitalized terms not otherwise defined in this Notice shall have the same definition as provided in the Stipulation, which is available online at www.SabaSoftwareSettlement.com.

WHAT IS THE PURPOSE OF THIS NOTICE?

1. The purpose of this Notice is to explain the Consolidated Action, the terms of the proposed Settlement, and how the Settlement affects Settlement Class Members' legal rights.

2. In a class action, one or more people and/or entities who were stockholders at the time the claim arose sue on behalf of and for the benefit of the individual class members, seeking to enforce the class members' legal rights.

3. As described more fully in Paragraph 39 below, Settlement Class Members have the right to object, appear and be heard at the Settlement Hearing, which will be held before Vice Chancellor Joseph R. Slights III on September 24, 2018, at 2:00 p.m., at the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801. At the Settlement Hearing, the Court will: (a) determine whether the proposed Settlement, on the terms and conditions provided for in the Stipulation, is fair, reasonable, and adequate; (b) determine whether the Court should finally approve the Stipulation and enter the Order and Final Judgment as provided in the Stipulation, dismissing the Consolidated Action with prejudice, extinguishing and releasing the Released Claims, and permanently barring and enjoining prosecution of any and all Released Claims in any forum; (c) consider Lead Counsel's Fee Application and any application for an Incentive Award to be paid to Lead Plaintiff; (d) hear and determine any objections to the proposed Settlement, the Fee Application and/or the Incentive Award; and (e) rule on such other matters as the Court may deem appropriate.

4. The Court has reserved the right to adjourn or continue the Settlement Hearing, without further notice to you other than by announcement at the Settlement Hearing or any adjournment thereof, or notation on the docket in the Consolidated Action. The Court has further reserved the right to approve the Settlement, at or after the Settlement Hearing, with such modifications as may be consented to by the Parties and without further notice to the Settlement Class of any kind.

WHAT IS THIS CASE ABOUT? WHAT HAS HAPPENED SO FAR?

THE FOLLOWING DESCRIPTION OF THE CONSOLIDATED ACTION AND THE SETTLEMENT HAS BEEN PREPARED BY COUNSEL FOR THE PARTIES. THE COURT HAS MADE NO FINDINGS WITH RESPECT TO SUCH MATTERS, AND THIS NOTICE IS NOT AN EXPRESSION OR STATEMENT BY THE COURT OF FINDINGS OF FACT.

5. On September 24, 2014, the U.S. Securities and Exchange Commission ("SEC") determined that Saba had engaged in accounting fraud, which resulted in Saba overstating its pre-tax earnings by approximately \$70 million between 2007 and 2011. Pursuant to a settlement with the SEC, Saba was required pay a civil penalty of \$1.75 million and if the Company failed to complete the investigation and file its Comprehensive Annual Report by February 15, 2015, then Saba's registration of its common stock would be revoked pursuant to section 12(j) of the Exchange Act.

6. On December 15, 2014, Saba announced that it was unable to complete its financial restatement before the February 15, 2015 deadline set by the SEC and was "evaluating strategic alternatives, including a sale of the Company."

7. On February 10, 2015, Saba announced that its Board of Directors (the "Board") had entered into an Agreement and Plan of Merger (the "Merger Agreement") with Vector Capital, pursuant to which Saba stockholders would receive \$9 for each share of Company stock they own (the "Acquisition"). The Acquisition was announced just five days before the February 15, 2015 deadline set by the SEC for Saba to complete its financial restatement and just nine days before Saba was actually deregistered by the SEC, on February 19, 2015, for failure to file financial statements.

8. Beginning on February 21, 2015, a number of lawsuits were filed against Saba's Board, alleging that the Board breached its fiduciary duties in connection with the Acquisition and that Saba and Vector Capital aided and abetted such breaches.² These lawsuits alleged, generally, that the inadequate merger consideration of \$9 per share was demonstrably below the Company's inherent value and was the result of a flawed, rushed and self-serving process by Saba's Board.

9. On March 6, 2015, Saba disseminated to Saba's stockholders a Proxy Statement (the "Proxy"), which recommended that Saba's public stockholders vote in favor of the Acquisition.

² These actions include lawsuits captioned *Poltash v. Farshchi, et al.*, C.A. No. 10697-VCN (filed February 21, 2015); *Hughes v. Farshchi, et al.*, C.A. No. 10708-VCN (filed February 24, 2015); *LR Trust v. Saba Software, Inc.*, C.A. No. 10731-VCN (filed February 27, 2015); *Diana v. Saba Software, Inc.*, C.A. No. 10754-VCN (filed March 4, 2015); *Williams v. Farshchi, et al.*, C.A. No. 10755-VCN (filed March 4, 2015); and *Martin v. Farshchi*, C.A. No. 10808-VCN (filed March 18, 2015).

10. In early March, 2015, after counsel for the parties met and conferred, Defendants agreed to produce expedited discovery to counsel for Plaintiffs in advance of the stockholder vote and in contemplation of a potential injunction motion, and Defendants subsequently made a limited production of documents, including, among other things, Board and committee meeting minutes and presentations by Saba's financial advisor, Morgan Stanley, and Plaintiffs' Counsel deposed a representative of Morgan Stanley and defendant William V. Russell, the non-executive Chairman of Saba's Board.

11. On March 17, 2015, the Court entered an Order of Consolidation of the Related Actions and Appointment of Plaintiffs' Lead Counsel, Executive Committee and Delaware Counsel, which consolidated the Poltash, Hughes, LR Trust, Diana and Williams Actions into a consolidated action (the "Consolidated Action"), and Robbins Arroyo LLP as plaintiff's Lead Counsel, and appointed Kahn Swick & Foti, LLC, Levi & Korsinsky, LLP, and Pomerantz LLP as Plaintiffs' Executive Committee, and Andrews and Springer LLP and Rigrodsky and Long, P.A. as Plaintiffs' Delaware Counsel in the Consolidated Action.

12. On March 26, 2015, the Saba stockholders voted to approve the Acquisition, and on March 30, 2015, the Acquisition closed.

13. In June and July 2015, Lead Plaintiff served discovery upon the Defendants and various third parties, including Deloitte Financial Advisory Services LLP, Ernst & Young LLP, KPMG LLP, and Morgan Stanley.

14. On August 13, 2015, the Individual Defendants filed a motion to stay discovery pending resolution of the motion to dismiss ("Motion to Stay Discovery") and a motion to dismiss the Amended Complaint, which Lead Plaintiff opposed. On November 18, 2015, this Court heard argument of counsel, and granted the Motion to Stay Discovery.

15. On February 26, 2016, Lead Plaintiff filed the Second Amended Verified Class Action Complaint ("Second Amended Complaint"), alleging, among other things, that the Board breached their fiduciary duties in connection with the Acquisition and that the Vector Capital Defendants aided and abetted such breaches.

16. On April 22, 2016, the Individual Defendants and the Vector Capital Defendants filed motions to dismiss the Second Amended Complaint, which Lead Plaintiff opposed on June 17, 2016.

17. On March 31, 2017, following oral argument and supplemental briefing, the Court denied the Individual Defendants' motion to dismiss in part. The Court denied the motion to dismiss as to Lead Plaintiff's breach of fiduciary and disclosure claims relating to (i) the reasons why Saba could not complete the restatement; and (ii) the post-deregistration options available to Saba. The Court also held that as a result of these material misrepresentations and omissions, Lead Plaintiff had sufficiently alleged that Saba stockholders were inequitably coerced to vote in favor of the Acquisition. The Court dismissed claims that: (i) the Board acted in bad faith by engaging Morgan Stanley; (ii) the Proxy Statement should have disclosed more information about the financial advisor's services provided in the past to Vector Capital and the financial analyses underlying the fairness opinion; (iii) Saba's Chief Executive Officer, who led the negotiations, was motivated by continuing his employment after the Acquisition; and (iv) the Vector Capital Defendants aided and abetted the directors' breaches.

18. On May 10, 2017, the Individual Defendants filed an Answer to the Second Amended Complaint.

19. Thereafter, the Parties engaged in extensive discovery efforts, including taking depositions and serving and responding to requests for production of documents and interrogatories, service of Subpoenas *Duces Tecum* and Subpoenas *Ad Testificandum* directed to third parties.

20. Throughout the course of the Consolidated Action, Defendants and third parties produced over 209,000 pages of documents, including Board and committee meeting minutes, bankers' presentations, projected financial information, and emails, and Lead Counsel and other plaintiffs' counsel took four depositions of witnesses.

21. On February 6, 2018, the Parties conducted a mediation with Robert Meyer, Esq. Between February 2018 and May 2018, the Parties continued, with the assistance of mediators, to explore potential resolution of the Consolidated Action.

22. On May 3, 2018, after arm's-length negotiations with the guidance of the mediator, the Parties reached an agreement-in-principle to settle the Consolidated Action and resolve Lead Plaintiff's claims on the basis that Defendants and/or their insurers would pay \$19.5 million for the benefit of the Class.

23. On May 10, 2018, the Parties informed the Court that the parties reached an agreement-in-principle to settle the Consolidated Action.

24. The Court has not finally determined the merits of the claims made by Plaintiffs against, or the defenses of, the Defendants. This Notice does not imply that there has been or would be any finding of violation of the law or that relief in any form or recovery in any amount could be had if the Consolidated Action was not settled.

WHAT ARE THE TERMS OF THE SETTLEMENT?

25. The terms and conditions of the Settlement are set forth in detail in the Stipulation, which has been filed with the Court. The Settlement is subject to and becomes effective only upon approval by the Court and the satisfaction of all conditions set forth in Section E of the Stipulation. This Notice only includes a summary of the Settlement, and does not purport to be a comprehensive description of all of its terms, which are available for review as described below.

26. As consideration for the Settlement:

(a) Saba, on behalf of Defendants, shall deposit, or cause to be deposited, a total sum of \$19.5 million dollars (the "Settlement Amount") into an escrow account (the "Account") as follows: Within ten (10) business days after the Effective Date, Saba shall deposit, or cause to be deposited, \$18 million (the "First Settlement Payment") into the Account, provided that Lead Counsel has provided, on or before the Effective Date, complete wire transfer information and instructions to Defendants' counsel and/or Saba's directors' and officers' insurers, along with any other information reasonably requested to facilitate payment (including an IRS Form W-9, if requested). Within one (1) year of the execution of the Stipulation, which took place on May 31, 2018, Saba shall deposit, or cause to be deposited, the remaining \$1.5 million (the "Second Settlement Payment") into the Account.

(b) The balance of the Settlement Amount, minus all costs and expenses incurred in connection with administering the Account, the amount of any Fee and Expense Award, and the amount of any Incentive Award ("Net Settlement Amount"), will be disbursed by the Paying Agent to the Settlement Payment Recipients as soon as reasonably practicable after the Effective Date, as follows: The First Net Settlement Amount will be allocated on a per-share basis amongst the Settlement Payment Recipients who have submitted to the Paying Agent a valid Proof of Claim by the deadline provided in this Notice based on the number of shares of Saba common stock held by the applicable Settlement Payment Recipient upon the Closing (provided that if a Settlement Payment Recipient held shares of Saba common stock in registered form and has not submitted a letter of transmittal as of the Effective Date, such payment shall be allocated to such Settlement Payment Recipient but will not be remitted until such Settlement Payment Recipient has submitted its letter of transmittal or other satisfactory proof sufficient to determine whether such Settlement Class Member is a Settlement Payment Recipient) (the "Initial Distribution"). None of Saba, any of the Defendants, or Saba's directors' and officers' insurers or reinsurers shall have any input, responsibility, or liability for any claims, payments, or determinations by the Paying Agent in respect of Settlement Class Member claims for payment under this Settlement. An additional distribution shall be made after the Second Settlement Payment is made by Saba to the Settlement Payment Recipients (the "Second Distribution"). All unclaimed funds from the Initial Distribution will be included in the Second Distribution.

(c) Any Settlement Class Member who wishes to participate in the distribution of the Net Settlement Amount, shall submit to the Paying Agent a completed Proof of Claim in the form attached hereto no later than November 26, 2018. Any Proof of Claim submitted to the Paying Agent after such date may be rejected as untimely. The Settlement and any Order and Final Judgment, including the releases described herein, shall be binding on all Settlement Class Members even if (i) they are ineligible to submit a Proof of Claim because they sold their shares prior to the Closing, or (ii) they fail to submit a valid and timely Proof of Claim.

(d) If Lead Plaintiff and/or the Paying Agent have made reasonable efforts to have Settlement Payment Recipients claim their payments, and the amount of the Net Settlement Amount that remains unclaimed by the Settlement Payment Recipients (the "Unclaimed Amount") exceeds \$100,000 after a period of six (6) months after the Second Distribution, then the Unclaimed Amount will be re-disbursed by the Paying Agent for payment to all Settlement Payment Recipients, who claimed their payments in the Second Distribution, on a *pro rata* basis. If, however, after a period of six (6) months after the Second Distribution, the amount of the Unclaimed Amount is equal to or less than \$100,000, or if any of the Unclaimed Amount remains unclaimed after the re-disbursement described in the preceding sentence, then any such unclaimed amount of the Net Settlement Amount shall be transferred to the Office of the State Escheator for handling in accordance with the laws of interstate escheat.

(e) None of Saba, any of the Defendants, or Saba's directors' and officers' insurers or reinsurers shall have any input, responsibility, or liability for any claims, payments, or determinations by the Paying Agent in respect of Settlement Class Member claims for payment under this Settlement. Other than as provided in the Stipulation, Defendants, their insurers, and the Released Parties shall have no involvement in, responsibility for, or liability relating to the distribution of the Net Settlement Payment to Settlement Class Members.

WHAT ARE THE PARTIES' REASONS FOR THE SETTLEMENT?

27. Lead Plaintiff believes that the claims asserted in the Consolidated Action have merit. In negotiating and evaluating the terms of the Stipulation, Lead Counsel considered the legal and factual defenses to Lead Plaintiff's claims that Defendants raised and might have raised throughout the pendency of the Consolidated Action and the difficulty they would have likely had in enforcing any judgment they might have obtained at a trial of this action. In addition, Lead Plaintiff considered the benefits to be provided to the Settlement Class through the Settlement. Based upon their evaluation, Lead Plaintiff and Lead Counsel have determined that the Settlement set forth in the Stipulation is fair,

reasonable, and adequate to Lead Plaintiff and the Settlement Class, and that it confers substantial benefits upon the Settlement Class.

28. Defendants have denied, and continue to deny, all allegations of wrongdoing, fault, liability, or damage with respect to all claims asserted in the Consolidated Action, including that they have committed any violations of law or breaches of duty or that they have engaged in any wrongful acts or acted improperly in any way, and that they have any liability or owe any damages of any kind to Lead Plaintiff and/or the Settlement Class, and Defendants expressly maintain that they diligently and scrupulously complied with applicable fiduciary, disclosure and other legal and equitable duties. Defendants are entering into the Stipulation and Settlement solely because they consider it desirable that the Consolidated Action be settled and dismissed with prejudice in order to, among other things, (i) eliminate the uncertainty, burden, inconvenience, expense, and distraction of further litigation, and (ii) fully and finally put to rest and terminate all claims that were or could have been asserted by Lead Plaintiff or any other member of the Settlement Class against Defendants in the Consolidated Action or in any other action, in any court or tribunal, relating to the Acquisition.

29. If the Settlement is approved, the Court will enter an Order and Final Judgment. Upon the Effective Date, the Action will be dismissed in its entirety with prejudice and without costs, and the following releases will occur:

Release of Claims by Lead Plaintiff and all Class Members: Plaintiffs and all Class Members, on behalf of themselves, and any and all of their respective successors-in-interest, successors, predecessors-in-interest, predecessors, representatives, trustees, executors, administrators, estates, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them, agree to release and forever discharge, and by operation of the Order and Final Judgment shall release and forever discharge, all Released Claims as against all Released Parties.

(a) "Released Claims" means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, fines, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of any kind, nature, or description whatsoever, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, discoverable or undiscoverable, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, which now exist, or previously existed, including Unknown Claims (defined herein), that plaintiffs or any or all other Settlement Class Members ever had, now have, or may have, whether direct, derivative, individual, class, representative, legal, equitable, or of any other type, or in any other capacity, against any of the Released Parties (defined herein), whether based on state, local, foreign, federal, statutory, regulatory, common or other law or rule (including, but not limited to, any claims under federal or state securities laws, federal or state antitrust law, or under federal or state disclosure law, including all claims within the exclusive jurisdiction of the federal courts, or any claims that could be asserted derivatively on behalf of Saba) regardless of legal or equitable theory (including, without limitation, claims for negligence, gross negligence, recklessness, deliberate recklessness, intentional wrongdoing, fraud, breach of contract, or breach of the fiduciary duty of care and/or loyalty) that have been or could have been asserted in the Consolidated Action or in any court, tribunal, forum, or proceeding, which, now or hereafter, are based upon, arise out of, relate in any way to, or involve, directly or indirectly, in whole or in part: (i) the Acquisition, (ii) any deliberations or negotiations in connection with the Acquisition, (iii) the consideration received by Settlement Class Members or by any other Person in connection with the Acquisition, (iv) the Proxy or any other disclosures, public filings, periodic reports, press releases, proxy statements, or other statements issued, made available, or filed relating, directly or indirectly, to the Acquisition, (v) the fiduciary duties and obligations of the Released Parties in connection with the Acquisition, or (vi) any of the allegations, transactions, facts, matters, occurrences, representations or omissions involved, set forth, or referred to in any complaint or amendment(s) thereto filed in the Consolidated Action; provided, however, that the Released Claims shall not include claims to enforce the Settlement or any claims or rights of any Defendant against its insurers or its insurers' successors or assignees.

(b) Whether or not any or all of the following Persons were named, served with process or appeared in the Consolidated Action, "Released Parties" means (i) Defendants, (ii) any Person which is, was, or will be related to or affiliated with any or all of Defendants or in which any or all of Defendants has, had, or will have a controlling interest, or any estate or trust of which any Defendant is a settlor or which is for the benefit of him or her, (iii) Saba (iv) Vector Capital, and (v) each and all of the foregoing's respective past or present family members, spouses, domestic partners, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, affiliates, agents, employees, employers, personnel, fiduciaries, general or limited partners or partnerships, joint ventures, members, member firms, divisions, limited liability companies, corporations, parents, subsidiaries (foreign or domestic), divisions, shareholders, stockholders, principals, officers, managers, directors, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial or investment advisors, advisors, analysts, consultants, investment bankers, investment banks, investment funds, underwriters,

brokers, dealers, lenders, attorneys, legal representatives, accountants, auditors, insurers, co-insurers, reinsurers, retained professionals, and associates.

(c) "Unknown Claims" means any claim that any plaintiff or any other Settlement Class Member does not know or suspect exists in his, her, or its favor at the time of the release of the Released Claims as against the Released Parties, including without limitation those which, if known, might have affected the decision to enter into the Settlement or to object or to not object to the Settlement. With respect to any of the Released Claims, the Parties stipulate and agree that upon the occurrence of the Effective Date, Lead Plaintiff shall expressly and each Settlement Class Member shall be deemed to have, and by operation of the Order and Final Judgment shall have, expressly waived, relinquished, and released any and all provisions, rights, and benefits conferred by or under Cal. Civ. Code §1542 or any law of the United States or any state of the United States 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.

Lead Plaintiff acknowledges, and the Settlement Class Members by operation of law shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true with respect to the Released Claims, but that it is the intention of Lead Plaintiff, and by operation of law the Settlement Class Members, to completely, fully, finally and forever extinguish any and all Released Claims, known or unknown, suspected or unsuspected, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. Lead Plaintiff acknowledges, and the Settlement Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of "Released Claims" was separately bargained for and was a material element of the Settlement and was relied upon by each and all of Defendants in entering into the Settlement Agreement.

Release of Claims by Defendants: As of the Effective Date, Defendants agree to fully, completely, finally, and forever release, relinquish, and discharge Lead Plaintiff and Lead Counsel from all claims, including Unknown Claims, arising out of or relating to the institution, prosecution, settlement, or resolution of the Consolidated Action (provided, however, that this release, relinquishment, and discharge shall not include claims by the Parties hereto to enforce the terms of the Settlement or Settlement Agreement or any claims or rights of any Defendant against its insurers or its insurers' successors or assignees).

30. As of the Effective Date, plaintiffs and all Settlement Class Members, on behalf of themselves, and any and all of their respective successors-in-interest, successors, predecessors-in-interest, predecessors, representatives, trustees, executors, administrators, estates, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them, agree to release and forever discharge, and by operation of the Order and Final Judgment shall release and forever discharge, all Released Claims as against all Released Parties.

31. If the Effective Date does not occur, if Defendants withdraw from the Settlement pursuant to Paragraph 19 of the Stipulation, or if the proposed Settlement otherwise does not become final for any reason, or any judgment or order entered pursuant to the Stipulation is reversed, vacated, or modified in any material respect by the Court or any other court, no reference to the Stipulation or any documents related thereto shall be made by the Parties for any purpose, except as expressly authorized by the terms of the Stipulation, and the Parties shall be returned, without prejudice in any way, to their respective litigation positions immediately prior to the execution of the Stipulation.

32. Pending final determination of whether the Settlement should be approved and occurrence of the Effective Date, all proceedings in the Consolidated Action (except as may be necessary to carry out the terms and conditions of the proposed Settlement) are stayed, and Lead Plaintiff, and all members of the Settlement Class, are barred and enjoined from commencing or prosecuting, either directly, representatively or in any other capacity, any action asserting any claims that are, or relate in any way to, Released Claims against Released Parties. The Parties' respective deadlines to respond to any filed or served pleadings or discovery requests are extended indefinitely.

HOW WILL THE ATTORNEYS FOR PLAINTIFFS GET PAID?

33. Plaintiffs' counsel have not received any payment for their services in pursuing the claims asserted in the Consolidated Action, nor have plaintiffs' counsel been reimbursed for their out-of-pocket expenses. Plaintiffs' counsel invested their own resources for pursuing the Consolidated Action on a contingency basis, meaning they would only recover their expenses and be compensated for their time if they created benefits through the Consolidated Action. In light of the risks undertaken in pursuing the Consolidated Action on a contingency basis and the benefits created for the Settlement Class through the Settlement and the prosecution of the Consolidated Action, Lead Counsel, on behalf of

themselves and counsel for plaintiffs, intend to petition the Court for an award of attorneys' fees in an aggregate amount not to exceed 25% of the Settlement Amount plus reimbursement of expenses incurred in connection with the Consolidated Action (the "Fee Application"), which petition will be wholly inclusive of any request for attorneys' fees and expenses on behalf of any Class Member or his, her, or its counsel in connection with the Settlement. Defendants and Saba agree not to oppose this request and shall take no position as to the Fee Application. The Parties acknowledge and agree that any attorneys' fees and expenses awarded by the Court in the Consolidated Action to Lead Counsel shall be paid solely from the Settlement Amount, and that none of Saba, Defendants, or Saba's directors' and officers' insurers or reinsurers shall have any responsibility therefor other than as stated herein. The Fee Application shall be the only petition for attorneys' fees and expenses filed by or on behalf of plaintiffs and plaintiffs' counsel.

34. Lead Counsel warrant that no portion of any Fee and Expense Award shall be paid to any plaintiff or any Class Member, except as approved by the Court. Lead Counsel intend to petition the Court for an incentive award for Lead Plaintiff not to exceed \$100,000 be paid from the Settlement Amount, subject to Court approval ("Incentive Award"). None of Saba, any of the Defendants, or any of Saba's directors' and officers' insurers or reinsurers shall have any responsibility or liability for any claims, payments, or determinations in respect of any Incentive Award.

35. The Court will determine the amount of any Fee and Expense Award to plaintiffs' counsel and any Incentive Award to Lead Plaintiff. Final resolution by the Court of the Fee Application or any Incentive Award shall not be a precondition to the Settlement or the dismissal of the Consolidated Action in accordance with the Settlement and the Stipulation, and the Fee Application and Incentive Awards may be considered separately from the Settlement.

36. The Parties agree that Lead Plaintiff shall request that the Court, in the Order and Final Judgment, finally certify the Class for settlement purposes only pursuant to Court of Chancery Rules 23(a) and 23(b)(1) and/or (b)(2).

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

37. The Court will consider the Settlement and all matters related to the Settlement at the Settlement Hearing. The Settlement Hearing will be held before Vice Chancellor Joseph R. Sights III on September 24, 2018, at 2:00 p.m., in the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801.

38. Settlement Class Members who wish to participate in the Settlement shall complete and submit Proof of Claim forms in accordance with the instructions contained therein. Unless the Court orders otherwise, all Proof of Claim forms must be postmarked no later than November 26, 2018. Any Settlement Class Member who does not timely submit a Proof of Claim within the time provided for shall be barred from sharing in the distribution of the proceeds of the Net Settlement Amount, unless otherwise ordered by the Court or allowed by the Stipulation. Such Settlement Class Members, despite having failed to timely submit a Proof of Claim, shall continue to be bound by the terms of the Settlement.

39. Any Settlement Class Member who objects to the Settlement, the proposed Order and Final Judgment to be entered, the Fee Application, or the application for an Incentive Award to Lead Plaintiff, or who otherwise wishes to be heard ("Objector"), may appear in person or through his, her, or its attorney at the Settlement Hearing and present any evidence or argument that may be proper and relevant; provided, however, that no Objector shall be heard or entitled to contest the approval of the terms and conditions of the Settlement, or, if approved, the Order and Final Judgment to be entered thereon, or the allowance of fees and expenses to Lead Counsel, or any Incentive Award to Lead Plaintiff, unless, no later than ten (10) business days before the Settlement Hearing (unless the Court in its discretion thereafter otherwise directs, upon application of such person and for good cause shown), such person files with the Register in Chancery, Court of Chancery, 38 The Green, Dover, Delaware 19901, the following: (a) proof of ownership of Saba stock on March 30, 2015; (b) a written notice of the Objector's intention to appear; (c) a detailed statement of the objections to any matter before the Court; and (d) a detailed statement of all of the grounds thereon and the reasons for the Objector's desire to appear and to be heard; and (e) all documents or writings which the Objector desires the Court to consider. Any such filings with the Court must also be served upon each of the following counsel (via LexisNexis e-service, by hand, by overnight delivery) on or before such filing:

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Counsel for Defendants Shawn Farshchi, William V. Russell, Dow R. Wilson, William M. Klein, William N. MacGowan, Michael Fawkes, and Nora Denzel, and non-defendant Saba Software, Inc.

40. Any person or entity who fails to object in the manner prescribed above shall be deemed to have waived such objection (including the right to appeal), unless the Court in its discretion allows such objection to be heard at the Settlement Hearing, and shall forever be barred from raising such objection in this Consolidated Action or any other action or proceeding or otherwise contesting the Settlement, the Fee Application, any Incentive Award to Lead Plaintiff, or other matter related to the Settlement, and will otherwise be bound by the Order and Final Judgment to be entered and the releases to be given.

CAN I SEE THE COURT FILE?
WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

41. This Notice does not purport to be a comprehensive description of the Consolidated Action, the terms of the Settlement, or the Settlement Hearing. For a more detailed statement of the matters involved in the Consolidated Action, you may inspect the Stipulation, the Orders entered by the Court, and other papers filed in the Consolidated Action at the Office of the Register in Chancery in the Court of Chancery of the State of Delaware, Kent County Courthouse, 414 Federal Street Dover, Delaware 19901, during regular business hours of each business day. You may also view a copy of the Stipulation at www.SabaSoftwareSettlement.com or www.robbinsarroyo.com/category/notices. If you have questions regarding the Settlement, you may write or call Lead Counsel: Stephen J. Oddo, Robbins Arroyo LLP, 600 B Street, Suite 1900, San Diego, CA 92101, (619) 525-3990.

DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE REGISTER IN CHANCERY REGARDING THIS NOTICE.

Dated: July 26, 2018

BY ORDER OF THE COURT OF
CHANCERY OF THE STATE OF DELAWARE