

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE HEMISPHERE MEDIA GROUP, INC.  
STOCKHOLDERS LITIGATION

Consol. C.A. No. 2023-0555-JTL

**NOTICE OF PENDENCY OF STOCKHOLDER CLASS ACTION AND  
PROPOSED SETTLEMENT, SETTLEMENT HEARING, AND RIGHT TO APPEAR**

***The Delaware Court of Chancery authorized this Notice.  
This is not a solicitation from a lawyer.***

**NOTICE OF PENDENCY OF CLASS ACTION:** Please be advised that your rights will be affected by the above-captioned stockholder class action (the “Action”) pending in the Court of Chancery of the State of Delaware (the “Court”) if you were a record holder or beneficial owner of Hemisphere Media Group Inc. (“Hemisphere” or the “Company”) common stock (NASDAQ: “HMTV”) whose shares were exchanged for or who had the right to receive in exchange \$7.00 per share in cash on September 13, 2022.

**NOTICE OF SETTLEMENT:** Please also be advised that (i) Plaintiffs Robert Garfield, Carmel Spamer, and Theodor Karl Schricker, Jr. (collectively, “Plaintiffs”), individually and on behalf of the Class (defined in Paragraph 24 below); (ii) Searchlight Capital Partners, L.P. (“Searchlight”), Eric Zinterhofer, Adam Reiss, Alan J. Sokol, Peter M. Kern, Gato Investments, L.P. (“Gato”), and Gemini Latin Holdings, LLC (“Gemini”), (collectively, “Defendants”); and (iii) Hemisphere Media Group, Inc. (“Hemisphere”) (and together with Plaintiffs and Defendants, the “Settling Parties,” and each a “Party”) have reached a proposed settlement for \$15,000,000 in cash (the “Settlement”). The proposed Settlement, if approved, will resolve all claims in the Action against Defendants, and the Action will be dismissed with prejudice.

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. This Notice explains how members of the class will be affected by the Settlement. The following table provides a brief summary of the rights you have as a class member and the relevant deadlines, which are described in more detail later in this Notice.<sup>1</sup>**

**CLASS MEMBERS’ LEGAL RIGHTS IN THE SETTLEMENT:**

**RECEIVE A PAYMENT FROM THE SETTLEMENT. CLASS MEMBERS DO NOT NEED TO SUBMIT A CLAIM FORM.**

If you are a member of the Class (defined in paragraph 24 below), you may be eligible to receive a *pro rata* distribution from the Settlement proceeds. Eligible Class Members (defined in paragraph 35 below) **do not** need to submit a claim form in order to receive a distribution from the Settlement, if approved by the Court. Your distribution from the Settlement will be paid to you directly. *See* paragraphs 31-38 below for further discussion.

**OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS *RECEIVED* NO LATER THAN DECEMBER 2, 2024.**

If you are a member of the Class and would like to object to the proposed Settlement, the proposed Plan of Allocation, or Plaintiffs’ Counsel’s request for an award of attorneys’ fees and expenses, you may write to the Court and explain the reasons for your objection.

**ATTEND A HEARING ON DECEMBER 13, 2024 AT 11:00 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS *RECEIVED* NO LATER THAN DECEMBER 2, 2024.**

Filing a written objection and notice of intention to appear that is received by December 2, 2024, allows you to speak in Court, at the discretion of the Court, about your objection. In the Court’s discretion, the December 13, 2024 hearing will be conducted by Zoom video conference (*see* paragraphs 43-44 below). If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.

<sup>1</sup> Any capitalized terms used in this Notice that are not otherwise defined in this Notice shall have the meanings given to them in the Revised Stipulation and Agreement of Settlement, Compromise, and Release, dated September 11, 2024 (the “Stipulation”). A copy of the Stipulation is available at <https://www.HemisphereMediaHoldingsStockholderLitigation.com>.

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## WHAT IS THE PURPOSE OF THIS NOTICE?

1. The purpose of this Notice is to notify Class Members (defined in paragraph 24, below) of the existence of the Action and the terms of the proposed Settlement. The Notice is also being sent to inform Class Members of a hearing that the Court has scheduled to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation for the Settlement proceeds, and the application by Plaintiffs' Counsel for a Fee and Expense Award in connection with the Settlement (the "Settlement Hearing"). See paragraphs 41-42 below for details about the Settlement Hearing, including the location, date, and time of the hearing.

2. The Court directed that this Notice be mailed to you because you may be a member of the Class. The Court has directed us to send you this Notice because, as a Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how the Action and the proposed Settlement generally affect your legal rights. Please Note: the Court may approve the proposed Settlement with such modifications as the Settling Parties may agree to, if appropriate, without further notice to the Class.

3. The issuance of this Notice is not an expression by the Court of any findings of fact or any opinion concerning the merits of any claim in the Action, and the Court has not yet decided whether to approve the Settlement. If the Court approves the Settlement, then payments to Eligible Class Members will be made after any appeals are resolved.

**PLEASE NOTE:** Receipt of this Notice does not mean that you are a Class Member or an Eligible Class Member or that you will be entitled to receive a payment from the Settlement.

## WHAT IS THIS CASE ABOUT?

THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT. THE COURT HAS MADE NO FINDINGS WITH RESPECT TO THE FOLLOWING MATTERS AND THESE RECITATIONS SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE SETTLING PARTIES.

4. On May 9, 2022, in a Form 8-K filed with the SEC, Hemisphere announced its entry into (i) an Agreement and Plan of Merger (the "Merger Agreement") with Hemisphere Media Holdings, LLC, an indirect subsidiary of Hemisphere, HWK Parent, LLC ("Parent"), HWK Sub Merger 1, Inc., a wholly owned subsidiary of Parent ("Merger Sub 1"), and HWK Merger Sub 2, LLC, a wholly owned subsidiary of Merger Sub 1, under which Parent would acquire Hemisphere for \$7.00 per share, on such terms and conditions as described in the Merger Agreement, (ii) a Voting and Support Agreement with Gato, (iii) a Membership Interest Purchase Agreement, pursuant to which Hemisphere agreed to sell Pantaya LLC ("Pantaya") to Univision Puerto Rico Station

Operating Company (“Univision”) for One Hundred Fifteen Million Dollars (\$115,000,000) in cash plus a promissory note in the amount of Ten Million Dollars (\$10,000,000), and (iv) a Share Purchase Agreement, pursuant to which Hemisphere purchased Univision of Puerto Rico, Inc. from Univision for Ten Million Dollars (\$10,000,000) in cash, plus certain adjustments ((i) through (iv) collectively constituting the “Transaction”).

5. On May 23, 2023, plaintiffs Robert Garfield, Carmel Spamer, and Theodor Karl Schricker, Jr. filed a Verified Class Action Complaint (the “Garfield Complaint”) against defendants Searchlight, Gato, Gemini, Peter M. Kern, Eric Zinterhofer, Adam Reiss, Leo Hindery, Jr., Ernesto Vargas Guajardo, Alan J. Sokol, and James M. McNamara, commencing the action styled *Garfield v. Searchlight Capital Partners, L.P.*, C.A. No. 2023-0555-JTL (the “Garfield Action”). Plaintiffs alleged breaches of fiduciary duties in connection with the Transaction.

6. Specifically, Plaintiffs alleged that the Company’s controllers (Searchlight, Gemini, and Gato) and the Hemisphere director-defendants (including Searchlight employee-designees) opportunistically pursued and timed the Transaction in order to take Hemisphere private at a depressed stock price and to transfer the valuable Pantaya asset to another Searchlight portfolio company at a substantial discount. Plaintiffs sought, among other things, monetary damages (including pre- and post-judgment interest), attorneys’ fees, and costs.

7. Plaintiffs alleged that the Transaction was approved by conflicted directors who had ties to Searchlight and its affiliates. Plaintiffs further alleged that the Transaction was only approved by stockholders because the Hemisphere board issued a misleading proxy statement.

8. Based on contemporary valuations of Hemisphere’s assets, including Pantaya, Plaintiffs alleged that the \$7.00 per share price that stockholders received in the Transaction in exchange for their Hemisphere common stock was unfairly low.

9. On June 20, 2023, defendants Searchlight, Eric Zinterhofer, Adam Reiss, Alan J. Sokol and James M. McNamara filed a Motion to Dismiss the Garfield Complaint. On June 20, 2023, defendants Peter M. Kern, Leo Hindery, Jr., Gato, and Gemini filed a Motion to Dismiss the Garfield Complaint.

10. On June 21, 2023, plaintiff Jeffrey Edelman filed a Verified Class Action Complaint for Breach of Fiduciary Duty asserting substantially the same claims against the same Defendants as the Garfield Complaint, commencing the action styled *Edelman v. Searchlight Capital Partners L.P.*, C.A. No. 2023-0638-JTL (the “Edelman Action”).

11. On June 22, 2023, defendant Ernesto Vargas Guajardo filed a Motion to Dismiss the Garfield Complaint.

12. On August 9, 2023, the Garfield Action and Edelman Action were consolidated under the caption *In re Hemisphere Media Group, Inc. Stockholders’ Litigation*, C.A. No. 2023-0555-JTL (the “Action”), and the Garfield Complaint was designated as the operative complaint in the Action.

13. On September 14, 2023, the Court entered an Order Coordinating Actions (the “Coordination Order”), coordinating the Action with an appraisal action that certain stockholders had filed against the Company styled *Edenbrook Value Fund, LP v. Hemisphere Media Group Inc.*, C.A. No. 2022-0975-JTL (the “Appraisal Action”) for all purposes, including pretrial discovery and trial.

14. On January 11, 2024, the Court held oral argument on the motions to dismiss, and, on January 12, 2024, the Court issued a telephonic bench granting the Motion to Dismiss as to Defendants James M. McNamara, Ernesto Vargas Guajardo, and Leo Hindery, Jr., and denying it as to Defendants Searchlight, Gato, Gemini, Eric Zinterhofer, Adam Reiss, Alan J. Sokol, and Peter M. Kern, but limiting discovery to five discrete topics. The Court also invited the remaining Defendants to seek to move for summary judgment following the limited discovery period, before plenary discovery would begin, if at all.

15. On February 8, 2024, Defendants Searchlight, Eric Zinterhofer, Adam Reiss, Alan J. Sokol, Peter M. Kern, Gato, and Gemini filed their respective Answers and Affirmative Defenses to the Verified Class Action Complaint. Their affirmative defenses included: (1) Plaintiffs’ claims and issues raised were barred by the doctrines of res judicata and/or collateral estoppel; (2) Plaintiffs failed to state a claim upon which relief can be granted; (3) Plaintiffs’ claims failed to overcome the business judgment rule; (4) Plaintiffs’ claims are barred by Section 141(e) of the Delaware General Corporation Law (“DGCL”); (5) Hemisphere’s directors were exculpated under Section 102(b)(7) of the DGCL; (6) the transactions were approved by an independent, disinterested special committee; (7) the transaction was entirely fair; (8) Plaintiffs failed to show that Defendants’ actions caused them any injury-in-fact damages; (9) Plaintiffs’ claims are barred by laches, waiver, ratification, acquiescence, and/or estoppel; (10) Plaintiffs and Class Members are precluded from recovering attorneys’ fees; and (11) Plaintiffs’ failed to provide proof of stock ownership in the Company and thus lack standing.

16. From August 2023 through May 2024, Plaintiffs propounded extensive discovery, including 60 document requests to Defendants, 34 interrogatories to Searchlight, Gato, and Gemini, and 73 interrogatories to all Defendants. In response to

Plaintiffs' discovery requests, Defendants and non-parties produced more than 600,000 pages of documents. Plaintiffs' counsel deposed one fact witness.

17. On May 30, 2024, Plaintiffs' counsel and Defendants' counsel participated in a full-day mediation session before David Murphy of Phillips ADR (the "Mediation"). Before the Mediation, Plaintiffs and Defendants exchanged mediation statements and exhibits, which addressed the issues of both liability and potential damages. The Action was not resolved during the Mediation.

18. On June 13, 2024, the Settling Parties reached an agreement in principle to settle the Consolidated Class Action for Fifteen Million Dollars in cash (\$15,000,000), subject to Court approval.

19. On July 18, 2024, the Settling Parties executed a term sheet memorializing the Settlement (the "Term Sheet").

20. On July 18, 2024, Plaintiffs' counsel and Defendants' counsel informed the Court of the settlement in principle of the Action and requested a stay of further proceedings pending submission of the Settlement for Court approval.

21. On August 28, 2024, after additional negotiations regarding the specific terms of their agreement, the Settling Parties entered into the original Stipulation and Agreement of Settlement, Compromise, and Release (the "Original Stipulation").

22. On September 3, 2024, the Court entered a Scheduling Order directing that notice of the Settlement be provided to potential Class Members, and scheduling the Settlement Hearing to, among other things, consider whether to grant final approval to the Settlement.

23. On September 11, 2024, the Court entered into the Stipulation, to clarify certain provisions consistent with the Settling Parties' intent. The Stipulation, which reflects the final and binding agreement between the Settling Parties on the terms and conditions of the Settlement and which supersedes and replaces the Term Sheet and Original Stipulation, can be viewed at <https://www.HemisphereMediaHoldingsStockholderLitigation.com>.

## HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?

24. If you are a member of the Class, you are subject to the Settlement. The Class preliminarily certified by the Court consists of:

All record holders and beneficial owners of shares of Hemisphere common stock whose shares were exchanged for or who had the right to receive in exchange \$7.00 per share in cash at the closing of the take-private transaction between Hemisphere and Searchlight on September 13, 2022 (the "Closing"), including their heirs, successors in interest, successors, transferees, and assigns.

Excluded from the Class are: (i) Defendants; (ii) each of the former defendants in the actions (the "Former Defendants"); (iii) any person who was a Hemisphere officer or director at Closing; and (iv) the members of the immediate families of any of the foregoing, (v) any entity in which any of the Defendants or Former Defendants has had a controlling interest (each of (i)-(v) an "Excluded Person") and (vi) the legal representatives, heirs, successors, or assignees of any such Excluded Person. Excluded Persons also include Grupo MVS Capital, S. de R.L. de C.V., Gemini and Searchlight II HMT, L.P., InterMedia Partners, L.P., InterMedia Partners VII, LP, Panamax Films, LLC, and any of their respective parents or subsidiaries or general partners and any trusts, estates, entities, or accounts that held Hemisphere shares for the benefit of any of the foregoing. The Settling Parties estimate that the Class consists of approximately 18.5 million shares.

**PLEASE NOTE:** The Class is a non-"opt-out" class pursuant to Delaware Court of Chancery Rules 23(a), 23(b)(1), and 23(b)(2). Accordingly, Class Members do not have the right to exclude themselves from the Class.

## WHAT ARE THE TERMS OF THE SETTLEMENT?

25. In consideration of the settlement of the Released Plaintiffs' Claims (defined in paragraph 39 below) against Defendants and the other Released Defendant Parties (defined in paragraph 39 below), Hemisphere will cause \$15,000,000 in cash (the "Settlement Payment") to be deposited into an interest-bearing escrow account for the benefit of the Class and will release the Released Defendants' Claims (defined in paragraph 39 below) against the Class and other Released Plaintiff Parties (defined in paragraph 39 below). See paragraphs 31-39 below for details about the distribution of the Settlement proceeds to Eligible Class Members and the release of claims.

26. Hemisphere and/or the insurers for the Defendants or Hemisphere are solely responsible for completing the Settlement Payment. Defendants shall bear no personal responsibility for any payment in connection with the Stipulation.

## WHAT ARE THE SETTLING PARTIES' REASONS FOR THE SETTLEMENT?

27. Plaintiffs and Plaintiffs' counsel thoroughly considered the facts and law underlying the claims asserted in the Action. Although Plaintiffs and Plaintiffs' counsel believe that the claims asserted have merit, the Court could have adopted Defendants' view of the applicable legal standards or of the underlying evidence, and could have entered judgment for Defendants, either dismissing the claims against Defendants prior to trial or after trial. Plaintiffs and Plaintiffs' counsel also considered the expense and length of continued proceedings necessary to pursue Plaintiffs' claims against Defendants through trial, the possibility that the case could be dismissed upon summary judgment following the limited discovery period, the uncertainty of appeals, and the collectability of any potential judgment.

28. In light of the monetary recovery achieved, and based upon their investigation and prosecution of the case and the information available to them through discovery and the settlement negotiations—which all provided Plaintiffs and Plaintiffs' counsel with a detailed basis upon which to assess the relative strengths and weaknesses of Plaintiffs' positions and Defendants' positions in the Action—Plaintiffs and Plaintiffs' counsel have concluded that the terms and conditions of the Stipulation are fair, reasonable, and adequate to Plaintiffs and the Class, and in their best interests. The Settlement provides an immediate benefit in the form of the \$15,000,000 Settlement Payment without the risk that continued litigation could result in obtaining no recovery or a smaller recovery from Defendants after continued extensive and expensive litigation, including trial and appeals.

29. Defendants deny all allegations of wrongdoing, fault, liability, or damage to Plaintiffs or to any other member of the Class, and further deny that Plaintiffs have asserted a valid claim as to any of them. Defendants further deny that they engaged in any wrongdoing or committed, or aided or abetted, any violation of law or breach of duty and believe that they acted properly, in good faith, and in a manner consistent with their legal duties and are entering into this Settlement and Stipulation solely to avoid the substantial burden, expense, inconvenience, and distraction of continued litigation and to resolve each of the Released Plaintiffs' Claims, as defined below, as against the Released Defendant Parties, as defined below. The Settlement and this Stipulation shall in no event be construed as, or deemed to be, evidence of or an admission or concession on the part of any of the Defendants with respect to any claim or factual allegation or of any fault or liability or wrongdoing or damage whatsoever or any infirmity in the defenses that any of the Defendants have or could have asserted.

30. Nevertheless, Hemisphere and Defendants wish to eliminate the uncertainty, risk, burden, and expense of further litigation. Hemisphere and Defendants have therefore determined to settle the Action on the terms and conditions set forth in the Stipulation solely to put the Released Plaintiffs' Claims to rest, finally and forever, without in any way acknowledging any wrongdoing, fault, liability, or damages. Nothing in the Settlement and the Stipulation shall be construed as, or deemed to be, evidence of or an admission or concession on the part of Hemisphere or any of the Defendants with respect to any claim or factual allegation or of any fault or liability or wrongdoing or damage whatsoever or any infirmity in the defenses that any of the Defendants have or could have asserted.

## HOW MUCH WILL MY PAYMENT FROM THE SETTLEMENT BE? HOW WILL I RECEIVE MY PAYMENT?

31. Please Note: If you are eligible to receive a payment from the Net Settlement Fund, you do not have to submit a claim form in order to receive your payment.

32. As stated above, the \$15,000,000 Settlement Payment will be deposited into an interest-bearing escrow account for the benefit of the Class. If the Settlement is approved by the Court and the Effective Date of the Settlement occurs, the Net Settlement Fund (that is, the Settlement Payment plus any and all interest earned thereon (the "Settlement Fund") less: (i) any and all Notice Costs; (ii) any and all Administrative Costs; (iii) any and all Taxes; (iv) any Fee and Expense Award; and (v) any other fees, costs or expenses approved by the Court) will be distributed in accordance with the proposed Plan of Allocation stated below or such other plan of allocation as the Court may approve.

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

34. The Court may approve the Plan of Allocation as proposed or it may modify the Plan of Allocation without further notice to the Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the Settlement website, <https://www.HemisphereMediaHoldingsStockholderLitigation.com>.

## PROPOSED PLAN OF ALLOCATION

35. The Net Settlement Fund will be distributed on a *pro rata* basis to “Eligible Class Members.” “Eligible Class Members” will consist of all Class Members who held or beneficially owned shares of Hemisphere common stock at the Closing and therefore received, or were entitled to receive, the Transaction Consideration for their “Eligible Shares.” “Eligible Shares” will be the number of shares of Hemisphere common stock held or beneficially owned by Eligible Class Members at the Closing and for which Eligible Class Members received, or were entitled to receive, the Transaction Consideration.<sup>2</sup>

36. Each Eligible Class Member will be eligible to receive a *pro rata* payment from the Net Settlement Fund equal to the product of (i) the number of Eligible Shares held by the Eligible Class Member and (ii) the “Per-Share Recovery” for the Settlement, which will be determined by dividing the total amount of the Net Settlement Fund by the total number of Eligible Shares.

37. Payments from the Net Settlement Fund to Eligible Class Members will be made in the same manner in which Eligible Class Members received the Transaction Consideration. Accordingly, if your shares of common stock were held in “street name” and the Transaction Consideration was deposited into your brokerage account, your broker will be responsible for depositing your Settlement payment into that same brokerage account.

38. Subject to Court approval in the Class Distribution Order, Plaintiffs’ counsel will direct the Settlement Administrator to conduct the distribution of the Net Settlement Fund to Eligible Class Members as follows:

(i) With respect to shares of Hemisphere common stock held of record at the Closing by the Depository Trust & Clearing Corporation, including its subsidiary the Depository Trust Company (collectively, “DTCC”), through its nominee Cede & Co., Inc. (“Cede”), the Settlement Administrator will cause that portion of the Net Settlement Fund to be allocated to Eligible Class Members who held their shares through DTCC Participants to be paid to DTCC. DTCC shall then distribute that portion of the Net Settlement Fund among the DTCC Participants by paying each the Per-Share Recovery times its respective Closing Security Position,<sup>3</sup> using the same mechanism that DTCC used to distribute the Transaction Consideration and subject to payment suppression instructions with respect to shares held by Excluded Persons and any other shares ineligible for recovery from the Settlement. The DTCC Participants and their respective customers, including any intermediaries, shall then ensure *pro rata* payment to each Eligible Class Member based on the number of Eligible Shares beneficially owned by such Eligible Class Members.

(ii) With respect to shares of Hemisphere common stock held of record at the Closing other than by Cede, as nominee for DTCC (a “Closing Non-Cede Record Position”), the payment with respect to each such Closing Non-Cede Record Position shall be made by the Settlement Administrator from the Net Settlement Fund directly to the record owner of each Closing Non-Cede Record Position in an amount equal to the Per-Share Recovery times the number of Eligible Shares comprising such Closing Non-Cede Record Position.

(iii) A person who purchased shares of Hemisphere common stock on or before September 13, 2022, but had not settled those shares at the Closing (“Non-Settled Shares”) shall be treated as an Eligible Class Member (and their shares treated as Eligible Shares) with respect to those Non-Settled Shares, and a person who sold those Non-Settled Shares on or before September 13, 2022, shall not be treated as an Eligible Class Member with respect to those Non-Settled Shares.

(iv) In the event that any payment from the Net Settlement Fund is undeliverable or in the event a check is not cashed by the stale date (*i.e.*, more than six months from the check’s issue date), the DTCC Participants or the holder of a Closing Non-Cede Record Position shall follow their respective policies with respect to further attempted distribution or escheatment.

<b>WHAT WILL HAPPEN IF THE SETTLEMENT IS APPROVED? WHAT CLAIMS WILL THE SETTLEMENT RELEASE?</b>
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39. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). Pursuant to the Judgment, the claims asserted against Defendants in the Action will be dismissed with prejudice and the following releases will occur:

(i) **Release of Claims by Plaintiffs and the Class:** Upon the Effective Date, Plaintiffs, and all Released Plaintiff Parties (defined below), on behalf of themselves and their successors and assigns, shall thereupon be deemed to have fully, finally, and forever released, settled, and discharged the Released Defendant Parties (defined below) from and with respect to every one of

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<sup>2</sup> “Eligible Class Members” do not include any of the “Excluded Persons” (as defined above and in the Stipulation).

<sup>3</sup> For each DTCC Participant, the “Closing Security Position” is the number of shares of common stock reflected on the DTCC allocation report used by DTCC to distribute the Transaction Consideration.

the Released Plaintiffs' Claims (defined below), and shall thereupon be forever barred and enjoined from commencing, instituting, prosecuting, or continuing to prosecute any Released Plaintiffs' Claims against any of the Released Defendant Parties.

"Released Plaintiff Parties" means (i) Plaintiffs, (ii) the Immediate Family of any Plaintiff; (iii) all other Class Members; (iv) all past or present, direct or indirect, affiliates, members, partners, partnerships, investment managers, advisors and funds, subsidiaries, parents, predecessors, and successors of Plaintiffs and Class Members, and their respective affiliates (collectively, "Affiliates"); (v) all past or present officers, directors, employees, associates, agents, advisors, members, partners, experts, financial or investment advisors, insurers and attorneys (including Plaintiffs' Counsel) of Plaintiffs, Class Members, and their respective Affiliates; (vi) all artificial persons, firms, trusts, foundations, corporations, or other entities in which any of the Plaintiffs, Class Members, or their Affiliates have a financial interest; and (vii) the legal representatives, heirs, executors, administrators, predecessors, successors, transferees, and assigns of any of the foregoing.

"Released Plaintiffs' Claims" means any and all Claims, including Unknown Claims, that the Released Plaintiff Parties or any other Class Member (i) asserted in the Action or (ii) ever had, now has, or may have, directly, representatively, or derivatively, arising out of or relating in any manner to: (1) the Transaction or any related disclosure, (2) any control or participation of any of the Released Defendant Parties with respect to the Transaction or any related disclosure, (3) the Action, or (4) any claims, allegations, transactions, facts, circumstances, events, acts, disclosures, statements, representations, omissions, or failures to act alleged, set forth, referred to, or involved in any of the complaints filed in the Action. The Released Plaintiffs' Claims shall not include claims to enforce this Stipulation and shall not include timely claims for appraisal pursuant to 8 *Del. C.* § 262.

"Released Defendant Parties" means (i) Defendants; (ii) the Former Defendants; (iii) Hemisphere; (iv) the Immediate Family of any Defendant or Former Defendants who is a natural person; (v) Defendants', Former Defendants', and Hemisphere's past or present, direct or indirect, affiliates, members, partners, partnerships, investment managers, advisors and funds, subsidiaries, parents, predecessors, and successors (collectively, "Affiliates"); (vi) all past or present officers, directors, employees, associates, agents, advisors, members, partners, experts, financial or investment advisors, insurers and attorneys (including Defendants' Counsel) of Defendants, Former Defendant, Hemisphere, and their respective Affiliates; (vii) all artificial persons, firms, trusts, foundations, corporations, or other entities in which any of the Defendants, Former Defendants, Hemisphere, or their Affiliates have a financial interest; and (viii) the legal representatives, heirs, executors, administrators, predecessors, successors, transferees, and assigns of any of the foregoing.

(ii) **Release of Claims by Defendants:** Upon the Effective Date, each of the Released Defendant Parties, on behalf of themselves and their successors and assigns, shall thereupon be deemed to have fully, finally, and forever, released, settled and discharged the Released Plaintiff Parties from and with respect to every one of the Released Defendants' Claims, and shall thereupon be forever barred and enjoined from commencing, instituting or prosecuting any of the Released Defendants' Claims against any of the Released Plaintiff Parties.

"Released Defendants' Claims" means any and all Claims, including Unknown Claims, that have been or could have been asserted in the Action, or in any court, tribunal, forum, or proceeding, by the Released Defendant Parties, or any of their respective successors and assigns against any of the Released Plaintiff Parties, and any of their respective successors and assigns, that relate to or arise out of the institution, prosecution, settlement, or dismissal of the Action; provided, however, that the Released Defendants' Claims shall not include Claims to enforce this Stipulation.

"Unknown Claims" means any Released Plaintiffs' Claims that the Released Plaintiff Parties do not know or suspect to exist in his, her, its, or their favor at the time of the release of the Released Plaintiffs' Claims, as well as any Released Defendants' Claims that any Released Defendant Parties does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Defendants' Claims, which, if known by him, her, it, or them, might have affected his, her, its, or their decision(s) with respect to the Settlement. With respect to any and all Released Plaintiffs' Claims and Released Defendants' Claims, the Settling Parties stipulate and agree that Plaintiffs and Defendants shall expressly waive, and each of the other Class Members by operation of law shall be deemed to have waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law or foreign law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

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

Plaintiffs and Defendants acknowledge, and the other Released Plaintiff Parties and Released Defendant Parties by operation of law are deemed to acknowledge, that they may discover facts in addition to or different from those now known or believed to be true

with respect to the Released Plaintiffs' Claims and the Released Defendants' Claims, but that it is the intention of Plaintiffs and Defendants, and by operation of law the other Released Plaintiff Parties and Released Defendant Parties, to completely, fully, finally and forever extinguish any and all Released Plaintiffs' Claims and Released Defendants' Claims, known or unknown, suspected or unsuspected, which now exist, or heretofore existed and without regard to the subsequent discovery of additional or different facts. Plaintiffs and Defendants also acknowledge, and the other the Released Plaintiff Parties and Released Defendant Parties by operation of law are deemed to acknowledge, that the inclusion of Unknown Claims in the definition of the Released Plaintiffs' Claims and the Released Defendants' Claims is separately bargained for and is a key element of the Settlement. For the avoidance of doubt, this paragraph shall not operate to stay or otherwise affect proceedings in the Appraisal Action.

40. By Order of the Court, all proceedings against Defendants in the Action, except for those related to the Settlement, have been stayed, and Plaintiffs and all other Class Members are barred and enjoined from commencing, instituting, or prosecuting any other proceedings against Defendants or Hemisphere asserting any Released Plaintiffs' Claims pending final determination of whether the Settlement should be approved.

41. If the Settlement is approved and the Effective Date occurs, no common stockholder or Class Member will be able to bring another action asserting the Released Plaintiffs' Claims against any of the Released Defendant Parties on behalf of Hemisphere or individually.

### HOW WILL PLAINTIFFS' COUNSEL BE PAID?

42. Plaintiffs' Counsel have not received any payment for their services in pursuing claims in the Action on behalf of the Class, nor have Plaintiffs' Counsel been paid for their litigation expenses incurred in connection with the Action. Before final approval of the Settlement, Plaintiffs' Counsel will apply to the Court for an award of attorneys' fees and litigation expenses to Plaintiffs' Counsel in connection with achieving the creation of the Settlement Fund (the "Fee and Expense Award") in an amount not to exceed 25% of the Settlement Fund. The Court will determine the amount of the Fee and Expense Award. The Fee and Expense Award will be paid solely from (and out of) the Settlement Fund in accordance with the terms of the Stipulation. Class Members are not personally liable for any such fees or expenses.

### WHEN AND WHERE WILL THE SETTLEMENT HEARING BE HELD? DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?

43. Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Class Member does not attend the Settlement Hearing. Class Members can recover from the Settlement without attending the Settlement Hearing.

44. **Please Note:** The date and time of the Settlement Hearing may change without further written notice to Class Members. In addition, the Court will conduct the Settlement Hearing remotely by Zoom, on December 13, 2024 at 11:00 am, **Join Zoom Meeting: <https://us06web.zoom.us/j/81157368725>, Meeting ID: 81157368725, Passcode: 7517829947**. **In order to determine whether the date and time of the Settlement Hearing have changed, or whether Class Members must or may participate remotely by video or phone, it is important that you monitor the Court's docket and the Settlement website, <https://www.HemisphereMediaHoldingsStockholderLitigation.com>, before making any plans to attend the Settlement Hearing. Any updates regarding the Settlement Hearing, including any changes to the date or time of the hearing or updates regarding in-person or remote appearances at the hearing, will be posted to the Settlement website, <https://www.HemisphereMediaHoldingsStockholderLitigation.com>. Also, if the Court requires or allows Class Members to participate in the Settlement Hearing remotely by video or telephone conference, the information needed to access the conference will be posted to the Settlement website, <https://www.HemisphereMediaHoldingsStockholderLitigation.com>.**

45. The Settlement Hearing will be held on **December 13, 2024 at 11:00 a.m.**, before The Honorable J. Travis Laster, Vice Chancellor, either in person at the Court of Chancery of the State of Delaware, New Castle County, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801, Settlement Hearing will be conducted remotely by Zoom, **Join Zoom Meeting: <https://us06web.zoom.us/j/81157368725>, Meeting ID: 811 5736 8725, Passcode: 7517829947**, (in the discretion of the Court), to, among other things: (i) certify the Class and appoint Plaintiffs as Class representatives and Plaintiffs' counsel as Class counsel for Settlement purposes; (ii) determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to the Class, and should be approved by the Court; (iii) determine whether a Judgment, substantially in the form attached as Exhibit D to the Stipulation, should be entered dismissing the Action with prejudice as against Defendants; (iv) determine whether the proposed Plan of Allocation of the Net Settlement Fund is fair and reasonable, and should therefore be approved; (v) determine whether the application by Plaintiffs' counsel for an award of attorneys'



fees and expenses should be approved; (vi) hear and rule on any objections to the Settlement, the proposed Plan of Allocation, and/or to the application by Plaintiffs' Counsel for an award of attorneys' fees and expenses; and (vii) consider any other matters that may properly be brought before the Court in connection with the Settlement.

46. Any Class Member may object to the Settlement, the proposed Plan of Allocation, or Plaintiffs' Counsel's application for an award of attorneys' fees and litigation expenses ("Objector"); *provided, however*, that no Objector shall be heard or entitled to object unless, **on or before December 2, 2024**, such person **(1)** files their written objection, together with copies of all other papers and briefs supporting the objection specified in paragraph 47 below, with the Register in Chancery at the address set forth below; **(2)** serves such papers (electronically by File & Serve*Xpress*, by hand, by first-class U.S. Mail, or by express service) on Plaintiffs' Counsel and Defendants' counsel at the addresses set forth below; and **(3)** emails a copy of the written objection to kim@blockleviton.com, nweinberger@labaton.com, cmackintosh@gelaw.com, and hendershot@rlf.com.

**REGISTER IN CHANCERY**

Register in Chancery  
Court of Chancery of the State of Delaware  
New Castle County  
Leonard L. Williams Justice Center  
500 North King Street  
Wilmington, DE 19801

**PLAINTIFFS' COUNSEL**

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**DEFENDANTS' COUNSEL**

John D. Hendershot  
RICHARDS, LAYTON & FINGER, P.A.  
920 North King Street  
Wilmington, DE 19801

47. Any objections must: (i) identify the case name and civil action number, "*In re Hemisphere Media Group, Inc. Stockholders' Litigation*, Civil Action No. 2023-0555-JTL"; (ii) state the name, address, and telephone number of the Objector and, if represented by counsel, the name, address, and telephone number of the Objector's counsel; (iii) be signed by the Objector; (iv) identify whether the Objector intends to appear at the Settlement Hearing; (v) contain a specific, written statement of the objection(s) and the specific reason(s) for the objection(s), including any legal and evidentiary support the Objector wishes to bring to the Court's attention, and if the Objector has indicated that he, she, or it intends to appear at the Settlement Hearing, the identity of any witnesses the Objector may call to testify and any exhibits the Objector intends to introduce into evidence at the hearing; and (vi) include documentation sufficient to prove that the Objector is a member of the Class (*i.e.*, held or beneficially owned shares of Hemisphere common stock at the Closing on September 13, 2022). Documentation establishing that an Objector is a member of the Class must

consist of copies of monthly brokerage account statements or an authorized statement from the Objector's broker containing the transactional and holding information found in an account statement.

48. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first file and serve a written objection in accordance with the procedures described above, unless the Court orders otherwise.

49. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, or Plaintiffs' Counsel's application for an award of attorneys' fees and litigation expenses, assuming you timely file and serve a written objection as described above, you must also file a notice of appearance with the Register in Chancery and serve it on Plaintiffs' Counsel and on Defendants' counsel at the mailing and email addresses set forth in paragraph 46 above so that the notice is **received on or before December 2, 2024**. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

50. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Plaintiffs' Counsel and Defendants' counsel at the mailing and email addresses set forth in paragraph 46 above so that the notice is **received on or before December 2, 2024**.

51. The Settlement Hearing may be adjourned by the Court without further written notice to Class Members. If you intend to attend the Settlement Hearing, you should confirm the date and time with Plaintiffs' Counsel.

52. Unless the Court orders otherwise, any Class Member who does not object in the manner described above will be deemed to have waived any objection (including the right to appeal) and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, or Plaintiffs' counsel's application for an award of attorneys' fees and litigation expenses, or any other matter related to the Settlement or the Action, and will otherwise be bound by the Judgment to be entered and the Releases to be given. Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

#### **CAN I SEE THE COURT FILE?**

#### **WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?**

53. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in the Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Register in Chancery in the Court of Chancery of the State of Delaware, New Castle County, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801. Additionally, copies of the Stipulation, the Complaint, and any related orders entered by the Court will be posted on the Settlement website, <https://www.HemisphereMediaHoldingsStockholderLitigation.com>. If you have questions regarding the Settlement, you may contact the Settlement Administrator: Hemisphere Stockholder Litigation, c/o A.B. Data, Ltd., P.O. Box 170500, Milwaukee, WI 53217, and by phone 877-411-4850, or Plaintiffs' counsel identified in paragraph 46 above.

#### **WHAT IF I HELD SHARES ON SOMEONE ELSE'S BEHALF?**

54. If you are a broker or other nominee that held shares of Hemisphere common stock at the Closing on September 13, 2022 for the beneficial interest of persons or entities other than yourself, you are requested to either: (i) within seven (7) calendar days of receipt of this Notice, request from the Settlement Administrator sufficient copies of this Notice to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notices forward them to all such beneficial owners; or (ii) within seven (7) calendar days of receipt of this Notice, provide a list of the names, addresses, and, if available, email addresses of all such beneficial owners to *Hemisphere Stockholder Litigation*, c/o A.B. Data, Ltd., P.O. Box 170500, Milwaukee, WI 53217. If you choose the second option, the Settlement Administrator will send a copy of the Notice to the beneficial owners.

55. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred by providing the Settlement Administrator with proper documentation supporting the expenses for which reimbursement is sought. A copy of this Notice may also be obtained from the Settlement website, <https://www.HemisphereMediaHoldingsStockholderLitigation.com>, by calling the Settlement Administrator toll free at 877-411-4850, or by emailing the Settlement Administrator at [info@HemisphereMediaHoldingsStockholderLitigation.com](mailto:info@HemisphereMediaHoldingsStockholderLitigation.com).

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

Dated: October 11, 2024

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