

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

BRUCE RAPPAPORT, THOMAS C. EKAS, and )  
STEVEN CROUSE, Derivatively on Behalf of )  
Nominal Defendant CITRIX SYSTEMS INC., )

Plaintiffs, )

vs. )

**Case No. 07-cv-60316-KAM**

ROGER W. ROBERTS, EDWARD E. )  
IACOBUCCI, MICHAEL F. PASSARO, BRUCE )  
C. CHITTENDEN, MARK B. TEMPLETON, )  
STEPHEN M. DOW, ROBERT N. GOLDMAN, )  
GREGORY B. MAFFEI, TYRONE F. PIKE, )  
DAVID A.G. JONES, JOHN C. BURRIS, KEVIN )  
R. COMPTON, DAVID D. URBANI, JOHN W. )  
WHITE, JOHN P. CUNNINGHAM, ROBERT G. )  
KRUGER, STEFAN SJOSTROM, KATE )  
HUTCHISON, THOMAS F. BOGAN, GARY E. )  
MORIN, MURRAY J. DEMO, GODFREY R. )  
SULLIVAN, ASIFF HIRJI, DAVID J. )  
HENSHALL, MARC-ANDRE BOISSEAU, )  
JAMES J. FELCYN, JR., and CHARLES ALLAN )  
PETTIT, )

Defendants, )

and )

CITRIX SYSTEMS, INC., )

Nominal Defendant. )

**STIPULATION OF SETTLEMENT**

This Stipulation of Settlement (the “Stipulation”), dated September 18, 2008, is made and entered into by and among the Settling Parties (as defined further in Section V hereof) to the Actions (as defined in Section V hereof) by and through their counsel of record. The Stipulation is intended by the Settling Parties to fully, finally and forever resolve, discharge and settle the

Released Claims (as defined in Section V, ¶ 1.13), upon and subject to the terms and conditions hereof.

## **I. FACTUAL BACKGROUND OF THE ACTIONS**

On November 30, 2006, the Audit Committee of the board of directors (the “Board”) of Citrix Systems, Inc. (“Citrix” or the Company”) commenced a voluntary review of the Company’s historical stock option granting practices and related accounting during the period from January 1996 through December 2006. On January 23, 2007, the Company filed a Form 8-K with the Securities and Exchange Commission (the “SEC”), reporting the investigation. The 8-K stated as follows:

During the quarter, the Audit Committee of the company’s Board of Directors began a voluntary review of the company’s historical stock option granting practices and the related accounting. This voluntary review was initiated in light of news about the option practices of numerous companies across several industries and not in response to any governmental investigation, whistleblower complaint or inquiries from media organizations. The Audit Committee has engaged independent outside legal counsel to conduct the review.

On March 6, 2007, the shareholder derivative action *Sheet Metal Workers Local 28 Pension Fund v. Roberts, et al.*, Case No. 07-60316-cv-KAM, was filed in the United States District Court for the Southern District of Florida (the “Federal Action”). The Federal Action was brought for the benefit of nominal defendant Citrix against certain members of the Board and certain of its executive officers alleging violations of federal and state law in connection with the Company’s historical stock option granting practices. On May 31, 2007, Citrix, as discussed in more detail below (See Section V.2), adopted various enhancements to its corporate

governance policies as set forth in the Company's Equity Award Grant Policy.

On June 13, 2007, the Company filed a Form 8-K and issued a press release announcing the results of the Audit Committee's review. In those filings, the Company disclosed that the Audit Committee's review had determined that measurement dates for financial accounting purposes of stock options granted between mid-1998 and late 2003 needed to be adjusted due to deficiencies in Citrix's administrative processes during that period that led to the use of incorrect measurement dates. The Company stated that the Audit Committee's investigation had determined that these adjustments were not the result of intentional wrongdoing on the part of any current Citrix executive. The vast majority of the stock option measurement dates that the Audit Committee determined required adjustment were granted during the mid-1998 to 2003 period. The Company further stated that the information reviewed by the Audit Committee indicated that from 1996 until mid-1998, the Company had "followed processes and procedures that likely led to the setting of grant dates retrospectively for many stock options granted to employees and executives," resulting in a relatively small additional number of stock option grants requiring measurement date adjustment. The Company also disclosed that it intended to seek review by the Office of the Chief Accountant of the SEC of certain financial accounting judgments being made by the Company in connection with the proposed adjustment of stock option measurement dates.

As a result of the Audit Committee's review, the Company also announced that it would need to restate its financial results from fiscal years 2004 and 2005 and for the interim quarterly periods for 2005 and 2006 to reflect the additional non-cash stock-based compensation expenses and related tax effects that should have been recorded with respect to stock option grants whose accounting measurement dates are being revised.

Thereafter, two other actions, *Thomas C. Ekas v. John C. Burris, et al.*, Case No. 07-016114, and *Steven Crouse v. John C. Burris, et al.*, Case No. 07-016249, were filed in Florida Circuit Court for Broward County on July 9, 2007 and July 10, 2007, respectively (the “State Actions,” and collectively with the Federal Action, the “Actions”). The State Actions allege substantially similar claims and facts as the Federal Action.

On September 7, 2007, the Company filed its Annual Report on Form 10-K for the year ended December 31, 2006 (“2006 Form 10-K”). In the 2006 Form 10-K, the Company announced that the Audit Committee had completed its investigation of the Company’s stock option granting practices and, based on the findings of the investigation, the Company had concluded that the accounting measurement dates for certain stock option grants awarded during the period December 1995 through December 2006 differed from the actual measurement dates previously used for such grants. As a result, the Company restated its financial statements through December 31, 2005, to reflect \$165.7 million in additional stock-based compensation expenses on a pre-tax basis. Consistent with the Company’s June 13, 2007 public disclosure, the Company had submitted the details of the proposed restatement and the proposed 10-K disclosure relating thereto in advance to the SEC’s Office of the Chief Accountant. The 10-K stated that none of the members of the Audit Committee conducting this investigation had served on the Compensation Committee of the Company’s Board of Directors during the period in which any options were granted that required adjustment of their measurement dates for financial accounting purposes.

On January 31, 2008, the Company filed with the SEC a Form 8-K stating that, as previously disclosed, the Company had proactively discussed the results of the Audit Committee’s investigation with the Staff of the SEC and had provided the Staff with information

regarding the Audit Committee's investigation and the restatement relating to its stock option granting practices. In that 8-K filing the Company further disclosed that on January 30, 2008 it had received a letter from the SEC Enforcement Staff stating that the Staff had completed its investigation of the Company's stock option grants, and did not intend to recommend any enforcement action by the SEC against the Company.

On December 14, 2007, an Amended Complaint was filed in the State Actions. On January 15, 2008, Plaintiff Bruce Rappaport filed an Amended Verified Derivative Complaint in the Federal Action. On February 29, 2008, Defendants filed a motion to stay the State Actions in favor of the first-filed Federal Action. Thereafter, the parties engaged in settlement discussions. By the beginning of April 2008, the parties reached an agreement in principle to settle the Actions on the terms and conditions specified in this Stipulation.

## **II. INVESTIGATION AND RESEARCH CONDUCTED BY PLAINTIFFS' COUNSEL**

Plaintiffs' Counsel (as that term is defined in Section V hereof) believe that they have conducted an extensive investigation during the development and prosecution of the Actions. This investigation has included, *inter alia*, (i) inspecting, reviewing and analyzing the Company's public filings; (ii) researching corporate governance issues; (iii) participating in numerous telephonic meetings with Defendants' counsel; (iv) researching the applicable law with respect to the claims asserted in the Actions and the potential defenses thereto; and (v) employing a financial expert to conduct an analysis of the option grants at issue.

## **III. NO ACKNOWLEDGMENT OF WRONGDOING OR LIABILITY**

Without conceding the merit of any of Plaintiffs' allegations or the lack of merit of any of their defenses, and solely in order to avoid the potentially protracted time, expense, and uncertainty associated with continued litigation, Defendants 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. Defendants have denied and continue to deny each and all of the claims and contentions alleged by the Plaintiffs in the Actions. Defendants have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Actions. Each of the Defendants denies and continues to deny the allegations concerning any alleged breach of fiduciary duty. Defendants have further asserted and continue to assert that at all relevant times, they acted in good faith and in a manner they reasonably believed to be in the best interests of the Company and its stockholders.

#### **IV. CLAIMS OF THE PLAINTIFFS AND BENEFITS OF SETTLEMENT**

Plaintiffs 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 allegations, and solely in order to avoid the potentially protracted time, expense, and uncertainty associated with continued litigation, including potential trial and appeals, 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' Counsel also are mindful of the inherent problems of proof under, and possible defenses to, the violations asserted in the Actions, including the finding of the Audit Committee after its almost 10-month investigation assisted by independent counsel that the vast majority of the financial accounting adjustments determined to be necessary were the result of administrative process deficiencies as opposed to intentional wrongdoing. Based on these considerations, among others, Plaintiffs' Counsel believe that the Settlement set forth in this Stipulation confers substantial benefits upon Plaintiffs, Citrix and Citrix Stockholders (as that

term is defined in Section V below).

## V. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among Plaintiffs, on behalf of themselves and derivatively on behalf of Citrix, and Defendants, by and through their respective counsel, that, subject to the approval of the Court, the Actions and the Released Claims shall be finally and fully compromised, settled and released, and the Actions shall be dismissed with prejudice, as to Defendants, upon and subject to the terms and conditions of the Stipulation, as follows:

### 1. Definitions

As used herein, the following terms have the meanings specified below:

1.1. The “Actions” means the following shareholder derivative actions:

a. The shareholder derivative action captioned as *Bruce Rappaport v. Roberts, et al.*, Case No. 07-60316-cv-KAM, filed in the U.S. District Court for the Southern District of Florida;

b. The shareholder derivative action captioned as *Thomas C. Ekas v. John C. Burris, et al.*, Case No. 07-016114, filed in Florida Circuit Court for Broward County on July 9, 2007; and

c. The shareholder derivative action captioned as *Steven Crouse v. John C. Burris, et al.*, Case No. 07-016249, filed in Florida Circuit Court for Broward County on July 10, 2007.

1.2. “Citrix Stockholder” means any record or beneficial holder of Citrix common stock as of September 18, 2008 and who continues to be a holder of Citrix common stock on the date of the final settlement hearing.

1.3. “Defendants” means nominal defendant Citrix, and any of its subsidiaries, together with Roger W. Roberts, Edward E. Iacobucci, Michael F. Passaro, Bruce C. Chittenden, Mark B. Templeton, Stephen M. Dow, Robert N. Goldman, Gregory B. Maffei, Tyrone F. Pike, David A.G. Jones, John C. Burris, Kevin R. Compton, David D. Urbani, John W. White, John P. Cunningham, Robert G. Kruger, Stefan Sjostrom, Kate Hutchison, Thomas F. Bogan, Gary E. Morin, Murray J. Demo, Godfrey R. Sullivan, Asiff Hirji, David J. Henshall, Marc-Andre Boisseau, James J. Felcyn, Jr., and Charles Alan Petit.

1.4. “Effective Date of the Settlement” means the date that the Final Judgment and Order approving the Settlement in accordance with this Stipulation becomes Final within the meaning of Section 1.5 hereof.

1.5. “Final” means that with respect to any court order, including but not limited to the Final Judgment and Order, that such order represents a final and binding determination of all issues within its scope and is not subject to further review on appeal or otherwise. Without limitation, an order (including the Final Judgment and Order) becomes “Final” when: (a) the date as of which the time to seek review, alteration, amendment or appeal of the Court’s order has expired without any review, alteration, amendment or appeal having been sought or taken, including if applicable, any three (3) day period for service by mail under Federal Rule of Civil Procedure 6(a) and (e), which time shall, for purposes hereof, be deemed to be 33 days after entry of an order; or (b) if a motion or other application for review, alteration, amendment or appeal is filed, sought or taken, the date as of which such request for review, alteration, amendment or appeal shall have been finally determined in such a manner as to affirm the Court’s original order without any material change thereto and the time, if any, for commencing any further appeal has expired. For purposes of this definition, an “appeal”

includes appeals as of right, discretionary appeals, interlocutory appeals, proceedings involving writs of certiorari, mandamus, or prohibition, and any other proceedings of like kind. Any appeal or other proceedings pertaining to any order issued in respect of any application by Plaintiffs' Counsel for attorneys' fees and/or expenses, shall not in any way delay or preclude the Final Judgment Order from becoming Final.

1.6. "Final Judgment and Order" means the Final Judgment and Order of Dismissal to be rendered by the Court, substantially in the form attached hereto as Exhibit D.

1.7. "Person" means an individual, corporation, limited liability company, professional corporation, joint venture, limited liability partnership, partnership, limited 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.

1.8. "Plaintiffs" means the individual plaintiffs who commenced and/or prosecuted the Actions derivatively on behalf of Citrix, namely Sheet Metal Workers Local 28 Pension Fund, Bruce Rappaport, Thomas C. Ekas, and Steven Crouse, together with any of their agents, heirs, assigns, predecessors and/or successors.

1.9. "Plaintiffs' Counsel" means counsel who represent the Plaintiffs in the Actions.

1.10. "Plaintiffs' Settlement Counsel" means Saxena White P.A.

1.11. "Preliminary Approval" means the day on which the Court signs the Preliminary Order preliminarily approving the Settlement substantially in the form attached hereto as Exhibit A.

1.12. "Related Parties" means each of a Defendant's past or present directors,

families, officers, managers, employees, partners, members, principals, agents, underwriters, insurers, co-insurers, reinsurers, controlling shareholders, attorneys, accountants or auditors, banks or investment banks, associates, personal or legal representatives, predecessors, successors, parents, subsidiaries, divisions, joint ventures, assigns, spouses, heirs, executors, administrators, related or affiliated entities, any entity in which a Defendant has a controlling interest, any members of their immediate families, or any trust of which any Defendant is the settlor or which is for the benefit of any Defendant and/or member(s) of his or her family.

1.13. “Released Claims” shall collectively mean any and all claims (including “Unknown Claims” as defined in ¶ 1.17 hereof), debts, demands, rights, liabilities, damages, actions, losses, obligations, judgments, suits, fees, expenses, costs, any other relief of any nature whatsoever, matters, issues and causes of action of any and every kind, nature or description whatsoever, whether known or unknown, under state, federal, local, common, foreign or statutory law or any other law, rule or regulation, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, concealed or hidden, or matured or unmatured, direct or derivative that were or could have been asserted in the Actions or in the future could be asserted in any court, tribunal or proceeding by Plaintiffs, Citrix or by any Citrix Stockholder (whether claiming directly, individually, or in the right of, or on behalf of, the Company or in any other capacity), against any of the Released Persons, which have arisen, could have arisen, arise now or hereafter arise out of, are based upon or relate in any manner to the allegations, matters, acts, facts, circumstances, transactions, events, occurrences, disclosures, statements, representations, misrepresentations, omissions, acts or failures to act, or any other matter, thing or cause whatsoever, or any series thereof, arising out of, embraced, involved or set forth in, or referred to or otherwise related, directly or indirectly, in any way to, the Actions or the subject matter or

allegations of the Actions, including, without limitation, claims for negligence, gross negligence, breach of fiduciary duty, including without limitation the duties of care and/or loyalty, fraud, constructive fraud, self-dealing, misrepresentation (whether intentional, negligent or innocent), omission (whether intentional, negligent or innocent), concealment (whether intentional, negligent or innocent), mismanagement, gross mismanagement, abuse of control, waste, money damages, unjust enrichment, breach of contract, or violations of any federal, state, local or foreign law, or any other rule, law, or regulation, or any other source of legal or equitable obligation of any kind or description in whatever forum or allegations that could have been made in the Actions.

1.14. “Released Persons” means each and all of the Defendants and their respective Related Parties.

1.15. “Settlement” means the proposed settlement and compromise of the Actions as provided for herein.

1.16. “Settling Parties” means, collectively, each of the Defendants and the Plaintiffs in the Actions on behalf of themselves and derivatively on behalf of Citrix.

1.17. “Unknown Claims” means any Released Claims which Plaintiffs, Citrix, or any Citrix Stockholder does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to this Settlement. Plaintiffs, Citrix, or Citrix Stockholders may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Plaintiffs, Citrix, or Citrix Stockholders shall expressly, upon the Effective Date, be deemed to have, and

by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Plaintiffs and Citrix acknowledge, and Citrix Stockholders shall be deemed by operation of the Final Judgment and Order to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a material and essential part and expressly waive (i) the benefits of the provisions of Section 1542 of the California Civil Code, which provides that:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR” AND (II) THE BENEFITS OF ANY COMPARABLE LAW, STATUTE, REGULATION OR LEGAL PRINCIPLE OF ANY OTHER JURISDICTION.”

**2. The Settlement**

The filing and prosecution of the Actions was a material factor in Defendants’ decisions to adopt the following corporate governance enhancements in the Company’s Equity Award Grant Policy adopted May 31, 2007:

**A.** Establishing enhanced processes and procedures for the documentation of corporate actions approving the grant of stock options.

(i) Specifically, the Equity Award Grant Policy requires that grants be approved at Compensation Committee meetings

and that the approvals be reflected in the meeting minutes.

- (ii) The policy also requires that Unanimous Written Consents (“UWCs”) be used for approving stock options only when necessary. Prior to November 2003, UWCs often were used by the Compensation Committee to approve stock option grants. In November 2003, the Company adopted a delegation of authority under which the Company’s Chief Executive Officer and Chief Financial Officer could issue stock option grants to certain employees without the need for approval by the Compensation Committee. As a result, the Compensation Committee did not use UWCs as frequently to approve stock option grants after November 2003, although UWCs were still used by the Company on a regular basis to grant stock options. The Equity Awards Grant Policy further limits the use of UWCs by specifying that they should be used only as necessary and not as a matter of course for approving stock option grants.

**B.** Requiring that equity awards to executive officers and other employees be granted and priced according to a pre-determined, fixed schedule each year unless the Compensation Committee or the Board of Directors specifically approves another date.

- (i) For New Hire/Performance grants, the fixed grant date is the first business day of the month following the date on which the individual’s employment begins or promotion is

effective.

- (ii) For Annual Grants of stock options, half of the annual grant amount will be awarded on the last business day in April and half will be awarded on the last business day in July.
- (iii) If an Annual Grant is of restricted stock or restricted stock units, the entire grant will be awarded on the last business day in April.

**C.** Setting a schedule for when all paperwork must be completed and/or approvals must be obtained for the grant to issue.

- (i) For New Hire/Performance grants, paperwork must be completed (and approvals obtained) by the 15<sup>th</sup> of the month preceding the grant date. If the paperwork is not completed (or the necessary approvals not obtained) by the 15<sup>th</sup>, then the grant date is the first business day of the following month. (e.g., for a March 1 grant the paperwork would need to be completed by February 15. If it was not completed until February 16 or thereafter, the grant date would be April 1).

**D.** Revising the parameters of the Compensation Committee's delegation of authority to the CEO and CFO to grant stock option[s] to employees other than executive officers.

- (i) Prior to the Equity Award Grant Policy, the management of the Company had a delegation of authority from the

Compensation Committee to grant stock options to non-executive employees. This delegation of authority referenced internal guidelines.

- (ii) The Equity Award Grant Policy enhanced the parameters of the delegation of authority by (i) setting mandatory delegation requirements in lieu of the prior internal guidelines; and (ii) enhancing Citrix's policies on the individual threshold and aggregate amounts that can be awarded under the delegated authority by limiting the size of the equity award that can be made to any person in any single year and limiting the total amount of options that can be granted under the delegated authority in one year.
- (iii) The new Equity Award Grant Policy also clarifies that the CEO and CFO cannot set grant dates other than as determined by the policy (i.e., they cannot chose dates other than what is permitted in the policy).

The Settling Parties believe that the foregoing measures materially benefit the Company and Citrix Stockholders and will reduce the possibility that the measurement date for accounting purposes of a stock option grant will be recorded erroneously in the Company's accounting records.

## **VI. PRELIMINARY ORDER AND SETTLEMENT HEARING**

6.1. Within five (5) days of the execution of this Stipulation, the Settling Parties shall jointly submit this Stipulation together with its Exhibits to the Court and shall apply for entry of

an order (the "Preliminary Order"), substantially in the form of Exhibit A attached hereto, requesting, *inter alia*, Preliminary Approval (as that term is defined in Section V hereof) of the Settlement set forth in this Stipulation, and approval for the publication of a Notice of Settlement of the Actions (the "Notice"), substantially in the form of Exhibit B attached hereto, which shall include the general terms of the Settlement set forth in the Stipulation and the time, date and location of the Settlement Hearing (as defined below in 6.2).

6.2. The Settling Parties shall request that, after the Notice is published, the Court hold a final settlement hearing (the "Settlement Hearing") to determine whether to approve the Settlement of the Actions as set forth herein.

6.3. The cost of publishing the Notice shall be paid by the Company.

6.4. The Preliminary Order also shall provide for a stay of all proceedings in the Actions, other than proceedings as may be necessary to carry out the terms and conditions of the Settlement, and order that, pending final determination of whether the Settlement provided for in this Stipulation should be approved, Plaintiffs, Citrix and Citrix Stockholders or any of them shall be preliminarily barred and enjoined from commencing, prosecuting, instigating, continuing, or in any way participating in the commencement or prosecution of any action, in any forum, asserting any Released Claims against any of the Released Persons.

6.5. The Preliminary Order also shall provide that any Citrix Stockholder who objects to the terms of the Stipulation, the proposed Settlement, entry of the Final Judgment and Order approving the Settlement, and/or application by Plaintiffs for an award of reasonable attorneys' fees, or who otherwise wishes to be heard, may appear in person or by his, her or its attorney at the final settlement hearing and present any evidence or argument that may be proper and relevant; *provided however*, that no Person other than the Parties and their counsel in the Actions

shall be heard, and no papers, briefs, pleading or other documents submitted by any such Person shall be considered by the Court unless no later than fourteen (14) calendar days prior to the final settlement hearing such Person files with the Clerk of Court and, simultaneously with or before such filing, serves by hand or first-class mail upon the Parties' counsel designated in the Preliminary Order so that it is received fourteen (14) calendar days before the final settlement hearing, the following: (i) written notice of intention to appear, if applicable, (ii) a detailed statement of all of such Person's objections to any matter before the Court, (iii) a statement of the number of Citrix shares held by such person and the date of each and every purchase of sale of Citrix stock since January 1, 1996, (iv) all of the grounds for such Person's objections or the reasons for such Person's desiring to appear and to be heard, as well as all documents and writings which such Person desires the Court to consider.

6.6. The Preliminary Order also shall provide that the final settlement hearing may, from time to time and without further notice, be continued or adjourned by order of the Court

## **VII. RELEASES**

7.1. Upon the Effective Date, as defined in Section V, ¶ 1.4, Plaintiffs and Plaintiffs' Counsel, on their own behalf and derivatively on behalf of Citrix (as nominal defendant), Citrix and Citrix Stockholders shall be deemed to have, and by operation of the Final Judgment and Order shall have fully, finally, and forever released, relinquished, extinguished, and discharged all Released Claims (including Unknown Claims as defined in Section V, ¶ 1.16) against each and all of the Released Persons and shall be permanently barred and enjoined from instituting, commencing, or prosecuting or asserting any Released Claim against any of the Released Persons.

7.2. Upon the Effective Date, as defined in Section V, ¶ 1.4, each of the Released

Persons shall be deemed to have, and by operation of the Final Judgment and Order shall have, fully, finally, and forever released, relinquished, extinguished, and discharged Plaintiffs and Plaintiffs' Counsel from all claims (including Unknown Claims as defined in Section V, ¶ 1.17), arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement or resolution of the Actions or the Released Claims.

### **VIII. PLAINTIFFS' COUNSEL'S ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES**

8.1. Citrix, on behalf of all Defendants, has agreed, subject to approval by the Court, to pay a total sum of one million one hundred seventy thousand dollars (\$1,170,000.00) (the "Fee Award").

8.2. Plaintiffs' Settlement Counsel shall have exclusive responsibility for allocating and distributing the Fee Award among respective Plaintiffs' Counsel as may be agreed upon amongst Plaintiffs' Counsel. Defendants and their respective Related Parties shall have no responsibility for, and no liability whatsoever with respect to, the fee distribution and/or allocation among Plaintiffs' Counsel, and any other Person who may assert some claim thereto, of any portion of the Fee Award.

8.3. The Fee Award shall be paid to Plaintiffs' Settlement Counsel, within 30 days after the Court issues the Preliminary Approval Order, substantially similar to Exhibit A attached hereto, preliminarily approving the Settlement. The Fee Award shall be held in an interest bearing escrow account and may not be released to Plaintiffs' Settlement Counsel until the Court enters the Final Judgment and Order. In the event that the Effective Date does not occur, or the Final Judgment and Order, or any order making the Fee Award is reversed or modified, or the Stipulation is canceled or terminated for any other reason, and in the event that the Fee Award has been paid to any extent, then Plaintiffs' Settlement Counsel shall within five (5) business

days from the event which precludes the Effective Date from occurring, refund the Fee Award plus interest thereon to Citrix. Plaintiffs' Counsel, as a condition of receiving the Fee Award, on behalf of themselves and each partner and/or shareholder of their respective law firms, agree that each of their respective law firms and its partners and/or shareholders are subject to the jurisdiction of the Court for the purpose of enforcing the provisions of this paragraph.

8.4. Approval of Plaintiffs' request for the Fee Award shall not be a condition of the Settlement. Any order or proceedings relating to Plaintiffs' request for the Fee Award or any appeal from any order relating thereto or modification thereof shall not operate to terminate or cancel this Stipulation, and shall not affect the Final Judgment and Order approving this Stipulation or prevent the Settlement from becoming Final.

8.5. Based on the benefits that Plaintiffs' Counsel believes that Plaintiffs have achieved through their prosecution of the Actions, Plaintiffs' Counsel intends to seek Court approval for an award in the amount of \$2,000.00 (the "Special Award") for each Plaintiff. Defendants will not object to a request for Court approval of the Special Award. The Special Award shall be paid out of the Fee Award to the extent it is approved by the Court.

**IX. CONDITIONS OF SETTLEMENT, EFFECT OF NON-APPROVAL, CANCELLATION OR TERMINATION**

9.1. The Effective Date of the settlement shall be conditioned on the occurrence of all of the following events:

- A. The Court has entered the Preliminary Order, substantially similar in form to Exhibit A, attached hereto;
- B. The Court has entered the Judgment substantially in the form of Exhibit C;  
and
- C. The Judgment has become Final, as defined in Section V, ¶ 1.5; and

D. The State Actions have been dismissed with prejudice as provided in Section 10.3.

9.2. If all of the conditions specified in ¶ 9.1 are not met, then the Stipulation shall be canceled and terminated, unless Plaintiffs' Settlement Counsel and Defendants' counsel mutually agree in writing to proceed with the Stipulation.

9.3. If the Effective Date does not occur, or if the Stipulation is not approved by the Court or the Settlement set forth in the Stipulation is terminated or fails to become effective in accordance with its terms, the Settling Parties shall be restored to their respective positions in the Actions as of the date of execution of this Stipulation. In such event, the terms and provisions of the Stipulation, shall have no further force and effect with respect to the Settling Parties and shall not be used in the Actions or in any other proceeding for any purpose, and any Judgment or order entered by the Court in accordance with the terms of the Stipulation shall be treated as vacated, *nunc pro tunc*.

#### **X. MISCELLANEOUS PROVISIONS**

10.1. The Settling Parties (a) acknowledge that it is their intent to consummate this agreement; and (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of the Stipulation and to exercise their good faith best efforts to accomplish the foregoing terms and conditions of the Stipulation.

10.2. The Settling Parties intend this Settlement to be a final and complete resolution of all disputes between them with respect to the Actions and their subject matter. The Settling Parties agree that the Settlement was negotiated in good-faith by the Settling Parties and reflects a Settlement that was reached voluntarily after consultation with experienced counsel.

10.3. Within 2 business days of the entry of the Final Judgment and Order, counsel for

the plaintiffs in the State Actions will file with the State Court a stipulation providing for dismissal with prejudice of the *Crouse* and *Ekas* cases pursuant to the Florida Rules of Civil Procedure without any request for, or award of, attorneys' fees or costs, which stipulation will be in substantially the form attached hereto as Exhibit D.

10.4. Pending Court approval of the Stipulation and the Settlement, (i) Plaintiffs agree not to initiate any proceedings other than those incident to the Settlement itself; and (ii) Defendants may seek to prevent or stay any other action or claims brought seeking to assert any Released Claim. If any action that would be barred by the releases contemplated by this Stipulation is commenced against any of the Released Persons prior to the entry of Final Judgment, and such action is not dismissed prior to the final settlement hearing contemplated by this Settlement Agreement, any Defendant may, at his, her or its sole option, withdraw from the Settlement prior to the settlement hearing. The Settlement shall remain binding as to the remaining parties thereto, if any.

10.5. Neither the Stipulation nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement: (a) is or may be deemed to be or may be used as an admission of, or evidence of, the validity or invalidity of any Released Claim, or of any wrongdoing or liability or lack thereof of the Defendants and Released Persons; or (b) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission or lack thereof of any of the Defendants and Released Persons in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal. Defendants and Released Persons may file the Stipulation and/or the Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction or any

other theory of claim preclusion or issue preclusion or similar defense or counterclaim. Defendants have denied and continue to deny each and all of the claims alleged in the Derivative Actions. Plaintiffs, Citrix or any Citrix Stockholder, may file the Stipulation in any proceeding brought to enforce any of its terms or provisions. The Settling Parties and their counsel, and each of them, agree, to the extent permitted by law, that all agreements made and orders entered during the course of the Actions relating to the confidentiality of information shall survive this Stipulation.

10.6. Plaintiffs agree not to institute, join in, or cooperate in any way in any threatened, pending, or future litigation, lawsuit, claim or action against the Released Persons, or any of them, alleging, prosecuting, regarding, concerning, relating to, referring to or arising out of in any way the Released Claims.

10.7. Plaintiffs each warrant and represent that they have not assigned or transferred or attempted to assign or transfer to any person or entity any Released Claim or any portion thereof or interest therein.

10.8. Plaintiffs hereby represent and warrant that they have adequate information regarding the terms of this settlement, the scope and effect of the releases set forth herein, and all other matters encompassed by this Stipulation to make an informed and knowledgeable decision with regard to entering into this Stipulation, and that they have independently and without reliance upon the Defendants made their own analysis and decision to enter into this Stipulation. Plaintiffs acknowledge and hereby verify that the Defendants, and each of them, have not made any representation or warranty and have no duty or obligation to them, whether express or implied, of any kind or character, except as expressly set forth herein.

10.9. Defendants hereby represent and warrant that they have adequate information

regarding the terms of this settlement, the scope and effect of the releases set forth herein, and all other matters encompassed by this Stipulation to make an informed and knowledgeable decision with regard to entering into this Stipulation, and that they have independently and without reliance upon the Plaintiffs made their own analysis and decision to enter into this Stipulation. Defendants acknowledge and hereby verify that the Plaintiffs, and each of them, have not made any representation or warranty and have no duty or obligation to them, whether express or implied, of any kind or character, except as expressly set forth herein.

10.10. This Stipulation has been jointly drafted by the parties at arm's length. No provision or ambiguity in this Stipulation shall be construed or interpreted against any party by virtue of its participation in the drafting of this Stipulation. The Stipulation shall in all cases be construed as a whole, according to its fair meaning and not strictly for or against any of the parties.

10.11. The covenants contained in this Stipulation provide good and sufficient consideration for every promise, duty, release, obligation, agreement and right contained in this Stipulation.

10.12. Any failure by any party to insist upon the strict performance by any other party of any of the provisions of the Stipulation shall not be deemed a waiver of any of the provisions, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of the Stipulation to be performed by such other party.

10.13. All of the Exhibits to the Stipulation are material and integral parts hereof and are fully incorporated herein by reference.

10.14. The Stipulation may be amended or modified only by a written instrument signed

by or on behalf of all Settling Parties or their respective successors-in-interest.

10.15. The Stipulation and the Exhibits attached hereto constitute the entire agreement between Plaintiffs and Defendants and no representations, warranties or inducements have been made to any party concerning the Stipulation or its Exhibits other than the representations, warranties and covenants contained and memorialized in such documents. Except as otherwise provided herein, each party shall bear its own costs.

10.16. Plaintiffs' Settlement Counsel, derivatively on behalf of Citrix and Citrix Stockholders, are expressly authorized by Plaintiffs to take all appropriate action required or permitted to be taken by Citrix Stockholders pursuant to the Stipulation to effectuate its terms and also are expressly authorized to enter into any modifications or amendments to the Stipulation on behalf of Citrix and Citrix Stockholders which they deem appropriate.

10.17. Each counsel or other Person executing the Stipulation or any of its Exhibits on behalf of any party hereto hereby warrants that such Person has the full authority to do so.

10.18. The Stipulation may be executed in one or more counterparts. 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.

10.19. The Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the parties hereto.

10.20. The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Stipulation, and all parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the settlement embodied in the Stipulation and for any matters arising out of, concerning, or relating thereto.

10.21. The Stipulation and the Exhibits hereto shall be considered to have been

negotiated, executed and delivered, and to be wholly performed, in the State of Florida, 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 Florida without giving effect to that State's choice of law principles.

IN WITNESS WHEREOF, the parties hereto have caused the Stipulation to be executed,  
by their duly authorized attorneys.

**SAXENA WHITE P.A.**

By: 

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