

In re Cheniere Energy Inc. Stockholders Litigation

COURT: Delaware Court of Chancery

CASE NUMBER: C.A. No. 9710-VCL

CASE LEADERS: Jeroen van Kwawegen

On December 12, 2014, the parties in consolidated class and derivative lawsuits brought on behalf of the public stockholders of Cheniere Energy, Inc. entered into a proposed settlement of the action. The lawsuits were brought against Cheniere's CEO, certain other senior executives, and the members of its board of directors. The complaints alleged that Cheniere's management team and board breached the terms of the company's bylaws as well as their fiduciary duties to the Company and its shareholders, with respect to stock awards made in 2013 and in a proxy statement issued in advance of an Annual Stockholder Meeting that was, at the time of the case filing, scheduled for June 12, 2014.

The settlement includes the following terms: (1) the Company agreed to certain restrictions on the use for compensation purposes of approximately 7.845 million Available Shares absent a new stockholder vote, which must be held under a voting standard of a majority of the shares present and entitled to vote; (2) the Company agreed to certain restrictions on the amount of stock Cheniere's CEO could receive from the Available Shares in the event of stockholder approval; (3) the Company agreed to modify the voting standard for all compensation-related votes over approximately the next seven and a half years, that is, until September 17, 2022; (4) the Company agreed to defer seeking stockholder approval for any further stock-based compensation until 2017, irrespective of the outcome of the vote on the 7.845 million Available Shares; and (5) the Company agreed that the board's compensation committee will consist entirely of independent directors. Please note that all capitalized terms are defined in Stipulation and Agreement of Compromise, Settlement and Release (the "Settlement Agreement"), which is available [here](#).

This is only a brief summary of the terms of the Settlement. The full terms are included in the Settlement Agreement.

The Court granted final approval of the Settlement on March 16, 2015. Click [here](#) for a copy of the Notice. Click [here](#) for a copy of documents relating to Plaintiffs' application for attorneys' fees.

Case Documents

- February 10, 2015 - Declaration of Jeffrey W. Golan in Support of Motion to Approve Settlement and Application for Fees and Expenses
- February 10, 2015 - Plaintiffs' Counsel's Fee and Expense Application
- February 10, 2015 - Plaintiffs' Motion for Final Approval of Settlement
- January 5, 2015 - Scheduling order
- December 12, 2014 - Stipulation and Agreement of Compromise, Settlement and Release
- January 5, 2015 - Notice of Pendency of Class and Derivative Action, Proposed Settlement of Class and Derivative Action, and Settlement Hearing

- February 10, 2015 - Plaintiffs' Memorandum of Law in Support of Final Approval of Settlement, Certification of the Case as a Class and Derivative Action, and Plaintiffs' Counsel's Fee and Expense Application