

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

ARNAT ABZHANOV, derivatively on behalf
of SCHRODINGER, INC.,

Plaintiff,

v.

MICHAEL LYNTON, JEFFREY
CHODAKEWITZ, RICHARD A.
FRIESNER, GARY GINSBERG, ROSANA
KAPELLER-LIBERMANN, ARUN
OBEROI, GARY SENDER, NANCY
THORNBERRY, and RAMY FARID,

Defendants,

and

SCHRODINGER, INC.,

Nominal Defendant.

Index No.: 655000/2024

STIPULATION OF COMPROMISE AND SETTLEMENT

This Stipulation of Compromise and Settlement (“Stipulation”), dated March 25, 2025, is entered into, by and through their undersigned attorneys, among and between Plaintiff Arnat Abzhanov (“Plaintiff”); defendants Michael Lynton, Jeffrey Chodakewitz, Richard A. Friesner, Gary Ginsberg, Rosana Kapeller-Libermann, Arun Oberoi, Gary Sender, Nancy Thornberry, and Ramy Farid (collectively, the “Individual Defendants”); and nominal defendant Schrödinger, Inc. (“Nominal Defendant,” “Schrödinger” or the “Company”) (with the Individual Defendants, “Defendants”). Plaintiff and Defendants are collectively referred to herein as the “Settling Parties” and each individually as a “Settling Party.” This Stipulation is intended by the Settling Parties to

fully, finally, and forever compromise, resolve, discharge, and settle all claims in the Released Claims against the Released Persons and dismiss the Action as defined herein with prejudice, upon the terms set forth below, subject to the approval of the Court pursuant to N.Y. Business Corporation Law § 626 (“Section 626”) and upon notice of the current stockholders of nominal defendant Schrödinger.

I. BACKGROUND

WHEREAS, the following exhibits are annexed hereto and incorporated herein by reference:

- a. Exhibit A: Preliminary Approval and Scheduling Order;
- b. Exhibit B: Notice of Pendency of Settlement of Action;
- c. Exhibit C: Final Order and Judgment; and
- d. Exhibit D: The Corporate Governance Reforms To Be Adopted By Schrödinger;

WHEREAS, Schrödinger is a software and biotechnology company, incorporated in Delaware and headquartered in New York, that develops a physics-based computational platform which enables the discovery of novel molecules for drug development and materials applications;

WHEREAS, the Individual Defendants are comprised of current members of the Board of Directors (the “Board”) of Schrödinger;

WHEREAS, on September 24, 2024, Plaintiff commenced a derivative action captioned *Abzhanov v. Lynton et al.*, Index No. 655000/2024 (N.Y. Sup.) (the “Action”) in the Supreme Court for the State of New York, New York County, by filing a Verified Shareholder Derivative Complaint (the “Complaint”);

WHEREAS, the Complaint includes claims for breach of fiduciary duty and unjust enrichment against the Individual Defendants based upon allegations that, in 2023, the Board

approved and awarded excessive and improper compensation to themselves as non-employee directors of Schrödinger, including as compared to the compensation paid to directors of peer companies during the same years;

WHEREAS, Defendants have denied, and continue to deny, the allegations in the Complaint, including that that they awarded excessive or improper compensation to non-employee directors of Schrödinger;

WHEREAS, following the commencement of the Action, counsel for the parties agreed to extend Defendants' deadline for responding to the Complaint while they discussed a potential resolution;

WHEREAS, after multiple rounds of arm's length negotiations between the Settling Parties, the Settling Parties reached an agreement in principle, subject to Plaintiff's receipt of confirmatory discovery, providing for the settlement of Plaintiff's claims upon the terms and subject to the conditions set forth in this Stipulation (the "Settlement");

WHEREAS, the Reforms require the Company to, *inter alia*, adopt a new director compensation policy that places meaningful limits on the Board's ability to award non-employee directors compensation and enhances the Company's annual disclosures regarding directors compensation;

WHEREAS, the Parties agree that the Reforms confer substantial benefits on Schrödinger and its stockholders and adoption of the Reforms is in the best interest of the Company;

WHEREAS, following receipt and review of the confirmatory discovery, Plaintiff and Plaintiff's counsel confirmed that in their view the Settlement as negotiated was fair and adequate to the Company and its stockholders, and that it was appropriate and reasonable to pursue Court approval of the Settlement based on the terms and procedures set forth herein;

WHEREAS, Plaintiff and Defendants did not discuss the appropriateness or amount of attorneys' fees and expenses at any time prior to reaching agreement on the material terms of the Settlement, and the Settling Parties understood at all times that the Settlement was not contingent upon agreement or payment of any attorneys' fees and expenses to Plaintiff's counsel;

WHEREAS, following agreement on all material terms of the Settlement, including the Reforms, and following additional arms' length negotiations amongst the Settling Parties, Schrödinger and/or its insurance carriers have agreed to pay, subject to the Court's approval, attorneys' fees and expenses to Plaintiff's Counsel of \$390,000.

WHEREAS, Plaintiff commenced the Action in good faith and continues to believe that his derivative claims have legal merit, and the entry by Plaintiff into this Stipulation is not an admission as to a lack of any merit of any derivative claims asserted or that could be asserted in the Action;

WHEREAS, Plaintiff and Plaintiff's counsel also recognize and acknowledge the significant risk, expense, and length of continued proceedings necessary to prosecute the Action through trial and possible appeal, and have taken into account the uncertain outcome of any litigation, especially in complex cases such as the Action, as well as the difficulties inherent in such litigation and possible defenses to the claims alleged in the Action;

WHEREAS, based upon Plaintiff's counsel's evaluation, Plaintiff has determined that in his view the Settlement is fair, reasonable, adequate and in the best interests of Schrödinger and Schrödinger's stockholders and has agreed to settle the Action upon the terms and subject to the conditions set forth herein;

WHEREAS, the Defendants have denied, and continue to deny, the allegations in the Complaint, including that they have committed any breach of fiduciary duty or any other duty

owed to Schrödinger or its stockholders, that they were unjustly enriched as a result of any breach of fiduciary duty or any other act, omission, or conduct, or that they committed any violations of law or wrongdoing whatsoever or that Schrödinger or Schrödinger's stockholders suffered any damage or harm as a result of any act, omission, or conduct alleged in the Action or otherwise;

WHEREAS, the Defendants have further asserted, and continue to assert, that at all relevant times, they have acted in good faith and in a manner that they believed to be in the best interests of Schrödinger and its stockholders, and that they are entering into this Stipulation and the Settlement solely to eliminate the uncertainty, distraction, disruption, burden, expense, and risk inherent in further litigation; and

WHEREAS, neither this Stipulation, nor any of its terms or provisions, nor entry of the Final Judgment, nor any document or exhibit attached to or referred to in the Stipulation, nor any action taken to carry out this Stipulation, may be construed as, or may be used as evidence of the validity of any of the Released Claims or an admission by or against Defendants of any fault, wrongdoing or concession of liability whatsoever in the Action or any other action or proceeding.

II. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among Plaintiff (on behalf of himself and derivatively on behalf of Schrödinger) and Defendants, including Nominal Defendant, each by and through their respective counsel, that, subject to the approval of the Court pursuant to Section 626, that in exchange for the good and valuable consideration set forth herein, the Released Claims shall be and hereby are fully and finally compromised, settled, and released, and the Action shall be dismissed on the merits and with prejudice as to Defendants, upon the terms and subject to the conditions set forth herein:

1. DEFINITIONS

As used in this Stipulation, and in addition to the terms defined elsewhere in this Stipulation, the following terms have the meanings specified below:

1.1. “Effective Date” means the date on which all of the events and conditions specified in Section II.6.1 have been met and have occurred.

1.2. “Final” when referring to the Final Judgment, means (1) entry of the Final Judgment or (2) if there is an objection to the Settlement, the expiration of any time for appeal or review of the Final Judgment, or, if any appeal is filed and not dismissed or withdrawn, issuance of a decision upholding the Final Judgment on appeal in all material respects, which is no longer subject to review upon appeal, reargument, or other review, and the expiration of the time for the filing of any petition for reargument, appeal, or review of the Final Judgment or any order affirming the Final Judgment; provided, however, that any disputes or appeals relating solely to the amount, payment, or allocation of attorneys’ fees, costs and expenses shall have no effect on finality for purposes of determining the date on which the Final Judgment becomes Final and shall not otherwise prevent, limit or otherwise affect the Final Judgment, or prevent, limit, delay, or hinder entry of the Final Judgment.

1.3. “Final Judgment” means the Order and Final Judgment entered by the Court dismissing this Action with prejudice, substantially in the form annexed hereto as Exhibit C.

1.4. “Notice” means the Notice of Pendency of Settlement of Action, substantially in the form annexed hereto as Exhibit B.

1.5. “Person” means a natural person, individual, corporation, partnership, limited partnership, limited liability partnership, limited liability company, association, joint venture, joint stock company, estate, legal representative, trust, unincorporated association, government, or any

political subdivision or agency thereof, any business or legal entity, and any spouse, heir, legatee, executor, administrator, predecessor, successor, representative, or assign of any of the foregoing.

1.6. “Plaintiff’s Counsel” means the law firms of Kuehn Law PLLC, and Rigrodsky Law, P.A.

1.7. “Released Claims” means and includes any and all manner of claims, causes of action, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, penalties, or sanctions of any kind, nature, or description whatsoever, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including Unknown Claims (as defined herein), whether based on state, local, foreign, federal, statutory, regulatory, common, or other law or rule, that have been or could have been asserted by Plaintiff, or any other Schrödinger stockholder or any other Person acting or purporting to act on behalf of Schrödinger against the Released Persons in the Action or in any other court, tribunal, or proceeding arising out of, based upon, or relating in any way to the allegations, actions, transactions, occurrences, statements, omissions, disclosures, facts, practices, events, or claims alleged or referred to in the Complaint, including without limitation, (i) any compensation paid by Schrödinger to its non-employee directors from January 1, 2023 through the Effective Date; (ii) any non-employee director compensation plan, policies or guidelines in effect at Schrödinger from January 1, 2023 through the Effective Date; (iii) any decision of the Company’s officers or directors related to the foregoing; and (iv) any disclosure or nondisclosure by the Company related to the foregoing; provided, however, that it is understood that “Released Claims” and any release provided by this Settlement shall not include: (a) any claims to enforce the Settlement, and (b) any claims by Defendants or any insured to enforce their rights under any contract or insurance policy.

1.8. “Released Persons” shall mean each of Individual Defendants and Schrödinger and their parents, subsidiaries, affiliates, predecessors, successors, and controlling persons, and each of their respective past or present officers, directors, employees, stockholders, family members, spouses, heirs, trusts, trustees, executors, beneficiaries, agents, representatives, partners, members, advisors, consultants, representatives, accountants, attorneys, insurers, and associates.

1.9. “Releasing Persons” means Plaintiff (both individually and derivatively on behalf of Schrödinger), any other Schrödinger stockholder acting or purporting to act on behalf of Schrödinger, and Schrödinger. “Releasing Person” means, individually, any of the Releasing Persons.

1.10. “Scheduling Order” means an order granting preliminary approval of the Settlement and scheduling a hearing on the Stipulation and approving the form of Notice and method of giving notice, substantially in the form annexed hereto as Exhibit A.

1.11. “Settlement Hearing” means the hearing set by the Court to consider final approval of the Settlement.

1.12. “Unknown Claims” means any Released Claim(s) which Plaintiff or Defendants do not know of or suspect to exist in his, her, or its favor at the time of the release of the Released Claims, including without limitation those which, if known, might have affected the decision to enter into the Settlement. With respect to any and all Released Claims, the Settling Parties agree that upon the Effective Date, the Settling Parties expressly and all Releasing Persons shall be deemed to have waived the provisions, rights, and benefits conferred by or under California Civil Code section 1542, or any other law of the United States or any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to section 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.

The Settling Parties acknowledge that they may hereafter discover facts in addition to or different from those now known or believed to be true by them, with respect to the subject matter of the Released Claims, but it is the intention of the Settling Parties to completely, fully, finally, and forever compromise, settle, release, discharge, and extinguish any and all Released Claims, known or unknown, suspected or unsuspected, contingent or absolute, accrued or unaccrued, apparent or unapparent, which do now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. The Settling Parties acknowledge that the foregoing waiver was separately bargained for and is a key element of this Stipulation of which this release is a part, and was relied upon by each and all of the Defendants in entering into the Settlement.

2. TERMS OF SETTLEMENT

2.1. Within ten (10) business days of the Effective Date, the Board agrees to adopt the corporate governance reforms and enhancements (“Reforms”) reflected in Exhibit D, which shall be maintained for a period of at least four (4) years from adoption.

2.2. The Settling Parties agree that the Reforms confer substantial benefits on the Company and its shareholders.

3. SCHEDULING ORDER, NOTICE, AND APPROVAL

3.1. Promptly after execution of this Stipulation, Plaintiff shall submit this Stipulation together with its exhibits to the Court and shall apply for entry of the proposed Scheduling Order,

substantially in the form of Exhibit A attached hereto, requesting: (i) the approval of the manner of notice to Schrödinger stockholders substantially in the form attached hereto as Exhibit B; (ii) the Court's consideration of the proposed Settlement and Plaintiff's application for attorneys' fees and expenses; and (iii) a date for the Settlement Hearing.

3.2. Notice to Schrödinger stockholders shall consist of the Notice, substantially in the form attached hereto as Exhibit B (the "Notice"), and shall be provided to Schrödinger stockholders as follows: within ten (10) business days after the entry of the Scheduling Order, Schrödinger shall use reasonable efforts to give notice to all beneficial owners of Schrödinger's stock by (a) filing a Form 8-K with the Securities and Exchange Commission ("SEC") that discloses the Settlement and attaches the Notice as an exhibit, and (b) posting a copy of the Notice on the Investor Relations page of the Company's website, which shall remain posted through the Settlement Hearing. Schrödinger or its insurer(s) shall cause to be paid all costs and expenses incurred in providing the Notice. At least ten (10) business days prior to the Settlement Hearing, Defendants shall serve on counsel in the Action and file with the Court an appropriate affidavit with respect to the preparation, mailing, and public disclosure of the Notice in the manner set forth herein. The Settling Parties believe the content and manner of the Notice constitutes adequate and reasonable notice to Schrödinger stockholders pursuant to applicable law and due process.

3.6. Pending the Court's determination as to final approval of the Settlement, Plaintiff agrees to stay this proceeding and not to initiate any and all other proceedings other than those incident to the Settlement itself.

3.7. The Settling Parties will request the Court to order (in the Scheduling Order) that, pending final determination of whether the Settlement should be approved, Plaintiff in the Action and all Schrödinger stockholders are barred and enjoined from commencing, prosecuting,

instigating, or in any way participating in the commencement or prosecution of any action asserting any Released Claim against Defendants or any of the Released Persons.

3.8. The Settling Parties and their attorneys agree to use their individual and collective best efforts to obtain Court approval of the Stipulation. The Settling Parties and their attorneys further agree to use their individual and collective best efforts to effect, take, or cause to be taken all actions, and to do, or cause to be done, all things reasonably necessary, proper, or advisable under applicable laws, regulations, and agreements to consummate and make effective, as promptly as practicable, the Stipulation provided for hereunder and the dismissal of the Action.

4. ATTORNEYS' FEES AND EXPENSES

4.1. Defendants acknowledge and agree that Plaintiff's Counsel is entitled to a fee award in connection with the substantial benefits conferred on the Company through the Action and the Settlement. Subject to the terms and conditions of this Stipulation and subject to final approval of the Settlement and any Order of the Court, Schrödinger and/or its insurance carriers have agreed to pay attorneys' fees and expenses to Plaintiff's Counsel of \$390,000 (the "Fee and Expense Amount"). The Fee and Expense Amount shall be paid by the Defendants and/or their insurers. Plaintiff's Counsel may apply for attorneys' fees and expenses only in the Supreme Court for the State of New York, New York County, and shall make no application for attorneys' fees or expenses in any other jurisdiction. Plaintiff's Counsel will not seek fees or expenses from the Court in excess of the agreed-to amount, and Defendants will not oppose the fee application for the agreed-to amount. If approved by the Court, the Fee and Expense Amount shall be paid to Plaintiff's counsel, within ten (10) business days after the Court enters the Final Judgment, subject to Plaintiff's Counsel's timely provision of the requisite payment information, including wire instructions and a completed Form W-9, and obligation to refund that amount within ten business

days if the Settlement is reversed or modified on appeal or by collateral attack. Except as otherwise provided herein, each of the Settling Parties shall bear his, her, or its own fees and costs, and neither Schrödinger nor any other Released Person shall have any obligations with respect to Plaintiff's Counsel's fees and/or expenses beyond the Fee and Expense Amount.

4.2. Plaintiff's Counsel may seek an incentive service award ("Service Award") for Plaintiff of up to \$2,500, in connection with his role in the litigation and in creating a benefit for the Company and its shareholders. The Service Award shall be paid out of the portion of the Fee Award awarded in connection with the Fee and Expense Application. Defendants shall not contest the Service Award.

4.3. Any failure of the Court to approve a request for attorneys' fees and expenses in whole or in part shall not affect the remainder of the Settlement.

4.4. No fees or expenses shall be paid to Plaintiff's Counsel pursuant to the Settlement in the absence of approval by the Court of a complete release of all Released Persons, substantially in the form of paragraph 5.1 herein. This paragraph shall be immediately binding on the Settling Parties.

4.5. Except as provided in section 4 of this Stipulation, Defendants shall have no obligation to pay or reimburse any fees, expenses, costs or damages alleged or incurred by Plaintiffs, by Schrödinger stockholders or by their attorneys, experts, advisors, or representatives with respect to the Released Claims.

5. RELEASES

5.1. Upon the Effective Date, the Releasing Persons shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever settled, released, discharged, extinguished, and dismissed with prejudice the Released Claims (including Unknown Claims)

against the Individual Defendants and each of the Released Persons; provided, however, that such release shall not affect any rights of any Settling Party to enforce the terms of this Stipulation.

5.2. Upon the Effective Date, the Released Persons and Schrödinger shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever settled, released, discharged, extinguished, and dismissed with prejudice all claims (including Unknown Claims), arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement, or resolution of the Action against Plaintiff and Plaintiff's Counsel; provided, however, that such release shall not affect any rights of any Settling Party to enforce the terms of this Stipulation.

6. CONDITION OF SETTLEMENT, EFFECT OF DISAPPROVAL, CANCELLATION, OR TERMINATION

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

a. Court approval of the Settlement following notice to Schrödinger stockholders and the Settlement Hearing;

b. entry of the Final Judgment in the Action approving the proposed Settlement and providing for the dismissal with prejudice of the Action and approving the grant of the release of the Released Claims;

c. the dismissal with prejudice of the Action without the award of any damages, costs, fees, or the grant of any further relief, except as provided in paragraph 4.1 of this Stipulation; and

d. the passing of the date upon which the Final Judgment becomes Final.

6.2. If any of the conditions listed in paragraph 6.1 are not met, this Stipulation and any Settlement documentation shall be null and void and of no force and effect. In the event that any of the conditions listed in paragraph 6.1 are not met, the Settling Parties shall be restored to their positions on the date immediately prior to the execution date of this Stipulation, this Stipulation

shall not be deemed to constitute an admission of fact by any Settling Party, and neither the existence of this Stipulation, nor its contents, shall be admissible in evidence or be referred to for any purposes in the Action or in any litigation or judicial proceeding. Also, this Stipulation shall not be deemed to entitle any party to the recovery of costs and expenses incurred in connection with the intended implementation of the Settlement, except as provided in paragraph 4.1 of this Stipulation. Further, all releases delivered in connection with this Stipulation shall be null and void.

7. DISMISSAL OF ACTION

7.1. If the Court approves the Stipulation, the Settling Parties shall promptly request the Court to enter the proposed Final Judgment, substantially in the form annexed hereto as Exhibit C.

8. THE STIPULATION IS NOT AN ADMISSION

8.1. This Stipulation reflects, among other things, the compromise and settlement of disputed claims among the Settling Parties hereto, and neither this Stipulation nor the releases given herein, nor any consideration, nor any actions taken to carry out this Stipulation are intended to be, nor may they be deemed or construed to be, an admission or concession of liability (or lack thereof), or the validity of any claim, or defense, or of any point of fact or law on the part of any Party hereto regarding those facts that have been or might have been alleged in the Action or in any other proceeding. Defendants and the Released Persons may file the Stipulation and/or Final Judgment in any action that has been or may be brought against them in order to support a claim or defense 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.

9. MISCELLANEOUS PROVISIONS

9.1. The Settling Parties acknowledge that it is their intent to consummate the terms and conditions of this Stipulation and agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of the Stipulation and to exercise their best efforts to accomplish the terms and conditions of the Stipulation expeditiously.

9.2. The Settling Parties agree that the terms of the Settlement were negotiated in good faith by the Settling Parties and reflect a Settlement that was reached voluntarily after consultation with competent legal counsel. The Settling Parties reserve their right to rebut, in a manner that such party determines to be appropriate, any contention made in any public forum that the Action was brought or defended in bad faith or without a reasonable basis.

9.3. This Stipulation shall be deemed to have been mutually prepared by the Settling Parties hereto and shall not be construed against any of them by reason of authorship.

9.4. This Stipulation may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document. Any signature to the Stipulation by means of facsimile or electronically scanned and sent via email shall be treated in all manner and respects as an original signature and shall be considered to have the same binding legal effect as if it were the original signed version thereof.

9.5. All Persons executing this Stipulation thereby represent that they have been authorized and empowered to do so.

9.6. Plaintiff and Plaintiff's Counsel represent and warrant that none of Plaintiff's claims referred to in this Stipulation or that could have been alleged in the Action has been assigned, encumbered, or in any manner transferred in whole or in part.

9.7. This Stipulation embodies and represents the full agreement of the Settling Parties and supersedes any and all prior agreements and understandings relating to the subject matter hereof between or among any of the Settling Parties hereto. This Stipulation shall not be modified or amended, nor shall any provision of this Stipulation be deemed waived, unless such modification, amendment, or waiver is in writing and executed by or on behalf of the Settling Parties. The waiver by any Party of any provision or the breach of this Stipulation shall not be deemed a waiver of any other provision or breach of this Stipulation.

9.8. If any provision of this Stipulation is held to be unlawful, invalid, or unenforceable: (i) such provision will be fully severable; (ii) this Stipulation will be construed and enforced as if such unlawful, invalid, or unenforceable provision had never comprised a part of this Stipulation; and (iii) the remaining provisions of this Stipulation will remain in full force and effect and will not be affected by the unlawful, invalid, or unenforceable provision or by its severance from this Stipulation, except that in no event will this Stipulation or any part thereof be enforceable if any of Sections 1.7, 1.8, 1.9, 1.12, 5.1 or 5.2 are found to be unlawful, invalid or unenforceable.

9.9. The Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Settling Parties hereto.

9.10. Notwithstanding the entry of the Judgment, the Court shall retain jurisdiction with respect to the implementation, enforcement, and interpretation of the terms of the Stipulation, and all Settling Parties submit to the jurisdiction of the Court (or any other state or federal court in the State of New York should the Court lack subject matter jurisdiction) for purposes of implementing, enforcing, and interpreting the Stipulation.

9.11. The construction and interpretation of this Stipulation shall be governed by and construed in accordance with the laws of the State of New York and without regard to the laws that might otherwise govern under principles of conflicts of law applicable hereto.

9.12. Without further order of the Court, the Settling Parties hereto may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

IN WITNESS WHEREOF, IT IS HEREBY AGREED by the undersigned as of the date noted above.

[signature pages below]

Dated: March 25, 2025

KUEHN LAW PLLC

/s/ Justin A. Kuehn

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Dated: March 25, 2025

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Counsel for Defendants

Exhibit A

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

ARNAT ABZHANOV, derivatively on behalf
of SCHRODINGER, INC.,

Plaintiff,

v.

MICHAEL LYNTON, JEFFREY
CHODAKEWITZ, RICHARD A.
FRIESNER, GARY GINSBERG, ROSANA
KAPELLER-LIBERMANN, ARUN
OBEROI, GARY SENDER, NANCY
THORNBERRY, and RAMY FARID,

Defendants,

and

SCHRODINGER, INC.,

Nominal Defendant.

Index No.: 655000/2024

**STIPULATION AND [PROPOSED]
ORDER REGARDING PRELIMINARY
APPROVAL OF PROPOSED
SETTLEMENT**

WHEREAS, the Parties to the above-captioned action (the “Action”) have entered into a Stipulation of Compromise and Settlement dated March 25, 2025 (the “Stipulation”), which sets forth the terms and conditions for the proposed settlement and dismissal with prejudice of the Action (the “Settlement”), subject to review and approval by this Court pursuant to Section 626, and upon notice of the current stockholders of nominal defendant Schrödinger, Inc. (“Schrödinger” or the “Company”);

WHEREAS, the Court has read and considered the Stipulation and the accompanying documents; and

WHEREAS all Parties have consented to the entry of this Order.

NOW, upon application of the Parties, after review and consideration of the Stipulation filed with the Court and the exhibits annexed thereto,

IT IS HEREBY STIPULATED AND AGREED, SUBJECT TO THE COURT'S APPROVAL AND ORDER, THIS 25TH DAY OF MARCH, 2025, AS FOLLOWS:

1. For purposes of this Scheduling Order, the Court incorporates by reference the definitions in the Stipulation and all capitalized terms used herein shall have the same meanings as set forth in the Stipulation unless otherwise defined herein.

2. A hearing (the "Settlement Hearing") shall be held on _____, 2025, at _____ a.m. / p.m. (which date shall be at least sixty (60) calendar days after entry of this Preliminary Approval Order) in the Supreme Court for the State of New York, New York County Courthouse, 60 Centre St., New York, New York 10007, to: (i) determine whether the proposed Settlement, on the terms and conditions provided for in the Stipulation, is fair, reasonable, and adequate and in the best interests of Schrödinger and its current stockholders; (ii) determine whether the Court should finally approve the Stipulation and enter the Order and Final Judgment (the "Judgment") as provided in the Stipulation, dismissing the Action with prejudice and extinguishing and releasing the Released Claims; (iii) hear and determine any objections to the proposed Settlement; (iv) determine whether the Court should approve the agreed to Fee and Expense Amount; and (v) rule on such other matters as the Court may deem appropriate.

3. The form, substance, and dissemination of information to Schrödinger stockholders regarding the proposed Settlement in the manner set out in this order ("Preliminary Approval Order") constitutes the best notice practicable under the circumstances and complies fully with Rules 904 and 908 of the New York Civil Practice Law and Rules, all other applicable law and due process.

4. The Settlement Hearing may be adjourned by the Court from time to time without further notice to anyone other than the parties to the Action and any Objectors (as defined herein). The Court reserves the right to approve the Stipulation at or after the Settlement Hearing with such modifications as may be consented to by the Parties and without further notice.

5. The Court approves, in form and content, the Notice of Pendency of Settlement of Derivative Action (the “Notice”) filed by the Parties as Exhibit B to the Stipulation and finds that the giving of notice substantially in the manner set forth herein meets the requirement of N.Y. Business Corporation Law § 626 and due process, and is the best notice practicable under the circumstances.

6. Within ten (10) business days after the entry of this Scheduling Order, Schrödinger shall use reasonable efforts to give notice to all beneficial owners of Schrödinger’s stock by (a) filing a Form 8-K with the Securities and Exchange Commission (“SEC”) that discloses the Settlement and attaches the Notice as an exhibit, and (b) posting a copy of the Notice on the Investor Relations page of the Company’s website, which shall remain posted through the Settlement Hearing. Schrödinger or its insurer(s) shall cause to be paid all costs and expenses incurred in providing the Notice. At least ten (10) business days prior to the Settlement Hearing, Defendants shall serve on counsel in the Action and file with the Court an appropriate affidavit with respect to the preparation, mailing, and public disclosure of the Notice in the manner set forth herein.

7. At least ten (10) business days prior to the Settlement Hearing, Defendants’ counsel shall serve on counsel in the Action and file with the Court an appropriate affidavit with respect to the preparation and mailing of the Notice in the manner set forth in this Scheduling Order.

8. As set forth in the Notice, any record or beneficial stockholder of Schrödinger who objects to the Stipulation, the proposed Judgment to be entered, and/or the Fee and Expense Amount who wishes to be heard (“Objector”), may appear in person or by his, her, or its attorney at the Settlement Hearing and present any evidence or argument that may be proper and relevant; provided, however, that no Objector shall be heard or entitled to contest the approval of the terms and conditions of the Settlement, or, if approved, the Judgment to be entered thereon, unless he, she, or it has, no later than ten (10) calendar days before the Settlement Hearing (unless the Court in its discretion shall thereafter otherwise direct, upon application of such person and for good cause shown), filed with the Clerk of the Supreme Court for the State of New York, New York County, 60 Centre St., New York, New York 10007, and served (electronically, by hand, or by overnight mail) on Plaintiff’s Counsel and Defendants’ counsel, at the addresses below, the following: (i) proof of current ownership of Schrödinger stock; (ii) a written notice of the Objector’s intention to appear, including identifying, if represented, the Objector’s counsel; (iii) a detailed statement of the objections to any matter before the Court; and (iv) a detailed statement of all of the grounds thereon and the reasons for the Objector’s desire to appear and to be heard, as well as all documents or writings which the Objector desires the Court to consider. In addition to the aforementioned Court address, the addresses to which such information should be sent (electronically, by hand, or by overnight mail) are as follows:

KUEHN LAW PLLC
Justin A. Kuehn
53 Hill Street, Suite 605
Southampton, NY 11968
Telephone: (833) 672-0814
justin@kuehn.law

RIGRODSKY LAW, P.A.
Seth D. Rigrodsky
Timothy J. MacFall

Vincent A. Licata
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sdr@rl-legal.com
tjm@rl-legal.com
vl@rl-legal.com

Counsel for Plaintiff

WILMER CUTLER PICKERING HALE
AND DORR LLP
Timothy J. Perla
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Boston, MA 02109
(617) 526-6696
timothy.perla@wilmerhale.com

Jeremy T. Adler
7 World Trade Center
250 Greenwich Street
New York, NY 10007
(212) 295-6417
jeremy.adler@wilmerhale.com

Counsel for Defendants

9. Any person or entity who fails to object in the manner prescribed above shall be deemed to have waived such objection (including the right to appeal), unless the Court in its discretion allows such objection to be heard at the Settlement Hearing, and shall forever be barred from raising such objection in the Action or any other action or proceeding or otherwise contesting the Stipulation or the Fee and Expense Amount, and will otherwise be bound by the Judgment to be entered and the releases to be given.

10. At least twenty-one (21) calendar days prior to the Settlement Hearing, Plaintiff's Counsel shall file with the Court a brief in support of the Settlement, including the Fee and Expense Amount.

11. At least five (5) calendar days prior to the Settlement Hearing, the Parties may serve and file with the Court a response brief to any objections made by an Objector pursuant to paragraph 8, above.

12. In the event that the Stipulation is not approved by the Court, the Settlement and any actions taken in connection therewith shall become null and void for all purposes, and all negotiations, transactions, and proceedings connected with it: (i) shall be without prejudice to the rights of any Party thereto; (ii) shall not be deemed to be construed as evidence of, or an admission by any Party of any fact, matter, or thing; and (iii) shall not be admissible in evidence or be used for any purpose in any subsequent proceedings in the Action or any other action or proceeding. The Parties shall be deemed to have reverted to their respective status in the Action as of the date and time immediately prior to the execution of the Stipulation, and, except as otherwise expressly provided, the Parties shall proceed in all respects as if the Stipulation and any related orders had not been entered.

13. All proceedings in this Action (except proceedings as may be necessary to carry out the terms and conditions of the proposed Settlement) are hereby stayed and suspended until further order of the Court. Except as provided in the Stipulation, pending final determination of whether the Settlement should be approved, Plaintiff in the action and all Schrödinger stockholders are barred and enjoined from commencing, prosecuting, instigating, or in any way participating in the commencement or prosecution of any action asserting any Released Claims against Defendants or any of the Released Persons.

14. The Court may, for good cause shown, extend any of the deadlines set forth in this Order without further notice to anyone other than the Parties to the Action and any Objectors.

Dated: March 25, 2025

KUEHN LAW PLLC

/s/ Justin A. Kuehn

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53 Hill Street, Suite 605
Southampton, NY 11968
Telephone: (833) 672-0814
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Counsel for Plaintiff

Dated: March 25, 2025

/s/ Timothy J. Perla

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Counsel for Defendants

IT IS SO ORDERED:

J.S.C.

Exhibit B

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

ARNAT ABZHANOV, derivatively on behalf
of SCHRODINGER, INC.,

Plaintiff,

v.

MICHAEL LYNTON, JEFFREY
CHODAKEWITZ, RICHARD A.
FRIESNER, GARY GINSBERG, ROSANA
KAPELLER-LIBERMANN, ARUN
OBEROI, GARY SENDER, NANCY
THORNBERRY, and RAMY FARID,

Defendants,

and

SCHRODINGER, INC.,

Nominal Defendant.

Index No.: 655000/2024

NOTICE OF PENDENCY OF SETTLEMENT OF DERIVATIVE ACTION

**TO: ALL CURRENT STOCKHOLDERS OF SCHRODINGER, INC. (TRADING
SYMBOL: SDGR)**

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

**IF YOU HOLD SCHRODINGER, INC. COMMON STOCK FOR THE BENEFIT OF
ANOTHER, PLEASE PROMPTLY TRANSMIT THIS DOCUMENT TO SUCH
BENEFICIAL OWNER.**

**IF YOU DO NOT OBJECT TO THE PROPOSED SETTLEMENT, OR THE AGREED-
TO ATTORNEYS' FEE AND EXPENSE AMOUNT DESCRIBED IN THIS NOTICE,
YOU ARE NOT OBLIGATED TO TAKE ANY ACTION.**

I. WHY ARE YOU RECEIVING THIS NOTICE?

The purpose of this Notice is to tell you about (i) the above-captioned lawsuit (the “Action”) in the Supreme Court for the State of New York, New York County (the “Court”) brought on behalf of Schrödinger, Inc. (“Schrödinger” or the “Company”) by Plaintiff Arnat Abzhanov derivatively; (ii) a proposal to settle the Action as provided in a Stipulation of Compromise and Settlement (the “Stipulation”) that sets forth the terms and conditions of the proposed settlement of this Action (“Settlement”); and (iii) your right, among other things, to attend and participate in a hearing to be held on _____, 2025 at _____ a.m. / p.m., in the Supreme Court for the State of New York, New York County Courthouse, 60 Centre St., New York, New York 10007 (the “Settlement Hearing”).¹

This Notice describes the rights you may have under the Stipulation and what steps you may, but are not required to, take concerning the proposed Settlement. If the Court approves the Stipulation, the Parties will ask the Court to approve an Order and Final Judgment that would end the Action.

II. BACKGROUND: WHAT IS THE ACTION ABOUT?

THE FOLLOWING DESCRIPTION DOES NOT CONSTITUTE FINDINGS OF ANY COURT. IT IS BASED ON STATEMENTS OF THE PARTIES AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF ANY COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE PARTIES.

Plaintiff Arnat Abzhanov (“Plaintiff”) is a Schrödinger stockholder. Nominal defendant Schrödinger is a Delaware corporation with its principal place of business in New York, New York. Schrödinger is a software and biotechnology company, incorporated in Delaware and headquartered in New York, that develops a physics-based computational platform which enables the discovery of novel molecules for drug development and materials applications. Defendants Michael Lynton, Jeffrey Chodakewitz, Richard A. Friesner, Gary Ginsberg, Rosana Kapeller-Libermann, Arun Oberoi, Gary Sender, Nancy Thornberry, and Ramy Farid (collectively, the “Individual Defendants,” and together with nominal defendant Schrödinger, “Defendants”) comprised the members of the Board of Directors of Schrödinger at the time of the filing of the Complaint. Plaintiff, nominal defendant Schrödinger, and the Individual Defendants are collectively referred to herein as the “Settling Parties.”

On September 24, 2024, Plaintiff commenced this derivative action captioned *Abzhanov v. Lynton et al.*, Index No. 655000/2024 (N.Y. Sup.) in the Supreme Court for the State of New York, New York County, by filing a Verified Shareholder Derivative Complaint (the “Complaint”). The Complaint includes claims for breach of fiduciary duty and unjust enrichment against the Individual Defendants based upon allegations that, in 2023, the Board approved and awarded excessive and improper compensation to themselves as non-employee directors of Schrödinger, including as compared to the compensation paid to directors of peer companies during the same

¹ All capitalized terms not otherwise defined have the meaning ascribed to them in the Stipulation.

years. Defendants have denied, and continue to deny, the allegations in the Complaint, including that they awarded excessive or improper compensation to non-employee directors of Schrödinger.

Following the commencement of the Action, counsel for the parties agreed to extend Defendants' deadline for responding to the Complaint while the Settling Parties discussed a potential resolution of the Action. After multiple rounds of arm's length negotiations between the Settling Parties, the Settling Parties reached an agreement in principle, subject to Plaintiff's receipt of confirmatory discovery, providing for the settlement of Plaintiff's claims upon the terms and subject to the conditions set forth in the Stipulation.

Pursuant to the Settlement, Schrödinger will adopt a series of corporate governance reforms that the Parties agree confer substantial benefits on Schrödinger and its stockholders (the "Reforms"). The Reforms require the Company to, *inter alia*, adopt a new director compensation policy that places meaningful limits on the Board's ability to award non-employee director compensation and enhances the Company's annual disclosures regarding director compensation.

Following receipt and review of the Confirmatory Discovery, Plaintiff and Plaintiff's Counsel confirmed that in their view the settlement agreement in principle as negotiated was fair and adequate to the Company and its stockholders, and that it was appropriate and reasonable to pursue Court approval of the Settlement based on the terms and subject to the conditions set forth in the Stipulation.

THE COURT HAS NOT FINALLY DETERMINED THE MERITS OF PLAINTIFF'S CLAIMS OR THE DEFENSES THERETO. THIS NOTICE DOES NOT IMPLY THAT THERE HAS BEEN OR WOULD BE ANY FINDING OF VIOLATION OF THE LAW OR THAT RECOVERY COULD BE HAD IF THE ACTION WAS NOT SETTLED.

III. WHAT ARE THE TERMS OF THE SETTLEMENT?

Within ten (10) business days of the Effective Date, the Board agrees to adopt the corporate governance reforms and enhancements ("Reforms") reflected in Exhibit D to the Stipulation, which shall be maintained for a period of at least four (4) years from adoption. The Settling Parties agree that the Reforms confer substantial benefits on the Company and its shareholders. As part of the Reforms, the Company shall adopt a new director compensation policy ("Policy") that provides, among other things, that:

- a. The Board or the Compensation Committee of the Board (the "Compensation Committee") shall retain an independent compensation consultant (the "Compensation Consultant") on an annual basis to conduct an analysis of Non-Employee Director compensation at peer companies and annually review the Company's peer group for purposes of assessing Non-Employee Director compensation (the "Peer Group"). The Compensation Consultant will make recommendations to the Board or Compensation Committee concerning adjustments to the Peer Group and the levels of compensation paid to the Company's Non-Employee Directors.

- b. The Compensation Consultant shall assess the Peer Group annually and only recommend adding companies as peers which: (a) are operating in the same industries as the Company (by reference to GICS codes or similar reasonable identities); and (b) are similar in size to the Company based on market capitalization, revenues, or employees, as determined based on the advice of the Compensation Consultant and recognizing that similarity in size and industry may include a range in order to accurately capture the market for directors.
- c. The constituents of the Peer Group shall have market capitalizations between .33 and 3 times the market capitalization of the Company as of the date of selection.
- d. If the Compensation Consultant recommends removal of a company from the Peer Group for any reason, that company shall be excluded from the Peer Group at such time the Peer Group is approved for that year.
- e. If a potential peer company has been acquired or it has ceased being traded on the public market, it shall be excluded from the Peer Group.
- f. Awards to Non-Employee Directors (as defined in Exhibit D) shall be calculated at the time of the grant and granted in terms of a designated Value (as defined in Exhibit D) and not a fixed number of shares.
- g. Each Initial Award shall not exceed the 60th percentile of the Company's Peer Group for the year in which the compensation is approved and determined at the time the Board approves annual Non-Employee Director compensation.
- h. Each Annual Award shall not exceed the 60th percentile of the Company's Peer Group for the year in which the compensation is approved and determined at the time the Board approves annual Non-Employee Director compensation.
- i. Each element of the cash compensation paid to the Non-Employee Directors for service as a director shall each not exceed the 60th percentile of the Company's Peer Group with respect to such element for the year in which the compensation is approved and determined at the time the Board approves annual Non-Employee Director compensation.

Additionally, as part of the Reforms, the Company shall now disclose in its annual proxy statements:

- a. a detailed description of the Non-Employee Director Compensation Policy, including that each component of compensation for service as a director will not exceed the 60th percentile of peer group compensation for such component.
- b. an affirmative statement that the Board targets setting each component of compensation for service as a director at no more than the 60th percentile of peer group compensation for such component.

- c. the constituents of the Company's peer group and the categories of metrics and other factors used to identify the companies in the peer group.
- d. a detailed description of the methodology for determining and approving the Company's peer group, including in relation to market capitalization.
- e. if a compensation consultant was retained, the identity of the compensation consultant, any compensation paid to the compensation consultant for director compensation-related service and whether any compensation consultant recommendation for such director compensation-related service was considered by the Board when it set compensation for service as a director.

IV. CORPORATE BENEFIT ONLY

Because the Action was brought for the benefit of Schrödinger, any monetary benefit or recovery in the litigation (whether from this or any settlement or through a judgment in favor of the Plaintiff) would go to Schrödinger. Schrödinger stockholders will not receive any direct payment as a result of the Stipulation and will not need to fill out any kind of claims form as a result of the Settlement.

V. COURT APPROVAL

The Stipulation and Settlement is contingent on receiving approval from the Court.

VI. WHAT CLAIMS WILL THE SETTLEMENT RELEASE

Upon the Effective Date, the Releasing Persons shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever settled, released, discharged, extinguished, and dismissed with prejudice the Released Claims (including Unknown Claims) against the Individual Defendants and each of the Released Persons; provided, however, that such release shall not affect any rights of any Settling Party to enforce the terms of this Stipulation.

Upon the Effective Date, the Released Persons and Schrödinger shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever settled, released, discharged, extinguished, and dismissed with prejudice all claims (including Unknown Claims), arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement, or resolution of the Action against Plaintiff and Plaintiff's Counsel; provided, however, that such release shall not affect any rights of any Settling Party to enforce the terms of this Stipulation.

"Released Claims" means and includes any and all manner of claims, causes of action, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, penalties, or sanctions of any kind, nature, or description whatsoever, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including Unknown Claims (as defined herein), whether based on state, local, foreign, federal, statutory, regulatory, common, or other law or rule, that have been or could have been asserted by

Plaintiff, or any other Schrödinger stockholder or any other Person acting or purporting to act on behalf of Schrödinger against the Released Persons in the Action or in any other court, tribunal, or proceeding arising out of, based upon, or relating in any way to the allegations, actions, transactions, occurrences, statements, omissions, disclosures, facts, practices, events, or claims alleged or referred to in the Complaint, including without limitation, (i) any compensation paid by Schrödinger to its non-employee directors from January 1, 2023 through the Effective Date; (ii) any non-employee director compensation plan, policies or guidelines in effect at Schrödinger from January 1, 2023 through the Effective Date; (iii) any decision of the Company's officers or directors related to the foregoing; and (iv) any disclosure or nondisclosure by the Company related to the foregoing; provided, however, that it is understood that "Released Claims" and any release provided by this Settlement shall not include: (a) any claims to enforce the Settlement, and (b) any claims by Defendants or any insured to enforce their rights under any contract or insurance policy.

"Released Persons" shall mean each of Individual Defendants and Schrödinger and their parents, subsidiaries, affiliates, predecessors, successors, and controlling persons, and each of their respective past or present officers, directors, employees, stockholders, family members, spouses, heirs, trusts, trustees, executors, beneficiaries, agents, representatives, partners, members, advisors, consultants, representatives, accountants, attorneys, insurers, and associates.

"Releasing Persons" means Plaintiff (both individually and derivatively on behalf of Schrödinger), any other Schrödinger stockholder acting or purporting to act on behalf of Schrödinger, and Schrödinger. "Releasing Person" means, individually, any of the Releasing Persons.

"Unknown Claims" means any Released Claim(s) which Plaintiff or Defendants do not know of or suspect to exist in his, her, or its favor at the time of the release of the Released Claims, including without limitation those which, if known, might have affected the decision to enter into the Settlement. With respect to any and all Released Claims, the Settling Parties agree that upon the Effective Date, the Settling Parties expressly and all Releasing Persons shall be deemed to have waived the provisions, rights, and benefits conferred by or under California Civil Code section 1542, or any other law of the United States or any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to section 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.

VII. WHAT ARE THE REASONS FOR SETTLING THE ACTION?

Plaintiff's entry into the Stipulation and Settlement is not intended to be and shall not be construed as an admission or concession concerning the relative strength or merit of the claims alleged in the Action. However, Plaintiff and Plaintiff's Counsel also recognize and acknowledge

the significant risk, expense, and length of continued proceedings necessary to prosecute the Action against Defendants through trial and through possible appeals. Plaintiff's Counsel also have taken into account the uncertain outcome and the risk of any litigation, especially in complex cases such as the Action, as well as the difficulties and delays inherent in such litigation. Plaintiff's Counsel also are mindful of the inherent problems of proof and possible defenses to the claims alleged in such actions.

Based upon Plaintiff's Counsel thorough review and analysis of the relevant facts, allegations, defenses, and controlling legal principles, Plaintiff and Plaintiff's counsel have determined that in their view the Settlement set forth in the Stipulation is fair, reasonable, and adequate, and in the best interests of Schrödinger and its stockholders and have agreed to settle the Action on the terms and subject to the conditions set forth herein.

The Defendants have denied, and continue to deny, the allegations in the Complaint, including that they have committed any breach of fiduciary duty or any other duty owed to Schrödinger or its stockholders, that they were unjustly enriched as a result of any breach of fiduciary duty or any other act, omission or conduct, or that they committed any violations of law or wrongdoing whatsoever or that Schrödinger or Schrödinger's stockholders suffered any damage or harm as a result of any act, omission or conduct alleged in the Action or otherwise. The Defendants have further asserted, and continue to assert, that at all relevant times, they have acted in good faith and in a manner that they believed to be in the best interests of Schrödinger and its stockholders, and that they are entering into the Stipulation and the Settlement solely to eliminate the uncertainty, distraction, disruption, burden, expense, and risk inherent in further litigation.

VIII. HOW WILL THE ATTORNEYS GET PAID?

The Settling Parties did not discuss the appropriateness or amount of attorneys' fees and expenses to be paid to Plaintiff's Counsel until after reaching agreement on the terms of the Settlement, and the Settling Parties understood at all times that the Settlement was not contingent upon agreement or payment of any attorneys' fees and expenses to Plaintiff's Counsel. After agreeing to the terms of the Settlement and the completion of Confirmatory Discovery, Plaintiff's Counsel and Schrödinger separately began negotiating the amount of the award of attorneys' fees and expenses to be paid to Plaintiff's Counsel.

Defendants acknowledge that Plaintiff's Counsel are entitled to apply for a fee award. In recognition of the terms of the Settlement and the prosecution and settlement of the Action, and subject to Court approval, Schrödinger and/or its insurance carriers have agreed to pay an award of attorneys' fees and expenses to Plaintiff's Counsel not to exceed \$390,000 (the "Fee and Expense Amount"). The Fee and Expense Amount will be paid by the Defendants and/or their insurers. The Fee and Expense Amount includes the fees and expenses incurred by Plaintiff's Counsel in connection with the prosecution and settlement of the Action. Plaintiff's Counsel will not seek fees or expenses from the Court in excess of the agreed-to amount and Plaintiffs' Counsel will not make an application for attorneys' fees or expenses in any other jurisdiction. Except as otherwise provided herein, each of the Parties shall bear his, her, or its own fees and costs.

IX. WHEN WILL THE SETTLEMENT HEARING TAKE PLACE?

The Court has scheduled a Settlement Hearing to be held on _____, 20__ at _____ a.m. / p.m., in the Supreme Court for the State of New York, New York County Courthouse, 60 Centre St., New York, New York 10007.

At the Settlement Hearing, the Court will consider (a) whether the Settlement, on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate and in the best interests of Schrödinger and its current stockholders, and thus should be finally approved, (b) whether the fees and expenses sought by Plaintiff's Counsel should be approved, and (c) whether the Action should be dismissed with prejudice by entry of the Judgment pursuant to the Stipulation. The Court will also hear and determine objections, if any, to the Settlement, the Fee and Expense Award sought by Plaintiff's Counsel, and rule on such other matters as the Court may deem appropriate.

The Court may adjourn the Settlement Hearing from time to time without further notice to anyone other than the Settling Parties and any Objectors (as defined below). The Court reserves the right to approve the Stipulation at or after the Settlement Hearing with such modifications as may be consented to by the Settling Parties to the Stipulation and without further notice.

X. DO I HAVE A RIGHT TO APPEAR AND OBJECT?

Any record or beneficial stockholder of Schrödinger who objects to the Settlement, the proposed Judgment to be entered, the Fee and Expense Award, or who otherwise wishes to be heard (an "Objector"), may appear in person or by his, her, or its attorney at the Settlement Hearing and present any evidence or argument that may be proper and relevant; provided, however, that no Objector shall be heard or entitled to contest the approval of the terms and conditions of the Settlement, or, if approved, the Judgment to be entered thereon, unless he, she, or it has, no later than ten (10) calendar days before the Settlement Hearing (unless the Court in its discretion shall thereafter otherwise direct, upon application of such person and for good cause shown), filed with the Clerk of the Supreme Court for the State of New York, New York County, and served (electronically, by hand, or by overnight mail) on Plaintiff's Counsel and Defendants' Counsel, at the addresses below, the following: (i) proof of current ownership of Schrödinger stock; (ii) a written notice of the Objector's intention to appear, including identifying, if represented, the Objector's counsel; (iii) a detailed statement of the objections to any matter before the Court; and (iv) a detailed statement of all of the grounds thereon and the reasons for the Objector's desire to appear and to be heard, as well as all documents or writings which the Objector desires the Court to consider. In addition to the aforementioned Court address, the addresses to which such information should be sent (electronically, by hand, or by overnight mail) are as follows:

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Counsel for Plaintiff

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250 Greenwich Street
New York, NY 10007
(212) 295-6417
jeremy.adler@wilmerhale.com

Counsel for Defendants

Any person or entity who fails to object in the manner prescribed above shall be deemed to have waived such objection (including the right to appeal), unless the Court in its discretion allows such objection to be heard at the Settlement Hearing, and shall forever be barred from raising such objection in the Action or any other action or proceeding or otherwise contesting the Stipulation or the Fee and Expense Amount, and will otherwise be bound by the Judgment to be entered and the releases to be given. You are not required to appear in person at the Settlement Hearing in order to have your timely and properly filed objection considered.

XI. HOW DO I GET ADDITIONAL INFORMATION ABOUT THE SETTLEMENT?

This Notice summarizes the Stipulation. It is not a complete statement of the events of the Action or the Stipulation. For additional information about the claims asserted in the Action and the terms of the Settlement, please refer to the documents filed with the Court and the Stipulation available on the Investor Relations page of the Company's website. You may examine the Court

files during regular business hours of each business day at the office of the Clerk for the Supreme Court for the State of New York, New York County Courthouse, 60 Centre St., New York, New York 10007. However, you must appear in person to inspect these documents. The Clerk's office will not mail copies to you.

For more information concerning the Settlement, you may also call or write to: Kuehn Law PLLC, c/o Justin A. Kuehn, 53 Hill Street, Suite 605, Southampton, NY 11968, Telephone: (833) 672-0814

PLEASE DO NOT WRITE OR CALL THE COURT OR THE OFFICE OF THE CLERK FOR THE SUPREME COURT OF THE STATE OF NEW YORK, NEW YORK COUNTY REGARDING THIS NOTICE.

IT IS SO ORDERED:

J.S.C.

Exhibit C

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

ARNAT ABZHANOV, derivatively on behalf
of SCHRODINGER, INC.,

Plaintiff,

v.

MICHAEL LYNTON, JEFFREY
CHODAKEWITZ, RICHARD A.
FRIESNER, GARY GINSBERG, ROSANA
KAPELLER-LIBERMANN, ARUN
OBEROI, GARY SENDER, NANCY
THORNBERRY, and RAMY FARID,

Defendants,

and

SCHRODINGER, INC.,

Nominal Defendant.

Index No.: 655000/2024

[PROPOSED] ORDER AND FINAL JUDGMENT

WHEREAS, a hearing was held before this Court on _____, 2025 pursuant to this Court's Scheduling Order With Respect to Notice and Settlement Hearing, dated _____, 2025 (the "Scheduling Order"), and upon a Stipulation of Compromise and Settlement dated March 25, 2025 (the "Stipulation") setting forth the terms and conditions of a proposed settlement (the "Settlement") of the above-captioned action (the "Action").

WHEREAS, the Settling Parties appeared by their attorneys of record, and the Court heard and considered the submissions and evidence presented in support of the proposed Settlement, including the Fee and Expense Amount.

WHEREAS, the opportunity to be heard was given to all other persons requesting to be heard in accordance with the Scheduling Order and the Notice of Pendency of Settlement of Action (the “Notice”).

WHEREAS, the Court has reviewed and considered, among other matters, all papers filed and proceedings held in connection with the Stipulation, all oral and written comments regarding the proposed Settlement, and the benefits of the proposed Settlement and the risks, complexity, expense, and probable duration of further litigation.

IT IS ORDERED, ADJUDGED AND DECREED, this _____ day of _____, 2025 that:

1. For purposes of this Order and Final Judgment (“Final Judgment”), the Court incorporates by reference the definitions in the Stipulation and all capitalized terms used herein shall have the same meanings as set forth in the Stipulation unless otherwise defined herein.

2. The Court has jurisdiction over the subject matter of the Action, including all matters necessary to effectuate the Stipulation and the Final Judgment and over all of the Settling Parties.

3. The Court finds that Plaintiff and Plaintiff’s Counsel have adequately represented the interests of Schrödinger, Inc. (“Schrödinger” or the “Company”) and its stockholders with respect to the Action, the claims asserted therein, and all Released Claims.

4. The Court finds that Settlement as set forth in the Stipulation is fair, reasonable, adequate, and in the best interests of Schrödinger and its stockholders.

5. This Court fully and finally approves the Stipulation and the Settlement in all respects, and the Settling Parties are directed to consummate the Settlement in accordance with the

terms of the Stipulation. The Clerk of the Supreme Court for the State of New York, New York County is directed to enter and docket this Final Judgment.

6. The Notice has been given to all current stockholders of the Company pursuant to and in the manner directed by the Scheduling Order, proof of mailing, and other dissemination of the Notice was filed with the Court and full opportunity to be heard has been offered to all parties, current stockholders of the Company, and persons in interest. The form and manner of the Notice is determined to have been provided in full compliance with each of the requirements of N.Y. Business Corporation Law § 626, due process, and applicable law, to constitute due and sufficient notice to all Persons entitled thereto, and to have been the best notice reasonably practicable under the circumstances.

7. The Action and all claims contained therein, as well as all of the Released Claims, are dismissed with prejudice. As between Plaintiff and Defendants, the Settling Parties are to bear their own costs, except as otherwise provided in the Stipulation and in this Final Judgment.

8. Upon the Effective Date, the Releasing Persons, shall be deemed to have, and by operation of this Judgment, shall have fully, finally, and forever settled, released, discharged, extinguished and dismissed with prejudice the Released Claims against the Released Persons; provided, however, that such release shall not affect any claims to enforce the terms of the Stipulation.

9. Upon the Effective Date, the Released Persons and Schrödinger, shall be deemed to have, and by operation of this Judgment, fully, finally, and forever settle, release, discharge, extinguish, and dismiss with prejudice all claims (including Unknown Claims), arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement, or resolution

of the Action against Plaintiff and Plaintiff's Counsel; provided, however, that such release shall not affect any claims to enforce the terms of the Stipulation.

10. Except as otherwise provided in the Stipulation, Plaintiff and all Schrödinger stockholders are barred and enjoined from commencing, prosecuting, instigating, or in any way participating in the commencement or prosecution of any action asserting any Released Claim against Defendants or any of the Released Persons.

11. Nothing in this Judgment shall in any way impair or restrict the rights of any party to enforce the terms of the Stipulation.

12. The Court hereby approves the Fee and Expense Amount in the amount of \$_____ in accordance with the terms of the Stipulation and finds that such fee is fair and reasonable.

13. Neither the Stipulation, nor any of its terms or provisions, nor entry of this Final Judgment, nor any document or exhibit referred or attached to the Stipulation, nor any action taken to carry out the Stipulation: (a) is, may be construed as, or may be used as evidence of the validity of any of the Released Claims or an admission by or against Defendants of any fault, wrongdoing, or concession of liability whatsoever by any Person in the Action, or any other actions or proceedings, whether civil, criminal, or administrative; or (b) shall be interpreted as an admission of liability or wrongdoing on the part of the Individual Defendants, nor an admission on the part of Plaintiff of any lack of merit of the claims asserted in the Action. Notwithstanding the foregoing, the Defendants and the Released Persons may file the Stipulation, or any judgment or order of the Court related hereto, in any action that has been or may be brought against them, in order to support a claim or defense 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.

14. Without affecting the finality of this Final Judgment in any way, the Court retains jurisdiction with respect to the implementation, enforcement, and interpretation of the terms of the Stipulation, and all Parties submit to the jurisdiction of the Court for purposes of implementing, enforcing, and interpreting the Stipulation. Nothing herein dismisses or releases any claim by or against any party to the Stipulation arising out of a breach of the Stipulation or violation of this Final Judgment.

IT IS SO ORDERED:

J.S.C.

Exhibit D

SCHRÖDINGER, INC. GOVERNANCE REFORMS

Within ten (10) business days of an order approving settlement by the New York State Supreme Court, the Company's board of directors ("Board") agrees to take the following actions and adopt and implement the following corporate governance reforms (the "Reforms"), which shall be maintained for a period of at least four (4) years (the "Term"). The Board agrees that Plaintiff caused it to adopt, implement, and maintain the Reforms, and that such Reforms confer substantial benefits on the Company.

1. The Company shall abide by the following in evaluating, setting, and awarding non-employee director ("*Non-Employee Director*") compensation during the Term.

Compensation Consultant and Peer Group

The Board or the Compensation Committee of the Board (the "*Compensation Committee*") shall retain an independent compensation consultant (the "*Compensation Consultant*") on an annual basis to conduct an analysis of Non-Employee Director compensation at peer companies and annually review the Company's peer group for purposes of assessing Non-Employee Director compensation (the "*Peer Group*"). The Compensation Consultant will make recommendations to the Board or Compensation Committee concerning adjustments to the Peer Group and the levels of compensation paid to the Company's Non-Employee Directors.

The Compensation Consultant shall assess the Peer Group annually and only recommend adding companies as peers which: (a) are operating in the same industries as the Company (by reference to GICS codes or similar reasonable identities); and (b) are similar in size to the Company based on market capitalization, revenues, or employees, as determined based on the advice of the Compensation Consultant and recognizing that similarity in size and industry may include a range in order to accurately capture the market for directors. The constituents of the Peer Group shall have market capitalizations between .33 and 3 times the market capitalization of the Company as of the date of selection. If the Compensation Consultant recommends removal of a company from the Peer Group for any reason, that company shall be excluded from the Peer Group at such time the Peer Group is approved for that year. If a potential peer company has been acquired or it has ceased being traded on the public market, it shall be excluded from the Peer Group. For the avoidance of doubt, the requirements set forth in this "Compensation Consultant and Peer Group" shall be assessed at the time the Peer Group is determined by the Board or Compensation Committee on an annual basis and subsequent changes to such Peer Group companies' market capitalization, revenues, employees, public trading or other factors shall not impact such company's inclusion in the Peer Group until the next annual Peer Group determination.

Cash Compensation

Each Non-Employee Director will receive cash compensation as described below for service on the Board, with the amount of such compensation to be determined on an annual basis by the Board.

General Board Service Annual Cash Fee. Each Non-Employee Director will be paid an annual cash fee as determined by the Board.

Chairman / Lead Independent Director / Committee Membership Annual Cash Fee. In addition to the General Board Service Annual Cash Fee, each Non-Employee Director who serves as chair of the Board, lead independent director, or chair or member of a committee of the Board will be paid additional annual cash fees for such service as determined by the Board.

The annual cash compensation amounts will be paid quarterly in arrears, pro-rated for any partial quarters served. All annual cash fees are vested upon payment. There are no per-meeting attendance fees for attending Board meetings.

During the Term, each element of the cash compensation paid to the Non-Employee Directors for service as a director shall each not exceed the 60th percentile of the Company's Peer Group with respect to such element for the year in which the compensation is approved and determined at the time the Board approves annual Non-Employee Director compensation.

Equity Compensation

Each Non-Employee Director will be eligible to receive either stock options to purchase shares of the Company's common stock ("**Options**") and/ or restricted stock units to acquire shares of the Company's common stock ("**RSUs**" and together with Options, "**Awards**") under the Company's 2022 Equity Incentive Plan (the "**Equity Plan**") or any successor equity incentive plan as described below for service on the Board, with the amounts and terms of such equity compensation to be determined by the Board on an annual basis.

During the Term, the Awards shall be calculated at the time of the grant and granted in terms of a designated Value (as defined below) and not a fixed number of shares.

Equity Compensation – Initial Award

Any Non-Employee Director of the Board being newly appointed to the Board will receive an Award to acquire a number of shares determined based on a Value (as defined below) designated by the Board (such award, the "**Initial Award**") under the Equity Plan (unless the Board affirmatively determines that any Non-Employee Directors shall not receive an Initial Award under this Policy).

As of the Approval Date, the Initial Award shall consist of Awards with respect to a number of shares of the Company's common stock calculated based on a Value equal to 2x the Value of the Annual Award (defined below), on the date the Initial Award is granted (the "**Initial Award Grant Date**"). During the Term, the Initial Award shall not exceed the 60th percentile of the Company's Peer Group for the year in which the compensation is approved and determined at the time the Board approves annual Non-Employee Director compensation.

"**Value**" (for the purposes of determining the number shares that will be subject to an Award under the Policy) means the grant date fair value of the Award.

As of the Approval Date, the Initial Award shall vest as to 1/3rd of the total shares on each annual anniversary of the Initial Award Grant Date, such that the grant will become fully vested on the three-year anniversary of the Initial Award Grant Date, so long as the Non-Employee Director continues to serve as a member of the Board through any given vesting date. If a Non-Employee Director's Board service ends on the date of vesting, then the vesting shall be deemed to have occurred.

The Initial Award shall accelerate in full upon the consummation of a Change In Control (as defined in the Company's Executive Severance and Change in Control Benefits Plan), subject to the applicable Non-Employee Director's continued service on the Board as of immediately prior to such Change In Control.

Equity Compensation – Annual Award

On the date of each annual meeting of the Company's stockholders (the "**Annual Meeting**"), each Non-Employee Director who is serving on the Board prior to, and will continue to serve on the Board following the Annual Meeting, will receive Awards with respect to a number of shares determined based on a Value (as defined above) designated by the Board (such award, the "**Annual Award**") under the Equity Plan. During the Term, the Annual Award shall not exceed the 60th percentile of the Company's Peer Group for the year in which the compensation is approved and determined at the time the Board approves annual Non-Employee Director compensation.

The Annual Award will automatically be granted on the date of the Annual Meeting of the Company's stockholders (the "**Annual Award Grant Date**").

As of the Approval Date, the Annual Award shall vest on the earlier of (i) the one-year anniversary of the Annual Award Grant Date and (ii) the date of the next Annual Meeting, in each case, so long as the Non-Employee Director continues to serve as a member of the Board through such date. If a Non-Employee Director's Board service ends on the date of vesting, then the vesting shall be deemed to have occurred.

The Annual Award shall accelerate in full upon the consummation of a Change in Control (as defined in the Company's Executive Severance and Change in Control Plan), subject to the applicable Non-Employee Director's continued service on the Board as-of immediately prior to such Change in Control.

Equity Plan Compensation Limit

Notwithstanding any other provision of this Policy to the contrary, in no event will the total amount of compensation payable to any Non-Employee Director exceed the limits set forth in the Equity Plan, subject to the terms and exceptions set forth therein.

Limitation On Obligation to Make Immaterial Adjustments

To allow reasonable consistency and avoid the need for continual immaterial adjustments to elements of compensation, if an element of compensation under consideration: (i) complied with the requirements set forth herein during the immediately prior year, and (ii) would require an immaterial adjustment to bring the element into present compliance with the requirements set forth herein, the Board shall have discretion not to make the immaterial adjustment.

2. During the Term, the Company shall disclose in its annual proxy statements:
 - a. a detailed description of the Non-Employee Director Compensation Policy, including that each component of compensation for service as a director will not exceed the 60th percentile of peer group compensation for such component.
 - b. an affirmative statement that the Board targets setting each component of compensation for service as a director at no more than the 60th percentile of peer group compensation for such component.
 - c. the constituents of the Company's peer group and the categories of metrics and other factors used to identify the companies in the peer group.
 - d. a detailed description of the methodology for determining and approving the Company's peer group, including in relation to market capitalization.
 - e. if a compensation consultant was retained, the identity of the compensation consultant, any compensation paid to the compensation consultant for director compensation-related service and whether any compensation consultant recommendation for such director compensation-related service was considered by the Board when it set compensation for service as a director.