

# **EXHIBIT 1**

**SOUTHERN DISTRICT OF NEW YORK**

IN RE TALKSPACE STOCKHOLDER  
DERIVATIVE LITIGATION

Master File No. 1:22-cv-05016-PGG

**STIPULATION OF SETTLEMENT AND RELEASE AGREEMENT**

This Stipulation of Settlement and Release Agreement (the “Stipulation”) is made as of May 16, 2023, by and among the following Parties, in the above-captioned consolidated derivative action (the “Derivative Action”): (i) Fredrik Odsvall and Matis Nayman (collectively, “Plaintiffs”), derivatively on behalf of Talkspace, Inc. (“Talkspace” or the “Company”), by and through Plaintiffs’ Counsel (defined below); (ii) defendants Charles Berg (“Berg”), Douglas G. Bergeron (“Bergeron”), Douglas L. Braunstein (“Braunstein”), Jeffrey M. Crowe (“Crowe”), Jonathan Dobres (“Dobres”), Thelma Duggin (“Duggin”), Oren Frank, Roni Frank, Robert Greifeld (“Greifeld”), Mark Hirschhorn (“Hirschhorn”), Madhu Pawar (“Pawar”), Amy Schulman (“Schulman”), Erez Shachar (“Shachar”), Curtis Warfield (“Warfield”), and Jacqueline Yeaney (“Yeaney”) (collectively, the “Individual Defendants”); and (iii) Talkspace, as nominal defendant (collectively, with the Individual Defendants, the “Defendants”), by and through their respective counsel. This Stipulation sets forth the terms and conditions of the settlement and resolution of the Derivative Action (the “Settlement”) and is intended by the Plaintiffs and Defendants (collectively, the “Parties”) to fully, finally and forever resolve, discharge and settle all Released Claims (as defined below) as against the Released Parties (as defined below), subject to the approval of the United States District Court for the Southern District of New York (the “Court”) and such approval becoming Final.

**I. DESCRIPTION OF THE ACTION**

Talkspace is a Delaware corporation that provides a digital platform for patients, licensed therapists, psychologists, and psychiatrists to connect via text, video, and audio messaging and to engage in live video sessions. Talkspace's common stock has traded on the Nasdaq Stock Market since June 2021 when the Company went public through a merger with Hudson Executive Investment Corp. ("HEIC"), a special-purpose acquisition company.

On June 15, 2022, Plaintiff Fredrik Odsvall filed a Verified Stockholder Derivative Complaint on behalf of Talkspace, captioned *Odsvall v. Frank, et al.*, No. 1:22-cv-05016-PGG (S.D.N.Y.) (the "*Odsvall* Action"), asserting claims against: (i) the Individual Defendants for breach of fiduciary duty; (ii) Defendants Oren Frank, Hirschhorn, Braunstein, Bergeron, Dobres, Greifeld, Schulman, and Duggin for violations of Sections 10(b) and 21D of the Securities Exchange Act of 1934 (the "Exchange Act"); and (iii) Defendants Braunstein, Bergeron, Dobres, Greifeld, Schulman, and Duggin for violation of Section 14(a) of the Exchange Act. The *Odsvall* Action also sought restitution, costs and disbursements, and an order that Talkspace make various reforms to its corporate governance and internal procedures.

On July 22, 2022, Plaintiff Matis Nayman filed a Verified Stockholder Derivative Complaint on behalf of Talkspace, captioned *Nayman v. Berg, et al.*, No. 1:22-cv-06258-PGG (S.D.N.Y.) (the "*Nayman* Action"), asserting claims against Defendants Berg, Braunstein, Crowe, Oren Frank, Roni Frank, Pawar, Shachar, Warfield, and Yeane for: (i) violation of Section 20(a) of the Exchange Act; (ii) breach of fiduciary duty; and (iii) aiding and abetting. The *Nayman* Action also sought restitution, costs and disbursements, and the institution of corporate governance reforms.

On September 21, 2022, the Parties filed a stipulation and order consolidating the *Odsvall* Action and the *Nayman* Action, staying all proceedings and deadlines until a decision on the motion to dismiss in the related consolidated securities class action captioned *In re Talkspace, Inc. Securities Litigation*, Case No. 1:22-cv-00163-PGG (S.D.N.Y.) (the “Securities Class Action”), and appointing Co-Lead Counsel. On September 28, 2022, the Court entered an Order consolidating the *Odsvall* Action and *Nayman* Action under the caption *In Re Talkspace Stockholder Derivative Litigation*, Master File No. 1:22-cv-05016-PGG (S.D.N.Y.), staying all proceedings and deadlines pending the decision on the motion to dismiss in the Securities Class Action, and appointing Glancy Prongay & Murray LLP (“GPM”) and Weiss Law as Plaintiffs’ Co-Lead Counsel in the Derivative Action.

In December 2022, the Parties agreed to mediate the claims in the Derivative Action. On February 8, 2023, Plaintiffs conveyed to Defendants a detailed settlement demand with a suite of proposed corporate governance reforms. On February 16, 2023, the Parties engaged in a full day mediation session with Robert Meyer, Esq., an experienced mediator at JAMS, who was concurrently serving as the mediator for the Securities Class Action. At the mediation, the Parties engaged in a frank exchange regarding the strengths and weaknesses of the Derivative Action, as well as any potential defenses thereto. While progress was made, the mediation session ended without the Parties reaching agreement. Thereafter, the Parties continued to negotiate the proposed corporate governance reforms under the auspices of the mediator. On February 22, 2023, the Parties reached agreement as to the principal terms of Settlement, including the corporate governance reforms attached hereto as Exhibit 1 (“Governance Changes”). Only after the principal terms of Settlement were agreed to, the Parties, with the assistance of Mr. Meyer, negotiated the

Fee and Expense Amount to be paid to Plaintiffs' Counsel, subject to the Court's approval. On March 15, 2023, the Parties executed a term sheet.

**II. PLAINTIFFS' COUNSEL'S INVESTIGATION AND RESEARCH, PLAINTIFFS' CLAIMS, AND THE BENEFITS OF SETTLEMENT**

Plaintiffs, by and through Plaintiffs' Counsel, have thoroughly considered the facts and law underlying the Derivative Action and have conducted a substantial investigation relating to the claims and the underlying events alleged in the Derivative Action, including: (i) reviewing, and analyzing the Company's filings with the Securities and Exchange Commission; (ii) reviewing, and analyzing, press releases, announcements, transcripts of conference calls with financial analysts and investors, news articles, media reports, and other information concerning the underlying matters alleged in the Derivative Action; (iii) reviewing, and analyzing the Company's Corporate Governance Guidelines, Code of Business Conduct and Ethics, and the charters of the Committees of Talkspace's Board of Directors; (iv) researching, drafting, and filing derivative complaints; (iv) reviewing and analyzing the pleadings and other papers filed in the Securities Class Action; (v) researching the applicable law with respect with the claims asserted in the Derivative Action and the potential defenses thereto; (vi) preparing a detailed settlement demand; and (vii) engaging in substantive, protracted settlement discussions with Defendants' counsel under the auspices of the Mediator.

Plaintiffs believe that the claims asserted in the Derivative Action have merit. Nonetheless, Plaintiffs and Plaintiffs' Counsel also recognize and acknowledge the significant risk, expense, and length of continued proceedings necessary to prosecute the Derivative Action against the Individual Defendants through trial and appeal. Plaintiffs and Plaintiffs' Counsel also have taken into account the uncertain outcome and the risk of any litigation, especially in complex cases such as the Derivative Action, as well as the difficulties and delays inherent in such litigation. Plaintiffs

and Plaintiffs' Counsel are also mindful of the inherent problems of proving the violations asserted in the Derivative Action. In consideration of the mediation that led to the Settlement and after weighing the risks of continued litigation, Plaintiffs and Plaintiffs' Counsel have determined that it is in the best interests of Talkspace and its stockholders that the Derivative Action be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation, and that these terms and conditions are fair, reasonable, adequate, and confer substantial benefits to Talkspace and its stockholders.

**III. DEFENDANTS' DENIALS OF WRONGDOING AND REASONS FOR SETTLEMENT**

Defendants deny each and all of the claims and contentions alleged in the Derivative Action. Defendants believe they have substantial defenses to the claims alleged against them in the Derivative Action and expressly deny any misconduct alleged in the Derivative Action and further deny any wrongdoing, legal liability, or violation of any laws arising out of any of the conduct alleged in the Derivative Action. Neither this Stipulation, nor any document referred to herein, nor any action taken to carry out this Stipulation, is, may be construed as, or may be used as an admission by or against Defendants of any fault, wrongdoing, or liability whatsoever or the lack of merit of any defense that had been or could have been asserted to such claims and contentions.

Defendants nevertheless recognize that further conduct of the Derivative Action against them would be protracted, expensive, and distracting. If the Derivative Action is not settled, substantial amounts of time, energy, and resources will have to be devoted to the defense of the claims asserted in the Derivative Action. Defendants have, therefore, determined that it is desirable and beneficial to them and to the Company that the Derivative Action should be fully

and finally settled in the manner and upon the terms and conditions set forth in this Stipulation to eliminate the burden and expense of further protracted litigation.

**IV. TERMS OF THE STIPULATION**

**NOW THEREFORE, IT IS STIPULATED AND AGREED**, by and among the Parties, through their respective counsel of record, that the Derivative Action shall be fully and finally compromised and settled, that the Released Claims shall be released as against the Released Parties, and that the Derivative Action shall be dismissed with prejudice, subject to the approval of the Court pursuant to Federal Rule of Civil Procedure 23.1(c), upon and subject to the following terms and conditions:

**A. Definitions**

In addition to the terms defined above, as used in this Stipulation, the following additional terms have the meanings specified below:

1. “Board” means Talkspace’s Board of Directors.
2. “Current Talkspace Stockholders” means any Person who holds or beneficially holds Talkspace common stock as of the date of the execution of this Stipulation and who continues to hold her, his, or its Talkspace common stock as of the date of the Settlement Hearing, excluding the Individual Defendants, their spouses, and anyone (other than a tenant or employee) sharing the household of any Defendant.
3. “Defendants’ Counsel” means the law firms of Milbank LLP, Cohen & Gresser LLP, and Cole Schotz P.C.
4. “Effective Date” means the first date by which all of the conditions set forth in ¶ IV(G)(1) of this Stipulation have been met and occurred or have been waived in writing by the Parties.

5. “Fee and Expense Amount” means the agreed-upon amount of \$550,000 to be paid to Plaintiffs’ Counsel for attorneys’ fees and expense reimbursement, subject to Court approval, as described in ¶ IV(D)(1) of this Stipulation.

6. “Final” means, with respect to any order or Judgment of the Court, that such order or Judgment represents a final and binding determination of all issues within its scope and has not been reversed, vacated, or modified in any way and is no longer subject to appellate review, either because of disposition on appeal and conclusion of the appellate process or because of passage, without action, of time for seeking appellate review. Without limitation, an order or Judgment becomes Final when: (a) either no appeal therefrom has been filed and the time has passed for any notice of appeal to be timely filed therefrom; or (b) an appeal has been filed and either (i) the court of appeals has either affirmed the order or Judgment or dismissed that appeal and the time for any reconsideration or further appellate review has passed; or (ii) a higher court has granted further appellate review and that court has either affirmed the underlying order or Judgment or affirmed the court of appeals’ decision affirming the Judgment or dismissing the appeal. For the purposes of this paragraph, an “appeal” shall include any motion for reconsideration or petition for a writ of certiorari or other writ that may be filed in connection with approval or disapproval of this Settlement. However, any appeal seeking judicial review pertaining solely to an order issued with respect to the Fee and Expense Amount, as defined in ¶ IV(A)(5) shall not in any way delay or preclude the Judgment from becoming Final.

7. “Judgment” means the final order and judgment to be rendered by the Court, substantially in the form attached hereto as Exhibit D.

8. “Notice” means, collectively, the Summary Notice of Proposed Settlement of Stockholder Derivative Action, substantially in the form attached hereto as Exhibit B



(“Summary Notice”), and the Notice of Proposed Settlement of Derivative Action, Settlement Hearing and Right to Appear, substantially in the form attached hereto as Exhibit C (“Long Form Notice”).

9. “Person” or “Persons” means any individual, corporation, limited-liability company, partnership, association, joint-stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or entity and their respective agents, spouses, heirs, predecessors, successors, personal representatives, representatives and assigns.

10. “Plaintiffs’ Counsel” means the Court appointed Co-Lead Counsel for Plaintiffs: (i) Glancy Prongay & Murray LLP, located at 745 Fifth Avenue, Fifth Floor, New York, NY 10151; and (ii) Weiss Law, located at 305 Broadway, New York, NY 10007.

11. “Released Claims” means any and all manner of claims, including any Unknown Claims, debts, demands, rights, interests, actions, suits, causes of action, cross-claims, counter-claims, charges, judgments, obligations, setoffs, or liabilities for any obligations of any kind whatsoever (however denominated), whether derivative, individual or otherwise in nature, for fees, costs, penalties, damages whenever incurred, and liabilities of any nature whatsoever (including, without limitation, direct or indirect claims or demands for rescission, damages, interest, attorneys’ fees, and any other costs, expenses or liabilities whatsoever, including joint and several), whether based on federal, state, local, statutory or common law, in equity, or on any other law, rule, regulation, ordinance, contract, or the law of any foreign jurisdiction, whether fixed or contingent, known or unknown, liquidated or unliquidated, suspected or unsuspected, asserted or unasserted, matured or unmatured, arising from or relating in any way to, directly or indirectly, any act or omission alleged or claims asserted in the Derivative Action or that could have been

alleged or asserted on behalf of Talkspace, including those that were threatened, asserted, or could have been asserted by any of Talkspace's stockholders, or that Talkspace could have asserted directly, in any court, tribunal, forum or proceeding, against any of the Defendants or the other Released Parties.

12. "Released Parties" means all and each of the Individual Defendants, and all and each of their respective present and former parents, subsidiaries, divisions, controlling persons, associates, entities and affiliates and each and all of their respective present and former employees, members, partners, principals, officers, directors, controlling stockholders, agents, attorneys, advisors (including financial or investment advisors), accountants, auditors, consultants, underwriters, investment bankers, commercial bankers, entities providing fairness opinions, general or limited partners or partnerships, limited liability companies, members, joint ventures and insurers and reinsurers of each of them; as well as the predecessors, successors, assigns, estates, immediate family members, spouses, heirs, executors, trusts, trustees, administrators, agents, legal or personal representatives, assigns, and assignees of each of them, in their capacity as such.

13. "Settlement Hearing" means the hearing required under Rule 23.1 of the Federal Rules of Civil Procedure, at or after which the Court will review the adequacy, fairness, and reasonableness of the Settlement and determine whether to enter a final judgment that is in substance materially the same as the [Proposed] Judgment attached hereto as Exhibit D, including the Fee and Expense Amount.

14. "Unknown Claims," as used herein and in the Judgment, means any claims that a Person granting a release hereunder does not know or suspect to exist in his, her, or its favor at the time of the release, including without limitation those that, if known, might have affected

the decision to enter into or object to the Settlement of the Derivative Action. With respect to any and all Released Claims, the Parties stipulate and agree that upon the Effective Date, Plaintiffs and Defendants shall have expressly waived, and Talkspace and each of the other Current Talkspace Stockholders shall be deemed to have, and by operation of the Judgment entered by the Court shall have, waived, relinquished and released, to the fullest extent permitted by law, any and all provisions, rights and benefits conferred by any statute or law which is similar, comparable or equivalent to, or which has the effect of, California Civil Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Plaintiffs and Defendants acknowledge, and Talkspace and all other Current Talkspace Stockholders by operation of law shall be deemed to have acknowledged, that they are aware that they may hereafter discover facts in addition to or different from those now known or believed to be true with respect to the subject matters of the Released Claims, but that it is the intention of Plaintiffs and Defendants, and of Talkspace and all other Current Talkspace Stockholders by operation of law, upon the Effective Date, to have, fully, finally, and forever settled and released any and all claims within the scope of the Released Claims, whether known or unknown, suspected or unsuspected, contingent or noncontingent, whether or not concealed or hidden, which now exist, may hereafter exist or may heretofore have existed, without regard to the subsequent discovery or existence of such different or additional facts. In entering and making this Stipulation, the Parties assume the risk of any mistake of fact or law and the release shall be irrevocable and remain in effect notwithstanding any mistake of fact or law. The Parties acknowledge, and Talkspace and all other Current Talkspace Stockholders by operation of law shall be deemed to have acknowledged, that this waiver and the inclusion of “Unknown Claims” in the definition of

“Released Claims” were separately bargained for and are material elements of the Stipulation and were relied upon by each and all of the Parties in entering into the Stipulation and agreeing to the Settlement. All of the foregoing is the definition of “Unknown Claims.”

**B. Settlement Consideration**

1. Within thirty (30) days of the entry of a Judgment approving the Settlement of the Derivative Action by the Court, the Talkspace Board shall, as applicable, adopt resolutions and amend Board committee charters, corporate governance documents, and/or its Bylaws to ensure the adoption, implementation and maintenance of the Governance Changes set forth in the attached Exhibit 1 hereto, which shall be implemented and maintained for a period of no less than three (3) years from the date of adoption. Defendants acknowledge that Plaintiffs’ efforts, including investigating, preparing, commencing, and prosecuting the Derivative Action, were a material cause for the adoption, implementation, and maintenance of the Governance Changes set forth in Exhibit 1 hereto. The Talkspace Board may amend or eliminate any one or more of the Governance Changes set forth in Exhibit 1 if the Board determines in a good faith exercise of its business judgment that a Governance Change is no longer advisable or conflicts with any provision of law. The Company shall inform Plaintiffs’ counsel of any such determination, unless doing so would breach a confidentiality obligation of the Board or the Company.

2. Talkspace acknowledges and agrees that the Settlement consideration set forth in Exhibit 1 confers material benefits upon Talkspace and its stockholders.

**C. The Preliminary Approval Order**

1. Promptly after execution of this Stipulation, Plaintiffs shall submit this Stipulation together with its exhibits to the Court and shall move for an order that is in substance

materially the same as the proposed Order attached hereto as Exhibit A (“Preliminary Approval Order”), which shall include provisions that:

(a) Preliminarily approve the Settlement as embodied in this Stipulation as being fair, reasonable, and adequate;

(b) Approve the form and manner of providing Notice of the Settlement to Current Talkspace Stockholders, as set forth in ¶ IV(C)(2) (a)–(c) below, and find that such Notice constitutes the best notice practicable under the circumstances, constitutes due and sufficient notice of the matters set forth in the Notices to all Persons entitled to receive notice, and fully satisfy the requirements of due process, Fed. R. Civ. P. 23.1, and all other applicable laws and rules;

(c) Schedule a hearing to be held by the Court (“Settlement Hearing”) on a date at least forty-five (45) calendar days after entry of the Preliminary Approval Order in order to determine: (i) whether the Settlement should be approved as fair, reasonable, and adequate; (ii) whether a final judgment should be entered that is in substance materially the same as Exhibit D attached hereto; and (iii) whether to approve the agreed-upon Fee and Expense Amount for Plaintiffs’ Counsel;

(d) Provide that any objections by Current Talkspace Stockholders to the Settlement shall be heard, and any papers submitted in support of said objections shall be received and considered by the Court, at the Settlement Hearing (unless, in its discretion, the Court shall direct otherwise), only if, at least ten (10) calendar days before the Settlement Hearing, Persons making objections give notice of their intention to appear and file with the Court and submit copies of such papers as they propose to submit to Plaintiffs’ Counsel and Defendants’ Counsel, in the manner described in the Notice; and;

(e) Provide that, pending the Court's determination as to final approval of the Settlement, Plaintiffs and Plaintiffs' Counsel, and all other Persons, including but not limited to, any and all Current Talkspace Stockholders, are barred and enjoined from commencing, instituting, prosecuting, continuing to prosecute, participating in, or soliciting or encouraging the prosecution of any action or proceeding in any court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind, asserting any Released Claims against any of the Released Parties, and that all Current Talkspace Stockholders conclusively shall be deemed to have released any and all such Released Claims, except for this Derivative Action.

2. Notice to Current Talkspace Stockholders shall consist of the Summary Notice, substantially in the form attached hereto as Exhibit B ("Summary Notice"), and the Long Form Notice, substantially in the form attached hereto as Exhibit C ("Long Form Notice"). Notice shall be provided to Current Talkspace Stockholders as follows:

(a) Within fourteen (14) business days after the entry of the Preliminary Approval Order, Talkspace shall cause to be issued a press release announcing the Settlement, and referring Current Talkspace Stockholders to Talkspace's Investor Relations webpage, located at <https://investors.talkspace.com/investor-relations/>, where the Long-Form Notice and the Stipulation will be posted in their entirety through the Effective Date of this Settlement;

(b) Promptly after issuing the press release announcing the Settlement described in § (a) above, Talkspace will file with the SEC a Current Report on Form 8-K attaching the press release; and

(c) Within fourteen (14) business days after the entry of the Preliminary Approval Order, Talkspace shall cause the Summary Notice to be published once in *Investor's Business Daily*.

3. At least ten (10) calendar days prior to the Settlement Hearing, counsel for Talkspace shall serve on Plaintiffs' Counsel and file with the Court an appropriate affidavit or declaration with respect to posting and publishing the Notice.

**D. The Fee And Expense Amount**

1. In recognition of the foregoing, and subject to Court approval, Talkspace, on behalf of the Individual Defendants, shall pay or cause to be paid the Fee and Expense Amount to Plaintiffs' Counsel in the agreed-upon amount of \$550,000, which shall include all of Plaintiffs' Counsel's attorneys' fees and costs and any service awards to Plaintiffs for participation and efforts in the Derivative Action ("Service Awards"). The Fee and Expense Amount will compensate Plaintiffs' Counsel for their efforts in achieving the results in the Derivative Action. The Fee and Expense Amount was negotiated with the help of the mediator and was the result of arm's-length negotiation between the Parties conducted after reaching the principal terms of Settlement specified herein.

2. The Fee and Expense Amount shall be paid within thirty (30) days of entry of an Order preliminarily approving the Settlement so long as Plaintiffs' Counsel has provided Talkspace with applicable wiring instructions and a completed Form W-9.

3. Plaintiffs' Counsel shall have joint and several obligation to refund the Fee and Expense Amount to Talkspace if, and to the extent, it is reversed or modified on appeal, or if the Effective Date does not occur.

4. The Defendants shall have no responsibility or liability whatsoever with respect to the allocation of the Fee and Expense Amount among Plaintiffs' Counsel, or any other counsel representing or purporting to represent Plaintiffs or any other Current Talkspace Stockholder or any other counsel asserting a right to recover any portion of the Fee and Expense

Amount. The Released Parties shall have no input in, or responsibility or liability for, the allocation of the Fee and Expense Amount. The allocation of the Fee and Expense Amount shall be solely at the discretion of Plaintiffs' Counsel. Any attorney who receives any portion of the Fee and Expense Amount before the Effective Date shall be subject to the requirement to refund that portion in the event that the Fee and Expense Amount is reversed or modified on appeal, or if the Effective Date does not occur, as set forth in ¶ IV(D)(3), above, and ¶ IV(G)(2), below. Any dispute regarding any allocation of fees or expenses among Plaintiffs' Counsel, or any other counsel representing or purporting to represent Plaintiffs or any other Current Talkspace Stockholder or any other counsel asserting a right to recover any portion of the Fee and Expense Amount shall have no effect on the finality of the Settlement.

5. Plaintiffs' Counsel may apply to the Court for payment of Service Awards to each of the Plaintiffs to be paid solely from, and out of, the Fee and Expense Amount. The Defendants agree not to oppose any application for payment of the Service Awards.

6. It is not a condition of this Stipulation or the Judgment that the Court approve the Fee and Expense Amount. In the event that the Court does not approve the Fee and Expense Amount, or in the event that the Fee and Expense Amount as approved by the Court is vacated or reduced on appeal, this Stipulation and the Settlement, including the effectiveness of the Releases and other obligations of the Parties under the Settlement, nevertheless shall remain in full force and effect.

**E. Release**

1. Upon the entry of the Judgment, Talkspace, Plaintiffs, and each Current Talkspace Stockholder shall be deemed to have, and by operation of the Judgment shall have, fully, finally and forever released, relinquished, and discharged the Released Claims against the



Released Parties. Talkspace, Plaintiffs, and each Current Talkspace Stockholder shall be forever barred and enjoined from commencing, instituting, prosecuting, continuing to prosecute, participating in, or soliciting or encouraging the prosecution of any action or proceeding in any court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind, asserting any of the Released Claims.

2. Upon the entry of the Judgment, Talkspace, the Released Parties, and all Current Talkspace Stockholders, and their respective agents, spouses, heirs, predecessors, successors, personal representatives, representatives and assigns, in their capacities as such only, shall be deemed to have, and by operation of this Stipulation and the Judgment and to the fullest extent permitted by law, shall have fully, finally and forever compromised, settled, released, resolved, relinquished, waived, and discharged Plaintiffs and Plaintiffs' Counsel from all claims (including Unknown Claims), arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement, or resolution of the Derivative Action or the Released Claims.

3. Nothing herein shall in any way impair or restrict the rights of any Party to enforce the terms of the Stipulation.

4. Nothing in this Stipulation or the releases described in this ¶ IV(E) is intended to, or should be construed as, limiting or restricting the rights or claims any of the Defendants have against an insurer, if any, under any policy of insurance or otherwise, or any indemnification rights that any of the Individual Defendants have against Talkspace.

**F. The Judgment**

1. If the Court approves the Settlement set forth in this Stipulation (including any modification thereto made with the consent of the Parties as provided for herein) following the Settlement Hearing, the Parties shall jointly and promptly request that the Court enter the

Judgment that is in substance materially the same as Exhibit D attached hereto, which shall specifically include provisions that:

(a) Approve the Settlement set forth in this Stipulation as fair, reasonable, and adequate to Current Talkspace Stockholders and direct consummation of the Settlement in accordance with the terms and provisions of this Stipulation;

(b) Fully and finally dismiss the Action with prejudice, and without costs (except as may be provided herein) to any Party as against any other;

(c) Adjudge that, upon entry of the Judgment, Plaintiffs and all Current Talkspace Stockholders shall conclusively be deemed to have released all Released Claims;

(d) Bar and permanently enjoin Plaintiffs and all Current Talkspace Stockholders, upon entry of the Judgment, from commencing, instituting, prosecuting, continuing to prosecute, participating in, or soliciting or encouraging the prosecution of any action or proceeding in any court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind, asserting any of the Released Claims;

(e) Determine, pursuant to 15 U.S.C. § 78u-4I(1), that all counsel appearing in this Action have complied with the requirements of Rule 11(b) of the Federal Rules of Civil Procedure; and

(f) Reserve jurisdiction over: (i) implementation of this Settlement; (ii) the Derivative Action, until the Effective Date; and (iii) all Parties, solely for the purpose of enforcing and administering this Stipulation.

**G. Conditions Of Settlement; Effect Of Disapproval, Cancellation, Or Termination**

1. The Effective Date of the Settlement shall be the date on which all of the following events have occurred:

(a) approval of the Settlement at or after the Settlement Hearing following notice to Current Talkspace Stockholders as ordered by the Court in the Preliminary Approval Order;

(b) entry of the Judgment, in all material respects in the form set forth in Exhibit D hereto, or in the event of material alteration, such alteration is consented to by the Parties; and

(c) the Judgment becomes Final.

2. If any of the conditions specified above in ¶ (G)(1) (a)-(c) are not met, then the Stipulation shall be cancelled and terminated, unless all of the Parties agree in writing to proceed with the Stipulation. If for any reason the Effective Date of this Stipulation does not occur, or if this Stipulation is in any way canceled, terminated, or fails to become Final in accordance with its terms: (i) all Parties and Released Persons shall be restored to their respective positions prior to execution of this Stipulation; (ii) all releases delivered in connection with the Stipulation shall be null and void, except as otherwise provided for in the Stipulation; (iii) any Fee and Expense Amount shall not be paid or, if already paid, shall be refunded in accordance with ¶ IV(D)(3); and (iv) all negotiations, proceedings, documents prepared, and statements made in connection herewith shall be without prejudice to the Parties, shall not be deemed or construed to be an admission by any of the Parties of any act, matter, or proposition, and shall not be used or referred to in any manner for any purpose (other than to enforce the terms remaining in effect) in any subsequent proceeding in the Derivative Action or in any other action or proceeding. In such event, the terms and provisions of this Stipulation shall have no further force and effect with respect to the Parties and shall not be used in the Derivative Action or in any other proceeding for any purpose.

**H. No Admissions**

1. Except as otherwise expressly provided herein, this Stipulation, whether or not consummated, and any proceedings taken pursuant to it:

(a) shall not be offered or received against any of the Defendants for any purpose, including without limitation as evidence of, or construed as or deemed to be evidence of, any presumption, concession or admission by any of the Defendants with respect to the truth of any fact alleged by Plaintiffs or the validity of any claim that had been or could have been asserted against Defendants in the Derivative Action or in any proceeding, or the lack of merit of any defense that had been or could have been asserted to such claim, or of any liability, negligence, fault or wrongdoing of Defendants;

(b) shall not be offered or received against any of the Defendants for any purpose, including without limitation as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by any Defendant;

(c) shall not be offered or received against any of the Defendants for any purpose, including without limitation as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing, or in any way referred to for any other reason as against any of the Defendants, in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation, including without limitation for Defendants to effectuate the liability protection granted them hereunder; and

(d) shall not be construed against any of the Defendants for any purpose, including without limitation as a presumption, concession, or admission that the consideration to be given hereunder represents the amount that could be or would have been recovered after trial.

**I. Miscellaneous**

1. The Parties (i) acknowledge that it is their intent to consummate the Settlement set forth in this Stipulation; and (ii) agree to act in good faith and cooperate to take all reasonable and necessary steps to expeditiously implement the terms and conditions of the Settlement set forth in this Stipulation.

2. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein.

3. This Stipulation may be amended or modified only by a written instrument signed by all of the Parties to this Stipulation or their successors-in-interest, except to the extent that any modification would be inconsistent with any order by the Court.

4. The waiver by one Party of any breach of this Stipulation by any other Party shall not be deemed a waiver by any other Party to this Stipulation, or by that Party or by any other Party to this Stipulation of any other prior or subsequent breach of this Stipulation.

5. This Stipulation and its exhibits constitute the entire agreement among the Parties hereto with respect to the subject matter hereof, and no representations, warranties or inducements have been made to any Party concerning this Stipulation and its exhibits other than the representations, warranties and covenants contained and memorialized in such documents.

6. This Stipulation will be executed on behalf of the Parties hereto by their respective counsel of record. All counsel executing this Stipulation represent and warrant that they are authorized and empowered to execute this Stipulation on behalf of their stated client(s), and

that the signature of such counsel is intended to and does legally bind stated client(s) of such counsel.

7. This 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. Counsel for the Parties hereto shall exchange among themselves signed counterparts. Signatures may be originals, facsimiles or .pdf copies.

8. This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties to this Stipulation.

9. All terms of this Stipulation and the exhibits hereto shall be governed by and interpreted according to the laws of the State of New York, except to the extent that federal law applies.

10. This Stipulation shall be deemed drafted equally by all Parties hereto.

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

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

Dated: May 17, 2023

/s/  
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/s/ 

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/s/

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/s/

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*Counsel for Defendant Mark Hirschhorn*





# EXHIBIT 1

EXECUTION COPY

**Term Sheet**


*In re Talkspace Stockholder Derivative Litigation*, Case No. 22-cv-05016-PGG (consolidating *Odsvall v. Frank et al.*, Case No. 22-cv-05016; *Nayman v. Berg et al.*, Case No. 22-cv-06258)

1. **Introductory Clause.** This Settlement Term Sheet ("Term Sheet") is a binding and enforceable agreement that sets forth material terms associated with the resolution of the above-referenced consolidated derivative action (the "Action"). The Parties (as defined in paragraph 2 below) recognize that a formal, final Stipulation and Agreement of Settlement (the "Settlement Agreement"), including all material terms set forth herein and other customary terms for similar stockholder derivative action settlements, will be executed by the Parties reflecting this Settlement.
2. **Parties.** The Parties are (i) Fredrik Odsvall and Matis Nayman (the "Derivative Plaintiffs"); (ii) Charles Berg, Douglas G. Bergeron, Douglas L. Braunstein, Jeffrey M. Crowe, Jonathan Dobres, Thelma Duggin, Robert Greifeld, Madhu Pawar, Amy Schulman, Erez Shachar, Curtis Warfield, and Jacqueline Yeane (the "Defendants"); and (iii) Talkspace, Inc. ("Talkspace").
3. **Settlement.** The Parties agree that Talkspace will implement the Corporate Governance Reforms described in Exhibit A hereto in the time and manner specified therein.
4. **Dismissal.** The Action shall be dismissed, with prejudice, against all Defendants in the Action, when the settlement receives final approval from the United States District Court for the Southern District of New York (the "Court").
5. **The Releases.** The Derivative Plaintiffs, on behalf of themselves and Talkspace, shall provide the broadest possible releases and covenants not to sue the Defendants in the Action, any of their affiliates, and any other persons and entities to whom releases are provided by plaintiffs in similar derivative actions. Such releases shall include, but are not limited to, all claims that were brought or could have been brought in the Action.
6. **Plaintiffs' Counsels' Attorneys' Fees and Expenses.** Talkspace shall pay attorneys' fees and expenses in the aggregate amount of five-hundred and fifty thousand dollars (\$550,000) within thirty (30) days of entry of an order preliminarily approving the settlement.
7. **Stay of Proceedings.** Upon the execution of this Term Sheet, the Parties agree to cease all litigation activities, except those related to the negotiation of the definitive Settlement Agreement and preparation for seeking preliminary approval of the Settlement from the Court. The Parties shall promptly request that the current court proceedings in the Action, including any deadlines or filing requirements, be suspended.
8. **Disputes.** Any disputes that arise out of the finalization of the settlement documentation will be resolved by the mediator, Mr. Robert A. Meyer. Each side shall bear its own costs and expenses, other than those fees and expenses to be paid to Plaintiffs' Counsel in accordance with paragraph 6, above, and the costs and expenses of providing Notice of the

settlement to stockholders in the time and manner ordered by the Court, which shall be borne by the Defendants.


9. **No Admission.** The Parties agree that the settlement shall not be construed as an admission or evidence of any violation of any law or admission as to the truth of any allegation.
10. **Binding Agreement.** This Term Sheet is intended by the Parties to be a binding agreement that sets forth material terms and obligations of the Parties in connection with the settlement, and the Parties shall use their best efforts, and cooperate with each other in good faith, to consummate the settlement contemplated herein. The undersigned counsel further represent and warrant that they have authority to enter into this binding Term Sheet on behalf of their respective clients, as set forth below.

IT IS HEREBY AGREED by the undersigned as of March 15, 2023

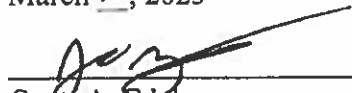
  
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## **EXHIBIT A**

Within thirty (30) days of the entry of a final order approving the settlement of the Derivative Action by the Court, the Talkspace Board shall, as applicable, adopt resolutions and amend Board committee charters, corporate governance documents, and/or its Bylaws to ensure the adoption, implementation and maintenance of the corporate governance reforms set forth below (“Corporate Governance Reforms”), which shall be implemented and maintained for a period of no less than three (3) years from the date of adoption. Defendants acknowledge that Plaintiffs’ efforts, including investigating, preparing, commencing, and prosecuting the Derivative Action, were a material cause for the adoption, implementation, and maintenance of Corporate Governance Reforms set forth below and certain other corporate governance reforms implemented during the pendency of the Derivative Actions, and that the Corporate Governance Reforms confer material benefits on the Company and its stockholders.

The Board may amend or eliminate any one or more of the Corporate Governance Reforms described herein if the Board determines in a good faith exercise of its business judgment that a Corporate Governance Reform is no longer advisable or conflicts with any provision of law. The Company shall inform Plaintiffs’ counsel of any such determination, unless doing so would breach a confidentiality obligation of the Board or the Company.

### **I. Creation of a Management-Level Disclosure Committee**

The Company shall create a new, separate management-level Disclosure and Controls Committee (“Disclosure Committee”) with the purpose of ensuring: (i) the truthfulness, completeness, and accuracy of any material information disseminated via corporate disclosure channels delivering information to investors; (ii) truthful, complete and accurate filings with the SEC; and (iii) adequate internal controls concerning the Company’s audited financial statements.

The Disclosure Committee members shall consist entirely of senior officers (or their designees) and representatives from the key functional areas of the Company, to be agreed upon by the Parties.

The mission of the Disclosure Committee will include ensuring effective procedures and protocols are in place at the Company such that all the Company’s public statements, including, but not limited to, SEC filings and press releases are truthful, accurate and complete.

The approval of the Disclosure Committee shall be required prior to any publicly filed statement referencing the Company’s financial condition. The Disclosure Committee shall not grant any such approval without first fully considering the Company’s abilities to meet prior market guidance and determining that any authorized public statement is true, complete, and accurate.

The Disclosure Committee shall hold regular meetings prior to the preparation and filing of the Company’s annual and quarterly reports with the SEC, and ad-hoc meetings from time to time as directed by the Disclosure Committee Chairperson.

Representatives of the Company’s independent auditors and other personnel of the Company, or representatives of its outside advisors, will be invited to attend Disclosure Committee meetings

as deemed necessary or appropriate by the Disclosure Committee in performing its duties and responsibilities.

The Audit Committee may recommend additional members to the Disclosure Committee as it deems appropriate.

As warranted by the facts, issues, and circumstances and at least on a quarterly basis, the Disclosure Committee shall provide the Audit Committee with a written report regarding the conclusions, and any concerns, of the Disclosure Committee. The Disclosure Committee shall have a Charter, which shall be posted on the investor relations portion of the Company's website.

The responsibilities of the Disclosure Committee shall include:

- (a) Establish controls and other procedures designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Securities Exchange Act of 1934 (the "Exchange Act") and other information that the Company may disclose to the public is recorded, processed, summarized, and reported in a truthful, complete, and accurate manner and within the time periods specified in the SEC's rules and regulations;
- (b) Design, implement, and monitor the Company's disclosure controls and procedures, and mitigate any information gaps between management and investors through material information disseminated on social media, news outlets, and other non-SEC platforms delivering information to investors;
- (c) Evaluate the effectiveness of the Company's disclosure controls and procedures on at least an annual basis;
- (d) Determine the timing and appropriate method of disclosure of information deemed material;
- (e) Review the Company's SEC Form 10-Qs and Form 10-Ks prior to filing;
- (f) That a Disclosure Committee designate shall review Exchange Act reporting prior to its filing with the SEC to assess the quality and completeness of the disclosures therein and whether the report is truthful, accurate, and complete in all material respects;
- (g) Review in advance, in conjunction with the Audit Committee, the Company's quarterly earnings press releases to determine the truthfulness, completeness, and accuracy of the disclosures included therein;
- (h) Report to and advise the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") with respect to the Sarbanes-Oxley Act certifications, if any, they must provide in connection with the Company's quarterly and annual reports; and
- (i) Undertake any other duties or responsibilities as the CEO or CFO may from time to time prescribe.

## **II. Audit Committee and Internal Controls Changes**

The Audit Committee Charter shall be amended to include the provisions below, and the amended Audit Committee Charter shall be posted on the investor relations portion of the Company's website.

### ***Composition of Audit Committee and Number of Meetings***

The Audit Committee Charter shall be revised to require that the Audit Committee meet up to six (6) times annually, including meetings prior to commencement and completion of the annual independent audit. Additionally, the Audit Committee shall meet at least four (4) times annually prior to filing each quarterly report with the SEC on Form 10-Q and each annual report with the SEC on Form 10-K.

### ***Additional Audit Committee Duties***

The Audit Committee's oversight responsibilities shall be augmented as follows:

The Audit Committee shall oversee the work of the Disclosure Committee. The Audit Committee shall meet with the Disclosure Committee (or an appropriate subcommittee or designee(s) of the Disclosure Committee) as necessary to effectively supervise the Company's disclosure function and specific disclosure issues of particular importance.

The Audit Committee shall review the approved Disclosure Committee draft of any financial statements, including, but not limited to, any SEC Form 10-Q, Form 10-K, Form 8-K, and annual Proxy Statement issued by the Company for the truthfulness, completeness, and accuracy of disclosures. The financial statement review may assess the reliability of the Company's financial forecasting process and the reliability of internal financial control mechanisms.

The approval of the Audit Committee or its designee shall be required prior to press releases made or authorized by the Company, its officers, and/or its directors, referencing the Company's financial results. The Audit Committee shall not grant any such approval without first fully considering the Company's abilities to meet any such representations and determining that any authorized public statement is true, complete, and accurate.

Establish procedures to monitor and review new accounting pronouncements that are likely to impact the Company and discuss pending technical and regulatory matters that could affect the financial statements.

Conduct an annual assessment of the outside auditor engagement team for technical competence, industry knowledge and experience, communication, performance and independence.

The minutes of the Audit Committee shall be maintained by Talkspace's General Counsel for no less than seven (7) years.

### **III. Retention of Internal Control Consultant**

The Company shall retain an independent consulting firm to conduct an annual analysis for two (2) of the next four (4) years regarding appropriate steps Talkspace could take to test and strengthen the internal audit, internal control and/or internal compliance functions.

The consulting firm shall assist the Company in becoming compliant with the Sarbanes-Oxley Act of 2002 and shall further assist the Company HITRUST (Health Information Trust Alliance) certification.

The consultant shall prepare a written report with its recommended changes, if any.

### **IV. Addition of Independent Director(s)**

As soon as practicable, but no later than the Company's 2024 annual shareholder meeting, the Board shall nominate up to two (2) new independent directors with appropriate professional experience. The nominee(s) shall either be an addition to the Talkspace Board or shall replace a current director who would not stand for re-election.

### **V. Board Declassification**

As soon as practicable, but no later than the Company's 2023 annual shareholder meeting, the Board shall vote to amend the Company's bylaws and Corporate Governance Guidelines to provide for the annual election of directors.

### **VI. Enhancements for Board Independence**

The Company shall amend its Corporate Governance Guidelines to adopt enhanced standards for director independence as set forth herein such that in addition to the standards required by NASDAQ, a director will be deemed independent only if he or she:

1. Has neither been employed by the Company or by any of its direct or indirect subsidiaries in any capacity within the last five (5) calendar years;
2. Has not received, during the current calendar year or any of the three (3) immediately preceding calendar years, remuneration, directly or indirectly, other than *de minimis* remuneration (less than \$35,000) as a result of service as (or being affiliated with, an entity that serves as): (i) an advisor, consultant, or legal counsel to the Company or to a member of the Company's senior management; or (ii) a significant supplier of the Company;
3. Has no personal service contracts with the Company, or any member of the Company's senior management;
4. Is not an employee of a not-for-profit entity that receives contributions from the Company or the Company's executive officers totaling the lesser of \$100,000 or 1% of the charity's total contribution in the preceding two (2) years;



5. Is not employed by a private or public company at which an executive officer of the Company serves as a director;
6. Has not had any of the relationships described in this Section's subsections (1) through (5) above, with any affiliate of the Company;

#### **VII. Board Diversity**

Talkspace shall add the following language to its Corporate Governance Guidelines:

The Company when electing new (non-incumbent) directors shall consider underrepresented populations when seeking candidates for nomination to the Board, including consideration of at least one (1) member of an underrepresented group, in each pool of new candidates considered for nomination to the Board, thereby ensuring that members of underrepresented populations are considered for nomination to the Board with appropriate consistency.

Director from an "underrepresented group" means an individual who self-identifies as Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian or Alaska Native, and/or who self-identifies as female, gay, lesbian, bisexual or transgender.

Talkspace shall amend the charter of the Nominating and Corporate Governance Committee (the "Nominating Committee") to require that the Nominating Committee annually provide a graphic representation in the Company's proxy statement of current Board-level diversity and, to the extent unachieved, Board-level diversity goals.

#### **VIII. Employee Compliance Training**

The Company shall supplement its Code of Business Conduct and Ethics to formalize the Company's compliance training policies as follows:

1. The Company shall provide training materials to all employees concerning or relating to the Code of Business Conduct and Ethics;
2. All Company employees have to sign the Company's Code of Business Conduct and Ethics annually;

#### **IX. Credit For Prior Actions Taken By Talkspace**

Talkspace shall acknowledge that the filing and pendency of the Derivative Action was a substantial contributing factor in certain changes, modifications, and improvements to Talkspace's internal control, corporate governance, or business ethics practices, and that such changes, modifications, and improvements confer substantial benefits to Talkspace and Talkspace shareholders. Talkspace shall further acknowledge that the filing and pendency of the Derivative Action was a substantial contributing factor to the changes, modifications, and

improvements to Talkspace's internal control, corporate governance and business ethics practices that the Company continues to make as of the date hereof.

Plaintiff is aware of and commend Talkspace for taking the following remedial steps and enacting various reforms to the Company's internal control, corporate governance, procedures, and policies following the initiation of the Derivative Action, which include but are not limited to the following:

**Financial Reporting:**

Talkspace has reported changes to its automated and manual business process controls designed to remediate the ongoing ITGC material weakness. A new enterprise resource planning ("ERP") system was planned to launch in the second half of 2022. Talkspace shall continue to take all reasonable measures to ensure that the benefit of the following enhancements continue:

- More frequent communications between the Audit Committee and management regarding financial reporting and the internal control environment;
- Expansion of the finance, accounting, reporting and information technology teams through the addition of experienced and qualified resources;
- Improvement of the process and controls in the determination of the appropriate accounting and classification of financial instruments and key agreements;
- Delivery of additional internal controls training, as well as policy and control standardization where possible;
- Re-design of internal controls processes as part of compliance with Sarbanes-Oxley to drive accountability and efficiency;
- Monthly review of financial statements to evaluate results, observe adherence to policies and agree on necessary actions;
- Engagement of outside resources to assist with the design and implementation of a risk-based internal controls plan, enhance process documentation, provide company-wide training, and help with management's self-assessment and testing of internal controls

**Changes To Information Technology General Controls**

Talkspace has reported progress in advancing foundational elements of Information Technology General Controls ("ITGCs") as it relates to financial reporting. Talkspace shall continue to take all reasonable measure to ensure that the benefit of the following enhancements continue:

- Implementation of new, relevant IT systems related to revenue processes and financial reporting;
- Implementation of improved IT change management policies and procedures, control activities, and tools impacting financial reporting to ensure changes affecting financial IT applications are identified, authorized, tested, and implemented appropriately;
- Implementation of improved processes for requesting, authorizing, and reviewing user access to key systems which impact financial reporting, including identifying access to roles where manual business process controls may be required;
- Implementation of appropriate segregation of duties in relevant systems that impact internal control over financial reporting;
- Increasing resources dedicated to monitoring ITGCs related to financial reporting to ensure compliance with policies and procedures; and
- Implementation of additional training to ensure a clear understanding of risk assessment and monitoring activities related to automated processes and IT systems and ITGCs related to financial reporting.

#### **Changes In Internal Controls For Complex Accounting Requirements (Such As Warrants)**

Talkspace has announced its intention to address this material weakness by enhancing processes to identify and appropriately apply applicable accounting requirements to better evaluate research and understanding of the nuances of the complex accounting standards that apply to the Company's financial statements. Talkspace will continue to provide enhanced access to accounting literature, research materials and documents and increased communication among personnel and third-party professionals with whom the Company consults regarding complex accounting applications. Talkspace will continue to retain the services of a valuation expert to assist in valuation analysis of warrants on a quarterly basis.

#### **X. CORPORATE THERAPEUTICS**

When and if the parties reach agreement on an appropriate package of corporate therapeutics, Talkspace's independent directors must confirm through unanimous resolution their determination that: (i) Plaintiffs' litigation and settlement efforts in the Derivative Action are a substantial cause of the Board's agreement to adopt, implement, and maintain the Reforms for the agreed term; (ii) the Reforms confer material benefits on the Company and its stockholders; and (iii) the proposed settlement consideration is in all respects fair, reasonable, and adequate, and serves the best interests of the Company and its stockholders.

#### **XI. FUNDING FOR IMPLEMENTATION AND MAINTENANCE OF REFORMS**

The Board shall allocate all necessary resources for the creation, implementation, and maintenance of the Corporate Governance Reforms noted herein, to be expended over a period no longer than three years after final approval of the settlement. In order to provide appropriate funding for the Corporate Governance Reforms, the Company shall track spending of funds for implementation and maintenance of the reforms and that information shall be provided to the Audit Committee or its designee.

## **XII. NOTICE OF THE PROPOSED SETTLEMENT**

The parties will propose that notice of the proposed settlement be given in in manner directed by the Court. Notice in any form as required by the reviewing court shall be paid for by one or more of the Defendants.

# **EXHIBIT A**

**UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

IN RE TALKSPACE STOCKHOLDER  
DERIVATIVE LITIGATION

Master File No. 1:22-cv-05016-PGG

**[PROPOSED] ORDER PRELIMINARILY APPROVING STOCKHOLDER  
DERIVATIVE SETTLEMENT AND PROVIDING FOR NOTICE OF SETTLEMENT**

**WHEREAS**, Plaintiffs Fredrik Odsvall and Matis Nayman (“Plaintiffs”) have applied, pursuant to Federal Rule of Civil Procedure 23.1, for an order: (i) preliminarily approving the proposed Settlement of this consolidated stockholder derivative action (the “Derivative Action”), in accordance with a Stipulation of Settlement and Release Agreement dated as of May 18, 2023 (“Stipulation”), which, together with the exhibits annexed thereto, sets forth the terms and conditions for the proposed Settlement and dismissal with prejudice of the Derivative Action (the “Settlement”) brought by Plaintiffs on behalf of nominal defendant Talkspace, Inc. (“Talkspace”) against Defendants Charles Berg, Douglas G. Bergeron, Douglas L. Braunstein, Jeffrey M. Crowe, Jonathan Dobres, Thelma Duggin, Oren Frank, Roni Frank, Robert Greifeld, Mark Hirschhorn, Madhu Pawar, Amy Schulman, Erez Shachar, Curtis Warfield, and Jacqueline Yeane (collectively, the “Defendants”);

**WHEREAS**, all capitalized terms contained herein shall have the same meanings as set forth in the Stipulation unless otherwise defined herein; and

**WHEREAS**, the Court is familiar with and has reviewed the record in the Derivative Action and has reviewed the Stipulation, including the exhibits thereto, and found good cause for entering the following Preliminary Approval Order; and

**NOW, THEREFORE, IT IS HEREBY ORDERED:**

1. The Court does hereby preliminarily approve, subject to further consideration at the Settlement Hearing described below, the Stipulation and the Settlement on the terms and conditions set forth therein.

**EXHIBIT A**

2. This Preliminary Approval Order hereby incorporates by reference the definitions in the Stipulation, and all capitalized terms used herein, unless otherwise defined, shall have the same meanings as set forth in the Stipulation.

3. The Court has scheduled the Settlement Hearing to be held at \_\_\_:\_\_\_ \_\_.m. on \_\_\_\_\_, 2023, [a date that is at least 45 calendar days from the date of this Preliminary Approval Order] at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan U.S. Courthouse, 500 Pearl Street, New York, NY 10007, to determine: (i) whether the terms and conditions of the Settlement set forth in the Stipulation are fair, reasonable, adequate, and in the best interest of Talkspace and its stockholders and should be approved by the Court; (ii) whether a Judgment, as provided in Exhibit D to the Stipulation, should be entered; and (iii) whether to approve the Fee and Expense Amount to be paid to Plaintiffs' Counsel, and Service Awards to Plaintiffs to be drawn therefrom, as provided in the Stipulation. The Court may adjourn the Settlement Hearing without further notice to Current Talkspace Stockholders.

4. The Court approves, as to form and content, the Summary Notice of Proposed Settlement of Stockholder Derivative Action and Settlement Hearing ("Summary Notice") and the Notice of Pendency and Proposed Settlement of Stockholder Derivative Action ("Long Form Notice," and, collectively with the Summary Notice, "Notice"), annexed hereto as Exhibits B and C, respectively, and finds that the distribution of the Notice substantially in the manner and form set forth in this Order and pursuant to ¶ IV(C)(2) of the Stipulation meets the requirements of Federal Rule of Civil Procedure 23.1, the United States Constitution (including the Due Process clause), and any other applicable law; is the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all Persons entitled thereto.

5. Within fourteen (14) business days after the entry of the Preliminary Approval Order, Talkspace shall cause the Summary Notice to be published in *Investor's Business Daily*. Also within fourteen (14) business days after the entry of this Preliminary Approval Order, Talkspace shall cause to be issued a press release announcing the Settlement, and referring Current

**EXHIBIT A**

Talkspace Stockholders to Talkspace's Investor Relations webpage, located at <https://investors.talkspace.com/investor-relations/>, where the Long-Form Notice and the Stipulation, together with the exhibits thereto, will be posted in their entirety through the Effective Date of this Settlement. Promptly after issuing the press release announcing the Settlement described in the Stipulation, Talkspace will file with the SEC a Current Report on Form 8-K attaching the press release.

6. At least ten (10) calendar days prior to the Settlement Hearing, counsel for Talkspace shall serve on Plaintiffs' Counsel and file with the Court an appropriate affidavit or declaration with respect to posting and publishing the Notice in accordance with ¶ 5 above.

7. Any Current Talkspace Stockholder may object and/or appear and show cause why the proposed Settlement of the Derivative Action as set forth in the Stipulation should not be finally approved as fair, reasonable, and adequate, why the Judgment should not be entered thereon, or why the Fee and Expense Amount, and Service Awards to Plaintiffs to be drawn therefrom, should not be approved; provided, however, unless otherwise ordered by the Court, no Current Talkspace Stockholder shall be heard or entitled to contest such matters unless that Current Talkspace Stockholder has, **at least ten (10) ten days prior to the Settlement Hearing**: (i) filed with the Clerk of the Court a written objection setting forth: (a) the nature of the objection, including any legal support for such objection; (b) proof of ownership of Talkspace common stock at the time the Stipulation was executed through the date of the objection date, including the number of shares of Talkspace common stock and the date(s) of purchase; and (c) any documentation in support of such objection; and (ii) if a Current Talkspace Stockholder intends to appear and requests to be heard at the Settlement Hearing, such Current Talkspace Stockholder must have, in addition to the requirements of (i) above, filed with the Clerk of the Court: (a) a written notice of such Current Talkspace Stockholder's intention to appear; (b) a statement that indicates the basis for such objection; and (c) identities of any witnesses the Current Talkspace Stockholder intends to call at the Settlement Hearing and a statement as to the subject of the testimony of each witness. Any



**EXHIBIT A**

Current Talkspace Stockholder who does not make an objection in the manner provided shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, reasonableness, or adequacy of the proposed Settlement as set forth in the Stipulation and the Judgment, or to the Fee and Expense Amount to be paid to Plaintiffs' Counsel, or the Service Awards to Plaintiffs to be drawn therefrom, unless otherwise ordered by the Court, but shall otherwise be bound by the Judgment to be entered and the Releases to be given.

8. All papers in support of the Settlement and for approval of the Fee and Expense Amount, as well as Service Awards to be drawn therefrom, shall be filed and served no later than fourteen (14) calendar days prior to the Settlement Hearing. The Parties may file responses to any objection served at least three (3) days prior to the Settlement Hearing.

9. The Court reserves the right to adjourn the date of the Settlement Hearing and to modify any other dates set forth herein without further notice to the Current Talkspace Stockholders and retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement. The Court may approve the Settlement, with such modifications as may be agreed to by the Parties, if appropriate, without further notice to the Current Talkspace Stockholders.

10. All Current Talkspace Stockholders shall be bound by all determinations and judgments in the Derivative Action concerning the Settlement, whether favorable or unfavorable to the Current Talkspace Stockholders. If the Settlement is approved, all Current Talkspace Stockholders will be bound by the Settlement, including, but not limited to, the release of the Released Claims provided for in the Stipulation, and by any judgment or determination of the Court affecting the Current Talkspace Stockholders.

11. Neither the Stipulation, nor any provision contained in the Stipulation, nor any action undertaken pursuant thereto, nor the negotiation thereof by any party to the Stipulation shall be deemed an admission or received as evidence in this or any other action or proceeding. Any Released Party or his, her or its counsel may file the Stipulation and/or the Judgment in any

**EXHIBIT A**

action that may be brought, or has been 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 theory of claim preclusion or issue preclusion or similar defense or counterclaim.

12. If the Stipulation and the Settlement set forth therein fail to become effective in accordance with their terms, or if the Judgment is not entered or is reversed, vacated, or materially modified on appeal (and, in the event of material modification, if any party elects to terminate the Settlement), this Preliminary Approval Order (except ¶ 11) shall be null and void, the Settlement shall be deemed terminated, and the parties shall return to their positions as of February 15, 2023, without prejudice to the rights of the Parties *status quo ante*.

13. All proceedings in the Derivative Action are stayed until further order of this Court, except as may be necessary to implement the Settlement or comply with the terms of the Stipulation. Pending final determination of whether the Settlement should be approved, all Current Talkspace Stockholders are barred and enjoined from commencing, instituting, prosecuting, continuing to prosecute, soliciting, encouraging, or participating in the prosecution of any action or proceeding in any court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind, asserting any of the Released Claims.

**IT IS SO ORDERED.**

DATED: \_\_\_\_\_

\_\_\_\_\_  
PAUL G. GARDEPHE  
UNITED STATES DISTRICT JUDGE

## **EXHIBIT B**

**UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

IN RE TALKSPACE STOCKHOLDER  
DERIVATIVE LITIGATION

Master File No. 1:22-cv-05016-PGG

**SUMMARY NOTICE OF PROPOSED SETTLEMENT OF STOCKHOLDER DERIVATIVE  
ACTION AND SETTLEMENT HEARING**

**TO: ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF TALKSPACE, INC. (“TALKSPACE” OR THE “COMPANY”) COMMON STOCK AS OF MAY 18, 2023. PLEASE NOTE THAT THIS ACTION IS A DERIVATIVE ACTION BROUGHT BY STOCKHOLDERS OF THE COMPANY FOR THE BENEFIT OF THE COMPANY, AND THERE IS NO CLAIM FORM BECAUSE NO INDIVIDUAL HAS A RIGHT TO BE COMPENSATED AS A RESULT OF THE SETTLEMENT OF THIS DERIVATIVE ACTION.**

YOU ARE HEREBY NOTIFIED that the parties to the above-captioned stockholder derivative action (the “Derivative Action”) have entered into a Stipulation of Settlement and Release Agreement, dated as of May 18, 2023 (the “Stipulation”) providing the terms and conditions of the proposed Settlement of the Derivative Action (the “Settlement”). All capitalized terms herein have the same meaning as defined in the Stipulation or in the related Notice of Pendency and Proposed Settlement of Stockholder Derivative Action (“Long Form Notice”) attached as Exhibit C thereto. The Stipulation and Long Form Notice describing in greater detail the Derivative Action, the proposed Settlement, and the rights of Current Talkspace Stockholders are available on Talkspace’s Investor Relations webpage at <https://investors.talkspace.com/investor-relations/> and have been filed with the Court.

You have the right to participate in a Settlement Hearing to be held on \_\_\_\_\_, 2023 at \_\_\_\_\_, at the Daniel Patrick Moynihan U.S. Courthouse, 500 Pearl Street, New York, NY 10007. At the Settlement Hearing, the Court will consider: (i) whether the Court should approve the Settlement as fair, reasonable, and adequate and in the best interests of Talkspace and Current Talkspace Stockholders pursuant to Federal Rule of Civil Procedure 23.1; (ii) whether to enter a Judgment dismissing the Derivative Action with prejudice and extinguishing and releasing all Released Claims; and (iii) whether the Court should approve the Fee and Expense Amount, and the Service Awards to be drawn therefrom, as well as to consider such other matters as may properly come before the Court.

The Settlement, reached with the substantial assistance and oversight of an experienced mediator, addresses allegations that certain current and former directors and officers of Talkspace breached their fiduciary duties and violated the federal securities laws. As part of the Settlement, the Talkspace Board will implement certain Corporate Governance Changes specifically set forth in Exhibit 1 attached to the Stipulation.

After negotiating the principal terms of the Settlement, Plaintiffs' counsel and Defendants separately negotiated at arm's-length with the assistance of the mediator the amount of attorneys' fees and expenses to be paid to Plaintiffs' counsel, agreeing that subject to Court approval, Talkspace, on behalf of the Defendants, shall pay or cause to be paid the Fee and Expense Amount to Plaintiffs' Counsel in the agreed-upon amount of \$550,000, which shall include all of Plaintiffs' Counsel's attorneys' fees and costs and any Service Awards to Plaintiffs for their participation and efforts in the Derivative Action.

Any Current Talkspace Stockholder as of May 18, 2023, shall have a right to appear and to be heard at the Settlement Hearing. You may enter an appearance before the Court, at your own expense, individually or through counsel of your choice. Any Current Talkspace Stockholder wishing to assert an objection to the Settlement, Judgment, Fee and Expense Amount or Service Awards must, **at least ten (10) days prior to the Settlement Hearing**, (i) file with the Clerk of the Court a written objection setting forth: (a) the nature of the objection, including any legal support for such objection; (b) proof of ownership of Talkspace common stock at the time the Stipulation was executed through the date of the objection date, including the number of shares of Talkspace common stock and the date(s) of purchase; and (c) any documentation in support of such objection; and (ii) if a Current Talkspace Stockholder intends to appear and requests to be heard at the Settlement Hearing, such Current Talkspace Stockholder must have, in addition to the requirements of (i) above, filed with the Clerk of the Court: (a) a written notice of such Current Talkspace Stockholder's intention to appear; (b) a statement that indicates the basis for such appearance; and (c) identities of any witnesses the Current Talkspace Stockholder intends to call at the Settlement Hearing and a statement as to the subject of the testimony of each witness. Any Current Talkspace Stockholder who fails to object in accordance with such procedures will be bound by the Judgment of the Court granting final approval to the Settlement, and shall be deemed to have waived the right to object (including the right to appeal) and forever shall be barred, in this proceeding or in any other proceeding, from raising such objection. Current Talkspace stockholders who have no objection to the Settlement do not need to appear at the Settlement Hearing or take any other action.

Inquiries may be made to Plaintiffs' Co-Lead Counsel: David C. Katz, Weiss Law, 305 Broadway, 7th Floor, New York, NY 10007, telephone: (212) 682-3025, email [dkatz@weisslawllp.com](mailto:dkatz@weisslawllp.com); Matthew M. Houston, Glancy Prongay & Murray LLP, 745 Fifth Avenue, Fifth Floor, New York, NY 10151, telephone: (212) 935-7400, email [mhouston@glancylaw.com](mailto:mhouston@glancylaw.com).

**PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S  
OFFICE REGARDING THIS SUMMARY NOTICE.**

DATED: \_\_\_\_\_, 2023

BY ORDER OF THE DISTRICT COURT,  
UNITED STATES DISTRICT COURT FOR  
THE SOUTHERN DISTRICT OF NEW  
YORK

## **EXHIBIT C**

**UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

IN RE TALKSPACE STOCKHOLDER  
DERIVATIVE LITIGATION

Master File No. 1:22-cv-05016-PGG

**NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF STOCKHOLDER  
DERIVATIVE ACTION**

**TO: ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF THE COMMON STOCK OF TALKSPACE, INC. AS OF MAY 18, 2023, INCLUDING ANY AND ALL OF THEIR REPRESENTATIVES, TRUSTEES, EXECUTORS, ADMINISTRATORS, HEIRS, OR ASSIGNS, AND ANY PERSON OR ENTITY ACTING FOR OR ON BEHALF OF ANY OF THEM.**

- **PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS OF THIS LAWSUIT. IF THE COURT APPROVES THE PROPOSED SETTLEMENT OF THIS LAWSUIT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS, REASONABLENESS AND ADEQUACY OF THE PROPOSED SETTLEMENT AND RELATED MATTERS, AND FROM PURSUING THE RELEASED CLAIMS (AS DEFINED BELOW IN SECTION V).**
- **IF YOU HOLD TALKSPACE COMMON STOCK FOR THE BENEFIT OF ANOTHER, PLEASE PROMPTLY TRANSMIT THIS DOCUMENT TO SUCH BENEFICIAL OWNER.**
- **PLEASE NOTE THAT THE DERIVATIVE ACTION IS AN ACTION BROUGHT BY STOCKHOLDERS OF THE COMPANY FOR THE BENEFIT OF THE COMPANY, AND THERE IS NO CLAIM FORM BECAUSE NO INDIVIDUAL HAS A RIGHT TO BE COMPENSATED AS A RESULT OF THE SETTLEMENT OF THE DERIVATIVE ACTION.**

**I. THE PURPOSE OF THIS NOTICE**

The purpose of this notice is to inform you of the above-captioned stockholder derivative action (the “Derivative Action”) pending in the U.S. District Court for the Southern District Court of New York (the “Court”) and that a proposed settlement (the “Settlement”) has been reached among the Plaintiffs Fredrik Odsvall and Matis Nayman, on behalf of themselves and derivatively

**EXHIBIT C**

on behalf of Talkspace, Inc. (“Talkspace” or the “Company”) and the individual defendants Charles Berg (“Berg”), Douglas G. Bergeron (“Bergeron”), Douglas L. Braunstein (“Braunstein”), Jeffrey M. Crowe (“Crowe”), Jonathan Dobres (“Dobres”), Thelma Duggin (“Duggin”), Oren Frank, Roni Frank, Robert Greifeld (“Greifeld”), Mark Hirschhorn (“Hirschhorn”), Madhu Pawar (“Pawar”), Amy Schulman (“Schulman”), Erez Shachar (“Shachar”), Curtis Warfield (“Warfield”), and Jacqueline Yeane (“Yeane”) (the “Individual Defendants”, and, collectively with the Plaintiffs, the “Parties”), in connection with the Derivative Action. It is not an expression of any opinion by the Court with respect to the truth of the allegations in the Derivative Action or merits of the claims or defenses asserted by or against any party. It is solely to notify you of the terms of the proposed Settlement and your rights related thereto. A copy of the Stipulation of Settlement and Release Agreement (the “Stipulation”) fully executed as of May 18, 2023, is available on Talkspace’s Investor Relations webpage, located at <https://investors.talkspace.com/investor-relations/>, and has been filed with the Court. Capitalized terms not otherwise defined shall have the definitions set forth in the Stipulation.

This Notice also informs you of the right to participate in a hearing to be held on \_\_\_\_\_, 2023 at \_\_\_\_\_, before the Court at the Daniel Patrick Moynihan U.S. Courthouse, 500 Pearl Street, New York, NY 10007 (the “Settlement Hearing”) to determine: (i) whether the Court should approve the Settlement as fair, reasonable, and adequate and in the best interests of Talkspace and Current Talkspace Stockholders pursuant to Federal Rule of Civil Procedure 23.1; (ii) whether to enter a Judgment dismissing the Derivative Action with prejudice and extinguishing and releasing all Released Claims (as defined in Section V, below); and (iii) whether the Court should approve Fee and Expense Amount to Plaintiffs’ Counsel (as defined in Section VI, below), and the Service Awards to be drawn therefrom, as well as to consider such other matters as may properly come before the Court.

This Notice describes the rights you may have under the Settlement and what steps you may, but are not required to, take in relation to the Settlement.

If the Court approves the Settlement, the parties to the Derivative Action will ask the Court to enter a Judgment (as Defined in Section X, below) dismissing the Derivative Action with prejudice on the merits.

## **II. BACKGROUND OF THE DERIVATIVE ACTION AND THE PARTIES’ SETTLEMENT NEGOTIATIONS**

Talkspace provides a digital platform for patients, licensed therapists, psychologists, and psychiatrists to connect via text, video, and audio messaging and to engage in live video sessions. The Company is incorporated under the laws of the State of Delaware with corporate headquarters located in New York City. Talkspace’s common stock trades on the Nasdaq Stock Market since June 2021 when the Company went public through a merger with Hudson Executive Investment Corp. (“HEIC”), a special purpose acquisition company.

On June 15, 2022, Plaintiff Fredrik Odsvall filed a Verified Stockholder Derivative Complaint on behalf of Talkspace, captioned *Odsvall v. Frank et al.*, No. 1:22-cv-05016-PGG (S.D.N.Y.) (the “*Odsvall* Action”), asserting claims against: (i) the Individual Defendants for breach of fiduciary duty; (ii) Defendants Oren Frank, Hirschhorn, Braunstein, Bergeron, Dobres, Greifeld, Schulman, and Duggin for violations of Sections 10(b) and 21D of the Securities



**EXHIBIT C**

Exchange Act of 1934 (the “Exchange Act”); and (iii) Defendants Braunstein, Bergeron, Dobres, Greinfeld, Schulman, and Duggin for violation of Section 14(a) of the Exchange Act. The *Odsvall* Action also sought restitution, costs and disbursements, and an order that Talkspace make various reforms to its corporate governance and internal procedures.

On July 22, 2022, Plaintiff Matis Nayman filed a Verified Stockholder Derivative Complaint on behalf of Talkspace, captioned *Nayman v. Berg et al.*, No. 1:22-cv-06258-PGG (S.D.N.Y.) (the “*Nayman* Action”), asserting claims against Defendants Berg, Braunstein, Crowe, Oren Frank, Roni Frank, Pawar, Shachar, Warfield, and Yeane for: (i) violation of Section 20(a) of the Exchange Act; (ii) breach of fiduciary duty; and (iii) aiding and abetting. The *Nayman* Action also sought restitution, costs and disbursements, and the institution of corporate governance reforms.

On September 28, 2022, the Court entered an Order consolidating the *Odsvall* Action and *Nayman* Action under the caption *In re Talkspace Stockholder Derivative Litigation*, Master File No. 1:22-cv-05016-PGG (S.D.N.Y.), staying all proceedings and deadlines pending the decision on the motion to dismiss in the related securities class action captioned *In re Talkspace, Inc. Securities Litigation*, Case No. 1:22-cv-00163-PGG (S.D.N.Y.) (the “*Securities Class Action*”), and appointing Glancy Prongay & Murray LLP (“GPM”) and Weiss Law as Plaintiffs’ Co-Lead Counsel in the Derivative Action.

In December 2022, the Parties agreed to mediate the claims in the Derivative Action. On February 8, 2023, Plaintiffs conveyed to Defendants a detailed settlement demand with a suite of proposed corporate governance reforms. On February 16, 2023, the Parties engaged in a full day mediation session with Robert Meyer, Esq., an experienced mediator at JAMS, who was concurrently serving as the mediator for the Securities Class Action. At the mediation, the Parties engaged in a frank exchange regarding the strengths and weaknesses of the Derivative Action, as well as any potential defenses thereto. While progress was made, the mediation session ended without the Parties reaching agreement. Thereafter, the Parties continued to negotiate the proposed corporate governance reforms under the auspices of the mediator. On February 22, 2023, the Parties reached agreement as to the principal terms of Settlement, including the corporate governance reforms attached as Exhibit 1 to the Stipulation. Only after the principal terms of Settlement were agreed to, the Parties, with the assistance of Mr. Meyer, negotiated the Fee and Expense Amount to be paid to Plaintiffs’ Counsel, subject to the Court’s approval. On March 15, 2023, the Parties executed a term sheet.

### **III. PLAINTIFFS’ COUNSEL’S INVESTIGATION, PLAINTIFFS’ CLAIMS, AND THE BENEFITS OF SETTLEMENT**

Plaintiffs’ Counsel has determined that the proposed Settlement confers significant benefits on Talkspace and that it is fair, reasonable, and in the best interests of Talkspace and Current Talkspace Stockholders. Plaintiffs’ Counsel reached this conclusion after conducting a substantial investigation relating to the claims and underlying events in the Derivative Action, including, but not limited to: (i) reviewing and analyzing the Company’s filings with the Securities and Exchange Commission; (ii) reviewing and analyzing, press releases, announcements, transcripts of conference calls with financial analysts and investors, news articles, media reports, and other information concerning the underlying matters alleged in the Derivative Action; (iii) reviewing and analyzing the Company’s Corporate Governance Guidelines, Code of Business Conduct and Ethics, and the charters of the Committees of Talkspace’s Board of Directors; (iv) researching,

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drafting, and filing derivative complaints; (iv) reviewing and analyzing the pleadings and other papers filed in the Securities Class Action; (v) researching the applicable law with respect to the claims asserted in the Derivative Action and the potential defenses thereto; (vi) preparing a detailed settlement demand; and (vii) engaging in substantive, protracted settlement discussions with Defendants' counsel under the auspices of the Mediator.

Thus, Plaintiffs' Counsel was able to fully assess the strengths and weaknesses of the claims asserted in the action at the time that this Settlement was entered into.

**IV. SETTLEMENT CONSIDERATION**

The principal terms, conditions, and other matters that are part of the Settlement, which is subject to approval by the Court, are detailed in the Stipulation and the agreed upon Governance Changes are outlined in Exhibit 1 attached to the Stipulation which can be found on Talkspace's Investor Relations webpage, located at <https://investors.talkspace.com/investor-relations/>.

Within thirty (30) days of the entry of a Judgment approving the Settlement by the Court, the Talkspace Board shall, as applicable, adopt resolutions and amend Board committee charters, corporate governance documents, and/or its Bylaws to ensure the adoption, implementation and maintenance of the Governance Changes set forth in Exhibit 1 attached to the Stipulation, which shall be implemented and maintained for a period of no less than three (3) years from the date of adoption. Defendants acknowledge that Plaintiffs' efforts, including investigating, preparing, commencing, and prosecuting the Derivative Action, were a material cause for the adoption, implementation, and maintenance of the Governance Changes. The Talkspace Board may amend or eliminate any one or more of the Governance Changes if the Board determines in a good faith exercise of its business judgment that a Governance Change is no longer advisable or conflicts with any provision of law. The Company shall inform Plaintiffs' counsel of any such determination, unless doing so would breach a confidentiality obligation of the Board or the Company.

Talkspace acknowledges and agrees that the settlement consideration set forth in Exhibit 1 attached to the Stipulation confers material benefits upon Talkspace and its stockholders.

**V. RELEASE**

Upon the entry of the Judgment approving the Settlement (as defined below) pursuant to Federal Rule of Civil Procedure Rule 23.1, Plaintiffs and all Current Talkspace Stockholders are hereby conclusively deemed to have fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged Talkspace, the Individual Defendants, all and each of them, and all and each of their respective present and former parents, subsidiaries, divisions, controlling persons, associates, entities and affiliates and each and all of their respective present and former employees, members, partners, principals, officers, directors, controlling stockholders, agents, attorneys, advisors (including financial or investment advisors), accountants, auditors, consultants, underwriters, investment bankers, commercial bankers, entities providing fairness opinions, general or limited partners or partnerships, limited liability companies, members, joint ventures and insurers and reinsurers of each of them; as well as the predecessors, successors, assigns, estates, immediate family members, spouses, heirs, executors, trusts, trustees, administrators, agents, legal or personal representatives, assigns, and assignees of each of the

**EXHIBIT C**

foregoing (all of them are the “Released Parties”), with respect to the “Released Claims,” defined as any and all manner of claims, including any Unknown Claims, debts, demands, rights, interests, actions, suits, causes of action, cross-claims, counter-claims, charges, judgments, obligations, setoffs, or liabilities for any obligations of any kind whatsoever (however denominated), whether derivative, individual or otherwise in nature, for fees, costs, penalties, damages whenever incurred, and liabilities of any nature whatsoever (including, without limitation, direct or indirect claims or demands for rescission, damages, interest, attorneys’ fees, and any other costs, expenses or liabilities whatsoever, including joint and several), whether based on federal, state, local, statutory or common law, in equity, or on any other law, rule, regulation, ordinance, contract, or the law of any foreign jurisdiction, whether fixed or contingent, known or unknown, liquidated or unliquidated, suspected or unsuspected, asserted or unasserted, matured or unmatured, arising from or relating in any way to, directly or indirectly, any act or omission alleged or claims asserted in the Derivative Action or that could have been alleged or asserted on behalf of Talkspace, including those that were threatened, asserted, or could have been asserted by any Current Talkspace Stockholder, or that Talkspace could have asserted directly, in any court, tribunal, forum or proceeding, against any of the Individual Defendants or the other Released Parties.

Talkspace, the Released Persons, and all Current Talkspace Stockholders, and their respective agents, spouses, heirs, predecessors, successors, personal representatives, representatives and assigns, in their capacities as such only, are deemed to have, and by operation of this Stipulation and the Judgment and to the fullest extent permitted by law, shall have fully, finally and forever compromised, settled, released, resolved, relinquished, waived, and discharged Plaintiffs and Plaintiffs’ Counsel from all claims (including Unknown Claims), arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement, or resolution of the Derivative Action or the Released Claims.

Plaintiffs and all Current Talkspace Stockholders are hereby barred and permanently enjoined from commencing, instituting, prosecuting, continuing to prosecute, soliciting, encouraging, or participating in the prosecution of any action or proceeding in any court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind, asserting any of the Released Claims.

Nothing herein shall in any way impair or restrict the rights of any Party to enforce the terms of the Stipulation.

**VI. THE SEPARATELY NEGOTIATED FEE AND EXPENSE AMOUNT**

In recognition of the foregoing, and subject to Court approval, Talkspace, on behalf of the Individual Defendants, has agreed to pay or cause to be paid attorneys’ fees and expenses in the amount of \$550,000 to Plaintiffs’ Counsel, which includes Service Awards of \$5,000 to each of the Plaintiffs for their efforts in the Derivative Action. The Defendants agree not to oppose or object to Plaintiffs’ request for fees and expenses up to \$550,000. To date, Plaintiffs’ Counsel has not received any payments for its efforts on behalf of Talkspace stockholders. The Fee and Expense Amount will compensate Plaintiffs’ Counsel for their efforts in achieving the results of the Derivative Action. The Fee and Expense Amount was negotiated with the help of the mediator and was the result of arm’s-length negotiation between the Parties conducted after reaching the

**EXHIBIT C**

principal terms of Settlement as specified in the Stipulation and the Governance Changes outlined in Exhibit 1 thereto.

The Fee and Expense Amount shall be paid within thirty (30) days of entry of an Order preliminarily approving the Settlement so long as Plaintiffs' Counsel has provided Talkspace with applicable wiring instructions and a completed Form W-9. Plaintiffs' Counsel shall have joint and several obligation to refund the Fee and Expense Amount to Talkspace if, and to the extent, it is reversed or modified on appeal, or if the Effective Date does not occur.

The Defendants shall have no responsibility or liability whatsoever with respect to the allocation of the Fee and Expense Amount among Plaintiffs' Counsel, or any other counsel representing or purporting to represent Plaintiffs or any other Current Talkspace Stockholder or any other counsel asserting a right to recover any portion of the Fee and Expense Amount. The Released Parties shall have no input in, or responsibility or liability for, the allocation of the Fee and Expense Amount. The allocation of the Fee and Expense Amount shall be solely at the discretion of Plaintiffs' Counsel.

It is not a condition of this Stipulation or the Judgment that the Court approve the Fee and Expense Amount. In the event that the Court does not approve the Fee and Expense Amount, or in the event that the Fee and Expense Amount as approved by the Court is vacated or reduced on appeal, this Stipulation and the Settlement, including the effectiveness of the Releases and other obligations of the Parties under the Settlement, nevertheless shall remain in full force and effect.

**VII. REASONS FOR THE SETTLEMENT**

The Parties have determined that it is desirable and beneficial that the Derivative Action and any disputes related thereto are fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation, and Plaintiffs' Counsel believes that the Settlement is in the best interest of the Parties and Current Talkspace Stockholders.

**A. Why Did Plaintiffs Agree To Settle?**

Plaintiffs and Plaintiffs' Counsel believe that the claims asserted in the Derivative Action have merit. Nonetheless, Plaintiffs and Plaintiffs' Counsel also recognize and acknowledge the significant risk, expense, and length of continued proceedings necessary to prosecute the Derivative Action against the Individual Defendants through trial and appeal. Plaintiffs and Plaintiffs' Counsel also have taken into account the uncertain outcome and the risk of any litigation, especially in complex cases such as the Derivative Action, as well as the difficulties and delays inherent in such litigation. Plaintiffs and Plaintiffs' Counsel are also mindful of the inherent problems of proving the violations asserted in the Derivative Action. In consideration of the mediation that led to the Settlement and after weighing the risks of continued litigation, Plaintiffs and Plaintiffs' Counsel have determined that it is in the best interests of Talkspace and its stockholders that the Derivative Action be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation, and that these terms and conditions are fair, reasonable, adequate, and confer substantial benefits upon Talkspace and its stockholders.

**B. Why Did The Defendants Agree To Settle?**

Defendants deny each and all of the claims and contentions alleged in the Derivative Action. Moreover, Defendants expressly deny any misconduct alleged in the Derivative Action and further deny any wrongdoing, legal liability, or violation of any laws arising out of any of the conduct alleged in the Derivative Action. Furthermore, Defendants believe they have substantial defenses to the claims alleged against them in the Derivative Action. And neither the Stipulation, nor any document referred to therein, nor any action taken to carry out the Stipulation, is, may be construed as, or may be used as an admission by or against Defendants of any fault, wrongdoing, or liability whatsoever or the lack of merit of any defense that had been or could have been asserted to such claim.

Defendants nevertheless recognize that further conduct of the Derivative Action against them would be protracted, expensive, and distracting. If the Derivative Action is not settled, substantial amounts of time, and resources will have to be devoted to the defense of the claims asserted in the Derivative Action. Defendants have, therefore, determined that it is desirable and beneficial to them and to the Company that the Derivative Action should be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation to eliminate the burden and expense of further protracted litigation.

**VIII. SETTLEMENT HEARING**

On \_\_\_\_\_, 2023 at \_\_\_\_\_, the Court will hold the Settlement Hearing at the Daniel Patrick Moynihan U.S. Courthouse, 500 Pearl Street, New York, NY 10007. At the Settlement Hearing, the Court will consider: (i) whether the Court should approve the Settlement as fair, reasonable, and adequate and in the best interests of Talkspace and Current Talkspace Stockholders pursuant to Federal Rule of Civil Procedure 23.1; (ii) whether to enter a Judgment dismissing the Derivative Action with prejudice and extinguishing and releasing all Released Claims (as defined in Section V, above); and (iii) whether the Court should approve the Fee and Expense Amount (as defined in Section VI above), and the Service Awards to be drawn therefrom, as well as to consider such other matters as may properly come before the Court.

Pending final determination of whether the Settlement should be approved, all Current Talkspace Stockholders are enjoined from commencing, instituting, prosecuting, continuing to prosecute, soliciting, encouraging, or participating in the prosecution of any action or proceeding in any court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind, asserting any of the Released Claims.

**IX. RIGHT TO ATTEND SETTLEMENT HEARING**

Current Talkspace Stockholders may, but are not required to, appear in person at the Settlement Hearing. If you want to be heard at the Settlement Hearing, then you must first comply with the procedures for objecting, which are set forth below. The Court has the right to change the hearing date or time without further notice. Thus, if you are planning to attend the Settlement Hearing, you should confirm the date and time before going to the Court. Talkspace stockholders who have no objection to the Settlement do not need to appear at the Settlement Hearing or take any other action.

**EXHIBIT C**

**A. Right To Object To The Proposed Derivative Settlement And Procedures For Doing So**

Current Talkspace Stockholders may appear and show cause, if they have any reason why the Settlement of the Derivative Action should not be approved as fair, reasonable, and adequate, or why a Judgment should not be entered thereon, or why the separately negotiated Fee and Expense Amount, or Service Awards to be drawn therefrom, should not be approved. You must object in writing, and you may request to be heard at the Settlement Hearing. If you choose to object, then you must follow these procedures.

**B. How To Make An Objection**

Any objections must be presented in writing and must contain the following information:

1. The nature of the objection, including any legal support for such objection;
2. Proof of ownership of Talkspace common stock at the time the Stipulation was executed through the date of the Settlement Hearing, including the number of shares of Talkspace common stock and the date(s) of purchase and any documentation in support of such objection;
3. Notice of whether you or your counsel intend to appear at the Settlement Hearing (appearance is not required if you have lodged your objection with the Court) and a statement that indicates the basis for such appearance;
4. The identities of any witnesses the Current Talkspace Stockholder intends to call at the Settlement Hearing and a statement as to the subject of the testimony of each witness.

The Court may not consider any objection that does not substantially comply with these requirements.

**C. You Must Timely Deliver Written Objections to the Court and Counsel for Plaintiffs and Defendants**

YOUR WRITTEN OBJECTIONS MUST BE ON FILE WITH THE CLERK OF THE COURT NO LATER THAN \_\_\_\_\_, 2023 [10 calendar days before the Settlement Hearing]. The Court Clerk's address is:

Clerk of the Court  
Daniel Patrick Moynihan U.S. Courthouse  
United States District Court  
Southern District of New York  
500 Pearl Street  
New York, NY 10007

**EXHIBIT C**

YOU ALSO MUST DELIVER COPIES OF THE MATERIALS TO COUNSEL FOR PLAINTIFFS AND DEFENDANTS SO THEY ARE RECEIVED NO LATER THAN [10 calendar days before the Settlement Hearing], 2023. Counsel's addresses are:

<p>David C. Katz, Esq.  <b>WEISS LAW</b>          305 Broadway, 7th Floor          New York, NY 10007</p> <p><i>Plaintiffs' Co-Lead Counsel</i></p>	<p>Jed M. Schwartz, Esq.  <b>MILBANK LLP</b>          55 Hudson Yards          New York, New York 10001</p> <p><i>Counsel for Defendants Talkspace, Crowe, Shachar, Warfield, Yeaney, Berg, Pawar, Braunstein, Bergeron, Dobres, Greifeld, Schulman, and Duggin</i></p>
<p>Matthew M. Houston, Esq.  <b>GLANCY PRONGAY &amp; MURRAY LLP</b>          745 Fifth Avenue, Fifth Floor          New York, NY 10151</p> <p><i>Plaintiffs' Co-Lead Counsel</i></p>	<p>David F. Lisner, Esq.  <b>COHEN &amp; GRESSER LLP</b>          800 Third Avenue          New York, NY 10022</p> <p><i>Counsel for Defendants Oren Frank and Roni Frank</i></p>
	<p>Michael S. Weinstein, Esq.  <b>COLE SCHOTZ P.C.</b>          1325 Avenue of the Americas, 19th Floor          New York, NY 10019</p> <p><i>Counsel for Defendant Hirschhorn</i></p>

Unless the Court orders otherwise, your objection will not be considered unless it is timely filed with the Court and delivered to the above counsel. Any Person or entity who fails to object in the manner provided shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, reasonableness, or adequacy of the proposed Settlement as set forth in the Stipulation and the Judgment, or to the Fee and Expense Amount to Plaintiffs' Counsel, or Service Awards to Plaintiffs to be drawn therefrom, unless otherwise ordered by the Court.

## **X. FINAL APPROVAL**

The Judgment approving the Settlement shall be considered "Final" when: (a) either no appeal therefrom has been filed and the time has passed for any notice of appeal to be timely filed therefrom; or (b) an appeal has been filed and either (i) the court of appeals has either affirmed the order or Judgment or dismissed that appeal and the time for any reconsideration or further appellate review has passed; or (ii) a higher court has granted further appellate review and that court has either affirmed the underlying order or Judgment or affirmed the court of appeals' decision

**EXHIBIT C**

affirming the Judgment or dismissing the appeal. For purposes of this paragraph, an “appeal” shall include any motion for reconsideration or petition for a writ of certiorari or other writ that may be filed in connection with approval or disapproval of this Settlement. However, any appeal seeking judicial review pertaining solely to an order issued with respect to the Fee and Expense Amount, as defined in Section VI above, shall not in any way delay or preclude the Judgment from becoming Final.

**XI. HOW TO OBTAIN ADDITIONAL INFORMATION**

This Long Form Notice is a summary and does not describe all of the details of the Stipulation. For precise terms and conditions of the Settlement, you may review the Stipulation filed with the Court, as well as the other pleadings and records of this litigation, which may be inspected during business hours, at the office of the Clerk of the Court, United States District Court, Southern District of New York, Daniel Patrick Moynihan U.S. Courthouse, 500 Pearl Street, New York, NY 10007. You may also view and/or download the Stipulation at <https://investors.talkspace.com/investor-relations/>.

If you have any questions about the settlement of the Derivative Action, you may contact Plaintiffs’ Co-Lead Counsel: David C. Katz, Weiss Law, 305 Broadway, 7th Floor New York, NY 10007, telephone: (212) 682-3025, email: [dkatz@weisslawllp.com](mailto:dkatz@weisslawllp.com); Matthew M. Houston, Glancy Prongay & Murray LLP, 745 Fifth Avenue, Fifth Floor, New York, NY 10151, telephone: (212) 935-7400, email: [mhouston@glancylaw.com](mailto:mhouston@glancylaw.com).

PLEASE DO NOT CALL, WRITE, OR OTHERWISE DIRECT QUESTIONS TO EITHER THE COURT OR THE CLERK’S OFFICE REGARDING THIS NOTICE.

DATED: \_\_\_\_\_, 2023

BY ORDER OF THE DISTRICT COURT,  
UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK



## **EXHIBIT D**

**UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

IN RE TALKSPACE STOCKHOLDER  
DERIVATIVE LITIGATION

Master File No. 1:22-cv-05016-PGG

**[PROPOSED] JUDGMENT**

**WHEREAS**, this matter in the above-captioned action (the “Derivative Action”) came before the Court for hearing pursuant to the Order of this Court dated \_\_\_\_\_, 2023 (the “Preliminary Approval Order”), on the application of the parties for preliminary approval of the proposed settlement (the “Settlement”) set forth in the Stipulation of Settlement and Release Agreement dated May 18, 2023, and the exhibits thereto (the “Stipulation”); and

**WHEREAS**, due and adequate notice has been given of the Settlement as required in the Preliminary Approval Order; and

**WHEREAS**, the Court has reviewed and considered all documents, evidence, objections (if any), and arguments presented in support of or against the Settlement, and the Court has been fully advised of the premises for the Settlement and good cause appearing therefor;

**NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED:**

1. This Order incorporates by reference the definitions in the Stipulation, and all capitalized terms not otherwise defined herein shall have the same meanings set forth in the Stipulation.

2. For purposes of effectuating the Settlement, the Court has jurisdiction over the subject matter of the Derivative Action and all parties to the Derivative Action, including but not limited to: Plaintiffs Fredrik Odsvall and Matis Nayman; Charles Berg, Douglas G. Bergeron, Douglas L. Braunstein, Jeffrey M. Crowe, Jonathan Dobres, Thelma Duggin, Oren Frank, Roni

Frank, Robert Greifeld, Mark Hirschhorn, Madhu Pawar, Amy Schulman, Erez Shachar, Curtis Warfield, and Jacqueline Yeane (the “Individual Defendants”); nominal defendant Talkspace, Inc. (“Talkspace”) (collectively with the Individual Defendants and the Plaintiffs, the “Parties”); and any Person who held or beneficially held Talkspace common stock as of May 18, 2023 and who continued to hold Talkspace common stock as of the date of the Settlement Hearing, excluding the Individual Defendants, their spouses, and anyone (other than a tenant or employee) sharing the household of any Defendant (“Current Talkspace Stockholder”).

3. The Court finds, pursuant to 15 U.S.C. § 78u-4(c)(1), that all counsel appearing in this Derivative Action have complied with the requirements of Rule 11(b) of the Federal Rules of Civil Procedure during the course of the litigation of the Derivative Action.

4. The Court finds that the terms of the Settlement as set forth in the Stipulation are fair, reasonable, and adequate as to each of the Parties and to Current Talkspace Stockholders, and hereby finally approves in all respects the Settlement as set forth in the Stipulation, and orders the Parties to perform its terms to the extent the Parties have not already done so.

5. Judgment shall be, and hereby is, entered dismissing the Derivative Action with prejudice, on the merits, and without taxation of costs in favor of or against any Party except as otherwise provided in the Stipulation.

6. Plaintiffs and each Current Talkspace Stockholder are hereby conclusively deemed to have fully, finally, and forever released, relinquished, and discharged Talkspace, Charles Berg, Douglas G. Bergeron, Douglas L. Braunstein, Jeffrey M. Crowe, Jonathan Dobres, Thelma Duggin, Oren Frank, Roni Frank, Robert Greifeld, Mark Hirschhorn, Madhu Pawar, Amy Schulman, Erez Shachar, Curtis Warfield, and Jacqueline Yeane, all and each of them, and all and each of their respective present and former parents, subsidiaries, divisions, controlling persons,

associates, entities and affiliates and each and all of their respective present and former employees, members, partners, principals, officers, directors, controlling stockholders, agents, attorneys, advisors (including financial or investment advisors), accountants, auditors, consultants, underwriters, investment bankers, commercial bankers, entities providing fairness opinions, general or limited partners or partnerships, limited liability companies, members, joint ventures and insurers and reinsurers of each of them; as well as the predecessors, successors, assigns, estates, immediate family members, spouses, heirs, executors, trusts, trustees, administrators, agents, legal or personal representatives, assigns, and assignees of each of the foregoing (all of them are the “Released Parties”), with respect to the “Released Claims,” defined as any and all manner of claims, including any Unknown Claims, debts, demands, rights, interests, actions, suits, causes of action, cross-claims, counter-claims, charges, judgments, obligations, setoffs, or liabilities for any obligations of any kind whatsoever (however denominated), whether derivative, individual or otherwise in nature, for fees, costs, penalties, damages whenever incurred, and liabilities of any nature whatsoever (including, without limitation, direct or indirect claims or demands for rescission, damages, interest, attorneys’ fees, and any other costs, expenses or liabilities whatsoever, including joint and several), whether based on federal, state, local, statutory or common law, in equity, or on any other law, rule, regulation, ordinance, contract, or the law of any foreign jurisdiction, whether fixed or contingent, known or unknown, liquidated or unliquidated, suspected or unsuspected, asserted or unasserted, matured or unmatured, arising from or relating in any way to, directly or indirectly, any act or omission alleged or claims asserted in the Derivative Action or that could have been alleged or asserted on behalf of Talkspace, including those that were threatened, asserted, or could have been asserted by any of Talkspace’s

stockholders, or that Talkspace could have asserted directly, in any court, tribunal, forum or proceeding, against any of the Defendants or the other Released Parties.

7. Talkspace, the Released Persons, and all Current Talkspace Stockholders, and their respective agents, spouses, heirs, predecessors, successors, personal representatives, representatives and assigns, in their capacities as such only, are deemed to have, and by operation of the Stipulation, the Settlement, and this Judgment and to the fullest extent permitted by law, shall have fully, finally and forever compromised, settled, released, resolved, relinquished, waived, and discharged Plaintiffs and Plaintiffs' Counsel from all claims (including Unknown Claims), arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement, or resolution of the Derivative Action or the Released Claims.

8. Talkspace, Plaintiffs, and each Current Talkspace Stockholder are hereby barred and permanently enjoined from commencing, instituting, prosecuting, continuing to prosecute, soliciting, encouraging, or participating in the prosecution of any action or proceeding in any court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind, asserting any of the Released Claims.

9. Nothing herein shall in any way impair or restrict the rights of any Party to enforce the terms of the Stipulation.

10. This Court hereby approves the Fee and Expense Amount of \$550,000, which shall include all of Plaintiffs' Counsel's attorneys' fees and costs and Service Awards to be drawn therefrom of \$5,000 to each of the Plaintiffs for their efforts in the Derivative Action.

11. Neither the Stipulation, nor any provision contained in the Stipulation, nor any action undertaken pursuant thereto, nor the negotiation thereof by any party to the Stipulation shall be deemed an admission or received as evidence in this or any other action or proceeding. Any

Released Party, or his, her or its counsel may file the Stipulation and/or this Judgment in any action that may be brought, or has been 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 theory of claim preclusion or issue preclusion or similar defense or counterclaim.

12. Without affecting the finality of this Judgment in any way, the Court hereby retains and reserves jurisdiction over: (a) implementation of this Settlement; (b) the Derivative Action, until the Effective Date; (c) all Parties, for the purpose of enforcing and administering the Stipulation and the terms set forth therein; and (d) any other matters solely related to the Settlement. Plaintiffs, Defendants and each Current Talkspace Stockholder are hereby deemed to have irrevocably submitted to the exclusive jurisdiction of this Court, for the purpose of any suit, action, proceeding or dispute arising out of or relating to the Settlement or the Stipulation, including the exhibits thereto, and only for such purposes. Without limiting the generality of the foregoing, and without affecting the finality of this Judgment, the Court retains exclusive jurisdiction over any such suit, action or proceeding. Solely for purposes of such suit, action or proceeding, to the fullest extent they may effectively do so under applicable law, Plaintiffs, Defendants and each Current Talkspace Stockholder are hereby deemed to have irrevocably waived and agreed not to assert, by way of motion, as a defense or otherwise, any claim or objection that they are not subject to the jurisdiction of this Court, or that this Court is, in any way, an improper venue or an inconvenient forum.

13. In the event that this Judgment does not become Final in accordance with ¶ IV(A)(6) of the Stipulation, and the Effective Date in accordance with ¶ IV(G)(1) of the Stipulation does not occur, then the Judgment shall be rendered null and void to the extent provided

by and in accordance with the Stipulation, and this Order shall be vacated. In such event, all orders entered and releases delivered in connection with the settlement shall be null and void, except to the extent provided by and in accordance with the Stipulation. In such event, the Parties shall return to their positions as of February 15, 2023, without prejudice to the rights of the Parties *status quo ante*.

14. This Judgment is a final, appealable judgment.

**IT IS SO ORDERED.**

DATED: \_\_\_\_\_

\_\_\_\_\_  
PAUL G. GARDEPHE  
UNITED STATES DISTRICT JUDGE