



GRANTED WITH MODIFICATIONS

IBIT B

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

JOHN SOLAK, derivatively on behalf of
DENALI THERAPEUTICS, INC.,

Plaintiff,

v.

VICKI L. SATO, Ph.D., RYAN J.
WATTS, Ph.D., DOUGLAS G. COLE,
M.D., JENNIFER COOK, JAY FLATLEY,
PETER KLEIN, ROBERT T. NELSEN,
DAVID P. SCHENKEIN, M.D. and
MARC TESSIER-LAVIGNE, Ph.D.,

Defendants,

and

DENALI THERAPEUTICS, INC., a
Delaware corporation,

Nominal Defendant.

C.A. No. 2020-0775-JTL

[PROPOSED] SCHEDULING ORDER WITH RESPECT TO NOTICE AND SETTLEMENT HEARING

WHEREAS, (i) Plaintiff John Solak (“Plaintiff”), individually and derivatively on behalf of Denali Therapeutics Inc. (“Denali” or the “Company”); (ii) defendants Vicki L. Sato, Ph.D., Ryan J. Watts, Ph.D., Douglas G. Cole, M.D., Jennifer Cook, Jay Flatley, Peter Klein, Robert T. Nelsen, David P. Schenkein, M.D., and Marc Tessier-Lavigne, Ph.D. (collectively, the “Individual Defendants”); and

(iii) nominal defendant Denali (with the Individual Defendants, “Defendants,” and together with Plaintiff, the “Settling Parties”) have entered into a stipulation of Compromise and Settlement dated January 13, 2021 (the “Stipulation”), which sets forth the terms and conditions for the proposed settlement and dismissal with prejudice of the above-captioned action (the “Settlement”), subject to review and approval by this Court pursuant to Court of Chancery Rule 23.1 and upon notice to the current stockholders of Denali;

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

WHEREAS, all Settling Parties have consented to the entry of this order.

NOW, upon application of the Settling Parties, after review and consideration of the Stipulation filed with the Court and the exhibits attached thereto, **IT IS HEREBY ORDERED** this __ day of _____, 2021 as follows:

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

2. A hearing (the “Settlement Hearing”) shall be held on _____, 2021 at _____ a.m. / p.m. via the Zoom video conferencing platform to: (a) determine whether the proposed Settlement, on the terms and conditions provided

for in the Stipulation, is fair, reasonable, and adequate and in the best interests of Denali and its current stockholders; (b) determine whether the Court should finally approve the Stipulation and enter the Order and Final Judgment (the “Final Judgment”) as provided in the Stipulation, dismissing the Derivative Action with prejudice and extinguishing and releasing the Released Claims; (c) hear and determine any objections to the proposed Settlement; (d) determine whether the Court should approve the Fee and Expense Amount agreed upon by the Settling Parties; and (e) rule on such other matters as the Court may deem appropriate.

3. The Settlement Hearing may be adjourned by the Court from time to time without further notice to anyone other than the Settling Parties and any Objectors (as defined herein).

4. The Court reserves the right to approve the Stipulation at or after the Settlement Hearing with such modifications as may be consented to by the Settling Parties and without further notice.

5. The Court approves, in form and content, the Notice of Pendency of Settlement of Action (the “Notice”) filed by the Settling Parties as Exhibit C to the Stipulation and finds that the distribution of notice substantially in the manner set forth herein meets the requirements of Court of Chancery Rule 23.1 and due process,

is the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all Persons entitled thereto.

6. Within ten (10) business days after the entry of this Scheduling Order, Denali shall mail the Notice, substantially in the form filed herewith, to all record stockholders of Denali at their respective addresses currently set forth in Denali's stock records. In addition, the Company shall use reasonable efforts to give notice to all beneficial owners of Denali stock by (i) filing a Form 8-K with the Securities and Exchange Commission that discloses the Settlement and attaches the Notice as an exhibit, and (ii) posting a copy of the Notice on the Company's website. At least ten (10) business days prior to the Settlement Hearing, Defendants shall serve on counsel in the Derivative Action and file with the Court an appropriate affidavit with respect to the preparation, mailing, and public disclosure of the Notice in the manner set forth in Section II.3.2 of the Stipulation. Denali shall be responsible for all costs associated with the mailing and public disclosure of the Notice. If additional notice is required by the Court, then the cost and administration of such additional notice will be borne by Denali.

7. As set forth in the Notice, any record or beneficial stockholder of Denali who objects to the Stipulation, the proposed Final Judgment to be entered, and/or the Fee and Expense Amount who wishes to be heard ("Objector"), may appear in person or by his, her, or its attorney at the Settlement Hearing and present any

evidence or argument that may be proper and relevant; provided, however, that no Objector shall be heard or entitled to contest the approval of the terms and conditions of the Settlement, or, if approved, the Final Judgment to be entered thereon, unless he, she, or it has, no later than ten (10) calendar days before the Settlement Hearing (unless the Court in its discretion shall thereafter otherwise direct, upon application of such person and for good cause shown), filed with the Register in Chancery, Court of Chancery, New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801, and served upon counsel listed below, the following: (i) proof of current ownership of Denali stock; (ii) a written notice of the Objector's intention to appear that states the Objector's name, address, and telephone number and, if represented, the Objector's counsel; (iii) a detailed statement of all of the grounds thereon and the reasons for the Objector's desire to appear and to be heard, and (iv) all documents or writings which the Objector desires the Court to consider. Such filings must be served upon the following counsel by hand delivery, overnight mail, or the Court's electronic filing and service system:

COOCH AND TAYLOR, P.A.
Blake A. Bennett
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(302) 984-3800
Attorneys for Plaintiff

WILSON SONSINI GOODRICH
& ROSATI, P.C.
Brad D. Sorrels
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Wilmington, Delaware 19801
(302) 304-7600
Attorneys for Defendants

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

9. At least twenty-one (21) calendar days prior to the Settlement Hearing, Plaintiff's counsel shall file with the Court a brief in support of the Settlement, including the Fee and Expense Amount. Any objections to the Settlement and/or the Fee and Expense Amount shall be filed and served no later than ten (10) calendar days prior to the Settlement Hearing.

10. At least five (5) calendar days prior to the Settlement Hearing, the Settling Parties may serve and file with the Court a response brief to any objections made by an Objector pursuant to Paragraph 7 above.

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

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

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

Vice Chancellor Laster

This document constitutes a ruling of the court and should be treated as such.

Court: DE Court of Chancery Civil Action

Judge: J Travis Laster

File & Serve

Transaction ID: 66250331

Current Date: Jan 21, 2021

Case Number: 2020-0775-JTL

Case Name: John Solak v. Vicki L. Sato, Ph.D, et al.

Court Authorizer: J Travis Laster

Court Authorizer

Comments:

A hearing shall be held on April 16, 2021, at 1:30 p.m. via Zoom video conferencing.

/s/ Judge J Travis Laster