

**COMMONWEALTH OF MASSACHUSETTS**

**SUFFOLK, S.S.**

**SUPERIOR COURT**

**Civil No. 24-1734-BLS1**

**JOHN DWYER, & another<sup>1</sup>  
Plaintiffs**

**vs.**

**ALAN TREFLER, & others<sup>2</sup>  
Defendants**

**CONSOLIDATED WITH  
Civil No. 24-3076-BLS1**

**JAYNE BIRCH, & another<sup>3</sup>  
Plaintiffs**

**vs.**

**ALAN TREFLER, & others<sup>4</sup>  
Defendants**

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

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<sup>1</sup> Ray Gerber.

<sup>2</sup> Peter Gyenes, Richard Jones, Christopher Lafond, Dianne Ledingham, Sharon Rowlands, Larry Weber, Leon Trefler, Don Schuerman, Kerim Akgonul, and Benjamin Baril. Pegasystems Inc. is named as a nominal defendant.

<sup>3</sup> Robert Garfield.

<sup>4</sup> Peter Gyenes, Richard Jones, Christopher Lafond, Dianne Ledingham, Sharon Rowlands, Larry Weber, Leon Trefler, Don Schuerman, Kerim Akgonul, Benjamin Baril, and Kenneth Stillwell. Pegasystems Inc. is named as a nominal defendant.

***The Notice was authorized by the Suffolk County Superior Court of the Commonwealth of Massachusetts. This Notice is not a solicitation from a lawyer.***

TO: ALL PERSONS OR ENTITIES WHO OR WHICH HOLD SHARES OF PEGASYSTEMS INC. (“PEGASYSTEMS” OR THE “COMPANY”) COMMON STOCK.

The purpose of this Notice is to inform you of: (i) the pendency of the stockholder derivative action captioned *Dwyer et al. v. Trefler et al.*, Civ. No. 2484CV01734-BLS1 (the “State Derivative Action”), pending in the Suffolk County Superior Court of the Commonwealth of Massachusetts (the “State Court”), and the stockholder derivative action captioned *Larkin et al. v. Trefler et al.*, No. 1:25-cv-10303-WGY (the “Federal Derivative Action” and, together with the State Derivative Action, the “Actions”) pending in the U.S. District Court for the District of Massachusetts (the “Federal Court”); (ii) a proposed settlement of the Actions (the “Settlement”), subject to approval of the State Court, as provided in the Stipulation of Settlement dated as of February 6, 2026 (the “Stipulation”); (iii) the hearing that the State Court will hold on June 25, 2026, at 2:00 p.m. to determine whether to approve the proposed Settlement and to consider the application by Plaintiffs’ Counsel for an award of attorneys’ fees and expenses, including any award payments to Plaintiffs (the “Fee and Expense Application”); and (iv) Pegasystems’ stockholders’ rights with respect to the proposed Settlement and the Fee and Expense Application.<sup>5</sup>

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.  
YOUR RIGHTS WILL BE AFFECTED BY THE PROPOSED SETTLEMENT OF THIS ACTION.**

The Stipulation was entered into as of February 6, 2026, between and among (i) plaintiffs in the State Court Action: John Dwyer, Ray Gerber, Jayne Birch, and Robert Garfield (the “State Plaintiffs”); (b) plaintiffs in the Federal Derivative Action: Mary Larkin and, Dag Sagfors (the “Federal Plaintiffs”); (c) demanding stockholder George Fielding Brenner (together with the State Plaintiffs and Federal Plaintiffs, “Plaintiffs”); and (d) defendants in the Actions: Alan Trefler, Peter Gyenes, Richard Jones, Christopher Lafond, Dianne Ledingham, Sharon Rowlands, Larry Weber, Kenneth Stillwell, Leon Trefler, Don Schuerman, Kerim Akgonul, and Benjamin Baril (collectively, the “Individual Defendants”) and nominal defendant Pegasystems (together with the Individual Defendants, “Defendants”) (Plaintiffs and Defendants, together, the “Settling Parties”), subject to the approval of the State Court pursuant to Rule 23.1 of the Massachusetts Rules of Civil Procedure.

As described in paragraph 19 below, pursuant to the Settlement, the Pegasystems Board of Directors (the “Board”) will declare a special cash dividend in an amount of \$7 million to be funded by the Company and distributed to the Company’s shareholders other than the Individual Defendants, their Immediate Family Members, and certain affiliated entities (defined in the Stipulation of Settlement as “Excluded Holders,” which is also defined in paragraph 19 below). Also, as described in paragraph 19 below, pursuant to the Settlement, the Individual Defendants

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<sup>5</sup> All capitalized terms not otherwise defined in this Notice shall have the meaning provided in the Stipulation, which is publicly available on the “Investor Relations” section of Pegasystems’ website, <https://www.pegacom/about/investors>.

and Pegasystems acknowledge that the Actions and the Demand Letters (as defined in paragraph 4 below) played a material causal role in the adoption of certain governance reforms already implemented by the Board and Pegasystems.

**PLEASE NOTE: THERE IS NO PROOF OF CLAIM FORM FOR STOCKHOLDERS TO SUBMIT IN CONNECTION WITH THIS SETTLEMENT, AND STOCKHOLDERS ARE NOT REQUIRED TO TAKE ANY ACTION IN RESPONSE TO THIS NOTICE.**

WHAT IS THE PURPOSE OF THIS NOTICE?

1. The purpose of this Notice is to explain the Actions, the terms of the proposed Settlement, and how the proposed Settlement affects Pegasystems stockholders' legal rights.

2. In a derivative action, one or more persons who are current stockholders of a corporation sue on behalf of, and for the benefit of, the corporation, seeking to enforce the corporation's legal rights. In this case, Plaintiffs have filed suit against Defendants on behalf of, and for the benefit of, Pegasystems.

3. The State Court is required to schedule a hearing to consider the fairness, reasonableness, and adequacy of the Settlement and the Fee and Expense Application (the "Settlement Hearing"). See paragraphs 27-28 below for details about the Settlement Hearing, including the location, date, and time of the hearing.

WHAT ARE THESE CASES ABOUT? WHAT HAS HAPPENED SO FAR?

THE FOLLOWING DESCRIPTION OF THE ACTIONS AND THE SETTLEMENT HAS BEEN PREPARED BY COUNSEL FOR THE SETTLING PARTIES AND DOES NOT CONSTITUTE FINDINGS OF THE STATE COURT OR THE FEDERAL COURT. IT SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURTS AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE SETTLING PARTIES OR THE FAIRNESS OR ADEQUACY OF THE PROPOSED SETTLEMENT.

**The Demand Review Committee**

4. Beginning in March 2023, the Board received demand letters from certain shareholders of Pegasystems, pursuant to Section 7.42 of the Massachusetts Business Corporation Act (the "Act"), requesting that the Board investigate (and potentially initiate litigation on behalf of Pegasystems concerning) potential breaches of fiduciary duties, securities law violations, and/or other alleged wrongdoing related to purported misconduct by Pegasystems employees, officers, and directors in relation to the claims asserted in, and the events arising from, the Virginia Litigation (defined below) (collectively, the "Demand Letters"). On April 12, 2023, the Board (other than Defendant Alan Trefler ("A. Trefler"), who recused himself), formed a Demand Review Committee (defined below and sometimes referred to herein as the "DRC"), comprised of

Pegasystems directors Christopher Lafond (“Lafond”), Dianne Ledingham (“Ledingham”), and Sharon Rowlands (“Rowlands”) to, among other things, review, analyze, and investigate the matters raised in the Demand Letters and delegated to the Demand Review Committee the full and exclusive authority of the Board to determine in good faith what actions (if any) were reasonably believed to be appropriate under similar circumstances and reasonably believed to be in the best interests of the Company in response to the Demand Letters.

5. The Demand Review Committee, with the assistance of independent legal counsel, conducted an investigation of the allegations raised in the Demand Letters. On October 7, 2024, the Demand Review Committee issued a report (the “DRC Report”) explaining that it unanimously determined that it would not be in the Company’s best interests to pursue litigation against any of the Individual Defendants with respect to the matters raised in the Demand Letters and that there are no valid claims against them.

### **The Federal Derivative Litigation**

6. On November 21, 2022, and April 28, 2023, respectively, Plaintiffs Mary Larkin (“Larkin”) and Dag Sagfors (“Sagfors”) each filed separate, substantially similar shareholder derivative lawsuits in the United States District Court for the District of Massachusetts (the “Federal Court”) against Defendants Peter Gyenes (“Gyenes”), Richard Jones (“Jones”), Lafond, Ledingham, Rowlands, A. Trefler, Larry Weber (“Weber”), and Kenneth Stillwell (“Stillwell”), on behalf of nominal defendant Pegasystems under the captions *Larkin v. Gyenes et al.*, No. 22-cv-11985-WGY (D. Mass.) (the “Original *Larkin* Action”) and *Sagfors v. Gyenes et al.*, No. 23-cv-10933-WGY (D. Mass.) (the “*Sagfors* Action”), alleging breach of fiduciary duty and other claims relating to the claims asserted in, and the events arising from, the Virginia Litigation. On March 24, 2023, Larkin sent a written litigation demand to the Board pursuant to Section 7.42 of the Act. Sagfors sent a substantially similar demand letter shortly thereafter. The Federal Court consolidated the Original *Larkin* Action and the *Sagfors* Action on May 17, 2023. Thereafter, Plaintiffs Larkin and Sagfors negotiated for Defendants’ production of over 363,000 pages of discovery that included documents from the Class Action (as defined in paragraph 8 below) and internal Board-level books and records.

7. Following the DRC’s issuance of the DRC Report in October 2024, the defendants in the consolidated action moved to dismiss the Original *Larkin* Action and the *Sagfors* Action, arguing that the actions were prematurely filed because neither plaintiff made a pre-suit demand on Pegasystems’s Board until after filing their respective actions, among other bases for dismissal. Pursuant to an assented-to motion for voluntary dismissal, the Federal Court dismissed the consolidated action on December 18, 2024.

8. On February 7, 2025, plaintiffs Larkin and Sagfors jointly filed a shareholder derivative lawsuit in Federal Court against Defendants (defined below) under the caption *Larkin et al. v. Trefler et al.*, No. 25-cv-10303-WGY (D. Mass.) (the “Federal Derivative Action”). The complaint in the Federal Derivative Action asserts claims for breach of fiduciary duty and unjust enrichment under Massachusetts law, and violations of Section 10(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), relating to, among other things, (i) the approximately \$2 billion verdict in the Virginia Litigation, which has since been vacated by the Virginia Court of Appeals and Supreme Court of Virginia ; (ii) the conduct alleged in the Virginia

Litigation; and (iii) the settlement of the securities class action entitled *In re Pegasystems Inc. Securities Litigation*, No. 22-cv-11220-WGY (D. Mass.) (the “Class Action”).

9. The DRC, on behalf of the Company, and all defendants in the Federal Derivative Action moved to dismiss the complaint on April 28, 2025. On June 6, 2025, Plaintiffs John Dwyer (“Dwyer”), Ray Gerber (“Gerber”), Jayne Birch (“Birch”), and Robert Garfield (“Garfield”) moved to intervene in and to stay the Federal Derivative Action pending the resolution of State Derivative Action (defined below). Plaintiffs Larkin and Sagfors filed an opposition to the motions to dismiss on June 9, 2025, and to the intervention motion on June 20, 2025. United States District Judge William G. Young (“Judge Young”) held a hearing on July 21, 2025, to address the intervention motion and the motions to dismiss. Following argument, Judge Young took the motions under advisement. On August 21, 2025, Plaintiffs Larkin and Sagfors filed a motion for limited additional discovery. Defendants filed an opposition to that motion on September 4, 2025.

### **State Derivative Litigation**

10. By letter dated February 6, 2023, Plaintiff Birch sent an inspection demand to Pegasystems pursuant to Mass. Gen. L. ch. 156D, § 16.02 (“Section 16.02”), demanding the right to inspect certain corporate books and records related to the facts giving rise to the Virginia Litigation. By letter dated April 18, 2023, Plaintiff Garfield sent a substantially similar books and records inspection demand to Pegasystems pursuant to Section 16.02. In response, and pursuant to confidentiality agreements, the Company produced non-public corporate records to Plaintiffs Birch and Garfield in May 2023.

11. On June 28, 2024, Plaintiffs Dwyer and Gerber filed a shareholder derivative lawsuit in the State Court against Defendants Gyenes, Jones, Lafond, Ledingham, Rowlands, A. Trefler, Weber, and nominal defendant Pegasystems, under the caption *Dwyer et al. v. Trefler et al.*, No. 2484CV01734-BLS-1 (Mass. Sup. Ct.) (the “*Dwyer Action*”). The complaint in the *Dwyer Action* alleges that Defendants breached their fiduciary duties under Massachusetts law in connection with the claims asserted in, and the events arising from, the Virginia Litigation. It alleges damages arising from, among other things, (i) the approximately \$2 billion verdict in the Virginia Litigation, which has since been vacated; (ii) the settlement of the Class Action; and (iii) litigation costs from various other proceedings. On November 22, 2024, Plaintiffs Birch and Garfield filed a shareholder derivative lawsuit in the State Court against Defendants, Douglas Kim (“Kim”), and John Petronio (“Petronio”) under the caption *Birch et al v. Trefler et al.*, No. 2484CV03076-BLS-1 (Mass. Sup. Ct.) (the “*Birch Action*”), asserting substantially similar claims to those in the *Dwyer Action*.

12. On February 12, 2025, the *Dwyer Action* and *Birch Action* were consolidated by stipulation of the parties (the “State Derivative Action”).

13. On March 14, 2025, Plaintiffs Dwyer, Gerber, Birch, and Garfield jointly filed a consolidated amended complaint against Defendants in the State Derivative Action.<sup>6</sup> The consolidated amended complaint in the State Derivative Action alleges that Defendants breached

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<sup>6</sup> Kim and Petronio were not named as defendants in the consolidated amended complaint in the State Derivative Litigation.

their fiduciary duties in connection with, among other things, (i) the approximately \$2 billion verdict in the Virginia Litigation, which has since been vacated; (ii) the conduct alleged in the Virginia Litigation; and (iii) the DRC’s investigation and issuance of the DRC report regarding the same.

14. The DRC, on behalf of the Company, and Defendants moved to dismiss the consolidated amended complaint in the State Derivative Action, and, after briefing by the parties, Associate Justice Christopher K. Barry-Smith held a hearing on Defendants’ motions on September 4, 2025.

15. On October 2, 2025, the State Court granted Defendants’ motions to dismiss.

### **The Status of Proceedings**

16. Plaintiffs, the DRC, and Defendants in the Federal Derivative Action jointly notified the Federal Court on October 14, 2025 that the DRC’s and Defendants’ motions to dismiss in the State Derivative Action had been granted. The parties to the Federal Derivative Action further proposed that the Federal Court refrain from issuing a decision on the motions to dismiss pending a joint submission by the parties of their respective positions on the impact of the dismissal of the State Derivative Action on the Federal Derivative Action within thirty (30) days of the entry of a final judgment of dismissal in the State Derivative Action. On December 17, 2025, Judge Young entered an order for closure in the Federal Derivative Action. On January 13, 2026, a final judgment of dismissal was entered in the State Derivative Action and docketed on January 14, 2026.

### **C. Stipulation of Settlement and Preliminary Approval of Settlement**

17. Following extensive arm’s-length negotiations, the Settling Parties reached an agreement in principle to settle the Actions. After additional negotiations regarding the specific terms of their agreement, the Settling Parties entered into the Stipulation of Settlement (the “Stipulation”) on February 6, 2026. The Stipulation, which reflects the final and binding agreement among the Settling Parties on the terms of the Settlement, is publicly available on the “Investor Relations” section of Pegasystems’ website, <https://www.pega.com/about/investors>.

18. On April 16, 2026, the State Court preliminarily approved the Settlement, authorized this Notice to be provided to Pegasystems stockholders, and scheduled the Settlement Hearing to consider whether to grant final approval of the Settlement.

<b>WHAT ARE THE TERMS OF THE SETTLEMENT?</b>
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19. The full terms of the Settlement are embodied in the Stipulation, which was filed with the State Court. The following is only a summary of the terms of the Settlement provided under the Stipulation.

**(a) The Special Dividend**

(i) In full and final settlement of the claims asserted in the Actions and in consideration of the releases specified in paragraphs 4.1-4.2 of the Stipulation (and in paragraph 23 below), the Board will declare a special cash dividend in an amount of \$7 million to be funded by the Company within 30 days after the Judgment becomes Final (the “Funding Date”) and distributed to the Company’s shareholders other than the Excluded Holders (as defined below) in accordance with the terms specified in subparagraph (ii) below (the “Special Dividend”). Defendants agree that the pendency of the Actions and the Settlement were the cause of the Board’s consideration and declaration of the Special Dividend.

(ii) Within 60 days of the Funding Date, the Company shall distribute the Special Dividend to its shareholders other than the Excluded Holders in the same manner in which the Company normally pays dividends to its shareholders. For the avoidance of doubt, the Company shall distribute the Special Dividend (i) to its shareholders who held one or more shares of common stock of the Company as of the date that is five business days prior to the Funding Date (the “Record Date”), and (ii) *pro rata* based on the shareholders’ relative ownership of the Company’s common stock on the Record Date vis-à-vis other shareholders. The Excluded Holders shall not receive any portion of the Special Dividend, and the Excluded Holders’ shares of the Company’s common stock will be excluded in determining the *pro rata* distribution to the Company’s shareholders.

(iii) The Company shall assume all administrative responsibility for and will pay any and all costs and expenses associated with the issuance and delivery of the Special Dividend, regardless of whether the Court approves the Settlement or the Effective Date fails to occur, consistent with the terms of Section 2.4 of the Stipulation. Neither Plaintiffs nor Plaintiffs’ Counsel shall be responsible for any costs or expenses associated with the issuance or delivery of the Special Dividend.

(iv) The “Excluded Holders” consist of the Individual Defendants, their Immediate Family Members,<sup>7</sup> and any entity of which the Individual Defendants or their Immediate Family Members is the Beneficial Owner (defined in paragraph 23 below), except for charitable foundations and non-profit organizations.

**(b) Corporate Governance Reforms**

(i) Defendants and Pegasystems acknowledge that the Actions and the Demand Letters played a material causal role in the adoption of certain governance reforms (the “Reforms”) by the Board and Pegasystems, including:

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<sup>7</sup> “Immediate Family Members” means family members of an Individual Defendant who reside in the Individual Defendant’s household or who are financially dependent upon the Individual Defendant.

- the decision to appoint a new independent director to the Board (who ultimately was appointed in January 2025);
- the creation of a Risk Sub-Committee of the Board’s Audit Committee, as described on pages 112-13 of the DRC Report, which will be in place for at least five (5) years from the date of its inception; and
- enhancements to the Management-Level Compliance and Risk Governing Committee, as described on page 113 of the DRC Report, which committee and enhancements will be in place for at least five (5) years from the date of adoption.

(ii) For the avoidance of doubt, if, in the exercise of its good faith business judgment, following consultation with outside legal counsel, the Board determines that a change to any provision or provisions of the Reforms is required by law or regulation (“Applicable Law”), or that the maintenance of any provision of the Reforms would be inconsistent with the Board’s fiduciary duties under Massachusetts law, the Board may modify or repeal such provisions as necessary and appropriate to conform to Applicable Law or the Board’s fiduciary duties under Massachusetts law.

**WHAT ARE THE SETTLING PARTIES’ REASONS FOR THE SETTLEMENT?**

20. Plaintiffs and Plaintiffs’ Counsel believe that the claims asserted in their respective Actions have merit. However, Plaintiffs and Plaintiffs’ Counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute their respective Actions past motions to dismiss, through discovery, summary judgment, and trial, as well as through appeals. Plaintiffs and Plaintiffs’ Counsel also have taken into account the uncertain outcome and the risks of any litigation, especially in complex actions such as the Actions, as well as the difficulties and delays inherent in the Actions. Plaintiffs and Plaintiffs’ Counsel also are mindful of the inherent problems of proof under, and possible defenses to, the breaches of fiduciary duty and violations of law asserted in the Actions. Plaintiffs and Plaintiffs’ Counsel believe that the Settlement set forth in the Stipulation confers substantial value and benefits upon the Company and its non-insider shareholders. Based on their own investigation and evaluation, Plaintiffs and Plaintiffs’ Counsel have determined that the Settlement set forth in the Stipulation is in the best interests of Plaintiffs, Pegasystems, and its non-insider shareholders.

21. Throughout the course of the Actions and in the Stipulation, Defendants expressly have denied, and continue to deny, any and all of the claims alleged in the Actions, including any and all allegations of fault, negligence, liability, wrongdoing, or damages whatsoever. Without limiting the foregoing in any way, Defendants expressly have denied, and continue to deny, each and all of the claims and allegations by Plaintiffs in the Actions, including claims that Defendants have made any misstatements or materially misleading omissions or committed any breach of fiduciary duty, violation of law, or other wrongdoing. Defendants expressly have denied, and continue to deny, that they have committed any wrongdoing or violations of law or statutory duty as alleged in any complaint in the Actions or that could have been alleged in the Actions, and Defendants maintain that their conduct was at all times proper and in compliance with applicable

provisions of law. Defendants also expressly have denied, and continue to deny, that any Defendant breached their fiduciary duties, was unjustly enriched, or misappropriated trade secrets. Defendants maintain that each member of the DRC was an independent and disinterested director who was appointed to the DRC by a majority vote of independent directors present at a meeting of the Board, that the DRC's investigation was reasonable and was conducted in good faith, and that the DRC reached in good faith its conclusion that the maintenance of a derivative proceeding is not in the best interests of Pegasystems. Defendants maintain that they have meritorious defenses to all claims alleged in the Actions.

22. Neither the Settlement nor any of the terms of the Stipulation shall be construed or deemed to be evidence of or constitute an admission, concession, or finding of any fault, negligence, liability, wrongdoing, or damage whatsoever, or any infirmity in the defenses that Defendants have, or could have, asserted. Defendants and Pegasystems have entered into the Stipulation solely to eliminate the distraction, burden, and expense of continued litigation of the Actions. Defendants have determined that it is desirable and beneficial to them that the Actions be settled in the manner and upon the terms and conditions set forth in the Stipulation.

<p>WHAT WILL HAPPEN IF THE SETTLEMENT IS APPROVED? WHAT CLAIMS WILL THE SETTLEMENT RELEASE?</p>
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23. If the Settlement is approved, the parties to the State Derivative Action will request that the State Court enter a Final Judgment and Order of Dismissal with Prejudice (the "Judgment"). Pursuant to the Judgment, upon the Effective Date of the Settlement, the following releases will occur:

**Release of Claims by Plaintiffs, the Company, and Current Pegasystems Shareholders:** Upon the Effective Date, Plaintiffs (acting on their own behalf and derivatively on behalf of Pegasystems), Pegasystems, and each of the Current Pegasystems Shareholders<sup>8</sup> shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged the Released Plaintiffs Claims (defined below) against the Released Defendants Persons (defined below), and shall forever and permanently be barred and enjoined from filing, commencing, instituting, prosecuting, continuing, asserting, intervening in, maintaining, or enforcing any action or other proceeding in any forum (including, but not limited to, any foreign, federal, state or local court of law or equity, arbitration tribunal, or administrative forum), asserting any of the Released Plaintiffs Claims against any and all of the Released Defendants Persons.

"Released Plaintiffs Claims" means (i) any and all derivative Claims (defined below) that Plaintiffs asserted in the Demand Letters or the Complaints and (ii) any and all Claims that Plaintiffs could have asserted derivatively on behalf of the Company in the Demand Letters or the Complaints or in any other forum that are based on, arise out of, or relate to the allegations or circumstances set forth in the Demand Letters or the Complaints, except for

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<sup>8</sup> "Current Pegasystems Shareholders" means all record and Beneficial Owners of Pegasystems common stock as of the Record Date. "Beneficial Owner" means "beneficial owner" as defined in Rule 16a-1(a)(2) promulgated under the Securities Exchange Act of 1934, as amended.

claims relating to the enforcement of the Settlement. For the avoidance of doubt, the Released Plaintiffs Claims do not cover, include, or release any direct Claims of any current or former shareholder of Pegasystems (other than Plaintiffs), including without limitation any claims asserted under the federal securities laws, including without limitation the claims asserted in *In re Pegasystems Inc. Securities Litigation*, No. 22-cv-11220-WGY (D. Mass.), *PS Lit Recovery, LLC v. Pegasystems Inc. et al.*, 1:24-cv-12996 (D. Mass.), or *Eminence Fund Long Master, Ltd. et al v. Pegasystems Inc. et al.*, 1:24-cv-12999 (D. Mass.).

“Released Defendants Persons” means Defendants in the Complaints, Pegasystems, and any entity in which Pegasystems has a controlling interest, as well as their respective current and former parents, affiliates, subsidiaries, officers, directors, agents, successors, predecessors, assigns, assignees, partnerships, partners, committees, joint ventures, trustees, trusts, employees, immediate family members, heirs, insurers and reinsurers (in their capacities as such), consultants, experts, and attorneys (in their capacities as such). Notwithstanding the foregoing, excluded from “Released Defendants Persons” are any former Pegasystems employees who, between their departure from Pegasystems and the Effective Date, were employed by, consulted for, or otherwise performed services for Appian Corporation.

“Claims” means claims and causes of action of every nature and description, whether known claims or Unknown Claims (defined below), whether arising under state, federal, common, or foreign law.

“Unknown Claims” means (i) any Released Plaintiffs Claim which Pegasystems or any of the Plaintiffs or Current Pegasystems Shareholders does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Defendants Persons, including claims which, if known by him, her, or it, might have affected his, her, or its settlement with and release of the Released Defendants Persons, or might have affected his, her, or its decision not to object to this Settlement; and (ii) any Released Defendants Claim which Pegasystems or any of the Individual Defendants does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Plaintiffs Persons, including claims which, if known by him, her, or it, might have affected his, her, or its settlement with and release of the Released Plaintiffs Persons, or might have affected his, her, or its decision not to object to this Settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Plaintiffs, Pegasystems, and the Individual Defendants shall expressly waive and each of the Current Pegasystems Shareholders shall be deemed to have, and by operation of the Judgment shall have, expressly waived, the provisions, rights, and benefits of California Civil Code section 1542, which provides:

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

Upon the Effective Date, Plaintiffs, Pegasystems, and the Individual Defendants shall expressly waive, and each of the Current Pegasystems Shareholders shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights and benefits conferred by any law of any jurisdiction or any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code section 1542. Each of Plaintiffs, Pegasystems, the Individual Defendants, and Current Pegasystems Shareholders may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims, but, upon the Effective Date, (i) each Plaintiff and Pegasystems shall expressly settle and release, and each Current Pegasystems Shareholder, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released, any and all Released Plaintiffs Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, without regard to the subsequent discovery or existence of such different or additional facts; and (ii) each Defendant and Pegasystems shall expressly settle and release any and all Released Defendants Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, without regard to the subsequent discovery or existence of such different or additional facts. The Settling Parties acknowledge, and the Current Pegasystems Shareholders shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the Settlement of which this release is a part.

**Release of Claims by Pegasystems and the Individual Defendants:** Pegasystems and the Individual Defendants shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged the Released Defendants Claims (defined below) against the Released Plaintiffs Persons (defined below), and shall forever and permanently be barred and enjoined from filing, commencing, instituting, prosecuting, continuing, asserting, intervening in, maintaining, or enforcing any action or other proceeding in any forum (including, but not limited to, any foreign, federal, state or local court of law or equity, arbitration tribunal, or administrative forum), asserting any of the Released Defendants Claims against any and all of the Released Plaintiffs Persons.

“Released Defendants Claims” means any and all Claims that arise out of or relate in any way to the institution, prosecution, or settlement of the Actions, except for claims relating to the enforcement of the Settlement.

“Released Plaintiffs Persons” means Plaintiffs, and any entity in which any Plaintiff has a controlling interest, as well as their respective current and former parents, affiliates, subsidiaries, officers, directors, agents, successors, predecessors, assigns, assignees, partnerships, partners, committees, joint ventures, trustees, trusts, employees, immediate family members, heirs, insurers and reinsurers (in their capacities as such), consultants, experts, and attorneys (in their capacities as such).

Upon the Effective Date of the Settlement, the parties to the Federal Derivative Action intend to submit a stipulation to the Federal Court to dismiss the action with prejudice.

24. By Order of the Court, (i) all proceedings in the State Derivative Action other than proceedings necessary to carry out or enforce the terms and conditions of the Stipulation have been stayed until otherwise ordered by the Court; and (ii) pending final determination of whether the Settlement should be approved, the commencement or prosecution of any action asserting any Released Plaintiffs Claims against any of the Released Defendants Persons, as well as any action asserting any Released Defendants Claims against any of the Released Plaintiffs Persons, have been barred and enjoined.

#### HOW WILL PLAINTIFFS' ATTORNEYS BE PAID?

25. Plaintiffs' Counsel have not received any payment for their services in pursuing the claims asserted in the Actions, nor have Plaintiffs' Counsel been paid for their out-of-pocket expenses. Plaintiffs' Counsel invested their own resources for pursuing the claims asserted in the Actions on a contingency basis, meaning they would only recover their expenses and be compensated for their time if they created benefits through this litigation. In light of the risks undertaken in pursuing the Actions on a contingency basis and the benefits created for Pegasystems and its stockholders through the Settlement and the prosecution of the claims asserted in the Actions, Plaintiffs' Counsel intend to file with the State Court a Fee and Expense Application seeking an award of attorneys' fees and litigation expenses to be paid by the Company. The Fee and Expense Application will seek an award of attorneys' fees and expenses for all Plaintiffs' Counsel in an amount up to \$2,750,000, with due consideration given to both the Special Dividend and the Reforms. The Fee and Expense Application may include a petition for a proposed award not to exceed \$2,500 for each of the Plaintiffs in recognition of the benefits they have helped to create for Pegasystems and its stockholders by initiating, prosecuting, and settling the Actions (the "Service Awards"). Any Service Awards approved by the Court shall be funded from the Fee and Expense Award (defined in paragraph 26 below) paid to Plaintiffs' Counsel.

26. The State Court will determine the amount of any attorney fee and expense award to Plaintiffs' Counsel (the "Fee and Expense Award"), including any Service Awards to Plaintiffs. Any Court-approved Fee and Expense Award will be paid by the Company. Pegasystems stockholders are not personally liable for any such fees or expenses.

#### WHEN AND WHERE WILL THE SETTLEMENT HEARING BE HELD? DO I HAVE THE RIGHT TO APPEAR AT THE SETTLEMENT HEARING? MAY I OBJECT TO THE SETTLEMENT AND SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?

27. The Court will consider the Settlement and all matters related to the Settlement at the Settlement Hearing. The Settlement Hearing will be held on June 25, 2026, at 2:00 p.m., before the Honorable Peter B. Krupp at the Suffolk County Superior Court, 3 Pemberton Square, Courtroom 1015, Boston, MA 02108. Any person, including counsel, may attend, observe or participate in the hearing over Zoom (Mtg ID: 161 888 7367).

28. At the Settlement Hearing, the State Court will, among other things: (i) determine whether the State Plaintiffs and their counsel have adequately represented the interests of the Company and its stockholders; (ii) determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to the Company and its stockholders, and should be approved by the Court; (iii) determine whether the Judgment, substantially in the form attached as Exhibit D to the Stipulation, should be entered; (iv) determine whether the Fee and Expense Application should be approved; and (v) consider any other matters that may properly be brought before the Court in connection with the Settlement.

29. Please Note: The State Court has reserved the right to adjourn the Settlement Hearing or any adjournment thereof, including the consideration of the Fee and Expense Application, without further notice of any kind. The Court has further reserved the right to approve the Stipulation and the Settlement, at or after the Settlement Hearing, with such modifications as may be consented to by the Settling Parties and without further notice to Pegasystems stockholders. You should monitor the Court's docket and the website of Representative State Plaintiffs' Counsel, as indicated in paragraph 36 below, before making plans to attend the Settlement Hearing. You may also confirm the date and time of the Settlement Hearing by contacting Representative State Plaintiffs' Counsel as indicated in paragraph 36 below.

30. Any Pegasystems stockholder who or which continues to hold shares of Pegasystems common stock as of June 25, 2026, the date of the Settlement Hearing, may object to the Settlement or the Fee and Expense Application. Objections must be in writing and filed with the Civil Clerk's Office, Suffolk County Superior Court, at the address set forth below **on or before June 15, 2026**. Objections must also be served on Representative State Plaintiffs' Counsel, Representative Federal Plaintiffs' Counsel, and Defendants' Counsel by hand, first class U.S. mail, or express service, at the addresses set forth below such that they are **received on or before June 15, 2026**.

Civil Clerk's Office

CIVIL CLERK'S OFFICE  
Suffolk County Superior Court  
3 Pemberton Square, 12th Floor  
Boston, Massachusetts 02108

Representative State  
Plaintiffs' Counsel

Joel Fleming  
Equity Litigation Group LLP  
1 Washington Mall #1307  
Boston, MA 02108

Representative Federal  
Plaintiffs' Counsel

Lawrence Egel Bragar  
Egel & Squire, PC 810  
Seventh Ave., Suite 620  
New York, NY 10019

Defendants' Counsel

Robert Kingsley Smith  
Wilmer Cutler Pickering  
Hale and Dorr LLP  
60 State Street  
Boston, MA 02109

31. Any objections, filings, and other submissions must: (i) state the name, address, and telephone number of the objector and, if represented by counsel, the name, address, and

telephone number of his, her, or its counsel; (ii) be signed by the objector; (iii) state that the objection is being filed with respect to “*Dwyer et al. v. Trefler et al.*, Civ. No. 2484CV01734-BLS1”; (iv) contain a specific, written statement of the objection(s) and the specific reason(s) for the objection(s), including any legal and evidentiary support the objector wishes to bring to the Court’s attention, and if the objector has indicated that he, she, or it intends to appear at the Settlement Hearing, the identity of any witnesses the objector may call to testify and any exhibits the objector intends to introduce into evidence at the hearing; (v) state the number of shares of Pegasystems common stock owned by the objector together with documentation sufficient to prove ownership of those shares; and (vi) include a statement that the objector will continue to hold shares of Pegasystems common stock as of the date of the Settlement Hearing. Documentation establishing ownership of Pegasystems common stock must consist of copies of an official brokerage account statement, a screen shot of an official brokerage account, or an authorized statement from the objector’s broker containing the information found in an account statement. The Settling Parties are authorized to request from any objector additional information or documentation sufficient to prove his, her, or its holdings of Pegasystems common stock.

32. Pegasystems stockholders who or which continue to hold shares of Pegasystems common stock as of the date of the Settlement Hearing may file a written objection without having to appear at the Settlement Hearing. Unless the Court orders otherwise, however, such persons may not appear at the Settlement Hearing to present their objections unless they first filed and served a written objection in accordance with the procedures described above.

33. Persons who file and serve a timely written objection as described above and who wish to be heard orally at the Settlement Hearing in opposition to the approval of the Settlement or the Fee and Expense Application, must also file a notice of appearance with the Civil Clerk’s Office and serve it on Representative State Plaintiffs’ Counsel, Representative Federal Plaintiffs’ Counsel, and Defendants Counsel at the addresses set forth in paragraph 30 above so that it is **received on or before June 15, 2026**. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

34. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Civil Clerk’s Office and serve it on Representative State Plaintiffs’ Counsel, Representative Federal Plaintiffs’ Counsel, and Defendants Counsel at the addresses set forth in paragraph 30 above so that the notice is **received on or before June 15, 2026**.

35. Unless the Court orders otherwise, any person or entity who or which does not make his, her, or its objection in the manner set forth above will: (i) be deemed to have waived and forfeited his, her, or its right to object, including any right of appeal, to any aspect of the Settlement, the Fee and Expense Application, or the award of attorneys’ fees and expenses, including any Service Awards to Plaintiffs; (ii) be forever barred and foreclosed from objecting to the fairness, reasonableness, or adequacy of the Settlement, the Judgment to be entered approving the Settlement, the Fee and Expense Application, or the award of attorneys’ fees and expenses, including any Service Awards to Plaintiffs; and (iii) be deemed to have waived and forever barred

and foreclosed from being heard, in this or any other proceeding, including on any appeal, with respect to any matters concerning the Settlement, the Fee and Expense Application, or the award of attorneys' fees and expenses, including any Service Awards to Plaintiffs.

**CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE  
QUESTIONS?**

36. This Notice summarizes the proposed Settlement. For the precise terms and conditions of the Settlement, please see the Stipulation available on the "Investor Relations" section of Pegasystems' website, <https://www.pegasystems.com/about/investors>. Copies of the Stipulation and other important case documents are also available on the following website: <https://www.blbgilaw.com/>. If you have questions regarding the Actions or the Settlement, you may write, call, or email Representative State Plaintiffs' Counsel: Joel Fleming, Equity Litigation Group LLP, 1 Washington Mall #1307, Boston, MA 02108; (617) 468-8602 (telephone); [jfleming@equitylitigation.com](mailto:jfleming@equitylitigation.com) (email) or Representative Federal Plaintiffs' Counsel: Lawrence Egel Bragar, Egel & Squire, PC 810 Seventh Ave., Suite 620 New York, NY 10019; (212) 308-5888; [Egel@bespc.com](mailto:Egel@bespc.com) (email).

**PLEASE DO NOT CONTACT THE COURT WITH QUESTIONS ABOUT THIS  
SETTLEMENT**

Dated: April 16, 2026

By Order of the Court  
Suffolk County Superior Court  
Commonwealth of Massachusetts