

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA**

IN RE MAXWELL TECHNOLOGIES  
INC., SECURITIES LITIGATION

Case No.: 3:13-cv-00580-BEN-RBB

**NOTICE OF (I) PENDENCY OF CLASS ACTION, CERTIFICATION OF SETTLEMENT CLASS, AND  
PROPOSED SETTLEMENT; (II) SETTLEMENT FAIRNESS HEARING; AND (III) MOTION FOR AN  
AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

*If you purchased or otherwise acquired the publicly traded common stock of Maxwell Technologies, Inc. ("Maxwell" or the "Company") from April 29, 2011 through March 19, 2013, inclusive (the "Settlement Class Period"), you may be entitled to receive a payment under the proposed settlement (the "Settlement") of a securities class action lawsuit (the "Litigation"). Your legal rights are affected whether you act or do not act. Please read this notice carefully.*

This is not a solicitation from a lawyer; a United States District Court authorized this notice (the "Notice"). The complete terms and conditions of the Settlement are set forth in a Stipulation of Settlement, dated October 6, 2014 (the "Stipulation") entered into by the parties to the Litigation, which can be downloaded at [www.maxwellsecuritieslitigation.com](http://www.maxwellsecuritieslitigation.com) or requested at the telephone number and address provided below.

**Relevant securities and time period:** Maxwell common stock purchased or otherwise acquired during the period April 29, 2011 through March 19, 2013, inclusive.

**Settlement proceeds:** If the Settlement is approved by the United States District Court for the Southern District of California (the "Court"), it will provide for a gross payment of \$3,300,000 into a settlement fund (the "Settlement Fund"), which, after deducting certain fees and expenses described below, would be available for distribution to persons who purchased or otherwise acquired Maxwell common stock during the Settlement Class Period ("Settlement Class"). Whether you are entitled to a pro rata payment from the Settlement Fund depends on the timing of your purchases and any sales of Maxwell common stock during the Settlement Class Period. Based on the information currently available to counsel for the Court-appointed lead plaintiffs in the Litigation ("Lead Plaintiff's Counsel") and the analysis performed by its damage consultants, if claims are submitted representing 100 percent of the eligible Maxwell shares, the estimated average recovery would be approximately \$0.25 for each share of Maxwell common stock, before deducting settlement administration costs and Court-approved fees and expenses. Historically, the claim submission rate is less than 100 percent, which results in a higher per-share recovery for those who submit qualifying claims. Please see Question 10 below for a detailed explanation of the proposed plan of allocation (the "Plan of Allocation") for distributing the Settlement proceeds to members of the Settlement Class ("Settlement Class Members").

**Reasons for the Settlement:** The Settlement provides a benefit to Settlement Class Members now and avoids the uncertainty, time and expense of further litigation, including the potential for a contested trial and likely appeals, with the possibility of receiving no recovery at all for the Settlement Class.

**If the Litigation had not settled:** If the parties had not agreed to the Settlement, it is possible that the lead plaintiff ("Lead Plaintiff"), on behalf of Settlement Class Members, would have obtained no recovery at all. The parties vigorously disagree on both liability and damages. The defendants in the Litigation (the "Defendants") deny that they are liable in any respect, and deny that Lead Plaintiff and Settlement Class Members suffered any injury. Among the many issues on which the parties do not agree are (1) whether any Defendants violated the law; (2) whether Maxwell's public disclosures contained any false or misleading statements or omissions of material fact; (3) whether any such alleged misstatements or omissions affected the price of Maxwell common stock, and the amount and method for determining such alleged effect; and (4) the amount of damages (if any) that could be recovered at trial.

**Fees and expenses:** Lead Plaintiff's Counsel has not received any payments for its work investigating the facts, prosecuting the Litigation and negotiating the Settlement on behalf of Lead Plaintiff and the Settlement Class. Lead Plaintiff's Counsel will ask the Court for an award of attorneys' fees equal to 33<sup>1/3</sup>% of the Settlement Fund, and for reimbursement of litigation expenses not to exceed \$80,000. These amounts would be paid exclusively from the Settlement Fund. In addition, Lead Plaintiff will ask the Court for a representative award not to exceed \$10,000 for reimbursement of its reasonable time, costs and expenses directly relating to its representation of the Settlement Class. If the above amounts

are approved by the Court, the average cost of such fees and expenses would be approximately \$0.09 for each share of Maxwell common stock.

**Important deadlines:**

Deadline to submit a claim for Settlement proceeds: February 22, 2015  
Deadline to request exclusion from the Settlement Class: January 15, 2015  
Deadline to object to the Settlement: January 15, 2015  
**Settlement hearing:** February 5, 2015

**More information:** [www.maxwellsecuritieslitigation.com](http://www.maxwellsecuritieslitigation.com) or contact:

Claims Administrator  
Maxwell Technologies, Inc.  
Securities Litigation  
Claims Administrator  
P.O. Box 4028  
Portland, OR 97208-4028

Lead Plaintiff's Counsel  
SAXENA WHITE P.A.  
Lester R. Hooker  
5200 Town Center Circle  
Suite 601  
Boca Raton, FL 33486  
Telephone: (561) 206-6708

**YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT**

|                           |  |
|---------------------------|--|
| <b>SUBMIT A CLAIM</b>     | You may submit a claim to request a payment from the Settlement Fund by following the instructions in this Notice and on the Proof of Claim enclosed with this Notice.   |
| <b>OBJECT</b>             | You may write to the Court if you do not like this Settlement, the request for fees and expenses, or the Plan of Allocation. The Court will consider your objection in deciding whether to approve the Settlement. |
| <b>REQUEST EXCLUSION</b>  | You may request to be excluded from the Settlement Class by following the instructions in this Notice. If you request exclusion, you will not be able to submit a claim for a payment from the Settlement Fund.    |
| <b>ATTEND THE HEARING</b> | You may attend the hearing at which the Court will consider whether to approve the Settlement (the "Settlement Hearing"). Attendance, however, is not required.  |
| <b>Do NOTHING</b>         | You may do nothing, in which case you will not receive any payment from the Settlement Fund and you will be bound by the terms of the Settlement, including the release of claims.                                 |

The above rights and options — and the deadlines to exercise them — are explained in this Notice. The Court must decide whether to approve the Settlement. Payments will be made only if the Court approves the Settlement and, if there are any appeals, after appeals are resolved. Please be patient.

**PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU ARE A SETTLEMENT CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN FEBRUARY 22, 2015.**

## BASIC INFORMATION

### 1. WHY DID I GET THIS NOTICE?

You or someone in your family may have purchased or otherwise acquired Maxwell common stock from April 29, 2011 through March 19, 2013, inclusive.

The Court authorized this Notice to inform people who purchased Maxwell common stock during the Settlement Class Period about a proposed settlement of a class action lawsuit filed against Maxwell, and the options that such people have before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and any appeals are resolved in favor of the Settlement, the claims administrator appointed by the Court (the “Claims Administrator”) will make the payments provided for under the Settlement.

This Notice explains the Litigation, the Settlement, your legal rights, what benefits are available, who is eligible for such benefits, and how to obtain them. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Litigation, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

The title of the Litigation is *In re Maxwell Technologies, Inc. Securities Litigation*, 3:13-cv-00580-BEN-RBB (S.D. Cal.). Lead Plaintiff is the Employees’ Pension Plan of the City of Clearwater. Defendants are Maxwell Technologies, Inc., David J. Schramm, Kevin S. Royal, and Van M. Andrews.

### 2. WHAT IS THIS LAWSUIT ABOUT?

The original purported securities class action complaint in the Litigation was filed in this District on March 13, 2013, alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder. On October 24, 2013, the Court appointed the Lead Plaintiff pursuant to the requirements of the Private Securities Litigation Reform Act of 1995 and approved Lead Plaintiff’s selection of lead and liaison counsel. On January 16, 2014, Lead Plaintiff filed its Consolidated Complaint For Violations Of The Federal Securities Laws (the “Complaint”) alleging violations of Sections 10(b) and 20(a) and Rule 10b-5 under the Exchange Act. On May 5, 2014, the Court entered an Order granting Defendants’ motion to dismiss and providing Lead Plaintiff leave to amend the Complaint within 30 days. On June 4, 2014, Lead Plaintiff filed its Amended Consolidated Complaint For Violations Of The Federal Securities Laws (the “ACC”). Defendants filed their motions to dismiss the ACC on July 10, 2014, and Lead Plaintiff filed its omnibus brief in opposition to Defendants’ motions on August 18, 2014.

Defendants deny each and all of the claims and contentions alleged in the Litigation, including all charges of wrongdoing or liability or any violation of law arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Litigation; have denied, and continue to deny, the allegations that Lead Plaintiff or any Settlement Class Member has suffered damage or was harmed by any of the conduct alleged in the Litigation; and continue to believe the claims asserted against them in the Litigation are without merit.

### 3. WHY IS THIS A CLASS ACTION?

The Litigation was filed as a class action lawsuit. In a class action, one or more plaintiffs file a lawsuit on behalf of himself or herself and as a representative of other people who have similar claims. Class actions allow a court to consider the claims of a class of similarly situated people collectively where it might not be economically worthwhile for those people to file individual claims. The Court’s decisions in a class action case are binding on all members of the class, except for those who inform the court that they wish to be excluded from the class.

### 4. WHY IS THERE A SETTLEMENT?

The Settlement avoids the risks and costs of lengthy and uncertain continued litigation, including potential trial and likely appeals, and instead allows eligible Settlement Class Members to be compensated now. After extensive good-faith settlement discussions during the course of the Litigation, counsel for Lead Plaintiff and for Defendants participated in a mediation session on August 21, 2014, to try to reach a resolution. Prior to the mediation, each side submitted a comprehensive statement setting forth its respective position. As a result of negotiations that occurred during and after the mediation, the parties reached an agreement to settle the Litigation. Lead Plaintiff and Lead Plaintiff’s Counsel believe that the Settlement is in the best interests of all Settlement Class Members.

Defendants have denied and continue to deny any and all wrongdoing whatsoever, but have nonetheless agreed to the Settlement in order to eliminate the uncertainty, distraction, disruption, burden, risk, and expense of further litigation.

If the Court approves the Settlement, Lead Plaintiff will request that the Court dismiss the Litigation with prejudice and enter an order releasing all claims against Defendants. The effectiveness of the Settlement is contingent upon the Court's approval.

## **THE SCOPE OF THE SETTLEMENT**

### **5. HOW DO I KNOW IF I AM COVERED BY THE SETTLEMENT?**

All persons or entities who purchased or otherwise acquired Maxwell common stock during the period April 29, 2011 through March 19, 2013, inclusive, are covered by the Settlement.

### **6. ARE THERE EXCEPTIONS TO BEING IN THE SETTLEMENT CLASS?**

Yes. Excluded from the Settlement Class are Defendants and all officers and directors of Maxwell, and all such excluded persons' immediate family members, legal representatives, heirs, predecessors, successors and assigns, and any entity in which any excluded person has or had a controlling interest. Also excluded from the Settlement Class are persons who file valid and timely requests for exclusion by following the instructions below.

### **7. I'M STILL NOT SURE IF I AM COVERED BY THE SETTLEMENT.**

If you still are not sure whether you are included, you can ask for free help. You can call the Claims Administrator at 877-283-6564 or visit [www.maxwellsecuritieslitigation.com](http://www.maxwellsecuritieslitigation.com) for more information; you can e-mail a representative of Lead Plaintiff's Counsel, Lester R. Hooker, at [lhooker@saxenawhite.com](mailto:lhooker@saxenawhite.com) for more information; or you can fill out and return the claim form described in Question 11 to see if you qualify.

## **THE SETTLEMENT BENEFITS – WHAT YOU GET**

### **8. WHAT DOES THE SETTLEMENT PROVIDE?**

Maxwell has agreed to a payment of \$3,300,000, to be made by its insurers, in exchange for the release of claims provided for in the Stipulation. The Settlement Fund will be divided among all eligible Settlement Class Members who submit timely and valid Proofs of Claim and Release approved by the Claims Administrator in whole or in part ("Authorized Claimants"), after payment of Court-approved attorneys' fees and litigation expenses, taxes, Court-approved reimbursement of Lead Plaintiff's expenses and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing a notice in the news media. The amount remaining after such deductions is referred to as the "Net Settlement Fund."

### **9. HOW MUCH WILL MY PAYMENT BE?**

Your share of the Net Settlement Fund will depend on the overall number of valid claims that Settlement Class Members send in, the amount due under those claims, how many shares of Maxwell common stock you purchased and sold during the Settlement Class Period, and when you bought and sold such shares. All calculations and determinations will be made by the Claims Administrator under the supervision of Lead Plaintiff's Counsel. Defendants have no role or responsibility in making any claim determinations.

### **10. THE PLAN OF ALLOCATION**

A "Recognized Loss" or "Recognized Gain" will be calculated as set forth below for each share of Maxwell common stock purchased or otherwise acquired during the Settlement Class Period, and for which adequate documentation is provided. The calculation of Recognized Loss or Recognized Gain will depend upon several factors, including when the Maxwell common stock was purchased or otherwise acquired during the Settlement Class Period, and in what amounts, and whether those shares were sold, and if sold, when they were sold, and for what amounts.

An Authorized Claimant's net Recognized Loss shall be calculated by totaling all of the Authorized Claimant's Recognized Loss amounts and subtracting from that total the sum of all of the Authorized Claimant's Recognized Gain amounts. If this calculation results in a positive number, that figure will be the Authorized Claimant's net Recognized Loss; if this calculation results in a negative number or zero, the Authorized Claimant's net Recognized Loss shall be zero.

In the unlikely event that there are sufficient funds in the Net Settlement Fund to permit payment of the total claims of all Authorized Claimants, each Authorized Claimant would receive the full amount of his, her or its net Recognized Loss. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total claims of all Authorized Claimants, each Authorized Claimant shall be paid a percentage of the Net Settlement Fund equal to the percentage that such Authorized Claimant's net Recognized Loss represents in relation to the total net Recognized Loss amounts claimed by all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among Authorized Claimants who suffered economic losses as a result of the alleged violations of the federal securities laws, as opposed to losses caused by market- or industry-wide factors, or Company-specific factors not related to the alleged violations of the federal securities laws. The computation of the alleged artificial inflation in each share of Maxwell common stock reflects the price change in the stock, net of market- and industry-wide factors in reaction to public announcements that corrected the misrepresentations alleged by Lead Plaintiff in the Amended Class Action Complaint. Based on the opinions of Lead Plaintiff's Counsel's damages consultant, the Plan of Allocation assumes that there were varied amounts of artificial inflation in the prices of Maxwell common stock during the Settlement Class Period, which is based, in part, on when certain alleged misrepresentations occurred during the Settlement Class Period. An estimate of artificial inflation in the price of Maxwell common stock during the Settlement Class Period, assuming that Lead Plaintiff could adequately allege and prove liability for that entire period, is reflected in Table 1 below:

**Table 1**  
**Alleged Artificial Inflation in Maxwell Common Stock**

| From       | To         | Alleged Artificial Inflation |
|------------|------------|------------------------------|
| 4/29/2011  | 2/16/2012  | \$0.86                       |
| 2/17/2012  | 4/26/2012  | \$1.22                       |
| 4/27/2012  | 8/2/2012   | \$1.72                       |
| 8/3/2012   | 10/25/2012 | \$2.61                       |
| 10/26/2012 | 3/7/2013   | \$2.67                       |
| 3/8/2013   | 3/19/2013  | \$1.59                       |

Federal securities laws allow investors to recover for losses caused by disclosures which correct Defendants' previous misleading statements or omissions. Thus, in order to have been damaged by the alleged violations of the federal securities laws, shares of Maxwell common stock purchased or otherwise acquired during the Class Period must have been held during a period of time in which its price declined due to the disclosure of information which corrected an allegedly misleading statement or omission.

Lead Plaintiff and Lead Plaintiff's Counsel have determined that such price declines occurred on two dates (the "corrective disclosure dates"): (1) on March 8, 2013, in response to a press release issued by the Company after market close on March 7, 2013; and (2) on March 20, 2013, in response to Form 8-K filed by the Company with the SEC after market close on March 19, 2013. Accordingly, if Maxwell common stock was purchased during the period April 29, 2011 through March 7, 2013, inclusive, and then sold on or before March 7, 2013, the Recognized Loss for such stock is \$0.00, and any loss suffered is not compensable under the federal securities laws. Similarly, if Maxwell common stock was purchased during the period March 8, 2013 through March 19, 2013, inclusive, and then sold on or before March 19, 2013 (the last day of the Settlement Class Period), the Recognized Loss for such stock is \$0.00, and any loss suffered is not compensable under the federal securities laws.

The "90-day look back" provision of the Private Securities Litigation Reform Act of 1995 ("PSLRA") is incorporated into the calculation of the Recognized Loss. The limitations on the calculation of the Recognized Loss per share of Maxwell common stock imposed by the PSLRA are applied such that losses on shares purchased or acquired during the Settlement Class Period and held as of the close of the 90-day period subsequent to the Settlement Class Period (the "90-day look back period") must not exceed the difference between the purchase price paid for the share of Maxwell common stock and the average closing price of the stock during the 90-day look back period. Losses on Maxwell common stock purchased or acquired during the Settlement Class Period and sold during the 90-day look back period, must not exceed the difference between the purchase price paid for the stock and the average closing price of the stock during the period from the start of the 90-day look back period through the date of sale. Losses on Maxwell common stock purchased or acquired during the Settlement Class Period and sold during the Settlement Class Period, must not exceed the difference between the purchase price paid for the stock and the average closing price of the stock during the 90-day look back period.

### **CALCULATION OF RECOGNIZED LOSS OR GAIN PER SECURITY**

For each share of Maxwell common stock purchased or acquired during the period April 29, 2011 through March 7, 2013, inclusive:

- (1) and sold on or before March 7, 2013, the Recognized Loss per share is \$0.
- (2) and sold from the opening of trading on March 8, 2013 through the close of trading on March 19, 2013, the Recognized Loss per share is the lesser of:
  - i. the amount of per-share price inflation on the date of purchase or acquisition as appears in Table 1 above, **minus** the amount of per-share price inflation on the date of sale or disposition as appears in Table 1 above. If this calculation results in a negative number, then the Recognized Loss shall be \$0, and a Recognized Gain shall be calculated, which shall be the amount of per-share price inflation on the date of sale or disposition as appears in Table 1 above, **minus** the amount of per-share price inflation on the date of purchase or acquisition as appears in Table 1 above; and
  - ii. the purchase/acquisition price **minus** the average closing price of Maxwell common stock during the 90 days following the Settlement Class Period, which is \$6.13. If this calculation results in a negative number, then the Recognized Loss Amount shall be \$0.
- (3) and sold from the opening of trading on March 20, 2013 through the close of trading on June 17, 2013 (*i.e.*, the 90-day period following the Settlement Class Period), the Recognized Loss per share is the lesser of:
  - i. the amount of artificial inflation per share on the date of purchase/acquisition as appears in Table 1 above; and
  - ii. the purchase/acquisition price **minus** the “90-Day Look Back Value” on the date of sale/disposition provided in Exhibit A to this Notice.
- (4) and held after the close of trading on June 17, 2013, the Recognized Loss per share is the lesser of:
  - i. the amount of artificial inflation per share on the date of purchase/acquisition as appears in Table 1 above; and
  - ii. the purchase/acquisition price **minus** the average closing price of Maxwell common stock during the 90 days following the Settlement Class Period, which is \$6.13

For each share of Maxwell common stock purchased or acquired during the period March 8, 2013 through March 19, 2013, inclusive:

- (1) and sold prior to the close of trading on March 19, 2013, the Recognized Loss per share is \$0.
- (2) and sold from the opening of trading on March 20, 2013 through the close of trading on June 17, 2013 (*i.e.*, the 90-day period following the Settlement Class Period), the Recognized Loss per share is the lesser of:
  - i. the amount of artificial inflation per share on the date of purchase/acquisition as appears in Table 1 above; and
  - ii. the purchase/acquisition price **minus** the “90-Day Look Back Value” on the date of sale/disposition provided in Exhibit A to this Notice.
- (3) and held after the close of trading on June 17, 2013, the Recognized Loss per share is the lesser of:
  - i. the amount of artificial inflation per share on the date of purchase/acquisition as appears in Table 1 above; and
  - ii. the purchase/acquisition price **minus** the average closing price of Maxwell common stock during the 90 days following the Settlement Class Period, which is \$6.13.

For Authorized Claimants who made multiple purchases, acquisitions, or sales of Maxwell common stock during the Settlement Class Period, the earliest subsequent sale shall be matched first against the Authorized Claimant’s opening position as of the first day of the Settlement Class Period, and then matched chronologically thereafter against each purchase or acquisition made through the end of the Settlement Class Period. The Recognized Loss per Security for “short sales” is \$0.

In the event that there is a short position in Maxwell common stock, the date of covering a “short sale” is deemed to be the date of purchase of the stock. The date of a “short sale” is deemed to be the date of sale of the stock. The earliest Settlement Class Period purchases shall be matched against such short position, and not be entitled to a recovery, until that short position is fully covered.

Option contracts are not securities eligible to participate in the Settlement. With respect to Maxwell common stock purchased or sold through the exercise of an option, the purchase/sale date of the common stock is the exercise date of the option and the purchase/sale price of the common stock is the exercise price of the option.

A Settlement Class Member will be eligible to receive a distribution from the Net Settlement Fund only if that Settlement Class Member had a net loss after all profits from transactions in Maxwell common stock during the Settlement Class Period are subtracted from all losses. A Settlement Class Member's net market loss or gain represents his, her or its out-of-pocket losses (or profit) on Maxwell common stock purchased during the Settlement Class Period, and is based on the difference between the total amount paid for all Maxwell common stock acquired during the Settlement Class Period less the total proceeds received from sales or the holding value of such Maxwell common stock (for Maxwell common stock held as of the end of the Settlement Class Period the holding value shall be \$6.13 the average closing price for Maxwell common stock during the 90 days following the Settlement Class Period). Where sales of common stock during the Settlement Class Period have been applied against common stock held at the beginning of the Settlement Class Period, the proceeds of such sales will not be used in the calculation of such net market loss. If, during the Settlement Class Period, a Settlement Class Member had a net market loss in his, her or its trading in Maxwell common stock, the Settlement Class Member's net Recognized Loss shall be limited to the Settlement Class Member's net market loss.

No distributions will be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

The Court has jurisdiction to allow, disallow, or adjust the claim of any Settlement Class Member on equitable grounds.

All payments made under the Plan of Allocation set forth above shall be conclusive against all Settlement Class Members. No person shall have any claim against Lead Plaintiff, Lead Plaintiff's Counsel, the Claims Administrator or other person designated by Lead Plaintiff's Counsel, Defendants, or Defendants' counsel based on any calculations, determinations and/or distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court. Any Settlement Class Member who does not complete and submit a valid and timely Proof of Claim will not receive any distribution from the Net Settlement Fund (unless otherwise ordered by the Court), but will otherwise be bound by all of the terms of the Stipulation.

The foregoing Plan of Allocation is the plan that is being proposed to the Court for its approval by Lead Plaintiff after consultation with its damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the settlement website, [www.maxwellsecuritieslitigation.com](http://www.maxwellsecuritieslitigation.com).

## **HOW YOU GET A PAYMENT – SUBMITTING A PROOF OF CLAIM**

### **11. HOW WILL I GET A PAYMENT?**

To qualify for a payment, you must send a Proof of Claim to the Claims Administrator. A Proof of Claim is enclosed with this Notice. Read the instructions carefully, fill out the Proof of Claim, include all the documents requested, sign it, and mail it to the Claims Administrator postmarked no later than February 22, 2015.

### **12. WHEN WOULD I GET MY PAYMENT?**

It is difficult to predict when payments from the Settlement Fund will begin. The Court will hold the Settlement Hearing on February 5, 2015, at 9:00 a.m., to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals from the Court's approval, which could take a year or longer to resolve. The timing also depends on the number of Proofs of Claim submitted, which take time to process. If the Court approves the Settlement at the Settlement Hearing and no appeals are taken, it will likely take nine months or longer from the date of the Settlement Hearing for the Claims Administrator to begin making payments. Please be patient.

### **13. CAN I SUE THE DEFENDANTS FOR THE SAME THING?**

If you are a Settlement Class Member and you do not request exclusion from the Settlement Class in the manner described below, you may not sue any of the Released Persons (as defined in the Stipulation), including Defendants, based on the same or similar facts and issues as in the Litigation. The precise scope of the releases is described below in paragraph 20. If you have a pending lawsuit against any of the Defendants, speak to your lawyer in that case immediately.

## THE LAWYERS REPRESENTING YOU

### 14. DO I HAVE A LAWYER IN THIS CASE?

The Court appointed the law firm of Saxena White P.A. to represent Lead Plaintiff and all Settlement Class Members. You will not be charged for the services of these lawyers. Also, any Settlement Class Member may enter an appearance in the Litigation, at his, her or its own expense, individually or through counsel of his, her or its own choice by filing with the Clerk of Court and delivering a notice of appearance to Lead Plaintiff's Counsel and Defendants' Counsel, at the addresses set forth in paragraph 17 below, such that it is received no later than January 15, 2015. An appearance must be filed within the specified time if a Settlement Class Member, or his or her counsel, wishes to be heard orally at the Settlement Hearing.

### 15. HOW WILL THE LAYWERS BE PAID?

Before the date of the Settlement Hearing, Lead Plaintiff's Counsel will submit an application asking the Court for an award of attorneys' fees equal to 33<sup>1/3</sup>% of the Settlement Fund, and for reimbursement of litigation expenses not to exceed \$80,000, both of which would be paid from the Settlement Fund. Settlement Class Members are not personally liable for such fees or expenses. To date, Lead Plaintiff's Counsel has not received any payment for its services in conducting this Litigation on behalf of Lead Plaintiff and the Settlement Class, nor has it received any reimbursement of litigation expenses. The fee requested will compensate Lead Plaintiff's Counsel for its work in achieving the Settlement and is within the range of fees awarded to class counsel under similar circumstances in other cases of this type. This motion will be considered at the Settlement Hearing.

## REQUESTING TO BE EXCLUDED FROM THE SETTLEMENT

### 16. DO I HAVE TO PARTICIPATE IN THE SETTLEMENT?

No. Any member of the Settlement Class who wishes to exclude himself, herself or itself from the Settlement Class may request exclusion in writing. A request for exclusion must be mailed or delivered such that it is received no later than January 15, 2015, to *In re Maxwell Technologies, Inc. Securities Litigation*, EXCLUSIONS, P.O. Box 4028, Portland, OR 97208-4028, and must (i) state the name, address and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone number of the appropriate contact person; (ii) state that such person or entity "requests exclusion from the Settlement Class in *In re Maxwell Technologies, Inc. Securities Litigation*, Docket No. 3:13-cv-00580-BEN-RBB"; (iii) state the number of shares of publicly traded Maxwell common stock that the person or entity requesting exclusion purchased/acquired and/or sold during the Settlement Class Period, as well as the dates and prices of each such purchase/acquisition and sale; and (iv) be signed by the person or entity requesting exclusion or an authorized representative.

Any person or entity who or which timely and validly requests exclusion in compliance with the terms stated in this Order and is excluded from the Settlement Class shall not be a Settlement Class Member, shall not be bound by the terms of the Settlement or any orders or judgments in the action and shall not receive any payment out of the Net Settlement Fund.

## OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

### 17. HOW DO I TELL THE COURT THAT I DO NOT LIKE THE SETTLEMENT?

Any Settlement Class Member may object to the Settlement, the Plan of Allocation, the application for attorneys' fees and expenses, and/or the application for reimbursement of Lead Plaintiff's expenses, and may also (but need not) appear at the Settlement Hearing to raise such an objection. To object, you must submit (a) a written statement identifying your name, address, and telephone number, and, if represented by counsel, your counsel's name and contact information; (b) proof of ownership of Maxwell common stock during the Settlement Class Period, including the number of Maxwell shares and the date or dates of purchase; (c) a statement explaining your objection and your reasons for such objection; and (d) any supporting documentation. If you wish to appear at the Settlement Hearing, you must also include a statement of intention to appear at the Settlement Hearing. You must send these materials by first class mail to the following addresses so that they are received **by January 15, 2015**:

The Court  
Clerk of the Court  
UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA  
221 West Broadway  
San Diego, CA 92101

Lead Plaintiff's Counsel  
Lester R. Hooker  
SAXENA WHITE P.A.  
5200 Town Center Circle, Suite 601  
Boca Raton, FL 33486

Counsel for Defendants Maxwell, David J. Schramm and Kevin S. Royal  
Jerome F. Birn, Jr.  
Wilson Sonsini Goodrich & Rosati  
Professional Corporation  
650 Page Mill Road  
Palo Alto, CA 94304-1050

Counsel for Defendant Van M. Andrews  
Roy K. McDonald  
DLA Piper LLP (US)  
555 Mission Street, Suite 2400  
San Francisco, CA 94105-2933

If you do not raise an objection in the manner provided above, you will be deemed to have waived any objection to the Settlement, the Plan of Allocation, the attorneys' fees and expenses, and the reimbursement of Lead Plaintiff's expenses, unless otherwise ordered by the Court.

#### **THE SETTLEMENT HEARING**

The Court will hold a Settlement Hearing at 9:00 a.m., on February 5, 2015, in Courtroom 5A, at the Edward J. Schwartz U.S. Courthouse, United States District Court, Southern District of California, 221 West Broadway, San Diego, CA 92101. You may attend the Settlement Hearing, but you do not have to. At the Settlement Hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The Court will consider any objections that have been properly submitted. The Court will also decide whether to approve the Plan of Allocation, the payment of fees and expenses to Lead Plaintiff's Counsel, and the application for Lead Plaintiff's representative award. It is difficult to predict how long the hearing may take or whether the Court will make a decision on the day of the hearing or sometime later.

The Settlement Hearing may be adjourned by the Court without further written notice to the Settlement Class. If you, or your counsel, intend to attend the Settlement Hearing, you should confirm the date and time with Lead Plaintiff's Counsel.

#### **18. DO I HAVE TO COME TO THE HEARING?**

No. Lead Plaintiff's Counsel will be attending the Settlement Hearing on behalf of the Settlement Class. If you submit an objection in accordance with the instructions above, the Court will consider your objection even if you do not attend the Settlement Hearing. You may attend the Settlement Hearing if you want, at your own expense, or you may send your own lawyer to attend, but it is not necessary.

#### **IF YOU DO NOTHING**

#### **19. WHAT HAPPENS IF I DO NOTHING AT ALL?**

If you do nothing, you will not receive any payment from the Settlement Fund and you will be bound by the terms of the Settlement, including the release of claims against Defendants.

## SCOPE OF THE RELEASE

### 20. WHAT HAPPENS IF I DO NOT REQUEST EXCLUSION FROM THE SETTLEMENT?

If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Lead Plaintiffs and other members of the Settlement Class, on behalf of themselves and each of their respective legal representatives, heirs, executors, successors, and assigns in their capacities as such, will have fully, finally and forever compromised, settled, remised, released, resolved, relinquished, waived and discharged Defendants and the other Released Persons, (as defined below) and each of their respective legal representatives, heirs, executors, successors, and assigns in their capacities as such, of and from each and every Released Claim (as defined below) and shall forever be enjoined from prosecuting any or all of the Released Plaintiffs’ Claims against any of the Defendants and the other Released Persons.

“Released Claims” means any and all claims, debts, demands, liabilities, rights, and causes of action of every nature and description whatsoever (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses, or liabilities whatsoever), whether based on federal, state, local, statutory, common, or foreign law, or any other law, rule, or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature, whether asserted directly, indirectly, or derivatively, including both known claims and Unknown Claims (defined below): (i) that have been or could have been asserted in the Litigation by the Lead Plaintiff and/or Settlement Class Members or any of them against any of the Released Persons, including, without limitation, those concerning any statements made by any Defendant that Lead Plaintiff allege in the Litigation were false or misleading, or any of the alleged acts, omissions, representations, facts, events, matters, transactions, or occurrences asserted in or relating to the Litigation, or otherwise alleged, asserted, or contended in the Litigation; or (ii) that relate to the purchase, acquisition, or sale of Maxwell common stock during the Settlement Class Period by Lead Plaintiff or any Settlement Class Member that were or might have been asserted on behalf of themselves, their heirs, executors, administrators, successors, and assigns against the Released Persons or any of them. Released Claims do not include any claims relating to the enforcement of the Settlement or any claims against any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

“Released Persons” means Defendants, collectively and each of them, and each of Defendant’s respective Immediate Family members and current, former, or future parents, subsidiaries, associates, affiliates, partners, joint venturers, officers, directors, principals, shareholders, members, agents, representatives, employees, attorneys, financial or investment advisors, consultants, accountants, investment bankers, commercial bankers, trustees, engineers, insurers, co-insurers, reinsurers, heirs, assigns, executors, general or limited partners or partnerships, personal or legal representatives, estates, administrators, predecessors, successors, advisors, and/or any other individual or entity in which any Defendant has or had a controlling interest or which is or was related to or affiliated with any Defendant.

“Unknown Claims” means any Released Claim that Lead Plaintiff or any Settlement Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Persons, which if known by him, her, or it, might have affected his, her, or its decision(s) with respect to the Settlement, including, but not limited to, the decision not to object to the Settlement, provided that such claim arises out of or relates to the purchase or sale of Maxwell common stock, or the decision not to request exclusion from the Settlement Class.

With respect to any and all Released Claims, the parties have further stipulated and agreed that, upon the Effective Date (as defined in the Stipulation), each has expressly waived, and each of the Settlement Class Members shall be deemed to have waived, and by operation of the Judgment shall have waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits 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.

Upon the Effective Date, Lead Plaintiff shall expressly waive and each of the Settlement Class Members shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or international or foreign law, which is similar, comparable, or equivalent to California Civil Code § 1542. Lead Plaintiff and the Settlement Class Members 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 Lead Plaintiff shall expressly fully, finally, and forever settle and release, and each Settlement Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released, any and all Released 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, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Lead Plaintiff acknowledges, and the Settlement Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a part.

## GETTING MORE INFORMATION

### 21. ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

This Notice summarizes the Settlement. More details are in the Stipulation, which has been filed with the Court. You can obtain a copy of the Stipulation from the Clerk's office at the United States District Court, Southern District of California, 333 West Broadway, San Diego, CA 92101, during regular business hours, or it can be viewed or downloaded at [www.maxwellsecuritieslitigation.com](http://www.maxwellsecuritieslitigation.com). Or you may contact the Claims Administrator at 877-283-6564.

### 22. HOW DO I GET MORE INFORMATION?

You can call 877-283-6564 or write to a representative of Lead Plaintiff's Counsel, Lester R. Hooker, or go to [www.maxwellsecuritieslitigation.com](http://www.maxwellsecuritieslitigation.com) for additional information regarding the Settlement or the Litigation. ***Please do not call the Court or the Clerk of the Court for additional information about the Settlement.***

### 23. SPECIAL NOTICE TO NOMINEES.

If you hold any Maxwell common stock purchased between April 29, 2011 through March 19, 2013, inclusive, as a nominee for a beneficial owner, within ten (10) days after you receive this Notice, you must either (1) send a copy of this Notice by first class mail to all such beneficial owners; or (2) provide a list of the names and addresses of such beneficial owners to the Claims Administrator at the following address:

*Maxwell Technologies, Inc. Securities Litigation*  
Claims Administrator  
P.O. Box 4028  
Portland, OR 97208-4028

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing. You may be able to obtain reimbursement for, or advancement of, any reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice that would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator. Please contact the Claims Administrator for more information.

DATED: November 24, 2014

BY ORDER OF THE COURT  
UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF  
CALIFORNIA

**Exhibit A**

| <b>Sale/Disposition Date</b> | <b>Rolling Average Price during 90-day Look Back Period as of the Sale/Disposition Date</b> |
|------------------------------|---|
| 3/20/2013                    | \$5.91  |
| 3/21/2013                    | \$5.92  |
| 3/22/2013                    | \$5.88  |
| 3/25/2013                    | \$5.80  |
| 3/26/2013                    | \$5.66  |
| 3/27/2013                    | \$5.57  |
| 3/28/2013                    | \$5.54  |
| 4/1/2013                     | \$5.50  |
| 4/2/2013                     | \$5.44  |
| 4/3/2013                     | \$5.39  |
| 4/4/2013                     | \$5.35  |
| 4/5/2013                     | \$5.32  |
| 4/8/2013                     | \$5.31  |
| 4/9/2013                     | \$5.30  |
| 4/10/2013                    | \$5.29  |
| 4/11/2013                    | \$5.29  |
| 4/12/2013                    | \$5.29  |
| 4/15/2013                    | \$5.27  |
| 4/16/2013                    | \$5.26  |
| 4/17/2013                    | \$5.26  |
| 4/18/2013                    | \$5.25  |
| 4/19/2013                    | \$5.24  |
| 4/22/2013                    | \$5.24  |
| 4/23/2013                    | \$5.25  |
| 4/24/2013                    | \$5.27  |
| 4/25/2013                    | \$5.29  |
| 4/26/2013                    | \$5.32  |
| 4/29/2013                    | \$5.34  |
| 4/30/2013                    | \$5.37  |
| 5/1/2013                     | \$5.37  |
| 5/2/2013                     | \$5.39  |

| <b>Sale/Disposition Date</b> | <b>Rolling Average Price during 90-day Look Back Period as of the Sale/Disposition Date</b> |
|------------------------------|---|
| 5/3/2013                     | \$5.41  |
| 5/6/2013                     | \$5.44  |
| 5/7/2013                     | \$5.47  |
| 5/8/2013                     | \$5.50  |
| 5/9/2013                     | \$5.52  |
| 5/10/2013                    | \$5.55  |
| 5/13/2013                    | \$5.57  |
| 5/14/2013                    | \$5.59  |
| 5/15/2013                    | \$5.61  |
| 5/16/2013                    | \$5.62  |
| 5/17/2013                    | \$5.64  |
| 5/20/2013                    | \$5.66  |
| 5/21/2013                    | \$5.68  |
| 5/22/2013                    | \$5.70  |
| 5/23/2013                    | \$5.73  |
| 5/24/2013                    | \$5.75  |
| 5/28/2013                    | \$5.77  |
| 5/29/2013                    | \$5.80  |
| 5/30/2013                    | \$5.83  |
| 5/31/2013                    | \$5.85  |
| 6/3/2013                     | \$5.89  |
| 6/4/2013                     | \$5.92  |
| 6/5/2013                     | \$5.95  |
| 6/6/2013                     | \$5.98  |
| 6/7/2013                     | \$6.01  |
| 6/10/2013                    | \$6.04  |
| 6/11/2013                    | \$6.07  |
| 6/12/2013                    | \$6.09  |
| 6/13/2013                    | \$6.11  |
| 6/14/2013                    | \$6.12  |
| 6/17/2013                    | \$6.13  |