

<p>DAVID B. SHAEV, IRA, Individually and on behalf of all others similarly situated,</p> <p style="text-align: center;">Plaintiff,</p> <p style="text-align: center;">v</p> <p>JAY S. SIDHU, MARK McCOLLOM, LAWRENCE M. THOMPSON, JR., JOSEPH P. CAMPANELLI, P. MICHAEL EHLERMAN, BRIAN HARD, MARIAN L. HEARD, ANDREW C. HOVE, JR., DANIEL K. ROTHERMEL, CAMERON C. TROILO, SR., and SOVEREIGN BANCORP, INC.,</p> <p style="text-align: center;">Defendants</p>	<p>PHILADELPHIA COUNTY COURT OF COMMON PLEAS</p> <p>CIVIL ACTION - LAW</p> <p>NOVEMBER TERM, 2005</p> <p>NO 00983</p> <p>COMMERCE PROGRAM</p> <p>097164 097163</p> <p>DOCKETED</p> <p>OCT 29 2008</p> <p style="text-align: right;">CIVIL ADMINISTRATION</p>
Consolidated Cases	
<p><i>Teamsters Local 456 Annuity Fund v Sidhu, et al.</i> November Term, 2005, No. 001003 (Pa. Ct. of Common Pleas, Phila. Cty.)</p>	<p><i>Pamela Bearce-Lopez v Ehlerman et al.</i> June Term, 2006, No. 003828 (Pa. Ct. of Common Pleas, Phila. Cty.)</p>
<p><i>Aaron Solomon v Sidhu, et al.</i> November Term, 2005, No. 01161 (Pa. Ct. of Common Pleas, Phila. Cty.)</p>	

ORDER AND FINAL JUDGMENT

A Hearing having been held before this Court on October 2, 2008, pursuant to this Court's Order dated July 22, 2008 (the "Preliminary Approval Order"), upon a Stipulation of Settlement (the "Stipulation") filed in the above-captioned actions (the "Action"), which is incorporated herein by reference; it appearing that due notice of said hearing has been given in accordance with the aforesaid Preliminary Approval Order; the respective parties having appeared by their attorneys of record; the Court having heard and considered evidence in support of the proposed settlement (the "Settlement") set forth in the Stipulation; the attorneys for the respective parties having been heard; an opportunity to be heard having been given to all other

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persons requesting to be heard in accordance with the Preliminary Approval Order; the Court having determined that notice to the Class, as defined below, was adequate and sufficient; and the entire matter of the proposed Settlement having been heard and considered by the Court:

IT IS ORDERED, ADJUDGED, AND DECREED THIS 28th DAY OF OCT 2008, AS FOLLOWS:

Unless otherwise defined herein, all defined terms shall have the meaning set forth in the Stipulation.

1. Each of the provisions of Pa. R. Civ. P. 1702 has been satisfied and the Action has been properly maintained according to the provisions of Pa. R. Civ. P. 1708(b) with respect to the claims asserted on behalf of the Class. Specifically, based on the record of the Actions, this Court expressly and conclusively finds and orders that: (a) the Class, as defined in the Preliminary Approval Order, was so numerous that joinder of all members was impracticable; (b) there were questions of law or fact common to the Class; (c) the claims or defenses of the representative plaintiffs in the Action were typical of the claims or defenses of the Class; (d) the representative plaintiffs in the Action and its counsel have fairly and adequately protected and represented the interests of the Class; (e) the Action provides a fair and efficient method for adjudication of the controversy under the applicable and (f) the requirements of Pa. R. Civ. P. 1708(b) have been satisfied.

2. "Class" means all Sovereign shareholders and their successors in interest and transferees, immediate and remote, from October 24, 2005, through and including May 28, 2008, the date of the Stipulation (hereafter, the "Class"). Excluded from the Class shall be the Defendants and members of the immediate family of any Defendant, any entity in which a Defendant has or had a controlling interest, officers of Sovereign the legal representatives, heirs, successors or assigns of any such excluded person or entity.

3. The factors discussed in the commentary following Rule 1711 of the Pennsylvania Rules of Civil Procedure are satisfied in this case. Specifically, in this case, the Court finds that the disposition of all the claims of all members in one action outweighs the individual's right to self-exclusion. The Court further finds that the rights of the Class members are dependent on the resolution of questions of constitutional, statutory or contractual construction and the danger of inconsistent decisions with respect to individual members would confront the party opposing the class. In addition, the Court finds that the right to self-exclusion must be balanced against the interests of the Defendants. Finally, the Court has also considered the benefits of judicial economy and the disposition of all claims in one action.

4. In view of the foregoing, the Action is certified as a class action, pursuant to Pa. R. Civ. P. 1702, 1708(b) and 1711, with no opt-out rights on behalf of the Class.

5. Due and adequate notice of the proceedings having been provided to the members of the Class and the shareholders of Sovereign Bancorp, Inc. common stock, and a full opportunity having been offered to them to participate in this Hearing, it is hereby determined that they are bound by the Order and Final Judgment entered herein.

6. The Stipulation and the terms of the Settlement as described in the Stipulation and the Notice are hereby approved and confirmed as being fair, reasonable, adequate, and in the best interests of the Class; the parties to the Stipulation are directed hereby to consummate the Settlement in accordance with the terms and conditions set forth in the Stipulation; and the Register in Chancery is directed to enter and docket this Order and Final Judgment in the Action.

7. Plaintiffs' claims asserted in the Action on behalf of the Class against all Defendants shall be dismissed on the merits with prejudice against Plaintiffs and all members of the Class, without costs, except as provided herein. Pursuant to paragraph 2(e) of the Stipulation, all

claims whether known or unknown and whether arising under federal, state or any other law, which have been, or could have been, asserted against any of the Released Parties, relating to the allegations, facts, events, transactions, acts, occurrences, statements, representations, misrepresentations, omissions or any other matter, thing or cause whatsoever, or any series thereof, embraced, involved, set forth in or otherwise related to the transactions between Sovereign and Santander or Independence announced on October 24, 2005, any subsequent amendments to those transactions, the compensation of the directors of Sovereign, Sovereign's corporate governance policies, practices, and procedures and facts and allegations that are or have been raised or could have been raised in any of the complaints in the Actions (collectively, the "Settled Claims") are hereby released as to Jay S. Sidhu, Mark R. McCollom, Lawrence M. Thompson, Jr., Joseph P. Campanelli, P. Michael Ehlerman, Brian Hard, Marian L. Heard, Andrew C. Hove, Jr., Daniel K. Rothermel, Cameron C. Troilo, Sr., Sovereign, and any of their affiliates, parents, subsidiaries, (including the directors and officers of such affiliates, parents and subsidiaries) predecessors, successors or assigns, and each and all of their respective present or former officers, directors, employees, associates, representatives, attorneys, trustees, counselors, financial or investment advisors, consultants, accountants, investment bankers, insurers, commercial lenders, advisors or agents, heirs, executors, personal representatives, estates or administrators of any of the foregoing (collectively, the "Released Parties"); provided, however, that the Settled Claims shall not include the right of any of the Parties to enforce the terms of the Settlement; and further provided, however, that each of the members of the Class shall be deemed to have, and by operation of this Order and Final Judgment shall have, expressly and specifically waived, to the extent permissible by law, the provisions, rights and benefits of California Civil Code § 1542 and any similar or comparable statute.

8. Plaintiffs and each of the Class Members shall be deemed to have, and by operation of this Order and Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Settled Claims and any Settled Claims which the Plaintiffs and any other member of the Class do not know or suspect to exist in their favor at the time of their release of the Released Parties which, if known by them, might have affected their settlement with and release of the Released Parties, or might have affected their decision not to object to this Settlement. With respect to any and all Settled Claims, the parties stipulate and agree that Plaintiffs shall expressly and specifically, and each of the members of the Class shall be deemed to have, and by operation of this Order and Final Judgment shall have, expressly and specifically waived, to the extent permissible 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.

Plaintiffs and each of the Class Members shall be deemed to have specifically waived, and by operation of this Order and Final Judgment shall have specifically waived, to the extent permissible by law, 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. Plaintiffs and members of the Class may hereafter discover facts in addition to or different from those which they now know or believe to be true with respect to the subject matter of the Settled Claims, but Plaintiffs and each Class Member shall be deemed to have expressly and specifically waived, and by operation of this Order and Final Judgment shall have, fully, finally, and forever settled and released, any and all Settled Claims, known or unknown, suspected or unsuspected, contingent or

non-contingent, which now exist, or heretofore have existed, upon any theory of law or equity now existing, 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. The parties acknowledge, and the members of the Class shall be deemed by operation of this Order and Final Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a material element of the Settlement of which this release is a part

9. Defendants, including any and all of their respective successors in interest, predecessors, representatives, trustees, executors, administrators, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under any of them, and each of them, release the named Plaintiffs and Plaintiffs' counsel from any and all claims arising out of or relating to their filing and prosecution of the Action; provided, however, that the release shall not include the right of the Defendants to enforce the terms of the Stipulation.

10. Plaintiffs and the members of the Class are hereby, individually and severally, permanently barred and enjoined from instituting, commencing, prosecuting, participating in or continuing any action or other proceeding in any court or tribunal of this or any other jurisdiction, either directly, representatively, derivatively or in any other capacity, against any of the Released Parties, based upon, arising out of, or in any way related to or for the purpose of enforcing any Settled Claim, excepting that litigation that remains pending between some of the Released Parties and Relational, including the pending portion of *Relational Investors, LLC v Sovereign Bancorp, Inc.*, No. 05 CIV. 10394 (U.S.D.C. S.D.N.Y.); *Relational Investors, LLC v Sovereign Bancorp, Inc.*, 07-1984-CV (2d Cir.); and *Relational Investors, LLC v Sovereign Bancorp, Inc.*, Docket No. 24 MAP 2007 (Pa. Sup. Ct.). All Settled Claims are hereby declared to be compromised,

settled, released, dismissed with prejudice and extinguished by virtue of the proceedings in the Action and this Order and Final Judgment

11. The attorneys for Plaintiffs are awarded attorneys' fees and expenses in the amount of \$ 1,800,000 which sum the Court finds to be fair and reasonable, to be paid solely by Defendants' insurance carrier in accordance with the terms of the Stipulation

12. This Order and Final Judgment shall not constitute any evidence or admission by any of Defendants hereto or any other person that any acts of negligence or wrongdoing of any nature have been committed and shall not be deemed to create any inference that there is any liability therefore.

13. The effectiveness of the provisions of this Order and Final Judgment and the obligations of Plaintiffs and Defendants under the Settlement shall not be conditioned upon or subject to the resolution of any appeal from this Order and Final Judgment that relates solely to the issue of Plaintiffs' counsel's application for an award of attorneys' fees and expenses.

14. Without affecting the finality of this Order and Final Judgment, jurisdiction is hereby retained by this Court for the purpose of protecting and implementing the Stipulation and the terms of this Order and Final Judgment, including the resolution of any disputes that may arise with respect to the effectuation of any of the provisions of the Stipulation, and for the entry of such further orders as may be necessary or appropriate in administering and implementing the terms and provisions of the Settlement and this Order and Final Judgment.

Dated: Oct 28, 2008


New, J

COPIES SENT
PURSUANT TO Pa.R.C.P. 238(b)

OCT 28 2008

FIRST JUDICIAL DISTRICT OF PA
USER I.D. SM