

TO: ALL HOLDERS OF STATE STREET CORPORATION COMMON STOCK AS OF JUNE 24, 2021 (“CURRENT STATE STREET SHAREHOLDERS”).

PLEASE READ THIS NOTICE CAREFULLY AND COMPLETELY. YOUR RIGHTS WILL BE AFFECTED.

THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF A SHAREHOLDER DERIVATIVE ACTION AND CLAIMS ASSERTED ON BEHALF OF STATE STREET CORPORATION.

PURPOSE OF THIS NOTICE

This Notice is given pursuant to Rule 23.1 of the Massachusetts Rules of Civil Procedure and by an Order of the Suffolk County Superior Court. The purpose of the Notice is to advise you that a shareholder derivative lawsuit is pending in that Court, and that the parties thereto have reached a proposed settlement (the “Settlement”) which would resolve the derivative action. The Stipulation of Settlement does not require State Street to make any payment to State Street shareholders. The action was brought by shareholders of nominal defendant State Street Corporation (“State Street” or the “Company”) on the Company’s behalf, against defendants Kennett F. Burnes, Patrick de Sant-Aignan, Lynn A. Dugle, Amelia Fawcett, William C. Freda, Linda A. Hill, Joseph L. Hooley, Richard P. Sergel, and Gregory L. Summe (collectively, the “Individual Defendants”). The terms and conditions of the proposed Settlement are summarized in this Notice and set forth in a Stipulation of Settlement (the “Stipulation”), which may be inspected at the Civil Clerk’s Office, Suffolk County Superior Court, 3 Pemberton Square, 12th Floor, Boston, Massachusetts 02108, during regular business hours of each business day. A Settlement Hearing will be held on October 13, 2021 at 2:00 pm before the Honorable Brian A. Davis, both via Zoom (Meeting ID 161 7623 4752) and live at the Suffolk County Superior Court, Courtroom 1309, 3 Pemberton Square, Boston, MA 02108 to consider the fairness, reasonableness, and adequacy of the Settlement, and the request for payment of attorneys’ fees and expenses to Plaintiffs’ Lead Counsel to be paid by State Street.

THIS NOTICE IS NOT AN EXPRESSION OF ANY OPINION BY THE COURT AS TO THE MERITS OF ANY CLAIMS OR ANY DEFENSES ASSERTED BY ANY PARTY IN THE DERIVATIVE ACTION, OR OF THE FAIRNESS, REASONABLENESS OR ADEQUACY OF THE PROPOSED SETTLEMENT.

DEFINITIONS

The capitalized terms in this Notice have the meaning set forth in the Stipulation of Settlement filed with the Civil Clerk’s Office, Suffolk County Superior Court, 3 Pemberton Square, 12th Floor, Boston, Massachusetts 02108, and include the following defined terms:

1. “Action” means the action captioned Cutler v. State Street, C.A. No. SUCV2017-2359-BLS1.
2. “Court” means the Business Litigation Session of the Suffolk County Superior Court of the Commonwealth of Massachusetts.

3. “Current State Street Shareholder” or “Current State Street Shareholders” means all record and beneficial owners of State Street common stock and the respective past or present agents, administrators, affiliates, executors, heirs, employees, officers, directors, transferees, trustees, managers, deputies, predecessors, successors, and assigns, and representatives of all such owners, immediate or remote, in each case solely in their capacities as shareholders of State Street common stock as of June 24, 2021.

4. “Defendants” means the Individual Defendants and nominal defendant State Street.

5. “Effective Date” means the first date by which all of the events and conditions specified in paragraph 6.1 of the Stipulation have been met and have occurred.

6. “Final” means the later of: (i) the expiration of the time for the filing or noticing of an appeal or motion for reargument or rehearing from the Court’s Judgment approving the material terms of the Settlement without such appeal or motion having been made; (ii) the date of final affirmance of the Court’s Judgment on any appeal, reargument or rehearing; or (iii) the final dismissal of any appeal from the Court’s Judgment and the time for any reconsideration or further appellate review has passed.

7. “Individual Defendants” means Kennett F. Burnes, Patrick de Saint-Aignan, Lynn A. Dugle, Amelia Fawcett, William C. Freda, Linda A. Hill, Joseph L. Hooley, Richard P. Sergel, and Gregory L. Summe.

8. “Judgment” means the final judgment dismissing all the claims with prejudice, to be rendered by the Court, substantially in the form attached to the Stipulation as Exhibit A.

9. “Lead Counsel” or “Lead Counsel for Plaintiffs” means Pomerantz LLP.

10. “Notice” means the Notice of Pendency of Shareholder Derivative Action, Proposed Settlement, and Settlement Hearing which, subject to Court approval, is to be provided by State Street substantially in the form attached to the Stipulation as Exhibit B-1 in the manner set forth below, and that will be available for shareholders on the investor relations portion of State Street’s website: <https://www.statestreet.com/content/dam/statestreet/documents/utility/revise-derivative-action-settlement-on-billing-review-matter.pdf>

11. “Person” means an individual, corporation, limited liability corporation, professional corporation, partnership, limited partnership, limited liability partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government, or any political subdivision or agency thereof, and any business or legal entity and their spouses, heirs, agents, executors, attorneys, administrators, predecessors, successors, representatives, or assignees.

12. “Plaintiffs” means Corey Cutler, David Shaev, and Steve Silverman.

13. “Plaintiffs’ Counsel” means any counsel who have appeared on behalf of Plaintiffs in the Action.

14. “Related Parties” means each of a Defendant’s past or present parents (including State Street), subsidiaries, associates, affiliates, divisions, officers, directors, trustees, managers, deputies, members, shareholders, general partners, limited partners, employees, agents, servants, attorneys, spouses, executors, administrators, principals, consultants, accountants, advisors, representatives, assignees, insurers, reinsurers, and affiliated entities, and any person, firm, trust, corporation, officer, director, or other individual or entity in which any Defendant has a controlling interest or which is related to or affiliated with any of the Defendants and the heirs, predecessors, successors, or assigns of the foregoing.

15. “Released Claims” shall collectively mean all claims, actions, causes or rights of action, demands, rights, liabilities, damages, losses, obligations, duties, costs, debts, interest, penalties, sanctions, fees, attorneys’ fees, judgments, suits, matters, and issues of any kind whatsoever (including, but not limited to, any claims for compensatory damages, punitive damages, losses, obligations, judgments, suits, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses, liability, or relief, monetary, injunctive, or otherwise), expenses, controversies, and issues of any kind or nature whatsoever, in law or equity, whether presently known or unknown, whether based on federal, state, local, foreign, international, or common law, rule, regulation or statute, contingent or absolute, suspected or unsuspected, accrued or unaccrued, foreseen or unforeseen, fixed or contingent, disclosed or undisclosed (including “Unknown Claims”), matured or unmatured, liquidated or unliquidated, at law or in equity, pleaded or unpleaded, known or unknown, suspected or unsuspected, arising out of, similar to, or related to (i) claims that have been asserted in the Action and/or the Complaint and/or the Demand Letters (as defined below) by the Plaintiffs against the Individual Defendants or Nominal Defendant; (ii) claims that could have been or could in the future be asserted in the Action and/or the Complaint and/or the Demand Letters by the Plaintiffs, State Street, or any Current State Street Shareholders against the Individual Defendants, Nominal Defendant, or the Released Persons, arising out of, in connection with, based upon, or in any way relating to the allegations, acts, transactions, facts, events, matters or occurrences, disclosures, representations, or omissions involved, described, set forth, or referred to in the Action and/or the Complaint and/or the Demand Letters, (iii) claims that arise out of, are in connection with, based upon, or in any way relate to the defense or settlement of the Action, provided however, the Released Claims shall not include claims to enforce the Settlement.

16. “Released Persons” means each and all of the Defendants and their Related Parties, and any current and former employees, officers and agents of State Street.

17. “Settlement” means the settlement contemplated by the Stipulation.

18. “Settling Parties” or “Parties” means, collectively, each of the Defendants and the Plaintiffs on behalf of themselves, State Street, and Current State Street Shareholders.

19. “State Street” or the “Company” means nominal defendant State Street Corporation, and its affiliates, subsidiaries, predecessors, successors, and assigns.

20. “Unknown Claims” means any Released Claim which Plaintiffs, State Street, or Current State Street Shareholders do not know or suspect to exist in his, her, or its favor at the time of the release of the Released 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 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 and State Street shall expressly waive and each of the Current State Street 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 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, Plaintiffs and State Street shall expressly waive, and each of the Current State Street 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, State Street, and Current State Street 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, each Plaintiff and State Street shall expressly settle and release, and each Current State Street 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 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. The Settling Parties acknowledge, and the Current State Street 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.

BACKGROUND

21. On February 17, 2016, counsel for putative shareholder Anne S. Cutler demanded in one of the Demand Letters that State Street undertake an independent internal investigation and commence a civil action against its officers and directors concerning State Street's incorrect invoicing of expenses to clients over 18 years and a January 14, 2016 settlement of \$12 million with the United States Securities and Exchange Commission concerning solicitation of asset servicing business for Ohio public retirement plans (the "Cutler Demand" and with the other Demand Letters described herein the "Demand Letters"). State Street's Board of Directors (the "Board") thereafter appointed a committee comprised of outside directors to investigate and make a recommendation to the Board as to the Cutler Demand (the "Special Committee").

22. On April 14, 2016, Ms. Cutler made an additional demand in a Demand Letter for the Company to investigate allegations concerning two former State Street executives and allegations about "secret commissions applied to billions of dollars in securities trades." The

Special Committee determined it appropriate under its existing authority to investigate the issues raised by Ms. Cutler's April 14, 2016 Demand Letter. The Board ratified the Special Committee's determination by a resolution adopted in July 2016.

23. On February 2, 2017, counsel for putative shareholder Steve Silverman made a similar demand in a Demand Letter on the Company, with allegations and demands that fell within the scope of the original Cutler demands.

24. On July 27, 2017, Ms. Cutler filed a derivative complaint against Kennett F. Burnes, Patrick de Saint-Aignan, Lynn A. Dugle, Amelia Fawcett, William C. Freda, Linda A. Hill, Joseph L. Hooley, Richard P. Sergel and Gregory Summe, and the Company as a nominal defendant.

25. On March 20, 2019, following the passing of Ms. Cutler, her son Corey Cutler moved to substitute himself as plaintiff. Shareholder David Shaev—represented by the same law firm as Ms. Cutler and her son—sent a similar Demand Letter to the Company as Ms. Cutler on January 11, 2019 and filed a motion to intervene as plaintiff on March 20, 2019. On March 25, 2019, the Court granted Mr. Cutler's motion to substitute and Mr. Shaev's motion to intervene, without prejudice to State Street later challenging Mr. Cutler's standing.

26. Counsel for Plaintiffs and counsel for the Defendants have engaged in extensive arms'-length settlement negotiations. On or about April 23, 2021, the Parties executed a Confidential Memorandum of Understanding to resolve the action on the terms reached by the Settling Parties.

TERMS OF THE SETTLEMENT

27. Pursuant to the Settlement, State Street has agreed, subject to further revisions by the parties, that:

a. State Street has agreed that for three years following the entry of any judgment in this Action that becomes Final, State Street shall continue to maintain a Billing Risk Committee ("BRC") staffed with appropriate senior and other management employees having oversight responsibility, among other things, for adoption and maintenance of appropriate policies and procedures providing for an effective control environment for client invoicing. The BRC during this period must approve any changes in certain policies and procedures, after review of the existing policies and based on the conclusion that the change does not render the control environment ineffective and that the change promotes efficiency, effectiveness or is necessary in light of changed circumstances (including legal or regulatory change). State Street has further agreed to continue to maintain for three years the policies and procedures with substantially the same objectives as these certain policies and procedures, subject to changes in legal or regulatory requirements.

b. State Street has agreed to adopt Corporate Governance Guidelines (the "Guidelines") which establish a framework to assist in the Board's exercise of

its duties and responsibilities. The Board may exercise its discretion to modify the Guidelines from time to time. The Guidelines list the specific functions to be carried out by the Board, including through its committees. The Company shall modify the list of the Board's functions set forth in the Guidelines as follows, and which shall not be modified for a period of two years: "The Board, including through its committees, also attends to specific functions, including ... overseeing management's assessment of the adequacy and effectiveness of internal controls;"

c. State Street has agreed that for two years, the annual plan of State Street's Business Conduct Committee ("BCC") will include oversight by the BCC or one of its subcommittees of the development, implementation, and assessment of a Culture Training Program for newly hired employees (the "Program"). The objective of the Program will be to prevent recurrence of the type of employee conduct that permitted the administrative expense overcharges to occur. The Program will be designed to create awareness of State Street's core values and how they are integrated into its expectations for ethical business conduct by its employees; its strong compliance culture and standards for ethical business conduct; and the risks of unethical business conduct to individual employees and to State Street as an institution.

28. Pursuant to the Settlement, Plaintiffs (acting on their own behalf and, derivatively on behalf of State Street), State Street, and each of the Current State Street Shareholders shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished and discharged the Released Claims against the Released Persons and any and all claims (including Unknown Claims) arising out of, relating to, or in connection with the defense, settlement or resolution of the Action and/or the Complaint and/or the claims in the Demand Letters against the Released Persons and shall be forever enjoined from prosecuting the Released Claims. Nothing herein shall in any way impair or restrict the rights of any Settling Party to enforce the terms of the Stipulation.

29. Pursuant to the Settlement, the Released Persons shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished and discharged each and all of the Plaintiffs and Plaintiffs' Counsel from all claims (including Unknown Claims) arising out of, relating to, or in connection with, the institution, prosecution, assertion, settlement or resolution of the Action, claims in the Demand Letters or the Released Claims. Nothing herein shall in any way impair or restrict the rights of any Settling Party to enforce the terms of the Stipulation.

PLAINTIFFS' COUNSEL'S POSITION CONCERNING SETTLEMENT

30. Plaintiffs believe that the claims asserted in the Action have merit. However, they recognize and acknowledge the expense and length of continued proceedings that would be necessary if they were to prosecute the Action against Defendants or if they brought additional claims with respect to their Demand Letters. Plaintiffs have also taken into account the uncertain outcome and the risk of any litigation, especially in complex shareholder litigation such as the Action, as well as the difficulties and delays inherent in such litigation, and that would result if

they brought additional claims pursuant to the Demand Letters. Plaintiffs' Counsel also are mindful of the inherent problems of proof and possible defenses to the claims asserted in the Action and the Demand Letters. Plaintiffs' Counsel believe that the settlement set forth in this Stipulation, which would include dismissal of the Action and withdrawal of the Demand Letters by counsel, confers substantial benefits upon State Street and Current State Street Shareholders. Based on their evaluation, Plaintiffs' Counsel have determined that the Settlement set forth in this Stipulation is in the best interests of the Plaintiffs, State Street, and Current State Street Shareholders, and that the terms and conditions of the Settlement are fair, reasonable, and adequate.

DEFENDANTS' POSITION CONCERNING SETTLEMENT

31. The Individual Defendants have denied and continue to deny each and all of the claims and contentions alleged against them by the Plaintiffs in the Action and in the Demand Letters, including all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Action and the Demand Letters. With the advice of the Special Committee and of the counsel for the Board and for the Special Committee, they concluded that litigation was and is not in the best interests of the Company or Current State Street Shareholders. The Individual Defendants also have denied and continue to deny, among other things, the allegations that the Plaintiffs, State Street, or Current State Street Shareholders have suffered damage as a result of actions or inaction of the Board. The Individual Defendants have further asserted that at all relevant times, they acted in good faith, and in a manner they reasonably believed to be in the best interests of State Street and Current State Street Shareholders. Nonetheless, the Individual Defendants have taken into account the uncertainty and risks inherent in any litigation, especially in complex actions such as this, as well as the continuing expense of ongoing or additional litigation. The Individual Defendants have, therefore, determined that it is desirable for this Action to be fully and finally settled and the Demand Letters be withdrawn by Plaintiffs, in the manner and upon the terms and conditions set forth in the Stipulation. State Street acknowledges that the Settlement confers substantial benefits on State Street and Current State Street Shareholders, and is fair, reasonable, and adequate, and in the best interests of State Street and Current State Street Shareholders. State Street further acknowledges that the Demand Letters and the filing, prosecution, and/or resolution of the Action are material causes of State Street's decision to implement the Reforms.¹

ATTORNEYS' FEES AND EXPENSES OF PLAINTIFFS' COUNSEL

32. State Street and Plaintiffs negotiated the attorneys' fees that State Street would pay to Lead Counsel for Plaintiffs. Subject to Court approval of the Settling Parties' agreement, State Street and/or its insurer(s) has agreed to pay the sum of \$2,250,000 to Lead Counsel for Plaintiffs for their fees and expenses (the "Fees and Expenses"). Also subject to Court approval, Plaintiffs

¹ For the avoidance of doubt, Defendants do not deny any of the facts that State Street stipulated to in Attachment A to the Deferred Prosecution Agreement entered into by State Street and the United States Attorney's Office for the District of Massachusetts, which was filed with the United States District Court for the District of Massachusetts on May 13, 2021. *United States v. State Street Corp.*, 1:21-cr-10153 (D. Mass.).

Corey Cutler, David Shaev, and Steve Silverman each intend to apply for plaintiff incentive awards of \$2,000, \$2,000, and \$1,000, respectively, to be paid from any award of Fees and Expenses to Lead Counsel.

CONDITIONS TO SETTLEMENT

33. The Stipulation contains conditions, which must be satisfied for the Parties to be required to complete the Settlement.

NOTICE OF HEARING ON PROPOSED SETTLEMENT

34. A hearing (the “Settlement Hearing”) shall be held before this Court on October 13, 2021 at 2:00pm before the Honorable Brian A. Davis, both via Zoom (Meeting ID 161 7623 4752) and live at the Suffolk County Superior Court, Courtroom 1309, 3 Pemberton Square, Boston, MA 02108 to (a) determine whether the Settlement of the Action on the terms and conditions provided for in the Stipulation is fair, reasonable and adequate and in the best interests of State Street Corporation and Current State Street Shareholders and should be approved by the Court; (b) determine whether the Court should enter the Judgment as provided in paragraph 1.9 and Exhibit A of the Stipulation dismissing the Complaint on the merits and with prejudice and releasing the Released Claims against the Released Persons; (c) determine Plaintiffs’ Counsel’s award of attorneys’ fees; (d) hear and determine any objections to the Settlement or the Fee and Expense Amount; and (e) rule on such other matters as the Court may deem appropriate.

35. The Court may adjourn the Settlement Hearing by oral announcement at such hearing or any adjournment without further notice of any kind. The Court may approve the Settlement with or without modification, enter an Order and Final Judgment, and order the payment of the Fees and Expenses without further notice of any kind.

THE RIGHT TO BE HEARD AT THE SETTLEMENT HEARING

36. Any Current State Street Shareholder may appear and show cause, if he, she, or it has any, why the Settlement of the Action should not be approved as fair, reasonable, and adequate, or why a Judgment should not be entered thereon, or why the Fee and Expense Amount should not be approved; provided, however, unless otherwise ordered by the Court, no Current State Street Shareholder shall be heard or entitled to contest the approval of the terms and conditions of the Settlement, or, if approved, the Judgment to be entered thereon approving the same, or the Fee and Expense Amount, and no papers or briefs submitted by or on behalf of any Current State Street Shareholder shall be received and considered, except by order of the Court for good cause shown, unless that Person has, at least fourteen days prior to the Settlement Hearing, filed with the Clerk of the Court and served on the following counsel (delivered by hand or sent by first class mail) appropriate proof of stock ownership, along with written objections, including the basis therefore, and copies of any papers and briefs in support thereof:

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

Counsel for Defendants

William H. Paine
Wilmer Cutler Pickering Hale and Dorr LLP
60 State Street
Boston, MA 02109

Gregory Markel
Seyfarth Shaw LLP
620 Eighth Avenue
New York, NY 10018

Counsel for Plaintiffs

Gustavo F. Bruckner
Pomerantz LLP
600 Third Avenue
New York, NY 10016

Any State Street shareholder wishing to be heard at the Settlement Hearing must also include a notice of intention to appear at the Settlement Hearing with such shareholder's written objection.

37. Every objection must contain: (1) the objector's name, address, and phone number; (2) the number of shares of State Street common stock owned by the objector; (3) the date(s) of purchase(s) of such shares; (4) a detailed statement of the basis of the objection; (5) any supporting papers, including all documents and writings that the objector desires the Court to consider; (6) the names of any witnesses the objector plans to call to testify at the Settlement Hearing and the topics of the witness(es)' likely testimony; and (7) a representation regarding whether the objector intends to appear at the Settlement Hearing. Any Current State Street Shareholder who does not make his, her, or its objection in the manner provided herein shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, reasonableness, or adequacy of the Settlement as incorporated in the Stipulation and to the Fee and Expense Amount and the entry of the Judgment, unless otherwise ordered by the Court, but shall otherwise be bound by the Judgment to be entered and the releases to be given.

FURTHER INFORMATION

38. Further information regarding the Action and this Notice may be obtained on the investor relations section of State Street's website at <https://www.statestreet.com/content/dam/statestreet/documents/utility/revised-derivative-action-settlement-on-billing-review-matter.pdf>. or by writing Plaintiffs' Lead Counsel:

Gustavo F. Bruckner
Pomerantz LLP
600 Third Avenue
New York, NY 10016

Telephone: 212-661-1100
Email: gbruckner@pomlaw.com

39. The pleadings and other records of the Action as well as the Stipulation filed with the Court may be examined and copied at any time during regular office hours at the Civil Clerk's Office, Suffolk County Superior Court, 3 Pemberton Square, 12th Floor, Boston, Massachusetts 02108.

Please Do Not Telephone the Court or the Clerk's Office Regarding this Notice.