

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF SAN MATEO

|   |   |                                       |
|---|---|---------------------------------------|
| CHICAGO LABORERS PENSION FUND, et al.,<br>Individually and on Behalf of All Others Similarly<br>Situated, | ) | Case No. CIV535692                    |
|   | ) | <b>(Consolidated)</b>                 |
| Plaintiffs,   | ) | <u>CLASS ACTION</u>                   |
| vs.   | ) | Assigned for All Purposes to Dept. 16 |
| ALIBABA GROUP HOLDING LIMITED, et al.,  | ) | Date Action Filed: 10/05/15           |
| Defendants.   | ) |                                       |

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**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION**

**TO: ALL PERSONS THAT PURCHASED OR OTHERWISE ACQUIRED ALIBABA GROUP HOLDING LIMITED (“ALIBABA” OR THE “COMPANY”) AMERICAN DEPOSITARY SHARES (“ADS”) PURSUANT OR TRACEABLE TO THE COMPANY’S REGISTRATION STATEMENT AND PROSPECTUS FILED IN CONNECTION WITH ALIBABA’S SEPTEMBER 19, 2014 INITIAL PUBLIC OFFERING (“IPO”) (“CLASS” OR “CLASS MEMBERS”)<sup>1</sup>**

**IN ORDER TO QUALIFY FOR A SETTLEMENT PAYMENT, YOU MUST TIMELY SUBMIT A PROOF OF CLAIM AND RELEASE FORM (“PROOF OF CLAIM”) BY MAY 2, 2019.**

**THIS NOTICE WAS AUTHORIZED BY THE COURT. IT IS NOT A LAWYER SOLICITATION. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.**

**WHY SHOULD I READ THIS NOTICE?**

This Notice is given pursuant to an order issued by the Superior Court of California, County of San Mateo (the “Court”). This Notice serves to inform you of the proposed settlement of the above-captioned class action lawsuit (the “Settlement”) and the hearing (the “Settlement Fairness Hearing”) to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, as set forth in the Stipulation of Settlement dated December 28, 2018 (the “Stipulation”), by and between Chicago Laborers Pension Fund (“CLPF”), Gary Buelow, Rustem Nurlybayev and Michael Hercules (“Individual Plaintiffs,” and together with CLPF, “Plaintiffs”), on behalf of themselves and the Class (as defined below), and Defendants Alibaba Group Holding Limited (“Alibaba” or the “Company”), Jack Yun Ma, Joseph Tsai, Jonathan Zhaoxi Lu, Maggie Wei Wu, Timothy Steinert and Masayoshi Son (collectively, the “Alibaba Defendants”) and Credit Suisse Securities (USA) LLC; Deutsche Bank Securities Inc.; Goldman Sachs (Asia) L.L.C.; J.P. Morgan Securities LLC; Morgan Stanley & Co. International plc; Citigroup Global Markets Inc.; BOCI Asia Limited; China International Capital Corporation Hong Kong Securities Limited; CLSA Limited; DBS Bank Ltd.; BHF-BANK Aktiengesellschaft LLC (n/k/a ODDO BHF Aktiengesellschaft); CIMB Securities Limited (n/k/a CGS-CIMB Securities (Hong Kong) Limited); China Merchants Securities (HK) Co., Limited; HSBC Securities (USA) Inc.; Mizuho Securities USA Inc.; Pacific Crest Securities LLC (n/k/a KeyBanc Capital Markets Inc.); Stifel, Nicolaus & Company, Incorporated; Wells Fargo Securities, LLC; BNP Paribas Securities Corp.; Evercore Group L.L.C.; Raymond James & Associates, Inc.; SunTrust Robinson Humphrey, Inc.; ING Financial Markets LLC; Needham & Company, LLC; Nomura Securities International, Inc.; Raine Securities LLC; RBS Securities Inc.; SG Americas Securities, LLC; C.L. King & Associates, Inc.; Leberthal & Co., LLC; Mischler Financial Group, Inc.; Samuel A. Ramirez & Company, Inc.; Topeka Capital Markets Inc.; and The Williams Capital Group, L.P. (the “Underwriter Defendants”) (collectively, “Defendants”).<sup>2</sup>

**This Notice is intended to inform you how this lawsuit and proposed Settlement may affect your rights and what steps you may take in relation to it. This Notice is NOT an expression of any opinion by the Court as to the merits of the claims or defenses asserted in the lawsuit or whether the Defendants engaged in any wrongdoing.**

**WHAT IS THIS LAWSUIT ABOUT?**

**THE ALLEGATIONS**

Alibaba is a China-based online and mobile commerce company in retail and wholesale trade, as well as cloud computing and other services. Plaintiffs claim that Defendants violated §§11, 12(a)(2) and 15 of the Securities Act of 1933 (the “Securities Act”) by reason of material misrepresentations and omissions in the Registration Statement and Prospectus for Alibaba’s September 2014 IPO. Specifically, Plaintiffs allege that the Registration Statement and Prospectus represented that counterfeiting and other illicit activities were risks that could adversely impact Alibaba’s business while failing to disclose that multiple Chinese regulators had informed Alibaba during a July 16, 2014 meeting that there were numerous and persistent illegal practices on Alibaba’s e-commerce platforms that the Company had ignored, participated in, and covered up for a long time.

Defendants denied all of Plaintiffs’ allegations.

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<sup>1</sup> For purposes of this Settlement only, the “Class” includes all persons or entities who purchased or otherwise acquired Alibaba ADS on or before October 5, 2015.

<sup>2</sup> The Stipulation can be viewed and/or downloaded at [www.AlibabaSecuritiesLitigation.com](http://www.AlibabaSecuritiesLitigation.com). All capitalized terms used herein have the same meaning as the terms defined in the Stipulation.

**THE COURT HAS NOT RULED AS TO WHETHER DEFENDANTS ARE LIABLE TO PLAINTIFFS OR TO THE CLASS. THIS NOTICE IS NOT INTENDED TO BE AN EXPRESSION OF ANY OPINION BY THE COURT WITH RESPECT TO THE TRUTH OF THE ALLEGATIONS IN THIS ACTION OR THE MERITS OF THE CLAIMS OR DEFENSES ASSERTED. THIS NOTICE IS SOLELY TO ADVISE YOU OF THE PROPOSED SETTLEMENT OF THIS ACTION AND YOUR RIGHTS IN CONNECTION WITH THAT SETTLEMENT.**

### **PROCEDURAL HISTORY**

The initial complaint was filed in this Court by one of the Individual Plaintiffs on October 5, 2015. Two other complaints by the other two Individual Plaintiffs were filed thereafter. Defendants removed the action to federal court, and upon motion by the Individual Plaintiffs, the litigation was remanded to this Court.

On March 25, 2016, the Individual Plaintiffs filed their Consolidated Complaint for Violations of the Securities Act of 1933. On May 6, 2016, Defendants filed demurrers to that complaint. The Individual Plaintiffs opposed the demurrers on June 17, 2016. Defendants filed their replies on July 15, 2016. The hearing on the demurrers occurred on October 20, 2016, and October 24, 2016. The parties submitted supplemental briefing on November 18, 2016.

On September 2, 2016, Alibaba moved for summary judgment on the grounds that, among other things, the Individual Plaintiffs lacked standing to bring Securities Act claims and could not recover under §12(a)(2) because they did not purchase their securities from, and were not solicited by, any of the defendants in this Action. Alibaba moved in the alternative for summary adjudication against two of the Individual Plaintiffs on the grounds that they did not have any statutory damages. Plaintiffs did not file oppositions to these motions, and the Court did not hold a hearing on the motions, before the Parties agreed to settle the Action.

On December 22, 2016, the Court sustained the demurrers in part and overruled them in part. The Court overruled Defendants' demurrers to the §11 claim and also rejected Defendants' contention that the Court lacked subject matter jurisdiction. The Court sustained Defendants' demurrers to the §12(a)(2) and §15 claims. Alibaba and the Underwriter Defendants answered the complaint on January 18, 2017, with general denials and affirmative defenses.

On January 17, 2017, the Individual Plaintiffs filed an unopposed motion to amend the complaint to add CLPF as a plaintiff. The Court granted the motion on February 10, 2017, and the First Amended Consolidated Complaint was filed on February 14, 2017; Defendants filed demurrers on March 20, 2017; Plaintiffs opposed on April 10, 2017; and Defendants filed their replies on May 1, 2017. The Court issued a tentative ruling on June 16, 2017, that requested additional argument with respect to certain of the issues raised in the briefs. At the request of the parties, the Court deferred the hearing on the demurrers.

In June 2017, the parties agreed to stay the case until the United States Supreme Court issued a decision in *Cyan, Inc., et al. v. Beaver Cty. Emps., et al.*, No. 15-1439, which would resolve whether state courts lacked subject matter jurisdiction over covered class actions that alleged only Securities Act claims. On March 20, 2018, the Supreme Court issued its decision in *Cyan*, ruling that state courts have jurisdiction to hear covered class actions that allege only Securities Act claims, and these cases are not removable to federal courts.

On March 12, 2018, Plaintiffs filed a motion for class certification. Defendants took discovery in connection with that motion and, on May 4, 2018, filed oppositions to the motion. Plaintiffs filed their reply brief on June 15, 2018. On June 21, 2018, Defendants filed a supplemental brief. Plaintiffs filed a response on July 2, 2018. On August 27, 2018, the Court issued a tentative order certifying the class. Following oral argument on August 31, 2018, the Court issued an order on October 9, 2018, requesting supplemental briefs to be filed on October 26, 2018. The Parties agreed to resolve the case before the supplemental briefs were due to be filed and before the Court issued a final order on class certification.

The Parties engaged in extensive fact discovery, ultimately resulting in the production of approximately one million pages of documents by Defendants and third parties. The Parties also conducted a number of depositions, in conjunction with the plaintiffs in the federal action, and were scheduling the remaining depositions to take place if settlement had not been reached.

In an effort to conserve judicial resources and attempt to settle the Action, the Alibaba Defendants and Plaintiffs engaged the services of the Hon. Layn R. Phillips (Ret.), a nationally recognized mediator. There was an exchange of detailed mediation statements and a full-day in-person mediation with Judge Phillips on September 7, 2018. Although the mediation was carried out in good faith, no agreement was reached and litigation continued. The negotiations continued through Judge Phillips, and on October 26, 2018, the Parties agreed to settle the Action on the terms set forth herein, subject to the negotiation of a Stipulation of Settlement and approval by the Court. The Stipulation (together with the exhibits thereto) reflects the final and binding agreement between the Parties.

### **HOW DO I KNOW IF I AM A CLASS MEMBER?**

If you purchased or otherwise acquired Alibaba ADS pursuant or traceable to the Registration Statement and Prospectus filed in connection with Alibaba's IPO, you are a Class Member. For purposes of this Settlement only, you are a Class Member if you purchased or otherwise acquired Alibaba ADS on or before October 5, 2015. As set forth in the Stipulation, excluded from the Class are: Defendants, the officers and directors of Alibaba (at all relevant times), members of their immediate families and their legal representatives, heirs, successors or assigns, and any entity in which any of the above has a majority ownership interest. Also excluded from the Class are those persons who would otherwise be members of the Class but who timely and validly exclude themselves therefrom.

**PLEASE NOTE:** Receipt of this Notice does not mean that you are a Class Member or that you will be entitled to receive a payment from the Settlement. If you are a Class Member and you wish to be eligible to participate in the distribution of proceeds from the Settlement, you are required to submit the Proof of Claim that is being distributed with this Notice and the required supporting documentation as set forth therein postmarked or submitted online on or before **May 2, 2019**.

### **WHAT IS THE MONETARY VALUE OF THE PROPOSED SETTLEMENT?**

The Settlement, if approved, will result in the creation of a cash settlement fund of \$75,000,000 (the "Settlement Fund"). The Settlement Fund, plus accrued interest and minus the costs of this Notice and all costs associated with the administration of the Settlement Fund, as well as attorneys' fees and expenses, and the payment of Plaintiffs' time and expenses in representing the Class, as approved by the Court (the "Net Settlement Fund"), will be distributed to eligible Class Members pursuant to the Plan of Allocation that is described in the next section of this Notice.

### **WHAT IS THE PROPOSED PLAN OF ALLOCATION?**

The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among Class Members based on their respective alleged economic losses resulting from the securities law violations alleged in the Action.

The Claims Administrator shall determine each Class Member's share of the Net Settlement Fund based upon the recognized loss formula (the "Recognized Loss") described below. A Recognized Loss will be calculated for each Alibaba ADS purchased or otherwise acquired pursuant or traceable to the Company's IPO. The calculation of Recognized Loss will depend upon several factors, including when the Alibaba ADS were purchased or otherwise acquired and in what amounts, whether the ADS were ever sold, and, if so, when they were sold and for what amounts. The Recognized Loss is not intended to estimate the amount a Class Member might have been able to recover after a trial, nor to estimate the amount that will be paid to Class Members pursuant to the Settlement. The Recognized Loss is the basis upon which the Net Settlement Fund will be proportionately allocated to Class Members.

Your share of the Net Settlement Fund will depend on the number of valid Proofs of Claim that Class Members send in and how many Alibaba ADS you purchased or otherwise acquired pursuant or traceable to Alibaba's IPO, and whether you sold any of those ADS and when you sold them.

The calculation of claims below is not an estimate of the amount you will receive. It is a formula for allocating the Net Settlement Fund among all Authorized Claimants. Furthermore, if any of the formulas set forth below yield an amount less than \$0.00, the claim per ADS is \$0.00.

#### **PLAN OF ALLOCATION**

##### Claims for the September 2014 Initial Public Offering

Initial Public Offering Price: \$68.00 per ADS

Closing Price on the date the lawsuit was filed:<sup>3</sup> \$63.93 per ADS

A claim will be calculated as follows:

1. For Alibaba ADS purchased or otherwise acquired between September 18, 2014 and January 27, 2015, and
  - (a) sold prior to October 5, 2015, the claim per ADS is the least of (i) the Purchase Price per ADS less the Sales Price per ADS; or (ii) \$68.00 less the Sales Price per ADS; and
  - (b) retained at the close of trading on October 5, 2015, or sold on or after October 5, 2015, the claim per ADS is the least of (i) \$68.00 less \$63.93; or (ii) the Purchase Price, not to exceed \$68.00, per ADS less the Sales Price per ADS.
2. For Alibaba ADS purchased or otherwise acquired between January 28, 2015 and October 5, 2015, and
  - (a) sold prior to October 5, 2015, the claim per ADS is the least of (i) 50% of the Purchase Price per ADS less the Sales Price per ADS; or (ii) 50% of \$68.00 less the Sales Price per ADS; and
  - (b) retained at the close of trading on October 5, 2015, or sold on or after October 5, 2015, the claim per ADS is the least of (i) 50% of \$68.00 less \$63.93; or (ii) 50% of the Purchase Price, not to exceed \$68.00, per ADS less the Sales Price per ADS.

In the event a Class Member has more than one purchase or acquisition or sale of Alibaba ADS, pursuant or traceable to the Registration Statement and Prospectus, all such purchases and sales shall be matched on a First-In, First-Out ("FIFO") basis. Sales will be matched against purchases in chronological order, beginning with the earliest purchase made during the relevant period.

A purchase, acquisition or sale of Alibaba ADS shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. All purchase, acquisition and sale prices shall exclude any fees and commissions. The receipt or grant by gift, devise, or operation of law of Alibaba ADS during the Class Period shall not be

<sup>3</sup> Class action complaint filed on October 5, 2015.

deemed a purchase, acquisition or sale of Alibaba ADS for the calculation of a claimant's recognized claim nor shall it be deemed an assignment of any claim relating to the purchase or acquisition of such ADS unless specifically provided in the instrument of gift or assignment. The receipt of Alibaba ADS during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase, acquisition or sale of Alibaba ADS.

With respect to Alibaba ADS purchased or sold through the exercise of an option, the purchase/sale date of the ADS is the exercise date of the option and the purchase/sale price of the ADS is the exercise price of the option. Any recognized claim arising from purchases of Alibaba ADS acquired during the Class Period through the exercise of an option on Alibaba ADS shall be computed as provided for other purchases of Alibaba ADS in the Plan of Allocation.

The total of all profits shall be subtracted from the total of all losses from transactions during the Class Period to determine if a Class Member has a recognized claim. Only if a Class Member had a net market loss, after all profits from transactions in Alibaba ADS during the Class Period are subtracted from all losses, will such Class Member be eligible to receive a distribution from the Net Settlement Fund.

If an Authorized Claimant has an overall market gain, the recognized claim for that Authorized Claimant will be \$0.00. If an Authorized Claimant has an overall market loss, that Authorized Claimant's recognized claim will be limited to the amount of overall market loss. The Claims Administrator shall allocate to each Authorized Claimant a *pro rata* share of the Net Settlement Fund based on his, her, or its recognized claim as compared to the total recognized claims of all Authorized Claimants. No distribution shall be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

Distributions will be made to Authorized Claimants after all claims have been processed, after the Court has finally approved the Settlement, and after any appeals are resolved. If there is any balance remaining in the Net Settlement Fund after at least six (6) months from the initial date of distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed checks, or otherwise), the Claims Administrator shall, if feasible, reallocate such balance among Authorized Claimants in an equitable and economic fashion. These redistributions shall be repeated until the balance remaining in the Net Settlement Fund is no longer economically feasible to distribute to Class Members. Thereafter, subject to distribution to state entities, as required by California Code of Civil Procedure §384(b)(3), any balance that still remains in the Net Settlement Fund shall be donated to Bay Area Legal Aid.

Please contact the Claims Administrator or Plaintiffs' Counsel if you disagree with any determinations made by the Claims Administrator regarding your Proof of Claim. If you are dissatisfied with the determinations, you may ask the Court, which retains jurisdiction over all Class Members and the claims administration process, to decide the issue by submitting a written request.

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

Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Authorized Claimants. No Person shall have any claim against Plaintiffs, Plaintiffs' Counsel, any Claims Administrator, any other Person designated by Plaintiffs' Counsel, or any of the Released Parties based on the distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court. All Class Members who fail to complete and submit a valid and timely Proof of Claim shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the releases given.

#### **DO I NEED TO CONTACT PLAINTIFFS' COUNSEL IN ORDER TO PARTICIPATE IN DISTRIBUTION OF THE SETTLEMENT FUND?**

No. If you have received this Notice and timely submit your Proof of Claim to the designated address, you need not contact Plaintiffs' Counsel. If your address changes, please contact the Claims Administrator at:

*Alibaba Securities Litigation Settlement*  
c/o Gilardi & Co. LLC  
P.O. Box 505023  
Louisville, KY 40233-5023  
Telephone: 1-866-558-9236  
[www.AlibabaSecuritiesLitigation.com](http://www.AlibabaSecuritiesLitigation.com)

#### **THERE WILL BE NO PAYMENTS IF THE STIPULATION IS TERMINATED**

The Stipulation may be terminated under several circumstances outlined in it. If the Stipulation is terminated, the Action will proceed as if the Stipulation had not been entered into.

#### **WHAT ARE THE REASONS FOR SETTLEMENT?**

The Settlement was reached after highly contested motion practice directed to the proper forum for litigating Plaintiffs' claims, the sufficiency of Plaintiffs' claims and whether the proposed Class could be certified. The Parties conducted extensive document and deposition discovery. Nevertheless, the Court has not reached any final decisions in connection with Plaintiffs' claims against Defendants. Instead, Plaintiffs and Defendants have agreed to this Settlement, which was reached with the substantial assistance of Judge Layn Phillips, a highly respected former judge with extensive experience in the mediation of

complex class actions. In reaching the Settlement, the Parties have avoided the cost, delay and uncertainty of further litigation.

As in any litigation, Plaintiffs and the proposed Class would face an uncertain outcome if they did not agree to the Settlement. The Parties expected that the case could continue for a lengthy period of time and that if Plaintiffs succeeded, Defendants would file appeals that would postpone final resolution of the case. Continuation of the Action against Defendants could result in a judgment greater than this Settlement. Conversely, continuing the case could result in no recovery at all or a recovery that is less than the amount of the Settlement.

Plaintiffs and Plaintiffs' Counsel believe that this Settlement is fair and reasonable to the members of the Class. They have reached this conclusion for several reasons. Specifically, if the Settlement is approved, the Class will receive a certain and immediate monetary recovery. Additionally, Plaintiffs' Counsel believe that the significant and immediate benefits of the Settlement, when weighed against the significant risk, delay and uncertainty of continued litigation, are a very favorable result for the Class.

### **WHO REPRESENTS THE CLASS?**

The following attorneys are counsel for the Class:

Ellen Gusikoff Stewart, Esq.  
ROBBINS GELLER RUDMAN &  
DOWD LLP  
655 West Broadway, Suite 1900  
San Diego, CA 92101  
Telephone: 800/449-4900

Mark C. Molumphy, Esq.  
COTCHETT, PITRE & McCARTHY, LLP  
840 Malcolm Road, Suite 200  
Burlingame, CA 94010  
Telephone: 650/697-6000

If you have any questions about the Action, or the Settlement, you are entitled to consult with Plaintiffs' Counsel by contacting counsel at the phone numbers listed above.

You may obtain a copy of the Stipulation by contacting the Claims Administrator at:

*Alibaba Securities Litigation Settlement*  
c/o Gilardi & Co. LLC  
P.O. Box 505023  
Louisville, KY 40233-5023  
Telephone: 1-866-558-9236  
[www.AlibabaSecuritiesLitigation.com](http://www.AlibabaSecuritiesLitigation.com)

### **HOW WILL THE PLAINTIFFS' LAWYERS BE PAID?**

Lead Counsel will file a motion for an award of attorneys' fees and expenses that will be considered at the Settlement Fairness Hearing. Lead Counsel will apply for an attorneys' fee award for Plaintiffs' Counsel in the amount of up to 33-1/3% of the Settlement Fund, plus payment of Plaintiffs' Counsel's expenses incurred in connection with this Action in an amount not to exceed \$400,000. In addition, Plaintiffs may seek a payment of up to \$75,000 in the aggregate for their efforts in representing the Class. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Plaintiffs' Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. The fees requested will compensate Plaintiffs' Counsel for their work in achieving the Settlement. The Court will decide what constitutes a reasonable fee award and may award less than the amount requested by Plaintiffs' Counsel.

### **CAN I EXCLUDE MYSELF FROM THE SETTLEMENT?**

Yes. If you do not want to receive a payment from this Settlement, or you want to keep the right to sue or continue to sue Defendants on your own about the legal issues in this case, then you must take steps to get out of the Class. This is called excluding yourself from, or "opting out" of, the Class. If you are requesting exclusion because you want to bring your own lawsuit based on the matters alleged in this Action, you may want to consult an attorney and discuss whether any individual claim that you may wish to pursue would be time-barred by the applicable statutes of limitation or repose.

To exclude yourself from the Class, you must send a signed letter by mail saying that you want to be excluded from the Class in the following Action: *Chicago Laborers Pension Fund, et al. v. Alibaba Group Holding Limited, et al.*, Case No. CIV535692. Be sure to include your name, address, telephone number, and the date(s), price(s), and number(s) of Alibaba ADS that you purchased or acquired during the Class Period (September 18, 2014 to October 5, 2015). Your exclusion request must be **postmarked no later than April 2, 2019**, and sent to the Claims Administrator at:

*Alibaba Securities Litigation Settlement*  
Claims Administrator  
c/o Gilardi & Co. LLC  
EXCLUSIONS  
3301 Kerner Blvd.  
San Rafael, CA 94901

You cannot exclude yourself by phone or by e-mail. If you make a proper request for exclusion, you will not receive a settlement payment, and you cannot object to the Settlement. If you make a proper request for exclusion, you will not be legally bound by anything that happens in this lawsuit.

### **CAN I OBJECT TO THE SETTLEMENT, THE REQUESTED ATTORNEYS' FEES, THE REQUESTED PAYMENT OF COSTS AND EXPENSES AND/OR THE PLAN OF ALLOCATION?**

Yes. If you are a Class Member, you may object to the terms of the Settlement. Whether or not you object to the terms of the Settlement, you may also object to the requested attorneys' fees, costs and expenses, Plaintiffs' request for payment for representing the Class and/or the Plan of Allocation. In order for any objection to be considered, you must file a written statement, accompanied by proof of Class membership, with the Court and send a copy to Plaintiffs' Counsel and the Alibaba Defendants' Counsel, at the addresses listed below **by April 2, 2019**. The Court's address is Superior Court of San Mateo, Hall of Justice and Records, 400 County Center, Redwood City, CA 94063; Plaintiffs' Counsel's addresses are Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, c/o Ellen Gusikoff Stewart and Cotchett, Pitre & McCarthy, LLP, 840 Malcolm Road, Suite 200, Burlingame, CA 94010, c/o Mark C. Molumphy; and Alibaba Defendants' Counsel's address is Simpson Thacher & Bartlett LLP, 2475 Hanover Street, Palo Alto, CA 94304, c/o James G. Kreissman. Attendance at the Settlement Fairness Hearing is not necessary; however, persons wishing to be heard orally at the Settlement Fairness Hearing are required to indicate in their written objection their intention to appear at the hearing and identify any witnesses they may call to testify and exhibits, if any, they intend to introduce into evidence.

### **WHAT IS THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING MYSELF FROM THE SETTLEMENT?**

Objecting is telling the Court that you do not like something about the proposed Settlement, the Plan of Allocation, or Plaintiffs' Counsel's request for an award of attorneys' fees and expenses. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer applies to you.

### **WHAT ARE MY RIGHTS AND OBLIGATIONS UNDER THE SETTLEMENT?**

If you are a Class Member and you do not exclude yourself from the Class, you may receive the benefit of, and you will be bound by, the terms of the Settlement described in this Notice, upon approval by the Court.

### **HOW CAN I GET A PAYMENT?**

In order to qualify for a payment, you must timely complete and return the Proof of Claim that accompanies this Notice. A Proof of Claim is enclosed with this Notice and also may be downloaded at [www.AlibabaSecuritiesLitigation.com](http://www.AlibabaSecuritiesLitigation.com). Read the instructions carefully; fill out the Proof of Claim; sign it; and mail or submit it online so that it is **postmarked (if mailed) or received (if submitted online) no later than May 2, 2019**. The Proof of Claim may be submitted online at [www.AlibabaSecuritiesLitigation.com](http://www.AlibabaSecuritiesLitigation.com). If you do not submit a timely Proof of Claim with all of the required information, you will not receive a payment from the Settlement Fund; however, unless you expressly exclude yourself from the Class as described above, you will still be bound in all other respects by the Settlement, the Judgment, and the release contained in them.

### **WHAT CLAIMS WILL BE RELEASED BY THE SETTLEMENT?**

If the Settlement is approved by the Court, the Court will enter a Judgment. If the Judgment becomes final pursuant to the terms of the Stipulation, all Class Members shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged any and all of the Released Parties from all Released Claims.

- "Related Parties" means each of a Defendant's past, present or future direct or indirect parents, subsidiaries, divisions, affiliates or joint ventures, as well as each of their respective present or former directors, officers, employees, partners, members, principals, agents, underwriters, insurers, co-insurers, reinsurers, controlling shareholders, attorneys, accountants, auditors, financial or investment advisors or consultants, banks or investment bankers, personal or legal representatives, predecessors, successors, assigns, spouses, heirs, related or affiliated entities, any entity in which a Defendant has a controlling interest, any member of an Alibaba Defendant's immediate family, any trust of which any Alibaba Defendant is the settlor or which is for the benefit of any Defendant and/or member(s) of his or her family, and the legal representatives, heirs, successors in interest or assigns of the Defendants.
- "Released Parties" means Defendants and each and all of their Related Parties.
- "Released Claims" means all claims, including "Unknown Claims" as defined below, that both (a) arise out of, are based upon, or relate in any way to any of the allegations, acts, transactions, facts, events, matters, occurrences, statements, representations, misrepresentations or omissions involved, set forth, alleged or referred to, in this Action, or which could have been alleged in this Action, and (b) arise out of, are based upon, or relate in any way to the purchase, acquisition, holding, sale, or disposition of any Alibaba securities purchased or otherwise acquired pursuant to or traceable to the Registration Statement issued in connection with Alibaba's IPO. "Released Claims" also includes any and all claims arising out of, relating to, or in connection with the Settlement or resolution of the Action against the Released Parties (including Unknown Claims), except claims to enforce any of the terms of the Stipulation. Released Claims does not include any derivative, Exchange Act or ERISA claims against the Alibaba Defendants, including the claims in *Christine*

*Asia Co., Ltd., et al. v. Ma, et al.*, Case No. 1:15-md-02631-CM-SDA, currently pending in the United States District Court, Southern District of New York.

- “Unknown Claims” means any and all claims and potential claims against Defendants which Plaintiffs or any Class Member do not know or suspect to exist in their, his, her, or its favor as of the Effective Date, and any claims against Plaintiffs which Defendants do not know or suspect to exist in their favor, which if known by them, him, her, or it might have affected their, his, her, or its decision(s) with respect to the Settlement. With respect to any and all Released Claims and Released Defendants’ Claims, the Parties stipulate and agree that by operation of the Final Judgment, upon the Effective Date, the Plaintiffs and Defendants shall have expressly waived, and each Class Member shall be deemed to have waived, and by operation of the Final Judgment shall have expressly waived, the provisions, rights and benefits of Cal. Civ. 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;**

and 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, which is similar, comparable, or equivalent to Cal. Civ. Code §1542. Plaintiffs and 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 Plaintiffs shall expressly fully, finally, and forever settle and release, and each Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Final 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. Plaintiffs and Defendants acknowledge, and Class Members shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Claims and Released Defendants’ Claims was separately bargained for and was an essential element of the Settlement.

The above description of the proposed Settlement is only a summary. The complete terms are set forth in the Stipulation (including its exhibits), which may be obtained at [www.AlibabaSecuritiesLitigation.com](http://www.AlibabaSecuritiesLitigation.com), or by contacting Plaintiffs’ Counsel listed on page 5 above.

### **THE SETTLEMENT FAIRNESS HEARING**

The Court will hold a Settlement Fairness Hearing on **May 17, 2019, at 9:00 a.m.**, before the Honorable Richard H. DuBois at the Superior Court of California, County of San Mateo, Department 16, Courtroom 7A, 400 County Center, Redwood City, CA 94063, for the purpose of determining whether: (1) the Settlement as set forth in the Stipulation for \$75,000,000 in cash should be approved by the Court as fair, reasonable and adequate; (2) Judgment as provided under the Stipulation should be entered; (3) to award Plaintiffs’ Counsel attorneys’ fees and expenses out of the Settlement Fund and, if so, in what amount; (4) to pay Plaintiffs for their efforts in representing the Class out of the Settlement Fund and, if so, in what amount; and (5) the Plan of Allocation should be approved by the Court. The Court may adjourn or continue the Settlement Fairness Hearing without further notice to members of the Class.

Any Class Member may appear at the Settlement Fairness Hearing and be heard on any of the foregoing matters; provided, however, that no such person shall be heard unless his, her, or its objection is made in writing and is filed, together with proof of membership in the Class and with copies of all other papers and briefs to be submitted by him, her, or it to the Court at the Settlement Fairness Hearing, with the Court no later than **April 2, 2019**, and showing proof of service on the following counsel:

Ellen Gusikoff Stewart  
ROBBINS GELLER RUDMAN &  
DOWD LLP  
655 West Broadway, Suite 1900  
San Diego, CA 92101

Mark C. Molumphy  
COTCHETT, PITRE &  
McCARTHY, LLP  
840 Malcolm Road, Suite 200  
Burlingame, CA 94010

*Attorneys for Plaintiffs*

James G. Kreissman  
Simpson Thacher & Bartlett LLP  
2475 Hanover Street  
Palo Alto, CA 94304

*Attorneys for Alibaba Defendants*

Unless otherwise directed by the Court, any Class Member who does not make his, her or its objection in the manner provided shall be deemed to have waived all objections to this Settlement and shall be foreclosed from raising (in this or any other proceeding or on any appeal) any objection and any untimely objection shall be barred.

If you hire an attorney (at your own expense) to represent you for purposes of objecting, your attorney must serve a notice of appearance on counsel listed above and file it with the Court (at the address set out above) by no later than **April 2, 2019**.

### **INJUNCTION**

The Court has issued an order enjoining all Class Members from instituting, commencing, maintaining or prosecuting any action in any court or tribunal that asserts Released Claims against any Released Party, pending final determination by the Court of whether the Settlement should be approved.

### **HOW DO I OBTAIN ADDITIONAL INFORMATION?**

This Notice contains only a summary of the terms of the proposed Settlement. The records in this Action may be examined and copied at any time during regular office hours, and subject to customary copying fees, at the Clerk of the Superior Court of California, County of San Mateo. In addition, all of the Settlement documents, including the Stipulation, this Notice, the Proof of Claim and proposed Judgment may be obtained by contacting the Claims Administrator at:

*Alibaba Securities Litigation Settlement*  
c/o Gilardi & Co. LLC  
P.O. Box 505023  
Louisville, KY 40233-5023  
Email: [info@alibabasecuritieslitigation.com](mailto:info@alibabasecuritieslitigation.com)  
Telephone: 1-866-558-9236  
[www.AlibabaSecuritiesLitigation.com](http://www.AlibabaSecuritiesLitigation.com)

In addition, you may contact Rick Nelson, Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, 1-800-449-4900 or Mark C. Molumphy, Cotchett, Pitre & McCarthy, LLP, 840 Malcolm Road, Suite 200, Burlingame, CA 94010, if you have any questions about the Action or the Settlement.

### **DO NOT WRITE TO OR TELEPHONE THE COURT FOR INFORMATION**

### **SPECIAL NOTICE TO BANKS, BROKERS, AND OTHER NOMINEES**

If you hold any Alibaba ADS purchased or acquired between September 18, 2014 and October 5, 2015, inclusive, as a nominee for a beneficial owner, then, within fourteen (14) business days after you receive this Notice, you must either: (1) send a copy of this Notice by First-Class Mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

*Alibaba Securities Litigation Settlement*  
c/o Gilardi & Co. LLC  
P.O. Box 505023  
Louisville, KY 40233-5023  
E-mail: [info@alibabasecuritieslitigation.com](mailto:info@alibabasecuritieslitigation.com)  
Telephone: 1-866-558-9236  
[www.AlibabaSecuritiesLitigation.com](http://www.AlibabaSecuritiesLitigation.com)

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.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

DATED: January 11, 2019

BY ORDER OF THE SUPERIOR COURT OF  
CALIFORNIA, COUNTY OF SAN MATEO  
HONORABLE RICHARD H. DuBOIS