

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SANTA CLARA

In re PHARMACYCLICS, INC.
SHAREHOLDER LITIGATION

) Lead Case No. 1-15-CV-278055
) (Consolidated with Nos. 1-15-CV-278088;
) 1-15-CV-278215 and 1-15-CV-278260)

This Document Relates To:
ALL ACTIONS.

) CLASS ACTION
) Judge: Hon. Peter H. Kirwan
) Dept: 1
) Date Action Filed: March 13, 2015

AMENDED NOTICE OF SETTLEMENT OF CLASS ACTION

TO: ALL PERSONS OR ENTITIES WHO OWNED PHARMACYCLICS, INC. (“PHARMACYCLICS” OR THE “COMPANY”) COMMON STOCK AT ANY TIME BETWEEN AND INCLUDING MARCH 4, 2015, THROUGH AND INCLUDING THE CONSUMMATION OF THE ACQUISITION OF PHARMACYCLICS BY ABBVIE, INC. (“ABBVIE”) ON MAY 26, 2015
PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS LITIGATION.

This Notice has been sent to you pursuant to an Order of the Santa Clara County Superior Court (the “Court”). The purpose of this Notice is to inform you of the proposed settlement of this class action litigation and of the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the settlement. The terms of the Settlement are set forth in the Stipulation of Settlement dated as of January 22, 2016, which can be viewed at www.pharmacyclicsshareholderlitigation.com. This Notice describes the rights you may have in connection with the settlement and what steps you may take in relation to the settlement and this class action litigation.

This Notice is not an expression of any opinion by the Court about the merits of any of the claims or defenses asserted by any party in this Action or the fairness or adequacy of the proposed settlement.

I. THE LITIGATION

Beginning on March 13, 2015, the following class action lawsuits: *Evangelista v. Duggan, et al.*, No. 115CV278055 (the “*Evangelista Action*”); *Treppel v. Duggan, et al.*, No. 115CV278088 (the “*Treppel Action*”); *Wang v. Pharmacyclics, Ind., et al.*, No. 115CV278215 (the “*Wang Action*”); and *Wallach v. Pharmacyclics, Inc., et al.*, No. 115CV278260 (the “*Wallach Action*”) (collectively, the “Actions”), were filed in the Superior Court of the State of California for the County of Santa Clara (the “Court”).¹ These Actions were brought on behalf of classes of stockholders of Pharmacyclics, Inc. against the Company, the members of its Board of Directors, AbbVie Inc. (“Parent”), Oxford Amherst Corporation, a Delaware corporation and direct wholly owned subsidiary of Parent (“Purchaser”), and Oxford Amherst LLC, a Delaware limited liability company and direct wholly owned subsidiary of Parent (“Merger Sub”) (Merger Sub, Parent and Purchaser are collectively referred to as “AbbVie”).

The Actions challenge the sale of Pharmacyclics to AbbVie pursuant to which AbbVie has commenced a tender offer to acquire all of the outstanding stock of Pharmacyclics for \$261.25 per share, which was first announced on March 4, 2015 (the “Acquisition”).

On or about March 23, 2015, the Company caused to be filed with the United States Securities and Exchange Commission (“SEC”) a Solicitation and Recommendation Statement on Schedule 14D-9 (the “Recommendation Statement”), which included, *inter alia*, information concerning the background of the Acquisition, the process leading to the agreement to sell Pharmacyclics to AbbVie, and the financial analysis performed by the Company’s financial advisor.

On April 1, 2015, defendants provided to plaintiffs’ counsel for settlement purposes only certain confidential documents that were prepared in connection with the Acquisition.

On April 3, 2015, counsel for plaintiff Treppel sent a letter on behalf of plaintiffs in all of the Actions (“Plaintiffs”) to defendants’ counsel demanding disclosure of allegedly material information contained in confidential documents produced by defendants (the “Treppel Demand Letter”).

On April 9, 2015, defendants’ counsel sent proposed supplemental disclosures to Plaintiffs’ counsel, and engaged in arm’s-length negotiations over the proposed supplemental disclosures thereafter.

Counsel for all parties to the Actions have reached an agreement providing for the settlement of the Actions between and among Plaintiffs, on behalf of themselves and the Class (as defined below), and all defendants named in each of the Actions (“Defendants”), on the terms and subject to the conditions set forth below in this Stipulation.

Plaintiffs’ Counsel conducted an extensive investigation regarding Plaintiffs’ claims for injunctive and declaratory relief. Plaintiffs’ Counsel also reviewed and analyzed the documents produced by Defendants in consultation with their financial expert. Counsel for Plaintiffs and counsel for Defendants also engaged in arm’s-length negotiations regarding a possible resolution of the Actions. As a result of those negotiations, the parties entered into an agreement-in-principle to resolve the Actions. Thereafter, on April 16, 2015, the parties to the Actions executed a Memorandum of Understanding

¹ The Actions were consolidated by the Court on January 19, 2016.

(“MOU”). On or about April 17, 2015, in connection with the contemplated settlement of the Actions, Pharmacyclics issued the supplemental disclosures previously negotiated with Plaintiffs on SEC Schedule 14D-9 Amendment No. 1 (the “Supplemental Disclosures”).

Prior to entering into the Stipulation, Plaintiffs conducted substantial confirmatory analysis, which included the review of additional documents produced by Defendants, and the depositions of Daniel Faga from Centerview Partners LLC (“Centerview”) and Mike Gaito from J.P. Morgan. Centerview and J.P. Morgan each issued fairness opinions in connection with the Acquisition.

The settlement set forth in the Stipulation reflects the results of the parties’ negotiations and the terms of the MOU. An agreement-in-principle was reached only after arm’s-length negotiations between the parties who were all represented by counsel with extensive experience and expertise in shareholder class action litigation. During the negotiations, all parties had a clear view of the strengths and weaknesses of their respective claims and defenses. Plaintiffs and their counsel have concluded that the additional disclosures provided Pharmacyclics shareholders with material information sufficient to make an informed decision whether to vote their shares in favor of the Acquisition or seek appraisal of their Pharmacyclics shares. As a result, Plaintiffs and their counsel believe that the settlement is in the best interest of the Class.

II. TERMS OF THE PROPOSED SETTLEMENT

1. As a direct result of the prosecution of the Actions and the extensive ongoing negotiations between the Settling Parties, a settlement has been reached under the following terms:

(a) In consideration for the full settlement and release of all Released Claims (as defined in the Stipulation), Defendants disclosed the following information on a Schedule 14D-9, which was filed with the SEC on or about April 17, 2015 (the “Supplemental Disclosures”):²

(i) the financial projections of Pharmacyclics for calendar years 2015-2028, and how those projections were calculated;

(ii) the fairness opinion of Centerview Partners LLC (“Centerview”), one of the financial advisors to the Pharmacyclics Board, including its Selected Comparable Public Company Analysis, Selected Precedent Transactions Analysis, and Discounted Cash Flow Analysis; and

(iii) the fairness opinion of J.P. Morgan, Pharmacyclics’ financial advisor, including its Public Trading Analysis Implied Equity Value for Pharmacyclics, Selected Transaction Analysis, and Discounted Cash Flow Analysis.

(b) Pharmacyclics or its successor(s) has also agreed to pay, or cause to be paid to, Plaintiffs’ Counsel \$725,000, for their attorneys’ fees and expenses, subject to Court approval. This negotiated amount was agreed to after the MOU was executed. The settlement, however, is not conditioned on the Court awarding such an amount, or any particular amount, of attorneys’ fees and expenses.

III. REASONS FOR THE SETTLEMENT

Plaintiffs and their counsel believe that the claims asserted in the Actions have merit. However, Plaintiffs’ Counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Actions against Defendants through trial and through appeals. Plaintiffs’ Counsel have also taken into account the uncertain outcome and the risk of any litigation, especially in complex cases such as the Actions, as well as the difficulties and delays inherent in such litigation. Plaintiffs’ Counsel are also mindful of the inherent problems of proof and possible defenses to the claims asserted in the Actions. Plaintiffs’ Counsel believe that the Settlement set forth in this Stipulation confers substantial benefits upon the Class. Based on their evaluation, Plaintiffs’ Counsel have determined that the Settlement set forth in this Stipulation is in the best interests of Plaintiffs and the Class.

Defendants have denied and continue to deny each and all of the claims and contentions alleged by the Plaintiffs in the Actions. Defendants have expressly denied and continue to deny all charges of wrongdoing or liability against them as alleged in the complaints and the Actions, and specifically deny any breach of fiduciary duty, or that the Acquisition materials provided to Pharmacyclics shareholders were incomplete or in any way misleading, or that any additional disclosure was required under the SEC rules or any applicable legal principle. Defendants do not concede that the information contained in the Supplemental Disclosures is material. Defendants have also denied and continue to deny, *inter alia*, the allegations that Plaintiffs or the Class have suffered damage or that Plaintiffs or the Class were harmed by the conduct alleged in the Actions.

Nonetheless, Defendants have concluded that further litigation could be protracted and expensive, and, to avoid the distraction, costs, and disruption of such litigation, Defendants concluded that it is desirable that the Actions be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation. Defendants have also taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like the Actions. Defendants have, therefore, determined that it is desirable and beneficial to them that the Actions be settled in the manner and upon the terms and conditions set forth in this Stipulation.

² The entire Schedule 14D-9 is attached to the Stipulation as Exhibit C and can be viewed at www.pharmacyclicsshareholderlitigation.com.

IV. NOTICE OF HEARING ON PROPOSED SETTLEMENT

A settlement hearing will be held on July 8, 2016, at 9:00 a.m., before the Honorable Peter Kirwan, Superior Court Judge, at the Santa Clara County Superior Court, 191 North First Street, San Jose, CA 95113 (the "Settlement Hearing"). The purpose of the Settlement Hearing will be to determine: (a) whether the settlement should be approved as fair, reasonable and adequate; and (b) whether the Judgment should be entered. The Court may adjourn or continue the Settlement Hearing without further notice of any kind.

V. DEFINITIONS USED IN THIS NOTICE

1. "AbbVie" means AbbVie, Inc. and any of its predecessors, successors, parents, subsidiaries, divisions, or affiliates.
2. "Acquisition" means the sale of Pharmacyclics to AbbVie pursuant to which AbbVie acquired all of the outstanding stock of Pharmacyclics for \$261.25 per share.
3. "Class" means, for settlement purposes only, a non-opt-out class, defined as all Persons who owned Pharmacyclics stock, either of record or beneficially, at any time between and including March 4, 2015, and May 26, 2015, the date of the closing of the Acquisition, including any and all of their respective successors in interest, predecessors, representatives, trustees, executors, administrators, heirs, agents, assigns and 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. Excluded from the Class are Defendants, members of the immediate family of any Defendant, any entity in which a Defendant has or had a controlling interest, officers of Pharmacyclics and the legal representatives, heirs, successors or assigns of any such excluded Person.
4. "Class Member" or "Member of the Class" mean a Person who falls within the definition of the Class as set forth in ¶1.3 of this Stipulation.
5. "Defendants" means Pharmacyclics, AbbVie, Oxford, Amherst Corporation, Oxford Amherst LLP, Robert W. Duggan, Eric H. Halverson, Kenneth Clark, Minesh Mehta, David D. Smith and Richard A. van den Broek.
6. "Effective Date" means the first date by which all of the events and conditions specified in ¶6.1 hereof have been met and have occurred.
7. "Final" means: (i) the date of final affirmance on an appeal of the Judgment, the expiration of the time for a petition for or a denial of a writ of certiorari to review the Judgment and, if certiorari is granted, the date of final affirmance of the Judgment following review pursuant to that grant; or (ii) the date of final dismissal of any appeal from the Judgment or the final dismissal of any proceeding on certiorari to review the Judgment; or (iii) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from the Court's Judgment approving the Stipulation, substantially in the form of Exhibit B attached to the Stipulation.
8. "Individual Defendants" means Robert W. Duggan, Eric H. Halverson, Kenneth Clark, Minesh Mehta, David D. Smith and Richard A. van der Broek.
9. "Judgment" means the judgment to be rendered by the Court, substantially in the form attached as Exhibit B to the Stipulation.
10. "Lead Counsel" means Robbins Geller Rudman & Dowd LLP, David T. Wissbroecker, 655 West Broadway, Suite 1900, San Diego, CA 92101 and Robbins Arroyo LLP, Stephen J. Oddo, 600 B Street, Suite 1900, San Diego, CA 92101.
11. "Person" means an individual, corporation, partnership, limited partnership, limited liability company or 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, predecessors, successors, representatives, or assignees.
12. "Pharmacyclics" means Pharmacyclics and any of its predecessors, successors, parents, subsidiaries, divisions, or affiliates.
13. "Plaintiffs" means any plaintiff who appeared in the Actions.
14. "Plaintiffs' Counsel" means any counsel who has appeared for any plaintiff in the Actions.
15. "Released Claims" shall collectively mean the complete discharge, dismissal with prejudice on the merits, release, bar and settlement, to the fullest extent permitted by law, of all known and Unknown Claims (as defined below), demands, rights, actions, causes of action, liabilities, damages, losses, obligations, judgments, duties, suits, costs, expenses, matters and issues of every nature and description whatsoever, whether or not concealed or hidden, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, liquidated or unliquidated, matured or unmatured, accrued or unaccrued, apparent or unapparent, against any Released Person that have been, could have been or in the future can or might be asserted in the Actions or in any other court, tribunal or other proceeding by or on behalf of any of the Plaintiffs or any member of the Class, whether class, individual, direct, derivative, representative, legal, equitable or any other type or in any other capacity, whether arising under state, federal, foreign, statutory, common law or regulatory law (including, but not limited to, the federal securities laws and any state disclosure law), that relates to, is in connection with, or are based upon or otherwise concern in any manner, directly or indirectly: (i) the claims or allegations in the Actions; (ii) the Acquisition,

any agreements related to the Acquisition and the transactions contemplated therein; (iii) any compensation, consideration or other payments made to any Released Person in connection with the Acquisition; (iv) any disclosures or alleged failure to disclose, with or without scienter, with respect to the Acquisition, including, but not limited to, claims or allegations based upon, arising from, or related to the Schedule 14D-9, Schedule TO, related Offer to Purchase, the Recommendation Statement and other tender offer documents, in each case as amended, as well as the Supplemental Disclosures; and (v) any alleged aiding and abetting of the foregoing (collectively, the "Settled Claims"); provided, however, that the Settled Claims shall not include the right of the Plaintiffs or any members of the Class to enforce in the Court the terms of the Stipulation or any properly perfected claims for appraisal in connection with the Acquisition, provided such an appraisal right is otherwise available to them under 8 Del. Code §262.

16. "Released Persons" shall collectively mean any Defendant and any Defendant's respective past, present and future predecessors, successors-in-interest, parents, subsidiaries, controlling persons, partners, members, stockholders, affiliates, funds, representatives, agents, trustees, insurers, executors, heirs, spouses, marital communities, families, assigns or transferees and any past, present and future person or entity acting for or on behalf of any of them and each of them, and each and all of their past, present and future predecessors, successors-in-interest, parents, subsidiaries, partners, members, stockholders, affiliates, funds, representatives, agents, trustees, insurers, executors, heirs, spouses, marital communities, families, assigns or transferees and any person or entity acting for or on behalf of any of them and each of them (including, without limitation, any investment bankers, accountants, insurers, reinsurers or attorneys and any past, present or future officers, directors, employees and stockholders of any of them).

17. "Settling Parties" means, collectively, each of the Defendants and the Plaintiffs on behalf of themselves and the Members of the Class.

18. "Unknown Claims" means any claim, cause of action, damage or harm with respect to the Released Claims which Plaintiffs and/or Class Members do not know or suspect to exist 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 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 shall expressly, and each of the Class Members shall be deemed to have, 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, Plaintiffs and each of the Class Members 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 state or territory of the United States, any federal law or regulation, or any principle of common law or international or foreign law, which is similar, comparable or equivalent to California Civil 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 have and each 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. The Settling Parties acknowledge, and the Class Members shall be deemed by operation of the 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.

VI. ORDER CERTIFYING A CLASS FOR PURPOSES OF SETTLEMENT

On February 24, 2016, the Court certified the Class for purposes of settlement as defined above.

VII. DISMISSAL AND RELEASES

If the proposed settlement is approved, the Court will enter the Judgment. The Judgment will release the Released Claims as to the Released Persons.

The Judgment will provide that all Class Members shall be deemed to have released and forever discharged all Released Claims against all Released Persons, and will be barred from asserting any of the Released Claims in the future, unless the settlement is canceled or terminated pursuant to the terms of the Stipulation.

VIII. CONDITIONS FOR SETTLEMENT

The settlement is conditioned upon the occurrence of certain events. Those events include, among other things: (1) entry of the Judgment by the Court, as provided for in the Stipulation; and (2) expiration of the time to appeal from or alter or amend the Judgment. If, for any reason, any one of the conditions described in the Stipulation is not met, the Stipulation might be terminated and, if terminated, will become null and void, and the parties to the Stipulation will be restored to their respective positions prior to the settlement.

IX. THE RIGHT TO BE HEARD AT THE HEARING

Any Class Member may, but is not required to, enter an appearance in the Action and be represented by counsel of his, her or its choice and at his, her or its expense. Any Class Member who does not enter an appearance will be represented by the attorneys for the Plaintiffs listed below. Any Class Member who objects to any aspect of the settlement including the award of attorneys' fees and expenses must either appear and be heard at the Settlement Hearing **or** submit a written notice of objection, mailed or hand delivered such that it is **filed** on or before June 20, 2016, with the:

CLERK OF THE COURT
Superior Court of California
County of Santa Clara
191 North First Street
San Jose, CA 95113

The written notice of objection must also be received no later than June 20, 2016, by the following Plaintiffs' counsel:

ROBBINS GELLER RUDMAN & DOWD LLP
JEFFREY D. LIGHT
655 West Broadway, Suite 1900
San Diego, CA 92101

ROBBINS ARROYO LLP
STEPHEN J. ODDO
600 B Street, Suite 1900
San Diego, CA 92101

The notice of objection must demonstrate the objecting Person's membership in the Class, and contain a statement of the reasons for objection. A Class Member who **does not** file a written objection may appear and object at the Settlement Hearing.

X. NOTICE TO PERSONS OR ENTITIES HOLDING RECORD OWNERSHIP ON BEHALF OF OTHERS

If you hold or held any Pharmacyclics common stock at any time between and including March 4, 2015 and including May 26, 2015, the date of the closing of the Acquisition, as nominee for a beneficial owner, then, within ten (10) calendar 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 Notice Administrator:

Pharmacyclics Shareholder Litigation
Notice Administrator
c/o Gilardi & Co. LLC
P.O. Box 40008
College Station, TX 77842-4008

If you choose to mail the Notice yourself, you may obtain from the Notice 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 Notice Administrator.

XI. EXAMINATION OF PAPERS

This Notice is a summary and does not describe all of the details of the Stipulation. For full details of the matters discussed in this Notice, you may desire to review the Stipulation filed with the Court, which may be inspected during business hours, at the office of the Clerk of the Court, Santa Clara County Superior Court, 191 North First Street, San Jose, CA 95113.

For further information regarding this settlement you may contact: Robbins Geller Rudman & Dowd LLP, c/o Shareholder Relations, 655 West Broadway, Suite 1900, San Diego, California 92101, Telephone: 800-449-4900 or you may view the Stipulation and all of its exhibits on www.pharmacyclicsshareholderlitigation.com.

DO NOT TELEPHONE THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE.

DATED: April 18, 2016

BY ORDER OF THE COURT
STATE OF CALIFORNIA
COUNTY OF SANTA CLARA

Pharmacyclics Shareholder Litigation
Notice Administrator
c/o Gilardi & Co. LLC
P.O. Box 40008
College Station, TX 77842-4008

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