

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

IN RE ARIAD PHARMACEUTICALS,) No. 1:13-cv-12544 (WGY)
INC. SECURITIES LITIGATION)

~~REVISED PROPOSED~~ **PRELIMINARY ORDER FOR NOTICE AND HEARING
IN CONNECTION WITH SETTLEMENT PROCEEDINGS**

WHEREAS, on November 29, 2017, the parties to the above-entitled action (the “Action”) entered into a Stipulation and Agreement of Settlement (the “Stipulation”) which is subject to review under Rule 23 of the Federal Rules of Civil Procedure and which, together with the exhibits thereto, sets forth the terms and conditions for the proposed settlement of the Action; and the Court having read and considered the Stipulation and the accompanying documents; and the parties to the Stipulation having consented to the entry of this Order; and all capitalized terms used herein having the meanings defined in the Stipulation;

NOW, THEREFORE, IT IS HEREBY ORDERED, this 19th day of January, 2018 that:

1. The Court does hereby preliminarily approve the Stipulation and the Settlement set forth therein, subject to further consideration at the Settlement Fairness Hearing described below.

2. Pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, this Action is hereby certified as a class action on behalf of all persons and entities that purchased, or otherwise acquired, shares of ARIAD Pharmaceuticals, Inc. (“ARIAD”) publicly traded common stock during the period from December 11, 2012 through December 14, 2012, inclusive (the “Settlement Class Period”), and were damaged thereby. Excluded from the Settlement Class are: (i) Defendants; (ii) the officers,

directors, and affiliates of ARIAD; (iii) members of immediate family of any Individual Defendant; (iv) any entity in which any Defendant has or had a controlling interest; (v) ARIAD's employee retirement and/or benefit plan(s) and their participants and/or beneficiaries to the extent they purchased or acquired ARIAD common stock through any such plan(s); and (vi) the legal representatives, heirs, successors or assigns of any such excluded person. Also excluded from the Settlement Class are any Settlement Class Members who properly exclude themselves from the Settlement Class by submitting a valid and timely request for exclusion in accordance with the requirements set forth below and in the Notice.

3. The Court finds, for the purposes of the Settlement only, that the prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (a) the number of Settlement Class Members is so numerous that joinder of all members thereof is impracticable; (b) there are questions of law and fact common to the Settlement Class; (c) the claims of the named representatives are typical of the claims of the Settlement Class they seek to represent; (d) the Settlement Class Representatives and Plaintiffs' Co-Lead Counsel will fairly and adequately represent the interests of the Settlement Class; (e) the questions of law and fact common to the members of the Settlement Class predominate over any questions affecting only individual members of the Settlement Class; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, (i) the City of Fort Lauderdale Police & Fire Retirement System and William A. Gaul are certified as Settlement Class Representatives and (ii) Plaintiffs' Co-Lead Counsel Bernstein Litowitz Berger & Grossmann LLP, Labaton Sucharow LLP, and Milberg LLP are certified as Settlement Class Counsel.

5. A hearing (the “Settlement Fairness Hearing”) pursuant to Rule 23(e) of the Federal Rules of Civil Procedure is hereby scheduled to be held before the Court on

May 10, 2018, at 2:00 p.m. for the following purposes:

(a) to finally determine whether this Action satisfies the applicable prerequisites for class action treatment under Rules 23(a) and (b) of the Federal Rules of Civil Procedure; whether the City of Fort Lauderdale Police & Fire Retirement System and William A. Gaul should be certified as Settlement Class Representatives; and whether Plaintiffs’ Co-Lead Counsel should be finally appointed as Settlement Class Counsel and Plaintiff’s Liaison Counsel should be finally appointed as Settlement Liaison Counsel.

(b) to determine whether the proposed Settlement is fair, reasonable, and adequate, and should be approved by the Court;

(c) to determine whether the Order and Final Judgment as provided under the Stipulation should be entered and to determine whether the release by the Settlement Class of the Settled Claims, as set forth in the Stipulation, should be provided to the Released Defendant Parties;

(d) to determine whether the proposed Plan of Allocation for the proceeds of the Settlement is fair and reasonable, and should be approved by the Court;

(e) to consider Plaintiffs’ Co-Lead Counsel’s application for an award of attorneys’ fees and expenses; and

(f) to rule upon such other matters as the Court may deem appropriate.

6. The Settlement Fairness Hearing may be adjourned by the Court without notice to the Settlement Class other than by an announcement of the adjournment at the scheduled time of the Settlement Fairness Hearing or at the scheduled time of any adjournment of the Settlement Fairness Hearing. The Court may consider modifications of the Settlement (with the consent of the Settlement Class Representatives and the Defendants) without further notice to the Settlement Class.

7. The Court reserves the right to approve the Settlement with or without modification and with or without further notice of any kind. The Court further reserves the right to enter its Order and Final Judgment approving the Stipulation regardless of whether it has approved a plan of allocation or awarded attorneys' fees and expenses.

8. The Court approves the form, substance and requirements of the Notice of Pendency of Class Action and Proposed Settlement, Motion for Attorneys' Fees and Settlement Fairness Hearing (the "Notice") and the Proof of Claim and Release form (the "Claim Form"), annexed hereto as Exhibits 1 and 2 respectively.

9. The Court approves the appointment of Epiq Class Action & Claims Solutions, Inc. as the Claims Administrator. The Claims Administrator shall cause the Notice and the Claim Form, substantially in the forms annexed hereto, to be mailed, by first class mail, postage prepaid, on or before ten (10) business days after the entry of this Order ("Notice Date"), to all Settlement Class Members who can be identified with reasonable effort. The Defendants, to the extent they have not already done so, shall cause ARIAD's transfer records and shareholder information to be made available to Plaintiffs' Co-Lead Counsel or the Claims Administrator for the purpose of identifying and giving notice to the Settlement Class no later than five (5)

business days entry of this Order for Notice and Hearing. The Claims Administrator shall use reasonable efforts to give notice to nominee purchasers such as brokerage firms and other persons or entities who purchased or otherwise acquired ARIAD common stock during the Settlement Class Period as record owners but not as beneficial owners. Such nominee purchasers are directed, within seven (7) calendar days of their receipt of the Notice, (a) to provide the Claims Administrator with lists of the names and addresses of the beneficial owners, and the Claims Administrator is ordered to send the Notice and Claim Form promptly to such identified beneficial owners; or (b) to request additional copies of the Notice and Claim Form from the Claims Administrator and within seven (7) calendar days of receipt of the copies of the Notices and Claim Forms from the Claims Administrator to mail the Notice and Claim Form to the beneficial owners. Nominee purchasers who elect to send the Notice and Claim Form to their beneficial owners shall send a statement to the Claims Administrator confirming that the mailing was made as directed. Additional copies of the Notice shall be made available to any record holder requesting such for the purpose of distribution to beneficial owners, and such record holders shall be reimbursed from the Gross Settlement Fund, upon receipt by the Claims Administrator of proper documentation, for the reasonable expense of sending the Notices and Claim Forms to beneficial owners. Plaintiffs' Co-Lead Counsel shall, at or before the Settlement Fairness Hearing, file with the Court proof of mailing of the Notice and Claim Form.

10. The Court approves the form and substance of the Summary Notice of Pendency of Class Action, Proposed Settlement and Settlement Hearing ("Publication Notice"), annexed hereto as Exhibit 3, and directs that Plaintiffs' Co-Lead Counsel shall cause the Publication Notice, in substantially the form annexed hereto, to be published in *Investor's Business Daily* and to be transmitted over *PR Newswire* within fourteen (14) calendar days of the Notice Date.

Plaintiffs' Co-Lead Counsel shall, at or before the Settlement Fairness Hearing, file with the Court proof of publication of the Publication Notice.

11. The form and content of the Notice and Publication Notice, and the method set forth herein of notifying the Settlement Class of the Settlement and its terms and conditions, meet the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7) as amended by the Private Securities Litigation Reform Act of 1995, and due process, constitute the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all persons and entities entitled thereto.

12. In order to be entitled to participate in the Net Settlement Fund, in the event the Settlement is effected in accordance with the terms and conditions set forth in the Stipulation, each claimant shall take the following actions and be subject to the following conditions:

(a) A properly executed Claim Form must be submitted to the Claims Administrator, using the settlement website or the Post Office Box mailing address indicated in the Notice, such that it is received or postmarked no later than fourteen (14) calendar days before the Settlement Fairness Hearing date. Such deadline may be further extended by Court Order at the request of Plaintiffs' Co-Lead Counsel. Each Claim Form shall be deemed to have been submitted when postmarked (if properly addressed and mailed by first class mail, postage prepaid) provided such Claim Form is actually received prior to the motion for an order of the Court approving distribution of the Net Settlement Fund. Any Claim Form submitted online or in any other manner shall be deemed to have been submitted when it was actually received by the Claims Administrator.

(b) The Claim Form submitted by each claimant must satisfy the following conditions: (i) it must be properly completed, signed and submitted in a timely manner in accordance with the provisions of the preceding subparagraph; (ii) it must be accompanied by adequate supporting documentation for the transactions reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by the Claims Administrator or Plaintiffs' Co-Lead Counsel; (iii) if the person executing the Claim Form is acting in a representative capacity, a certification of his current authority to act on behalf of the claimant must be included in the Claim Form; and (iv) the Claim Form must be complete and contain no material deletions or modifications of any of the printed matter contained therein and must be signed under penalty of perjury.

(c) As part of the Claim Form, each claimant shall submit to the jurisdiction of the Court with respect to the claim submitted, and shall (subject to effectuation of the Settlement) release all Settled Claims as provided in the Stipulation.

13. Any claimant who does not submit a Claim Form in the manner stated in this Order shall be deemed to have waived his, her or its right to share in the Net Settlement Fund, and shall forever be barred from sharing in the Net Settlement Fund. Any such member of the Settlement Class, however, in all other respects shall be subject to and bound by all of the terms of the Settlement, including the terms of the Stipulation, the Order and Final Judgment and the releases provided for by the Stipulation and the Order and Final Judgment unless such member of the Settlement Class has submitted a request to be excluded from the Settlement Class in the manner required by this Order.

14. Settlement Class Members shall be bound by all determinations and judgments in this Action, whether favorable or unfavorable, unless such persons request exclusion from the Settlement Class in a timely and proper manner, as hereinafter provided. A Settlement Class Member wishing to make such request shall mail the request in written form by first class mail postmarked no later than twenty-one (21) calendar days before the Settlement Fairness Hearing to the address designated in the Notice. Such request for exclusion shall clearly indicate the name, address and telephone number of the person seeking exclusion, that the sender requests to be “excluded from the Settlement Class in the ARIAD Securities Litigation”, and must be signed by such person. Such persons requesting exclusion are also directed to state: the date(s), price(s), and number(s) of shares of all purchases, acquisitions, and sales of ARIAD publicly traded common stock during the Settlement Class Period (and sales in the 90 days after the Settlement Class Period). The request for exclusion shall not be effective unless it provides the required information and is made within the time stated above, or the exclusion is otherwise accepted by the Court.

15. Settlement Class Members timely and validly requesting exclusion from the Settlement Class shall not be entitled to receive any payment out of the Net Settlement Fund as described in the Stipulation and Notice.

16. Defendants shall, no later than ten (10) calendar days following the filing of the Stipulation with the Court, cause to be issued notice contemplated by the Class Action Fairness Act of 2005, 28 U.S.C. § 1715 *et seq.* (“CAFA”). Defendants are solely responsible for the costs of the CAFA notice and administering the CAFA notice. No later than thirty-five (35) calendar days prior to the Settlement Fairness Hearing, Defendants shall cause to be served on Plaintiffs’

Co-Lead Counsel and filed with the Court proof, by affidavit or declaration, regarding compliance with CAFA § 1715(b).

17. Plaintiffs' Co-Lead Counsel shall submit their papers in support of final approval of the Settlement, the proposed Plan of Allocation, and their application for attorneys' fees and expenses by no later than thirty-five (35) calendar days before the Settlement Fairness Hearing.

18. Any Settlement Class Member may be heard and/or appear at the Settlement Fairness Hearing to show cause why the proposed Settlement should not be approved as fair, reasonable and adequate and why the Order and Final Judgment should not be entered thereon; why the proposed Plan of Allocation should not be approved as fair, reasonable and adequate; or why Plaintiffs' Counsel should not be awarded attorneys' fees and expenses in the amounts sought by Plaintiffs' Co-Lead Counsel.

19. No Settlement Class Member shall be heard or be entitled to contest the approval of the terms and conditions of the proposed Settlement, the Order and Final Judgment to be entered, the proposed Plan of Allocation, or the application for an award of attorneys' fees and payment of expenses, unless on or before twenty-one (21) calendar days before the Settlement Fairness Hearing, the Settlement Class Member has served by hand or by first-class mail written objections and copies of any supporting papers and briefs (which must contain proof of purchase of ARIAD publicly traded common stock during the Settlement Class Period) upon Sanford P. Dumain, Milberg LLP, One Penn Plaza, 19th Floor, New York, NY 10119-0165 on behalf of the Settlement Class Representatives and the Settlement Class and John F. Sylvia, Mintz Levin Cohn Ferris Glovsky and Popeo PC, One Financial Center, Boston, MA 02111 on behalf of the Defendants, and has filed the objections, papers and briefs showing due proof of service upon all

counsel identified above, with the Clerk of the Court, United States District Court, John Joseph Moakley United States Courthouse, 1 Courthouse Way, Boston, Massachusetts 02210.

20. The Court will only consider objections that are timely and valid. To be considered, an objection must be in writing and be signed by the Settlement Class Member making the objection and must include the following: (i) the name of this Action; (ii) the objecting Settlement Class Member's full name, address, telephone number, and signature; (iii) information sufficient to prove membership in the Settlement Class, including the number of shares of ARIAD common stock purchased, acquired, and or sold during the Settlement Class Period; (iv) all grounds for the objection, accompanied by any legal support known to the objector or his or her counsel; (v) the identity of all counsel who represent the objector; (vi) a statement confirming whether the objector or any counsel representing the objector intends to personally appear and/or testify at the Settlement Fairness Hearing; and (vii) a list of any persons who may be called to testify at the Settlement Fairness Hearing in support of the objection. Any member of the Settlement Class or other person who does not timely file and serve a written objection complying with the terms above (which are incorporated in the Notice) shall be deemed to have waived, and shall be forever foreclosed from raising, any objection to the Settlement, and any untimely objection shall be barred.

21. The Parties may take discovery of Settlement Class Members who submit objections, including depositions, on the issues related to the Settlement Class Member's objection. The Parties may also seek documentary evidence or other tangible things that are related to the Settlement Class Member's objection. Failure by an objecting Settlement Class Member to make himself or herself available for a deposition or to comply with expedited discovery requests may result in the Court striking the Settlement Class Member's objection and

otherwise denying that Settlement Class Member the opportunity to make an objection or be further heard. The Court reserves the right to tax the costs of any such discovery to the objecting Settlement Class Member or the objecting Settlement Class Member's separate counsel should the Court determine that the objection is frivolous or is made for an improper purpose. The Court may, in its discretion, order any objecting Settlement Class Member who subsequently files a notice of appeal to post an appropriate appellate bond.

22. The procedures and requirements for filing objections in connection with the Settlement Fairness Hearing are intended to ensure the efficient administration of justice and the orderly presentation of any Settlement Class Member's objection to the Settlement, in accordance with the due process rights of all Settlement Class Members.

23. Attendance at the Settlement Fairness Hearing is not necessary. Settlement Class Members do not need to appear at the Settlement Fairness Hearing or take any other action to indicate their approval.

24. Plaintiffs' Co-Lead Counsel shall submit their papers in response to any objections by no later than seven (7) calendar days before the Settlement Fairness Hearing.

25. Any Settlement Class Member who does not object to the Settlement and/or the Plan of Allocation and/or Plaintiffs' Co-Lead Counsel's application for an award of attorneys' fees and payment of litigation expenses in the manner prescribed in the Notice shall be deemed forever to have waived such objection and shall forever be barred from making any objection to the fairness, adequacy or reasonableness of the proposed Settlement, the Order and Final Judgment to be entered approving the Settlement, the Plan of Allocation, or the application by

Plaintiffs' Co-Lead Counsel for an award of attorneys' fees and payment of expenses or from otherwise being heard concerning these subjects in this or any other proceeding.

26. Pending final determination of whether the Settlement should be approved, the Settlement Class Representatives, all Settlement Class Members, and each of them, and anyone who acts or purports to act on their behalf, shall not institute, commence or prosecute any action which asserts Settled Claims against any Released Defendant Party. Pending the Settlement Fairness Hearing, the Court stays all proceedings in the Action, other than those proceedings necessary to carry out or enforce the terms and conditions of the Stipulation.

27. This Order, the Settlement, and any of their terms, and all negotiations, discussions and proceedings in connection with this Order and the Settlement, shall not constitute evidence, or an admission by any of the Defendants or the other Released Defendant Parties, that any acts of wrongdoing have or have not been committed and shall not be deemed to create any inference that there is or is not any liability on the part of any of the Defendants or any other Released Defendant Parties. This Order, the Settlement, and any of their terms, and all negotiations, discussions and proceedings in connection with this Order and the Settlement, shall not be offered or received in evidence or used for any other purpose in this or any other proceeding in any court, administrative agency, arbitration tribunal, or other forum of any kind or character in the United States or any other country except as necessary to enforce the terms of this Order and/or the Settlement.

28. As provided in the Stipulation, Plaintiffs' Co-Lead Counsel may pay the reasonable fees and costs associated with giving notice to the Settlement Class and the review of

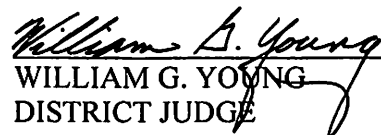
claims and administration of the Settlement out of the Gross Settlement Fund without further order of the Court.

29. All funds held in escrow shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until the funds are disbursed pursuant to the Stipulation and/or further order of the Court.

30. If: (a) the Settlement is terminated by Defendants pursuant to ¶ 23 of the Stipulation; or (b) any specified condition to the Settlement set forth in the Stipulation is not satisfied and Defendants or Settlement Class Representatives elect to terminate the Settlement as provided in ¶ 25 of the Stipulation, then, in any such event, the Stipulation, including any amendment(s) thereof, and this Order certifying the Settlement Class, the Settlement Class Representatives and Settlement Class Counsel for purposes of the Settlement shall be null and void, of no further force or effect, and without prejudice to any Party, and may not be introduced as evidence or referred to in any actions or proceedings by any person or entity, and each Party shall be restored to his, her or its respective position as it existed on the day of the Term Sheet.

31. The Court retains exclusive jurisdiction over the Action to consider all further matters arising out of or connected with the Settlement.

Dated: Boston, Massachusetts
January 19, 2018


WILLIAM G. YOUNG
DISTRICT JUDGE