

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

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|---|---|--|
| LINUS ARULIAH, Individually and On Behalf of All Others Similarly Situated, | : | No. 3:14-cv-03673-JD |
| | : | |
| Plaintiff, | : | NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION |
| v. | : | |
| | : | |
| IMPAX LABORATORIES, INC., LARRY HSU, G. FREDERICK WILKINSON, and BRYAN M. REASONS, | : | |
| | : | |
| Defendants. | : | |
| | : | |
| | : | |

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

IF YOU PURCHASED OR OTHERWISE ACQUIRED THE COMMON STOCK OF IMPAX LABORATORIES, INC. BETWEEN MARCH 6, 2013 AND AUGUST 1, 2014, INCLUSIVE, YOU COULD RECEIVE A PAYMENT FROM A CLASS ACTION SETTLEMENT. YOUR RIGHTS MAY BE AFFECTED BY THIS CLASS ACTION SETTLEMENT.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

Securities and Time Period: Impax Laboratories, Inc. (“Impax” or the “Company”) common stock purchased or otherwise acquired between March 6, 2013 and August 1, 2014, inclusive (the “Class Period”).

Settlement Fund: \$4,750,000.00 in cash. Your recovery will depend on the number of shares of common stock that you purchased or acquired, the price(s) at which those shares were purchased or acquired, the timing of your purchases or acquisitions, and any sales. Depending on the number of eligible shares of common stock that participate in the Settlement¹ and when and at what price that common stock was purchased/acquired and sold, the estimated average recovery per share of common stock will be approximately \$0.17 before deduction of court-approved fees and expenses and any other awards or payments. As explained below, Lead Counsel will be applying to the Court for an award of attorneys’ fees not to exceed 25% of the \$4,750,000 Settlement Fund and for reimbursement of out-of-pocket expenses not to exceed \$115,000 (exclusive of ongoing costs from the administration of the Settlement) plus interest on all fees and expenses, all to be paid from the Settlement Fund. If the above amounts are requested and approved in full by the Court, the average cost per share of common stock for fees and expenses will be approximately \$0.05. Thus, the estimated average distribution per share after payment of the requested fees and expenses will be approximately \$0.12 per share.

The Lawsuit: The Settlement resolves class action litigation over whether Impax and certain of Impax’s current and/or former executives made false or misleading statements in connection with securities transactions. KBC Asset Management NV was appointed by the Court to represent all Class Members and was designated as the Lead Plaintiff for the case. William H. Narwold and Gregg S. Levin of Motley Rice LLC (“Motley Rice”) were appointed by the Court to serve as Lead Counsel.

If the Case Had Not Settled: Continuing with the case could have resulted in a loss at summary judgment, trial or on appeal. The two sides vigorously disagree on both liability and the amount of money that could have been won if Lead Plaintiff had prevailed at trial.

In that regard, Lead Plaintiff and Defendants do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiff were to have prevailed on each claim asserted. The issues on which the parties disagree include: (1) the amount by which Impax common stock was allegedly artificially inflated (if at all) during the Class Period; (2) the effect of various market forces influencing the trading price of Impax common stock at various times during the Class Period; (3) the extent to which the various matters that Lead Plaintiff alleged were materially false or misleading influenced (if at all) the trading price of Impax common stock at various times during the Class Period; (4) the extent to which the various allegedly adverse material facts that Lead Plaintiff alleged were omitted influenced (if at all) the trading price of Impax common stock during the Class Period; and (5) whether the statements made or facts allegedly omitted by Defendants were false, material, or otherwise actionable under the federal securities laws.

That said, Lead Plaintiff’s damages consultant has estimated that if the Settlement Class were to prevail on each claim alleged, the average recovery per share of Impax common stock could have been as much as \$1.56 per share (the “Damages Estimate”). If the Damage Estimate had been recovered (an uncertain proposition given the risks inherent in litigating the case through Defendants’ anticipated motion to dismiss, discovery, summary judgment motions, trial, and on appeal), Lead Counsel then would have applied to the Court for an award of attorneys’ fees which would not have exceeded 25% of the Damage Estimate and for reimbursement of its out-of-pocket litigation expenses, which Lead Counsel currently estimates would have been approximately \$1.1 million. Had such fees and expenses been approved in full by the Court, the average cost per share of common stock for fees and expenses would have been approximately \$0.43, and the estimated average distribution per share after payment of fees and expenses could have been as much as \$1.13 per share.

¹ Capitalized terms not defined in this Notice are defined in the Stipulation of Settlement dated May 27, 2015.

Given the complex and highly uncertain nature of proceeding with the Action and eventually trying this case before a jury, and the difficulties of proof associated with, and possible defenses to, the claims it has alleged, Lead Plaintiff and Lead Counsel submit that the Settlement (which, according to Lead Plaintiff's damages consultant, could represent as much as 10.8% of the Damages Estimate) represents a significant recovery and is in the best interests of the Class.

Attorneys' Fees and Expenses: Lead Counsel have litigated this case on a contingent basis. They have conducted this litigation and advanced the expenses of litigation with the expectation that if they were successful in recovering money for the Class, they would receive fees and be reimbursed for their expenses from the Settlement Fund. This is customary in this type of litigation. Lead Counsel will apply to the Court for attorneys' fees not to exceed 25% of the \$4,750,000 Settlement Fund and reimbursement of out-of-pocket expenses not to exceed \$115,000 (exclusive of ongoing costs from the administration of the Settlement) plus interest on all fees and expenses, all to be paid from the Settlement Fund. If the above amounts are requested and approved by the Court, the average cost per share of common stock for fees and expenses will be approximately \$0.05.

Deadlines:

Submit Claim: December 19, 2015
Request Exclusion: October 7, 2015
File Objection: October 7, 2015
Court Hearing on Fairness of Settlement: October 28, 2015

For More Information:

Claims Administrator:

Impax Aruliah Securities Settlement
c/o KCC Class Action Services
P.O. Box 30193
College Station, TX 77842-3193
1-877-790-2128
www.ImpaxAruliahSecuritiesSettlement.com

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Your legal rights are affected whether you act or do not act.
Please read this Notice carefully.

Statement of Recovery

Lead Plaintiff's damages consultant estimates that during the Class Period approximately 28,214,000 shares of Impax common stock were purchased and allegedly damaged. This expert estimates that the average recovery per share of Impax common stock under the Settlement will be approximately \$0.17 per share before the deduction of attorneys' fees, costs, and expenses, as approved by the Court. The actual recovery per share will depend on: (1) the number of claims filed; (2) when Class Members purchased or otherwise acquired their shares and at what price; (3) whether and when Class Members sold their shares; (4) administrative costs, including the costs of providing notice to the Class; and (5) the amount awarded by the Court for attorneys' fees, costs, and expenses. Distributions to Class Members will be made based on the Plan of Allocation set forth in this Notice. See the Plan of Allocation on pages 7-10.

The Circumstances of the Settlement

The principal reason Lead Plaintiff has agreed to the Settlement is to provide a benefit to the Class Members now. This benefit must be compared to the risk that no recovery might be achieved after contested motions, a contested trial, and likely appeals, possibly years into the future. Although Lead Counsel were prepared to contest the expected motions to be filed by Defendants and go to trial, and were confident in their ability to present a case, they recognize that such motions and trial are risky propositions and that Lead Plaintiff and the Class might not have prevailed. The claims advanced by the Class involve numerous complex legal and factual issues, requiring extensive expert testimony, which would add considerably to the expenses and duration of the litigation. Lead Counsel recognize that there are substantial obstacles that Lead Plaintiff and the Class would have had to overcome to prevail on their liability claims. For example, Lead Plaintiff faced a likelihood that some or all of their claims could have been resolved against them before trial. Had the case proceeded to a motion for summary judgment or gone to trial, Defendants would have asserted that their public statements were not materially untrue or misleading, did not cause Lead Plaintiff's loss, and that none of the Defendants made any statement with an intent to mislead investors.

The parties vigorously disagreed on numerous other issues that could affect the outcome of the litigation and on the average amount of damages per share that would be recoverable if Lead Plaintiff were to prevail at trial on each claim. The issues include: (1) the amount by which Impax common stock was allegedly artificially inflated (if at all) by Defendants’ alleged misstatements; (2) the extent to which the various statements made by Defendants, which Lead Plaintiff alleged were materially untrue or misleading, influenced (if at all) the trading prices of Impax common stock; (3) whether the statements made or facts allegedly omitted were untrue, misleading, material, or otherwise actionable under the federal securities laws; (4) and whether any of the Defendants made any statement with an intent to mislead investors.

Despite these risks, this Settlement enables the Class to recover a substantial amount now. As a result, Lead Plaintiff and Lead Counsel believe this Settlement is fair, reasonable, and adequate.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM FORM -- The only way to receive a payment.

EXCLUDE YOURSELF -- Receive no payment. This is the only option that allows you to participate in another lawsuit against the Defendants or the Released Defendant Parties concerning the legal claims being released in this case.

OBJECT -- You may write to the Court if you do not like this Settlement, the Plan of Allocation, or the request for attorneys’ fees and expenses.

GO TO A HEARING -- You may ask to speak in Court about the fairness of the Settlement.

DO NOTHING -- Receive no payment.

These rights and options – *and the deadlines to exercise them* – are explained in this Notice.

The Court in charge of this case must decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and, if there are any appeals, after they are resolved. Please be patient.

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BASIC INFORMATION

1. Why did I receive this notice package?

You or someone in your family may have purchased or otherwise acquired shares of Impax common stock between March 6, 2013 and August 1, 2014, inclusive.

If this description applies to you, you have a right to know about a proposed settlement of this class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement and Plan of Allocation. If the Court approves them, and after any objections or appeals are resolved, the Claims Administrator appointed by the Court will make the payments that the Settlement allows.

This Notice explains the lawsuit, the Settlement, the Plan of Allocation, your legal rights, what benefits are available, who is eligible for them, and how to receive them.

2. What is this lawsuit about?

This is a securities class action alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, 15 U.S.C. § 78j(b) and 78t(a) (the “Exchange Act”), and Rule 10b-5 promulgated thereunder by the United States Securities and Exchange Commission. The Parties have opposing views of the legal and factual merits of this lawsuit. Lead Plaintiff alleges that Defendants either knowingly or recklessly made false and/or misleading statements to the public concerning Impax’s ability to correct manufacturing deficiencies cited by the Food and Drug Administration (“FDA”). Lead Plaintiff alleges further that disclosure of the truth caused drops in the share price of the Company’s common stock.

Defendants deny Lead Plaintiff’s allegations and specifically deny that they made any disclosure or omission that violated the Exchange Act. Defendants also deny that any drop in Impax’s stock price was caused by some alleged material misstatement or omission by them.

3. Why is this case a class action?

In a class action, one or more people called class representatives sue on behalf of people who have similar claims. All of these people who have similar claims are referred to collectively as a “Class” or individually as “Class Members.” One court resolves the issues for all Class Members, except for those who exclude themselves from the Settlement. The Honorable James Donato of the United States District Court for the Northern District of California is the judge in charge of this class action. The case is known as *Aruliah v. Impax Laboratories, Inc.*, Case No. 13-cv-03673 (the “Action”). Mr. Aruliah filed the first complaint in this action; the Court later appointed KBC Asset Management NV as Lead Plaintiff to litigate the case for the Class.

4. Why is there a settlement?

The Court did not decide in favor of Lead Plaintiff or Defendants. Instead, both sides agreed to a settlement. That way, the parties to the litigation avoid the cost and risks of further litigation and trial. As explained above, Lead Plaintiff and its attorneys think the Settlement is best for all Class Members.

WHO IS IN THE SETTLEMENT

To see whether you will receive money from this Settlement, you first have to determine whether you are a Class Member.

5. How do I know whether I am part of the Settlement?

The Class includes all persons or entities who purchased or otherwise acquired the common stock of Impax Laboratories, Inc. during the period between March 6, 2013 and August 1, 2014, inclusive, and were damaged thereby. *Excluded from the Class are the persons and entities described immediately below.*

6. What are the exceptions to being included?

You are not a Class Member if you are/were a Defendant; a member of the immediate family of Defendants Larry Hsu, G. Fredrick Wilkinson, or Bryan M. Reasons; a subsidiary or affiliate of Impax; an officer or director of Impax or any of Impax’s subsidiaries or affiliates during the Class Period; any entity in which any Defendant has a controlling interest; or the legal representatives, heirs, successors and assigns of any such excluded person or entity. Also excluded from the Class are any putative Class Members who exclude themselves by filing a request for exclusion in accordance with the requirements set forth in this Notice.

If you own shares of a mutual fund that purchased shares of Impax common stock during the Class Period, that alone does not make you a Class Member.

7. I am still not sure whether I am included.

If you are still not sure whether you are included, you can ask for free help. For more information, you can contact the Claims Administrator, KCC Class Action Services, by phone at 1-877-790-2128, by email to Info@ImpaxAruliahSecuritiesSettlement.com, visit the website at www.ImpaxAruliahSecuritiesSettlement.com, or you can fill out and return the claim form described in question 11, to see if you qualify.

THE SETTLEMENT BENEFITS – WHAT YOU RECEIVE

8. What does the Settlement provide?

Defendants have agreed to pay \$4,750,000 in cash into the Settlement Fund. The balance of this fund, after payment of court-approved attorneys' fees and expenses, taxes, and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing newspaper notice (the "Net Settlement Fund"), will be divided among all Class Members who submit valid claim forms.

PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG SETTLEMENT CLASS MEMBERS

9. How much will my payment be?

If you are entitled to a payment, your share of the Net Settlement Fund will depend on the number of valid claim forms that Class Members submit, how many shares of Impax common stock you purchased and at what price(s), and when you bought and sold your Impax shares. By following the Plan of Allocation described below, you can calculate your "Recognized Loss." The Claims Administrator will distribute the Net Settlement Fund according to the Plan of Allocation after the deadline for submission of Proof of Claim and Release forms has passed.

The Claims Administrator will determine each Class Member's *pro rata* share of the Net Settlement Fund based upon each Class Member's valid "Recognized Loss." The Recognized Loss formula is not intended to be an estimate of the amount that a Class Member might have been able to recover after a trial; it also is not an estimate of the amount that will be paid to Class Members pursuant to the Settlement. The Recognized Loss formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Class Members with valid claims.

10. The Basis for the Calculation of Your Recognized Loss

The Net Settlement Fund will be distributed to Class Members who submit valid, timely claim forms ("Authorized Claimants") under the following Plan of Allocation proposed by Lead Plaintiff.

PLAN OF ALLOCATION

Lead Counsel have conferred with a damages consultant and developed the Plan of Allocation to calculate how Class Members will share in the Net Settlement Fund. Defendants have had, and will have, no involvement or responsibility for the terms or application of the Plan of Allocation set forth in this Notice.

A "Recognized Loss" will be calculated for each Authorized Claimant, as listed in the claim form and for which adequate documentation is provided. To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's Recognized Loss. If, however, as expected, the amount in the Net Settlement Fund is not sufficient to permit payment of the total Recognized Loss of each Authorized Claimant, then each Authorized Claimant will be paid the percentage of the Net Settlement Fund that each Authorized Claimant's Recognized Loss bears to the total of the Recognized Losses of all Authorized Claimants – thus, the Class Member's *pro rata* share of the Net Settlement Fund. Receipt of these monies by each Authorized Claimant will be deemed full and complete payment from the Settlement of his/her/its Recognized Loss.

Computation of an Authorized Claimant's Recognized Loss reflects price changes of Impax common stock in reaction to certain public announcements regarding Impax, or other Company information unrelated to the alleged fraud, based on the allegations in the Amended Class Action Complaint for Violations of the Federal Securities Laws filed on December 10, 2014, and the evidence developed in support thereof.

For Class Members who held shares of Impax common stock at the beginning of the Class Period, or who made multiple purchases, acquisitions, or sales during the Class Period, the first-in, first-out ("FIFO") method will be applied to such holdings, purchases, and sales for purposes of calculating a Recognized Loss. Under the FIFO method, shares of Impax common stock sold during the Class Period will be matched first against shares held at the beginning of the Class Period. The sale of any remaining shares will then be matched in chronological order against shares purchased during the Class Period.

Transactions resulting in a gain will be netted against the Authorized Claimant's transactions resulting in a loss to arrive at the Recognized Loss. However, the proceeds from sales of stock which have been matched against stock held at the beginning of the Class Period will not be used in the calculation of Recognized Loss.

If a Class Member acquired Impax common stock by way of gift, inheritance, or operation of law, such a claim will be computed by using the date and price of the original purchase and not the date and price of transfer. In such instances, the recipient must provide documentation of the original purchase in addition to the transfer.

A purchase or sale of Impax common stock shall be deemed to have occurred on the "contract" or "trade" dated as opposed to the "settlement" or "payment" date.

A payment to any Class Member that would amount to less than \$10.00 in total will not be included in the calculation of the Net Settlement Fund, and no payment to these Class Members will be distributed.

An Authorized Claimant's Recognized Loss will be calculated as follows:

For shares of common stock purchased between March 6, 2013 and August 1, 2014:

- A. For shares held at the end of trading on October 31, 2014, the Recognized Loss shall be that number of shares multiplied by the lesser of:
- (1) the applicable purchase date artificial inflation per share figure, as set forth in Table A below; **or**
 - (2) the difference between the purchase price per share and \$25.09.²
- B. For shares sold between March 6, 2013 and August 1, 2014, the Recognized Loss shall be that number of shares multiplied by the lesser of:
- (1) the applicable purchase date artificial inflation per share figure less the applicable sales date artificial inflation per share figure, as set forth in Table A below; **or**
 - (2) the difference between the purchase price per share and the sales price per share.
- C. For shares sold between August 4, 2014 and October 31, 2014, the Recognized Loss shall be the lesser of:
- (1) the applicable purchase date artificial inflation per share figure, as set forth in Table A below; **or**
 - (2) the difference between the purchase price per share and the sales price per share; **or**
 - (3) the difference between the purchase price per share and the average closing price between August 4, 2014 and the date of sale, as set forth in Table B below.³

| PURCHASE OR SALE DATE RANGE | ARTIFICIAL INFLATION PER SHARE |
|------------------------------------|---|
| 3/6/2013 – 7/28/2014 | \$5.30 |
| 7/29/2014 – 8/1/2014 | \$1.02 |

² Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated." The mean (average) closing price of IPXL common stock during the 90-day period beginning on August 1, 2014 and ending on October 31, 2014 was \$25.09.

³ Pursuant to Section 21(D)(e)(2) of the Private Securities Litigation Reform Act of 1995, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, if the plaintiff sells or repurchases the subject security prior to the expiration of the 90-day period described in paragraph (1), the plaintiff's damages shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the security and the mean trading price of the security during the period beginning immediately after dissemination of information correcting the misstatement or omission and ending on the date on which the plaintiff sells or repurchases the security."

| TABLE B | | | | | | |
|-----------|---------------|------------------------------------|--|------------|---------------|------------------------------------|
| DATE | CLOSING PRICE | AVERAGE CLOSING PRICE THROUGH DATE | | DATE | CLOSING PRICE | AVERAGE CLOSING PRICE THROUGH DATE |
| 8/4/2014 | \$22.77 | \$22.77 | | 9/18/2014 | \$25.25 | \$24.24 |
| 8/5/2014 | \$23.55 | \$23.16 | | 9/19/2014 | \$24.53 | \$24.25 |
| 8/6/2014 | \$24.06 | \$23.46 | | 9/22/2014 | \$24.55 | \$24.25 |
| 8/7/2014 | \$23.60 | \$23.50 | | 9/23/2014 | \$24.28 | \$24.26 |
| 8/8/2014 | \$23.48 | \$23.49 | | 9/24/2014 | \$24.64 | \$24.27 |
| 8/11/2014 | \$23.56 | \$23.50 | | 9/25/2014 | \$24.31 | \$24.27 |
| 8/12/2014 | \$23.51 | \$23.50 | | 9/26/2014 | \$24.34 | \$24.27 |
| 8/13/2014 | \$23.40 | \$23.49 | | 9/29/2014 | \$24.34 | \$24.27 |
| 8/14/2014 | \$23.60 | \$23.50 | | 9/30/2014 | \$23.71 | \$24.26 |
| 8/15/2014 | \$23.89 | \$23.54 | | 10/1/2014 | \$23.52 | \$24.24 |
| 8/18/2014 | \$23.93 | \$23.58 | | 10/2/2014 | \$23.63 | \$24.23 |
| 8/19/2014 | \$24.48 | \$23.65 | | 10/3/2014 | \$24.38 | \$24.23 |
| 8/20/2014 | \$24.30 | \$23.70 | | 10/6/2014 | \$24.00 | \$24.22 |
| 8/21/2014 | \$24.45 | \$23.76 | | 10/7/2014 | \$23.75 | \$24.21 |
| 8/22/2014 | \$24.43 | \$23.80 | | 10/8/2014 | \$23.84 | \$24.21 |
| 8/25/2014 | \$24.74 | \$23.86 | | 10/9/2014 | \$26.65 | \$24.26 |
| 8/26/2014 | \$24.91 | \$23.92 | | 10/10/2014 | \$27.24 | \$24.32 |
| 8/27/2014 | \$24.53 | \$23.96 | | 10/13/2014 | \$27.11 | \$24.37 |
| 8/28/2014 | \$24.65 | \$23.99 | | 10/14/2014 | \$27.72 | \$24.44 |
| 8/29/2014 | \$24.64 | \$24.02 | | 10/15/2014 | \$26.74 | \$24.48 |
| 9/2/2014 | \$25.02 | \$24.07 | | 10/16/2014 | \$27.01 | \$24.53 |
| 9/3/2014 | \$25.00 | \$24.11 | | 10/17/2014 | \$26.71 | \$24.57 |
| 9/4/2014 | \$24.69 | \$24.14 | | 10/20/2014 | \$27.42 | \$24.62 |
| 9/5/2014 | \$24.60 | \$24.16 | | 10/21/2014 | \$27.01 | \$24.67 |
| 9/8/2014 | \$24.88 | \$24.19 | | 10/22/2014 | \$27.09 | \$24.71 |
| 9/9/2014 | \$24.13 | \$24.18 | | 10/23/2014 | \$27.80 | \$24.76 |
| 9/10/2014 | \$24.38 | \$24.19 | | 10/24/2014 | \$27.80 | \$24.81 |
| 9/11/2014 | \$24.36 | \$24.20 | | 10/27/2014 | \$28.14 | \$24.87 |
| 9/12/2014 | \$24.14 | \$24.20 | | 10/28/2014 | \$27.96 | \$24.92 |
| 9/15/2014 | \$24.15 | \$24.19 | | 10/29/2014 | \$28.19 | \$24.97 |
| 9/16/2014 | \$24.00 | \$24.19 | | 10/30/2014 | \$28.62 | \$25.03 |
| 9/17/2014 | \$24.76 | \$24.21 | | 10/31/2014 | \$28.97 | \$25.09 |

HOW YOU RECEIVE A PAYMENT – SUBMITTING A CLAIM FORM

11. How will I receive a payment?

To qualify for payment, you must be an eligible Class Member and you must submit a Proof of Claim and Release form. This form is enclosed with this Notice. Read the instructions carefully, fill out the form, include all the documents the form requests, sign it, and mail it in an envelope postmarked no later than December 19, 2015. Retain a copy of everything you mail, in case the materials are lost or destroyed during shipping.

12. When will I receive a payment?

The Court will hold a hearing on October 28, 2015, to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals. It is always uncertain whether appeals, if any are filed, can be resolved, and resolving them can take time, perhaps several years. In addition, the Claims Administrator must process all of the Proof of Claim and Release forms. The processing is complicated and will take many months. Please be patient.

13. What am I giving up by staying in the Class?

Unless you exclude yourself, you are staying in the Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants or the Released Defendant Parties (defined below) concerning the claims being released in this Settlement. It also means that all of the Court's orders in this case will apply to you and legally bind you and you will release your claims in this case against the Defendants and the other Released Defendant Parties.

Pursuant to the proposed Settlement, and on the Effective Date, Lead Plaintiff and other members of the Class who do not exclude themselves will release and forever discharge, and will forever be enjoined from prosecuting, the Plaintiff's Released Claims (defined below) against the Released Defendant Parties (also defined below).

The "Defendants" include Impax Laboratories, Inc., Larry Hsu, G. Frederick Wilkinson, and Bryan M. Reasons, each of whom will be released from all Plaintiff's Released Claims. The proposed Settlement will release all Plaintiff's Released Claims against each Defendant and certain defined Related Parties. The term "Related Parties" includes Defendants' past or present agents,

employees, officers, directors, managers, attorneys and legal representatives, spouses and any person, firm, trust, corporation, officer, director or other individual or entity in which any Defendant has a controlling interest and successors-in-interest or assigns of Defendants.

The Released Defendant Parties are Defendants, their Related Parties, and their insurers, insurers' affiliates, and reinsurers and their related parties.

"Plaintiff's Released Claims" means any and all claims, suits, actions, appeals, causes of action, damages (including, without limitation, compensatory, punitive, exemplary, rescissory, direct, consequential or special damages, and restitution and disgorgement), demands, rights, debts, penalties, costs, expenses, fees, injunctive relief, attorneys' fees, expert or consulting fees, prejudgment interest, indemnities, duties, liability, losses, or obligations of every nature and description whatsoever, known or unknown, whether or not concealed or hidden, fixed or contingent, direct or indirect, anticipated or unanticipated, asserted or that could have been asserted by Lead Plaintiff or any Class Member, whether legal, contractual, rescissory, statutory, or equitable in nature, whether arising under federal, state, common, or foreign law, that are based upon, arise from, are in connection with, or relate to: (a) the purchase, acquisition, sale, or holding of Impax securities for the time period between March 6, 2013 and August 1, 2014, inclusive; (b) the subject matter of the Action for the time period between March 6, 2013 and August 1, 2014, inclusive; or (c) the facts alleged or that could have been alleged in the Action for the time period between March 6, 2013 and August 1, 2014, inclusive. For the avoidance of doubt, Plaintiff's Released Claims do not include: (i) claims to enforce the Settlement; or (ii) claims made in any shareholder derivative action currently pending against any of the Released Defendant Parties.

"Unknown Claims" means any and all Plaintiff's Released Claims which Lead Plaintiff or any Class Member does not know or suspect to exist in his, her, or its favor at the time of release of the Released Defendant Parties, and any Defendants' Released Claims which Defendants do not know or suspect to exist in their favor, which if known by him, her, or it, might have affected his, her, or its decision(s) with respect to the Settlement. With respect to all released claims, the Parties have expressly waived, and each Class member will be deemed to have waived, 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 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."

If the proposed Settlement is approved by the Court and becomes final, all Plaintiff's Released Claims will be dismissed on the merits and with prejudice as to all Class Members who do not exclude themselves from the Class.

If the Settlement becomes final, all Defendants will release all claims (known and unknown) they hold against Lead Plaintiff, Class Members, and their counsel.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement, and you want to keep the right to sue or continue to sue the Defendants on your own about the same claims being released in this Settlement, then you must take steps to exclude yourself from the Settlement. This is referred to as "opting out" of the Class.

14. How do I exclude myself from the Settlement?

To exclude yourself from the Settlement, you must send a letter by mail stating that you want to be excluded from *Aruliah v. Impax Laboratories, Inc.*, Case No. 3:14-CV-03673-JD (N.D. Cal.). You must include your name, address, telephone number, your signature, and proof of the number of shares of Impax common stock purchased or otherwise acquired during the Class Period, the number sold, if any, the dates of such purchases and sales, and the price paid or received per share for each such purchase, acquisition, or sale.

Your Request for Exclusion must be sent to:

Impax Aruliah Securities Settlement
EXCLUSIONS
c/o KCC Class Action Services
75 Rowland Way, suite 250
Novato, CA 94945

Please keep a copy of everything you send by mail, in case it is lost or destroyed during shipping.

Your Request for Exclusion must be *received* no later than October 7, 2015. You cannot exclude yourself by phone, facsimile, or e-mail. If you ask to be excluded, you are not eligible to receive any Settlement payment, and you cannot object to the Settlement. By excluding yourself, you will not be legally bound by anything that happens in this lawsuit and you will be able to pursue the claims that are being released in this Settlement.

15. If I do not exclude myself, can I sue the Defendants for the same thing later?

No. Unless you exclude yourself, you give up any right to sue the Defendants or the other for the claims being released by this Settlement. If you have a pending lawsuit relating to the claims being released in this case against any of the Defendants, speak to your lawyer in that case immediately and give him/her this packet. Remember, the exclusion deadline is October 7, 2015.

16. If I exclude myself, can I receive a payment from this Settlement?

No. If you exclude yourself, you cannot send in a Proof of Claim and Release form. But, you may sue, continue to sue, or be part of a different lawsuit asserting the claims being released in this Settlement against the Defendants or the other Released Defendant Parties.

THE LAWYERS REPRESENTING YOU

17. Do I have a lawyer in this case?

The Court appointed William H. Narwold and Gregg S. Levin of Motley Rice to represent you and the other Class Members as Lead Counsel. You will not be individually charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

18. How will the lawyers be paid?

Lead Counsel will apply to the Court for attorneys' fees not to exceed 25% of the \$4,750,000 Settlement Fund and for reimbursement of Lead Plaintiff's counsel's out-of-pocket expenses up to \$115,000 (exclusive of costs for notice and administration of the Settlement), which they paid or are payable in this litigation, plus interest on these two amounts at the same rate as earned by the Settlement Fund. The amounts approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any fees or expenses of Lead Counsel or other Plaintiff's Counsel.

The attorneys' fees and expenses requested will be the only payment to Lead Counsel and other Plaintiff's Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. To date, these counsel have not been paid for their services of conducting this litigation on behalf of Lead Plaintiff and the Class nor for their substantial out-of-pocket expenses. The fee requested will compensate Plaintiff's Counsel for their work in litigating the case and reaching the Settlement. The request is well within the range of fees awarded to class counsel under similar circumstances in other cases of this type. The Court may, however, award less than this amount.

If the above amounts for fees and expenses are requested and approved by the Court, the average cost per share of common stock will be approximately \$0.05.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

19. How do I tell the Court that I do not like the Settlement?

If you are a Class Member, you can object to the Settlement if you do not like any part of it. To object, you must state in writing that you object to the Settlement in *Aruliah v. Impax Laboratories, Inc.*, Case No. 3:14-CV-03673-JD. You must include your name, address, telephone number, your signature, the reasons you object to the settlement and proof of the number of shares of Impax common stock you purchased or otherwise acquired during the Class Period, the number you sold, and the dates of the purchases/acquisitions and sales. You cannot object by phone, facsimile, or e-mail.

Any objection to the Settlement must be mailed or delivered such that it is received by each of the following no later than October 7, 2015:

Court:

Clerk of the Court
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
450 Golden Gate Avenue, Box 36060
San Francisco, California 94102-3489

Lead Counsel:

Gregg S. Levin
MOTLEY RICE, LLC
28 Bridgeside Boulevard
Mount Pleasant, South Carolina 29464

William H. Narwold
MOTLEY RICE LLC
One Corporate Center
20 Church Street, 17th Floor
Hartford, Connecticut 06103

Defendants' Counsel:

Peter A. Wald
Marcy C. Priedeman
LATHAM & WATKINS, LLP
505 Montgomery Street, Suite 2000
San Francisco, California 94111

Patrick E. Gibbs
LATHAM & WATKINS, LLP
140 Scott Drive
Menlo Park, California 94025-1008

20. What is the difference between objecting to the Settlement and excluding myself from the Class?

Objecting is simply telling the Court that you do not like something about the Settlement, the Plan of Allocation, or the application for 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 Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

21. When and where will the Court decide whether to approve the Settlement?

The Court will hold a hearing on October 28, 2015 at 10:00 a.m., in Courtroom 11, 19th Floor of the United States Courthouse, 450 Golden Gate Avenue, San Francisco, CA 94102-3489. At this hearing the Court will consider whether the Settlement and the Plan of Allocation are fair, reasonable, and adequate and should be approved. The Court may change the date and time of the hearing without further notice. Class Members are advised to check the settlement website (www.ImpaxAruliahSecuritiesSettlement.com) or PACER (www.pacer.gov), as described below, to confirm that the date of the hearing has not been changed. If there are objections, the Court will consider them. The Court will listen to people who have requested in writing by October 7, 2015 to speak at the hearing. The Court also will consider Lead Counsel's application for attorneys' fees and reimbursement of expenses.

22. Do I have to come to the hearing?

No. Lead Counsel will answer any questions the Court may have. You are welcome, however, to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as your written objection is received on time, the Court will consider it. You may also pay your own lawyer to attend, but this is not required.

23. May I speak at the hearing?

You may ask the Court for permission to speak at the hearing. To do so, you must send a letter stating your intention to appear in *Aruliah v. Impax Laboratories, Inc.*, Case No. 3:14-CV-03673-JD. Be sure to include your name, address, telephone number, your signature, the number of shares of Impax common stock you purchased or otherwise acquired during the Class Period, the number of shares you sold, and the dates of the purchases/acquisitions and sales. Your notice of intention to appear must be received no later than October 7, 2015, and be sent to the Clerk of the Court, Lead Counsel, and Defendants' Counsel, at the addresses listed in Question 19. You cannot speak at the hearing if you exclude yourself from the Settlement.

IF YOU DO NOTHING

24. What happens if I do nothing at all?

If you do nothing, you will receive no money from this Settlement. But, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants or the other Released Defendant Parties about the same claims being released in this Settlement.

OBTAINING MORE INFORMATION

25. Are there more details about the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Stipulation of Settlement dated May 27, 2015. You can view and print the Stipulation of Settlement at www.ImpaxAruliahSecuritiesSettlement.com, or obtain a copy of the Stipulation or more information about the Settlement by contacting the Claims Administrator by phone at 1-877-790-2128 or by email to Info@ImpaxAruliahSecuritiesSettlement.com. You also can obtain a copy of the Stipulation by accessing the Court docket in this case through the Court's Public Access to Court Electronic Records (PACER) system at www.pacer.gov or <https://ecf.cand.uscourts.gov>, or by visiting the Clerk's Office at the United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94102-3489, during regular business hours.

PLEASE DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

SPECIAL NOTICE TO NOMINEES

If you purchased Impax common stock during the Class Period for the beneficial interest of a person or organization other than yourself, the Court has directed that you must either: (1) within ten (10) days after you receive this Notice, request additional copies from the Claims Administrator, and within ten (10) days of receipt of additional Notices, send a copy of this Notice and Proof of Claim Form by first class mail to all such persons or entities, or (2) within ten (10) days after you receive this Notice, provide a list containing the names and addresses of such persons or entities (preferably in electronic format (e.g., Excel, csv)) to the Claims Administrator by email to Nominees@ImpaxAruliahSecuritiesSettlement.com or by mail to the following address:

Impax Aruliah Securities Settlement
c/o KCC Class Action Services
P.O. Box 30193
College Station, TX 77842-3193

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. If you choose the second option, KCC Class Action Services will send a copy of the Notice and Proof of Claim Form to the persons and/or entities whose names and address you supply.

In either case, you may obtain reimbursement for reasonable administrative costs actually 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: July 22, 2015

**BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**