

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

NICHOLAS PONZIO AND WOLCOT CAPITAL,
INC. V. JOHN MICHAEL PRESTON, ET AL.

C.A. NO. 8672-VCG

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION, FAIRNESS HEARING,
AND MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

TO: ALL PERSONS WHO HELD VELCERA INC. COMMON STOCK AT ANY TIME BETWEEN DECEMBER 1, 2009 THROUGH AND INCLUDING APRIL 1, 2013.

IF YOU WERE A RECORD HOLDER OR BENEFICIAL OWNER OF VELCERA INC. COMMON STOCK AT ANY TIME DURING THE PERIOD FROM DECEMBER 1, 2009 THROUGH AND INCLUDING APRIL 1, 2013, PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOU MAY BE AFFECTED BY A PROPOSED SETTLEMENT OF CLASS ACTION LITIGATION. IF YOU ARE A MEMBER OF THE CLASS (AS DEFINED IN PARAGRAPH 35 BELOW), YOUR LEGAL RIGHTS WILL BE AFFECTED WHETHER OR NOT YOU ACT AND WHETHER OR NOT YOU ARE ELIGIBLE TO RECEIVE A PAYMENT FROM THE SETTLEMENT FUND.¹

Court-appointed class plaintiffs Nicholas Ponzio and Wolcot Capital, Inc. (collectively, "Plaintiffs"), by and through their attorneys, Lifshitz Law Firm ("Plaintiffs' Lead Counsel"), have reached a proposed settlement of the Action on behalf of themselves and the Class for a total of \$3,850,000 in cash (the "Settlement"). If approved by the Delaware Court of Chancery (the "Court"), the Settlement will resolve all claims asserted in the Action (defined in Paragraph 2 below) and dismiss such claims with prejudice.

If you are a person who held Velcera Inc. common stock for the benefit of another, please read the section below entitled "NOTICE TO PERSONS OR ENTITIES HOLDING RECORD OWNERSHIP ON BEHALF OF OTHERS." Members of the Class are referred to in this Notice as "Class Members."

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:	
SUBMIT A PROOF OF CLAIM AND RELEASE FORM ("CLAIM FORM") BY JUNE 29, 2015 TO DETERMINE WHETHER YOU ARE ELIGIBLE TO RECEIVE A CASH PAYMENT FROM THE SETTLEMENT.	This is the only way to be eligible to get a Payment from the Settlement. If you wish to be a Class Member, you will need to submit a Claim Form (which is included with this Notice) postmarked no later than June 29, 2015.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST SO THAT IT IS POSTMARKED NO LATER THAN MAY 26, 2015.	If you exclude yourself from the Settlement Class, you will not be eligible to get any payment from the Net Settlement Fund. This is the only option that allows you to be part of any other lawsuit against any of the Defendants or the other Released Parties concerning the Released Claims (defined below).
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN JUNE 12, 2015.	If you do not like the proposed Settlement, the proposed Plan of Allocation (defined in Paragraph 36, below), and/or the request for attorneys' fees plus reimbursement of litigation expenses, you may write to the Court and explain why you do not like them. You can object to the Settlement, the Plan of Allocation and/or the fee and expense application only if you are a Class Member.
GO TO THE HEARING ON JUNE 22, 2015 AT 1:00 P.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN JUNE 12, 2015.	Filing a written objection and notice of intention to appear by June 12, 2015 allows you to speak in Court about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys' fees plus reimbursement of litigation expenses. If you submit a written objection, you may (but do not have to) attend the hearing and speak to the Court about your objection.
DO NOTHING.	If you are a member of the Class and you do not submit a Claim Form by June 29, 2015, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court.

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings provided in the Stipulation and Settlement Agreement dated February 17, 2015 (the "Agreement" or "Stipulation"), which is available at www.gardencitygroup.com/cases-info/VLC.

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WHY DID I GET THIS NOTICE?

1. You have received this Notice because you or an investment account for which you serve as custodian may have held Velcera Inc. common stock during the period beginning on December 1, 2009 through and including April 1, 2013 (the "Class Period"). The Court directed that you be sent this Notice because, if you are a member of the Class, you have a right to know about the Settlement of the Action, and about all of your options, before the Court decides whether to approve the Settlement. This Notice describes the Action, the terms of the Settlement, and your legal rights. If the Court approves the Settlement and the Settlement becomes effective, (a) the Action will be dismissed with prejudice, (b) all members of the Class will be deemed to have released the Released Claims (defined in Paragraph 37(a) below) against the Released Parties (defined in paragraph 37(b) below), and (c) the claims administrator ("Claims Administrator") approved by the Court will make payments pursuant to the Settlement.

2. The Action is pending in the Court of Chancery of the State of Delaware, and the case is known as *Nicholas Ponzio and Wolcot Capital Inc. v. John Michael Preston et al.*, C.A. No. 8672-VCG. The judge presiding over this case is Vice Chancellor Sam Glasscock, III. In this case, Plaintiffs, on behalf of themselves and the Class, are suing defendants (a) Velcera Inc. ("Velcera" or the "Company"); and (b) John Michael Preston, R. Scott Barry, Pedro Lichtinger, Josh Kazam, Michael Mashaal, Dennis F. Steadman, and Sal Uglietta (collectively, the "Individual Defendants," and together with Velcera, the "Defendants"). If the Settlement is approved, the Action shall be settled, compromised and dismissed as to the Parties, on the merits and with prejudice, and the Released Claims shall be finally and fully compromised, settled, and dismissed as to the Released Parties.

3. This Notice explains the Action, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them. The purpose of this Notice is to inform you of the Action, that it is a class action, and how you might be affected. It also is being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the proposed Settlement, the proposed Plan of Allocation, and the motion by Plaintiffs' Lead Counsel for an award of attorneys' fees and expense (the "Fairness Hearing").

4. The Fairness Hearing will be held before Vice Chancellor Sam Glasscock, III, at the Court of Chancery Courthouse, 34 The Circle, Georgetown, Delaware 19947, to (a) determine whether the Class should be certified, for Settlement purposes, pursuant to Delaware Court of Chancery Rules 23(a), 23(b)(1) and 23(b)(2); (b) determine whether Plaintiffs may be finally designated as Class Representatives for the Class with the Lifshitz Law Firm ("Plaintiffs' Lead Counsel"), as Class Counsel, and whether such Class Representatives and Class Counsel have adequately represented the interests of the Class in the Action; (c) determine whether the terms and conditions of the Stipulation entered into by Plaintiffs and Defendants are fair, reasonable and adequate and in the best interests of the members of the Class and should be approved by the Court; (d) determine whether the Judgment (defined in Paragraph 37 below) should be entered, among other things, dismissing the Action with prejudice, releasing the Released Claims (defined in Paragraph 37(a) below) against the Released Parties (defined in Paragraph 37(b) below), and barring and enjoining the prosecution of the Released Claims against the Released Parties; (e) hear and rule on any objections to the Settlement; (f) determine whether the proposed Plan of Allocation is fair and reasonable and should be approved by the Court; (g) consider the application of Plaintiffs' Lead Counsel for an award of attorneys' fees and reimbursement of litigation expenses and any objections thereto; and (h) rule on other such matters as the Court may deem appropriate.

5. This Notice does not express any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement, payments to Authorized Claimants (defined in Paragraph 36.I.D below) will be made after any appeals are resolved, and after the completion of all claims processing. Please be patient.

WHAT IS THIS CASE ABOUT? WHAT HAS HAPPENED SO FAR?

THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT. THE COURT HAS MADE NO FINDINGS WITH RESPECT TO THE FOLLOWING MATTERS AND THESE RECITATIONS SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE PARTIES.

6. The Action is a shareholder class action challenging the merger between Velcera and Perrigo Company ("Perrigo") (the "Merger") as well as a capital raise completed by Velcera in 2010.

7. On or about October 17, 2008, the Company filed a Form 15 with the United States Securities and Exchange Commission ("SEC") seeking exemption from certain filing obligations under the United States federal securities laws;

8. In December 2009, the Company entered into a short term bridge financing transaction in the amount of \$4 million, in which Defendants Preston, Kazam, and Uglietta, among others, participated.

9. On or about June 7, 2010, the Company completed a capital raise pursuant to which investors, including investment funds affiliated with Defendants Barry and Mashaal, agreed to invest up to approximately \$38 million in the Company in exchange for shares of Velcera common stock and warrants to purchase shares of common stock (the "2010 Financing").

10. On or about June 17, 2010, the Company filed with the SEC a Form D, Notice of Exempt Offering of Securities, disclosing the completion of the 2010 Financing in the amount of \$37,700,000, stating that the date of first sale of such securities was on June 7, 2010 and that the securities were acquired by a total of 18 investors.

11. In connection with the 2010 Financing, the Company entered into, among other agreements, a Repurchase Rights Agreement with certain investors, including investment funds affiliated with Defendants Barry and Mashaal, pursuant to which Velcera agreed to repurchase shares of common stock issued in the 2010 Financing (or issuable under warrants issued in the 2010 Financing) in the event of a Change of Control (as defined in the Repurchase Rights Agreement) at a repurchase price equal to the sum of (i) 175% of the purchase price per share of common stock issued in the 2010 Financing or underlying warrant, plus accrued and unpaid dividends, and (ii) the amount such share would have otherwise received upon the consummation of a Change of Control (less, in the case of shares underlying the warrants, the applicable exercise price), subject to a cap of 275% of the sum of the purchase price plus accrued and unpaid dividends.

12. Following the closing of the 2010 Financing, certain of the investors in the 2010 Financing alleged that the Company had breached representations and warranties in the 2010 Financing agreements and threatened to withdraw their funding and/or liquidate the Company as a result of a notification received by the Company in June 2010 from its sole supplier of fipronil, the main ingredient in the Company's then-planned pet healthcare product, that it would no longer supply fipronil to the Company.

13. On October 14, 2010, the Company entered into an agreement with certain of the investors in the 2010 Financing, pursuant to which the terms of the 2010 Financing were amended and the investors agreed to invest additional capital of approximately \$6 million in the Company and provide releases for all claims relating to the alleged breaches by the Company of the 2010 Financing agreements.

14. In connection with the amendment to the terms of the 2010 Financing, on or about December 6, 2010, the Company filed a Form D Amendment, Notice of Exempt Offering of Securities stating the offering amount was \$37,690,960, and was acquired by a total of 25 investors.

15. Plaintiffs allege that certain terms of the 2010 Financing were not disclosed to the public shareholders of Velcera until the Company's issuance of the Information Statement to the shareholders dated March 11, 2013 (the "Information Statement") in connection with the Merger.

16. On May 14, 2012, the Velcera board of directors formed a Transaction Committee (the "Transaction Committee") consisting of Defendants Barry, Mashaal, and Preston to assist and oversee Velcera's management and its financial advisor, J.P. Morgan Securities LLC ("JP Morgan"), in identifying and negotiating with potential acquirers of the Company, including Perrigo.

17. Between May 2012 and January 2013, the Transaction Committee, assisted by its financial and legal advisors, communicated with more than 10 parties (other than Perrigo) about a potential strategic transaction with Velcera, several of whom conducted preliminary diligence on the Company, but none of whom submitted a bid.

18. On February 1, 2013, Velcera and Perrigo jointly announced that they had entered into a definitive agreement pursuant to which Perrigo would acquire the outstanding shares of Velcera for \$160 million in cash and that the Merger had been approved by the requisite number of Velcera stockholders by written consent.

19. On March 11, 2013, the Company sent the Information Statement to Velcera shareholders pursuant to Section 228(e) of the General Corporation Law of the State of Delaware giving them notice of the Merger and related matters.

20. On or about April 1, 2013, the Merger Closed.

21. On or about June 21, 2013, this Action was commenced by the filing of a Verified Class Action Complaint (the "Complaint") by Plaintiffs against the Defendants alleging a single cause of action for breach of fiduciary duty in connection with the 2010 Financing, the Merger, and accompanying Information Statement.

22. Plaintiffs, through Plaintiffs' Lead Counsel, have thoroughly investigated the claims and allegations asserted in the Action, as well as the underlying events and transactions relevant to the Action.

23. In connection with their investigation, Plaintiffs' Lead Counsel have reviewed thousands of pages of confidential documents produced by Defendants; taken the depositions of: (i) Defendant Dennis Steadman, President, Chief Executive Officer and a director of Velcera since 2004; and (ii) Thomas Monaghan, Velcera's lead investment banker from JP Morgan; and conducted factual and legal research concerning the validity of Plaintiffs' claims.

24. On May 15, 2014, the parties participated in a mediation before Judge (Ret'd) Layn Philips.

25. Following the mediation, the parties engaged in further arm's-length negotiations, which ultimately led to an agreement in principle to settle the Action on the terms memorialized in a Memorandum of Understanding dated July 24, 2014.

26. The Parties entered into the Stipulation on February 17, 2015.

27. On March 10, 2015, the Court entered a Scheduling Order in which it provisionally certified the Class for purposes of the Settlement only, authorized this Notice to be sent to potential Class Members, and scheduled the Fairness Hearing.

28. Based upon their investigation and prosecution of the Action, Plaintiffs and Plaintiffs' Lead Counsel believe that it is desirable that the Released Claims (as defined below) be fully and finally compromised, settled and resolved and have determined that the Settlement set forth in the Stipulation is fair, reasonable and adequate and in the best interests of Plaintiffs and the Class, and that it confers substantial benefits upon the Class.

29. Defendants deny any and all allegations of wrongdoing, fault, liability or damage to Plaintiffs in the Action or to any other member of the Class, deny that they engaged in, committed or aided or abetted the commission of any breach of duty, wrongdoing or violation of law, deny that Plaintiffs or any of the other member of the Class suffered any damage whatsoever, deny that they acted improperly in any way, believe that they acted properly at all times, maintain that they complied with their fiduciary duties, and maintain that they have complied with all applicable federal and state laws in connection with the matters raised in the Complaint; and Defendants desire to enter into the Settlement solely to eliminate the uncertainty, burden, and expense of further litigation and nothing in this Agreement shall be construed as an admission by Defendants of wrongdoing, fault, liability, or damages whatsoever.

WHAT ARE PLAINTIFFS' REASONS FOR THE SETTLEMENT?

30. Plaintiffs and Plaintiffs' Lead Counsel believe that the claims asserted against Defendants have merit, and that their diligent prosecution of the claims asserted in the Action has led to a Settlement that provides an outstanding recovery for the Class.

31. Plaintiffs, through Plaintiffs' Lead Counsel, have conducted an investigation and pursued discovery in the Action relating to the claims and the underlying events and transactions alleged in the Action. Plaintiffs' Lead Counsel has analyzed the evidence adduced during the investigation and through discovery, and have also researched the applicable law with respect to the claims asserted in the Action and the potential defenses thereto. Information received by Plaintiffs' Lead Counsel from Defendants, and as a result of Plaintiffs' Lead Counsel's own investigation and research, have provided Plaintiffs and Plaintiffs' Lead Counsel with a detailed basis upon which to assess the relative strengths and weaknesses of their position and Defendants' position in this litigation.

32. In negotiating and evaluating the terms of the Settlement, Plaintiffs and Plaintiffs' Lead Counsel considered the significant legal and factual defenses to Plaintiffs' claims and the expense, length, and risk of pursuing their claims through trial and appeals. While Plaintiffs believe that the Merger and 2010 Financing were the product of breaches of fiduciary duty by the Velcera Board and that the overall consideration for the Velcera shareholders other than the participants in the 2010 Financing was inadequate, Defendants have vigorously argued that they acted appropriately and are not subject to liability or damages. In light of the risks of continued litigation, the amount of the Settlement and the immediacy of recovery to the Class, Plaintiffs and Plaintiffs' Lead Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Class. Plaintiffs and Plaintiffs' Lead Counsel believe that the Settlement provides an extraordinary benefit to the Class, namely \$3,850,000 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Action would produce a smaller, or no recovery after trial and appeals, possibly years in the future.

33. THE DELAWARE COURT HAS NOT FINALLY DETERMINED THE MERITS OF THE CLAIMS MADE BY PLAINTIFFS AGAINST THE DEFENDANTS AND HAS NOT FINALLY DETERMINED THE MERITS OF ANY DEFENSES PUT FORTH BY THE DEFENDANTS. THIS NOTICE DOES NOT IMPLY THAT THERE HAS BEEN OR WOULD BE ANY FINDING OF VIOLATION OF THE LAW OR THAT RELIEF IN ANY FORM OR RECOVERY IN ANY AMOUNT COULD BE HAD IF THE ACTION IS NOT SETTLED.

WHAT ARE THE TERMS OF THE SETTLEMENT?

34. In consideration for the full and final settlement and dismissal with prejudice of the Action, and the release of all Released Claims as against the Released Parties, Defendants shall pay, or cause the Participating Insurers to pay, a total of \$3,850,000, which amount includes any payments to members of the Class and any legal fees or expenses awarded by the Court to counsel for the Class.

HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?

35. If you are a member of the Class, you are subject to the Settlement. The Class certified by the Court, for Settlement purposes only, consists of:

Any and all record holders and beneficial owners of common stock of Velcera who held such stock between December 1, 2009 through and including April 1, 2013 (the "Class Period"), and any and all of their successors-in-interest, successors, predecessors-in-interest, predecessors, representatives, trustees, executors, administrators, estates, heirs, assigns and transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under, any of them. The Class shall exclude: (a) Defendants and Perrigo and each of their affiliates, immediate families, legal representatives, heirs, successors or assigns and any entity in which Defendants or Perrigo have a controlling interest; (b) any Velcera shareholder who received repurchase rights in connection with the 2010 Financing; and (c) any Persons who properly exercise their right to exclude themselves from the Class for damage claims only.

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU ARE A CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN JUNE 29, 2015.

HOW MUCH WILL MY PAYMENT BE?

AT THIS TIME, IT IS NOT POSSIBLE TO MAKE ANY DETERMINATION AS TO HOW MUCH ANY INDIVIDUAL CLASS MEMBER MAY RECEIVE FROM THE SETTLEMENT.

36. If the Settlement and the Plan of Allocation proposed by Plaintiffs are approved by the Court, payments to Class Members will be determined as follows:

THE PROPOSED PLAN OF ALLOCATION

I. Definitions

A. **Settlement Amount** means the amount of Three Million Eight Hundred Fifty Thousand Dollars (\$3,850,000) to be paid in consideration for the full settlement and release of the Released Claims, which amount includes any payments to members of the Class and any legal fees or expenses awarded by the Court.

B. **Settlement Fund** means the fund consisting of the Settlement Amount deposited in the escrow account plus any and all interest earned thereon.

C. **Net Settlement Fund** means the Settlement Fund less any applicable taxes, attorneys' fees, expert fees, costs and expenses approved by the Court.

D. **Authorized Claimant** means a Class Member who submits a properly executed Claim Form to the Claims Administrator, in accordance with the requirements established by the Court, which Claim is approved for payment, in whole or in part, from the Net Settlement Fund.

E. **Eligible Shares** means shares of Velcera common stock held as of April 1, 2013 (the Effective Date of the Merger).

II. Allocation Formula

The "Pro Rata Payment Amount" for each Authorized Claimant will be determined by dividing the Authorized Claimant's total number of Eligible Shares by the total of all Eligible Shares of all Authorized Claimants, and multiplying that fraction by the total amount of the Net Settlement Fund available for distribution.

The Net Settlement Fund will be allocated among all Authorized Claimants whose Pro Rata Payment Amount is \$10.00 or greater. If the Pro Rata Payment Amount for any Authorized Claimant calculates to less than \$10.00, no distribution will be made to that Authorized Claimant, and the amount allocated to that Authorized Claimant will be available for distribution to those Authorized Claimants whose payment amount calculates to \$10.00 or greater.

III. Additional Provisions

A. Only those Class Members WHO HELD SHARES OF VELCERA COMMON STOCK AS OF APRIL 1, 2013 (THE EFFECTIVE DATE OF THE MERGER) will be eligible to share in the distribution of the Net Settlement Fund. Each person or entity wishing to participate in the distribution must timely submit a valid Claim Form establishing that his/her/its shares of Velcera common stock were held as of April 1, 2013, and including all required documentation, postmarked on or before June 29, 2015 to the address set forth in the Claim Form that

accompanies this Notice, unless such deadline is extended by order of the Court. Provided that it is received before the motion for the Class Distribution Order (defined below) is filed, a Claim Form shall be deemed to be submitted when mailed, if received with a postmark indicated on the envelope and if mailed by first-class mail and addressed in accordance with the instructions thereon. In all other cases, the Claim Form shall be deemed to have been submitted when actually received by the Claims Administrator.

Unless the Court otherwise orders, Payment pursuant to the Order of the Court shall be deemed final and conclusive as against Plaintiffs and all other Class Members. Any Class Member who does not submit a Claim or whose Claim is not approved by the Court shall be: (a) deemed to have waived his, her or its right to share in the Settlement Fund; (b) forever barred from participating in distributions from the Net Settlement Fund; (c) bound by all of the terms and provisions of the Stipulation and the Settlement and all proceedings, determinations, judgments and orders in the Action relating thereto, including without limitation the terms of the Judgment to be entered in the Action and the releases provided for therein; and (d) permanently barred and enjoined from commencing, maintaining, prosecuting or bringing any of the Released Claims against any of the Released Parties.

- B. The Net Settlement Fund will not be distributed until (a) the Court has approved a plan of allocation, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, of the order approving a plan of allocation has expired; (b) the Effective Date of the Settlement has occurred; and (c) all claims have been processed.
- C. Neither Velcera nor any other Person that paid any portion of the Settlement Amount is entitled to get back any portion of the Settlement Fund once the Effective Date occurs.
- D. Finality of the Settlement shall not be conditioned on any ruling by the Court or any appellate court solely concerning any proposed distribution of the Settlement Fund.
- E. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Class Member.
- F. Each Claimant shall be deemed to have submitted to the exclusive jurisdiction of the State of Delaware or the federal courts located in the State of Delaware with respect to any disputes arising from his, her or its Claim Form and for purposes of enforcing the releases set forth therein.
- G. The allocation formula set forth in this Plan of Allocation is not intended to provide an estimate of, nor is it indicative of, the amounts that Class Members might have been able to recover after a trial if Plaintiffs had prevailed, nor is it intended to provide an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The allocation formula is the basis upon which the Net Settlement Fund will be proportionally allocated to Authorized Claimants.

If any funds remain in the Net Settlement Fund by reason of uncashed checks or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have members of the Class who are entitled to participate in the distribution of the Net Settlement Fund cash their distribution checks, any balance remaining in the Net Settlement Fund six months after the initial distribution of such funds shall be re-distributed, after payment from such funds of any unpaid costs or fees incurred in administering the Net Settlement Fund for such re-distribution, to members of the Class who have cashed their checks and who would receive at least \$10.00 from such re-distribution. If after four months after such re-distribution any funds shall remain in the Net Settlement Fund, then such balance shall be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s) designated by Plaintiffs' Counsel without further order of the Court.

- H. Payment pursuant to the Plan of Allocation, or such other plan as may be approved by the Court, shall be conclusive against all Authorized Claimants. No Person shall have any claim against Plaintiffs, Plaintiffs' Lead Counsel, Plaintiffs' Liaison Counsel, the Claims Administrator or any other agent designated by Plaintiffs' Lead Counsel arising from distributions made substantially in accordance with the Settlement Stipulation, the plan of allocation approved by the Court, or further orders of the Court. Plaintiffs, Defendants, and their respective counsel, and all other Released Parties shall have no responsibility or liability to any Person whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the Plan of Allocation, the determination, administration, calculation, or payment of any Claim or nonperformance of the Claims Administrator, the payment or withholding of Taxes owed by the Settlement Fund, or any losses incurred in connection therewith.
- I. The Plan of Allocation set forth herein is the plan that is being proposed by Plaintiffs and Plaintiffs' Lead Counsel to the Court for approval. The Court may approve this Plan of Allocation as proposed or it may modify the plan without further notice to the Class. Any orders regarding a modification of the Plan of Allocation will be posted to the website, www.gardencitygroup.com/cases-info/VLC.

WHAT RIGHTS ARE BEING COMPROMISED BY THE SETTLEMENT?

37. If the Settlement is approved, the Court will enter a final order and judgment which will be binding on all Class Members. Pursuant to the final order and judgment proposed by the Parties (the "Judgment"), as of the Effective Date (as defined in the Settlement Stipulation), the Action shall be dismissed with prejudice, as follows:

- (a) **Released Claims** means (1) all claims, demands, rights, liabilities, losses, obligations, duties, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of any kind, nature or description whatsoever, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including Unknown Claims, that have been, could have been, or are in the future asserted against the Released Parties (as defined below) by Plaintiff or any other member or members of the Class, or by any other person or entity purporting to act as, on behalf of, for the benefit of, or derivatively for any Class member, whether based on any federal, state, foreign or other law, rule or regulation, that are based upon, arise out of, concern, involve, or relate to in any manner, either directly or indirectly, (i) the Merger between Perrigo and Velcera, (ii) 2009 Bridge Financing consummated by Velcera, (iii) the 2010 Financing (including all subsequent amendments and rounds of financing), (iv) any other allegation in any complaint or amended complaint, including any amended complaint filed in the future, in the Action, and (v) the defense or settlement of the Action; (2) any actions pending against the Released Parties relating to the Released Claims described above; and (3) all claims, sanctions, causes of action and/or rights, known and unknown, by Defendants against Plaintiffs and their counsel in the Action, that are based on, arise out of, or relate in any manner, either directly or indirectly, to the filing, prosecution or settlement of the Action including, without limitation, the actions taken or not taken in connection with any of the foregoing, the events, activities, and/or negotiations leading to or concerning any of the foregoing or concerning potential alternatives thereto, the agreements and disclosures relating to the foregoing, any compensation or other payments made in connection with the foregoing or any related agreements or transactions, the consideration paid pursuant to the Merger, the dissemination of information concerning any of the foregoing, any purchase, sale, or holding of Velcera securities insofar as it relates in any way to any other matter covered in this definition of Released Claims, or any other act or omission in connection with any of the foregoing; provided, however, that the claims to be released shall not include the right of any member of the Class or any of the Released Parties to enforce the terms of the Settlement.
- (b) **Released Parties** means the Plaintiffs and their counsel in the Action, Defendants, Perrigo, and Related Persons. The term "Related Persons" means, for each of Defendants and Perrigo, his, her or its past or present directors, officers, employees, general partners, limited partners, principals, members, managing members, insurers and co-insurers, re-insurers, controlling stockholders, attorneys, advisors, consultants, accountants, auditors, personal or legal representatives, predecessors, successors, divisions, joint ventures, assigns, spouses, heirs, executors, parents, subsidiaries, affiliates (including the officers, directors and employees of such parents, subsidiaries, and affiliates), any entity in which he, she or it has a controlling interest, any member of his, her or its immediate family, and any trust of which he, she or it is the settlor or that is for the benefit of any member of his, her or its immediate family. With respect to the use of the term "Unknown Claims" in the definitions of Released Claims:
- (c) **Unknown Claims** means any claim that may be related to the Released Claims that Plaintiffs or any member of the Class do not know or suspect exists in his, her or its favor at the time of the release of the Released Claims as against the Released Parties, including without limitation those claims which, if known, might have affected the decision to enter into the Settlement.

With respect to any of the Released Claims, the Parties stipulate and agree that upon approval of the Settlement, Plaintiffs shall expressly and each member of the Class shall be deemed to have, and by operation of the final order and judgment by the Court shall have, waived, relinquished, and released any and all provisions, rights, and benefits conferred by or under Cal. Civ. Code § 1542 or any law of the United States or any state of the United States or territory of the United States, foreign jurisdiction, or principle of common law, which is similar, comparable or equivalent to Cal. Civ. Code § 1542, which provides:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT 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."

Plaintiffs acknowledge, and the members of the Class by operation of law shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true with respect to the Released Claims, but that it is the intention of Plaintiffs, and by operation of law the members of the Class, to completely, fully, finally, and forever extinguish any and all Released Claims, known or unknown, suspected or unsuspected, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts that may be related to the Released Claims. Plaintiffs acknowledge, and the members of the Class by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of "Released Claims" was separately bargained for and was a material element of the Settlement and was relied upon by each and all of Defendants in entering into the Settlement.

38. All proceedings in the Action, other than such proceedings as may be necessary to carry out the terms and conditions of the Settlement, are stayed and suspended until further order of the Court. Pending final determination by the Court of whether the Settlement should be approved, all members of the Class are barred and enjoined from commencing, prosecuting, maintaining, instigating or in any way participating in the commencement or prosecution of any action asserting any of the Released Claims against any of the Released Parties.

WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASS SEEKING? HOW WILL THE LAWYERS BE PAID?

39. Plaintiffs' Counsel have not received any payment for their services in pursuing claims against Defendants on behalf of the Class, nor have Plaintiffs' Counsel been reimbursed for their out-of-pocket expenses. Before final approval of the Settlement, Plaintiffs' Counsel will request entry of an Order approving Plaintiffs' Counsel's application for an award of attorneys' fees in an amount not to exceed 25% of the Settlement Amount plus reimbursement of litigation expenses (to be deducted from the Settlement Fund). Defendants agree that they will not oppose this application. The award, if any, that the Court makes to Plaintiffs' Counsel pursuant to this application shall constitute full compensation to Plaintiffs' Counsel for all services rendered and disbursements made in connection with the Action.

40. The Court is to consider and rule upon the fairness, reasonableness, and adequacy of the Settlement independently of any consideration and ruling on Plaintiffs' Counsel's application for an award of attorneys' fees and litigation expenses. The Settlement, the Stipulation and the implementation or effectuation thereof, as well as entry of the Judgment, are not conditioned in any way on any award of attorneys' fees and/or expenses to Plaintiffs' Counsel.

HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

41. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Class and you must timely complete and return the Claim Form with adequate supporting documentation **postmarked no later than June 29, 2015**. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator; www.gardencitygroup.com/cases-info/VLC or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-800-231-1815. If you do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund. Please retain all records of your ownership of Velcera common stock, as they may be needed to document your Claim.

42. As a Class Member, you are represented by Plaintiffs' Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her notice of appearance on the attorneys listed in the section entitled, "When and Where Will the Court Decide Whether to Approve the Settlement?," below.

CAN I EXCLUDE MYSELF FROM THE SETTLEMENT?

43. Yes. If you do not wish to be included in the Settlement Class and you do not wish to participate in the Settlement, you may request to be excluded. To do so, you must submit a written request for exclusion that must be signed by you or your authorized representative and postmarked on or before May 26, 2015. You must set forth: (a) the name, address, and telephone number of the Person requesting exclusion; (b) the number of shares of Velcera common stock the Person purchased or acquired during the Class Period along with the dates and prices of such purchase(s) or acquisition(s), and the number of shares the Person sold during the Class Period along with the dates and prices of such sales; and (c) a statement that the Person wishes to be excluded from the Settlement Class. The exclusion request should be addressed as follows:

Velcera Inc. Shareholder Litigation
EXCLUSION REQUEST
c/o Garden City Group, LLC
P.O. Box 9349
Dublin, OH 43017-4249

NO REQUEST FOR EXCLUSION WILL BE CONSIDERED VALID UNLESS ALL OF THE INFORMATION DESCRIBED ABOVE IS INCLUDED IN ANY SUCH REQUEST.

44. If you timely and validly request exclusion from the Settlement Class, (a) you will be excluded from the Settlement Class, (b) you will not share in the proceeds of the Settlement described herein, (c) you will not be bound by any judgment entered in the case, and (d) you will not be precluded, by reason of your decision to request exclusion from the Settlement Class, from otherwise prosecuting an individual claim, if timely, against the Defendants based on the matters complained of in the litigation. The Defendants may withdraw from and terminate the Settlement if Settlement Class Members who purchased in excess of a certain amount of Velcera Inc. common stock exclude themselves from the Settlement Class.

WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT? DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?

45. **Class Members do not need to attend the Fairness Hearing. The Court will consider any submission made in accordance with the provisions below even if a Class Member does not attend the hearing. You can participate in the Settlement without attending the Fairness Hearing.**

46. The Fairness Hearing will be held on June 22, 2015 at 1:00 p.m. before Vice Chancellor Sam Glasscock, III, at the Court of Chancery Courthouse, 34 The Circle, Georgetown, Delaware 19947. **The Court reserves the right to approve the Settlement and/or the Plan of Allocation at or after the Fairness Hearing without further notice to the members of the Class.**

47. If you are a Class Member and you wish to object to the Settlement, the proposed Plan of Allocation, or Plaintiffs' Lead Counsel's application for attorneys' fees plus reimbursement of litigation expenses, you must do so by filing a written objection, together with copies of all other papers and briefs supporting the objection, (including, but not limited to, documentation evidencing your Velcera shareholdings) with the Registry in Chancery at the address set forth below on or before June 12, 2015. You must also serve the papers on Plaintiffs' Lead Counsel and Defendants' Counsel at the addresses set forth below so that the papers are **received** on or before June 12, 2015.

Plaintiffs' Lead Counsel

Joshua M. Lifshitz, Esq.
LIFSHITZ LAW FIRM
821 Franklin Ave.
Suite 209
Garden City, NY 11530

Plaintiffs' Delaware Liaison Counsel

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Defendants' Counsel

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787 Seventh Avenue
New York, NY 10019

Bradley J. Andreozzi, Esq.
DRINKER BIDDLE & REATH LLP
191 N. Wacker Drive, Suite 3700
Chicago, IL 60606

48. Any objection to the Settlement, the Plan of Allocation, and/or the application for attorneys' fees and expenses (a) must state the name, address and telephone number of the person or entity objecting and, if represented, its/her/his counsel, and must be signed by the objector; (b) must contain a written detailed statement of the Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Class Member wishes to bring to the Court's attention; and (c) must demonstrate that the objector is a member of the Class by including documents sufficient to prove that the objector held shares of Velcera common stock during the Class Period. You may not object to the Settlement, the Plan of Allocation or the application for attorneys' fees and expenses if you are not a member of the Class.

49. You may file a written objection without having to appear at the Fairness Hearing. You may not, however, appear at the Fairness Hearing to present your objection unless you first filed and served a written objection in accordance with the procedures described above, unless the Court orders otherwise.

50. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, or Lead Counsel's request for an award of attorneys' fees and reimbursement of Litigation Expenses, and if you file and serve a timely written objection as described above, you must also file a notice of appearance with the Register in Chancery and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth above so that it is **received** on or before June 12, 2015. Persons or entities who intend to object and desire to present evidence at the Fairness Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Fairness Hearing.

51. You are not required to hire an attorney to represent you in making written objections or in appearing at the Fairness Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Register in Chancery and serve it on plaintiffs' Lead Counsel and Defendants' Counsel at the addresses set forth above so that the notice is **received** on or before June 12, 2015.

52. The Fairness Hearing may be adjourned by the Court without further written notice to the Class. If you intend to attend the Fairness Hearing, you should confirm the date and time with Plaintiffs' Lead Counsel.

Unless the Court orders otherwise, any Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, or Plaintiffs' Lead Counsel's request for an award of attorneys' fees and expenses. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

53. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in the Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected, unless sealed, during regular business hours of each business day at the Office of the Register in Chancery in the Court of Chancery in the State of Delaware, New Castle County Courthouse, 500 North King Street, Wilmington, DE 19801. Additionally, copies of the Settlement Stipulation and any related orders entered by the Court will be posted on the website maintained by the Claims Administrator, www.gardencitygroup.com/cases-info/VLC. All inquiries concerning this Notice or the Claim Form should be directed to: Velcera Inc. Shareholder Litigation, c/o Garden City Group, LLC, Claims Administrator, P.O. Box 9349, Dublin, Ohio 43017-4249, 1-800-231-1815.

DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE REGISTER IN CHANCERY REGARDING THIS NOTICE.

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

54. If you held Velcera common stock during the Class Period for the beneficial interest of a person or entity other than yourself, you must either (a) within five (5) calendar days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and Claim Form (the "Notice Packet") to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notice Packets forward them to all such beneficial owners; or (b) within five (5) calendar days of receipt of this Notice, provide a list of the names and addresses of all such beneficial owners to Velcera Inc. Shareholder Litigation, c/o Garden City Group, LLC, Claims Administrator, P.O. Box 9349, Dublin, Ohio 43017-4249. If you choose the second option, the Claims Administrator will send copies of the Notice and the Claim Form to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form may also be obtained from the website maintained by the Claims Administrator, www.gardencitygroup.com/cases-info/VLC, or by calling the Claims Administrator toll-free at 1-800-231-1815.

Dated: March 31, 2015

BY ORDER OF THE COURT

Register in Chancery