

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE BANK OF NEW YORK MELLON CORP. FOREX
TRANSACTIONS LITIGATION

No. 12-MD-2335 (LAK) (JLC)

THIS DOCUMENT RELATES TO:

*Southeastern Pennsylvania Transportation Authority v. The
Bank of New York Mellon Corporation, et al.*

No. 12-CV-3066 (LAK) (JLC)

*International Union of Operating Engineers, Stationary
Engineers Local 39 Pension Trust Fund v. The Bank of New
York Mellon Corporation, et al.*

No. 12-CV-3067 (LAK) (JLC)

*Ohio Police & Fire Pension Fund, et al. v. The Bank of New York
Mellon Corporation, et al.*

No. 12-CV-3470 (LAK) (JLC)

Carver, et al. v. The Bank of New York Mellon, et al.

No. 12-CV-9248 (LAK) (JLC)

Fletcher v. The Bank of New York Mellon, et al.

No. 14-CV-5496 (LAK) (JLC)

**NOTICE OF (I) PENDENCY OF CLASS ACTION, (II) PROPOSED SETTLEMENT, (III) SETTLEMENT HEARING, (IV)
PLAN OF ALLOCATION FOR DISTRIBUTION, AND (V) LEAD SETTLEMENT COUNSEL'S MOTION FOR
ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

A U.S. Federal Court authorized this Notice. This is not a solicitation from a lawyer.

This notice ("Notice") is being sent to advise you of the pendency of the above-captioned class action lawsuits (collectively, the "Litigation") as a class action and the proposed settlement of the Litigation for \$335,000,000 ("Settlement").¹ In addition, the Settlement Class will receive a distribution of \$155,000,000 pursuant to a settlement that Defendants reached with the New York Attorney General.² The Settlement resolves claims arising from the alleged practice of BNYM (as defined below) of routinely assigning disadvantageous foreign exchange ("FX") rates to those of its custodial clients' FX trades that were executed on an "indirect" or "standing instructions" ("SI") basis in violation of, among other things, BNYM's alleged contractual and fiduciary obligations. This Litigation sought to recover losses on behalf of BNYM's custodial clients based on this alleged practice. If approved, the Settlement will resolve all claims in the Litigation.

The Settlement is entered into by and among (i) Southeastern Pennsylvania Transportation Authority ("SEPTA"), International Union of Operating Engineers, Stationary Engineers Local 39 Pension Trust Fund ("IUOE Local 39"), Ohio Police & Fire Pension Fund ("OP&F"), School Employees Retirement System of Ohio ("SERS"), Carl Carver, Deborah Jean Kenny, Edward C. Day, Joseph F. Deguglielmo, Lisa Parker, Frances Greenwell-Harrell, and Landol D. Fletcher ("Carver/Fletcher Plaintiffs"), on behalf of themselves and each member of the Settlement Class (as defined below) (collectively "Plaintiffs"), and (ii) The Bank of New York Mellon Corporation, The Bank of New York Mellon, The Bank of New York Company, Inc., The Bank of New York, Mellon Bank N.A., The Bank of New York Mellon Trust Company, N.A. (formerly known as the Bank of New York Trust Company, N.A.), and BNY Mellon, N.A. (collectively "BNYM"), and unnamed individuals designated as Does 1–20 in the second amended class action complaint filed on June 9, 2014 in *Carver v. The Bank of New York Mellon, et al.*, No. 1:12-cv-09248-LAK (S.D.N.Y.) and the amended class action complaint filed on September 29, 2014 in *Fletcher v. The Bank of New York Mellon, et al.*, No. 14-CV-5496 (LAK) (S.D.N.Y.) (together with BNYM, "Defendants"). Plaintiffs, on behalf of themselves and each Settlement Class Member, and Defendants are referred to herein as the "Settling Parties." SEPTA, IUOE Local 39, OP&F, SERS, Joseph F. Deguglielmo (as a participant in and representative of the Kodak Retirement Income Plan), and Landol Fletcher (in his capacity as a participant in and representative for the Central States, Southeast and Southwest Areas Pension Plan) are collectively referred to herein as "Lead Plaintiffs."

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings provided in the Stipulation and Agreement of Settlement dated March 19, 2015 (the "Stipulation"), which is available on the website, www.BNYMellonForexSettlement.com.

² BNYM has also entered into a settlement with the United States Department of Labor ("DOL") relating to the Standing Instruction FX Program. Pursuant to that settlement, BNYM will, among other things, pay \$14,000,000 for the benefit of ERISA plans ("DOL Settlement Amount"). BNYM's settlement with the DOL is separate from the Settlement of the Litigation discussed in this Notice. The \$14,000,000 DOL Settlement Amount will be distributed by the Claims Administrator to those Settlement Class Members who are ERISA plans consistent with the Plan of Allocation approved by the Court.

The Honorable Lewis A. Kaplan of the United States District Court for the Southern District of New York ("Court") is presiding over the Litigation. Judge Kaplan has provisionally certified the proposed Settlement Class (as defined below) for purposes of settlement only, has directed that this Notice be mailed to members of the Settlement Class, and has scheduled a final settlement hearing ("Settlement Hearing") at which the Court will consider Plaintiffs' motions for final approval of the Settlement and approval of the proposed plan for allocating the settlement proceeds to the Settlement Class ("Plan of Allocation"), and Lead Settlement Counsel's motion for an award of attorneys' fees, reimbursement of Litigation Expenses of Plaintiffs and Plaintiffs' counsel, and any Service Awards for Plaintiffs. The Settlement Hearing will be held on September 24, 2015, at 10:00 a.m. at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007, Courtroom 21B. The Settlement will become "Final" after the opportunity to appeal Judge Kaplan's final order has expired, or, if there are any appeals, the Settlement is upheld.

As more fully described in Question 6 below, the Settlement provides for \$335,000,000 to be paid by or on behalf of Defendants ("Settlement Amount"). The "Settlement Fund" will include the Settlement Amount plus interest accrued and \$155,000,000 pursuant to a settlement that Defendants reached with the New York Attorney General ("NYAG Settlement Amount").³ The NYAG Settlement Amount is expected to be deposited into the escrow account housing the Settlement Fund after the Settlement becomes Final and will be distributed consistent with the Plan of Allocation enclosed herewith as Exhibit 1.

Any questions regarding the Settlement should be directed to Lead Settlement Counsel: Daniel P. Chiplock, Esq., Loeff Cabraser Heimann & Bernstein, LLP, 250 Hudson Street, 8th Floor, New York, New York 10013-1413, (212) 355-9500, www.lieffcabraser.com; Sharan Nirmul, Esq., Kessler Topaz Meltzer & Check, LLP, 280 King of Prussia Road, Radnor, Pennsylvania 19087, (610) 667-7706, www.ktmc.com; and J. Brian McTigue, Esq., McTigue Law LLP, 4530 Wisconsin Avenue, NW, Suite 300, Washington, DC 20016, (202) 364-6900, www.mctiguelaw.com. Please do not contact the Court. The Court will not be able to answer your questions.

YOU ARE RECEIVING THIS NOTICE BECAUSE AVAILABLE INFORMATION INDICATES THAT YOU ARE A MEMBER OF THE SETTLEMENT CLASS DEFINED BELOW-IF THIS IS INCORRECT, PLEASE CONTACT LEAD SETTLEMENT COUNSEL.

PLEASE READ THIS NOTICE CAREFULLY AND COMPLETELY. IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS TO WHOM THIS NOTICE IS ADDRESSED, THE SETTLEMENT WILL AFFECT YOUR RIGHTS. YOU ARE NOT BEING SUED IN THIS MATTER. YOU DO NOT HAVE TO APPEAR IN COURT, AND YOU DO NOT HAVE TO HIRE AN ATTORNEY. IF YOU ARE IN FAVOR OF THE SETTLEMENT, YOU NEED NOT DO ANYTHING TO APPROVE THE SETTLEMENT. YOU DO NOT HAVE TO DO ANYTHING TO RECEIVE A PAYMENT, BUT YOU MAY EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS PURSUANT TO THE PROCEDURES DESCRIBED BELOW.

³ The settlement with the New York Attorney General does not require approval of the Court, but the NYAG Settlement Amount will be paid to the Settlement Class only in the event that there is final approval of the Settlement.

YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT

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| <p>YOU DO NOT NEED TO TAKE FURTHER ACTION TO PARTICIPATE IN THE SETTLEMENT AND RECEIVE A PAYMENT</p> | <p>If the Settlement is approved you do not need to take any further action to receive your payment.</p> <p>Your portion of the Net Settlement Fund (which includes the NYAG Settlement Amount) will be calculated as part of the administration of the Settlement. An explanation of the manner in which the payments to any Settlement Class Member has been determined is set forth in the answer to Question 7 below. BNYM has agreed to undertake reasonable efforts to provide the information necessary to determine Settlement Class Members' shares of the Net Settlement Fund; however, if you believe that information relevant to the size of your estimated recovery is incorrect, please contact the Claims Administrator. See the answer to Question 7 below for more details.</p> |
| <p>YOU CAN EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION (WHICH MUST BE RECEIVED NO LATER THAN AUGUST 17, 2015)</p> | <p>If you do not wish to be a member of the Settlement Class, you <i>must</i> exclude yourself (as described below in Question 10) and you <i>will not</i> receive any payment from the Settlement Fund. You cannot bring or be part of any other lawsuit or arbitration against Defendants or any of the other Released Defendant Parties based on any Released Claim unless you exclude yourself from the Settlement Class.</p> |
| <p>YOU CAN OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION (WHICH MUST BE FILED NO LATER THAN AUGUST 26, 2015)</p> | <p>If you do not exclude yourself from the Settlement Class and wish to object to any part of the Settlement, you can write to the Court and counsel and explain why you do not like the Settlement.</p> |
| <p>YOU CAN GO TO THE SETTLEMENT HEARING (SEPTEMBER 24, 2015 AT 10 A.M.)</p> | <p>If you have submitted a written objection to the Court and counsel, as explained below, you may (but do not have to) attend the hearing and speak to the Court about your objection.</p> |
| <p>IF YOU DO NOTHING</p> | <p>If you do nothing you will be bound by the terms of the Settlement, will be deemed to have released all Released Claims against Defendants and the other Released Defendant Parties, and will receive your payment.</p> |

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SUMMARY OF THE SETTLEMENT

As described in more detail below, and in the complaints filed in the various actions, this Litigation alleges that Plaintiffs (or the plans they represent) and/or their investment managers entered into agreements authorizing Defendants to transact FX with their custodial accounts under certain “standing instructions.” According to the allegations in Plaintiffs’ complaints, Defendants usually priced “standing instruction” FX trades near the high and low edges of the daily range of interbank rates in the manner most beneficial to BNYM – notwithstanding Defendants’ alleged contractual obligations and representations, as well as in violation of Defendants’ alleged fiduciary and statutory responsibilities. Copies of the operative complaints in the Litigation, as well as other relevant documents filed therein, are available at www.BNYMellonForexSettlement.com.

A Settlement Fund Escrow Account will be established into which the Settlement Amount will be deposited and held prior to being distributed to members of the Settlement Class pursuant to the Plan of Allocation. The NYAG Settlement Amount and DOL Settlement Amount will also be distributed consistent with the Plan of Allocation. After the Settlement becomes Final, the NYAG Settlement Amount is expected to be deposited into the Settlement Fund Escrow Account for distribution. In addition, the DOL Settlement Amount will be combined with the Settlement Amount and distributed to those members of the Settlement Class who are ERISA plans. Your estimated recovery, before deduction of costs, expenses and fees as described below, would amount to approximately 35% of the amount of your Recognized Claim should you not exclude yourself from the Settlement Class. A Settlement Class Member’s Recognized Claim, as explained in the enclosed Plan of Allocation, is the sales margin that BNYM recorded from FX transactions that the Bank executed with that Settlement Class Member through the Standing Instruction FX Program. Your actual recovery will be based upon the Net Settlement

Fund, which will consist of the Settlement Fund, less certain amounts described in the Stipulation, including expenses associated with Notice to the Settlement Class, Court-approved attorneys' fees, Litigation Expenses of Plaintiffs and Plaintiffs' counsel, and any Service Awards to Plaintiffs (from the Settlement Amount) for the effort and time spent by them in connection with the prosecution of the Litigation, and Taxes and other costs related to the administration of the Settlement Fund and implementation of the Plan of Allocation, and will be allocated in accordance with the Plan of Allocation to be approved by the Court. (See Questions 6 and 7 below and Exhibit 1 herewith for details on the Plan of Allocation).

The Settlement Class is defined as follows:

All domestic custody customers of BNYM that used BNYM's Standing Instruction FX Program between January 12, 1999 and January 17, 2012.

Please Note: There are exceptions to being included in the Settlement Class. A description of those Persons excluded by definition from the Settlement Class is provided below in Question 5.

As with any litigation, the Settling Parties would face an uncertain outcome of continuing this Litigation. Absent the Settlement, orders and appeals on class certification, summary judgment and a trial could result in a judgment or verdict greater or less than the recovery under the Settlement, no recovery at all, or liability to BNYM under counterclaims brought by BNYM against certain Plaintiffs and putative class members in this Litigation. This Litigation has been hotly contested from the outset. Throughout this Litigation, the Plaintiffs and BNYM have disagreed on both liability and damages, and they do not agree on the amount that would be recoverable even if the Plaintiffs were to prevail at trial. BNYM, among other things: (1) has denied, and continues to deny, the material allegations of the Complaint; (2) has denied, and continues to deny, any wrongdoing or liability whatsoever; (3) has contested and would continue to contest the propriety of class certification; (4) believes that it acted at all times reasonably and prudently, in full compliance with its contractual obligations, and in accordance with applicable law with respect to its Standing Instruction FX Program; (5) would assert certain other defenses and counterclaims if this Settlement is not consummated; and (6) is entering into the Settlement solely to avoid the cost, disruption, and uncertainty of continued litigation. The Settling Parties have taken into account the uncertainty and risks inherent in this Litigation, particularly its complex nature, and have concluded that it is desirable that this Litigation be fully and finally settled on the terms and conditions set forth in the Stipulation.

Over the course of this case, the parties briefed motions to dismiss the complaints in the Litigation, Defendants' counterclaims, and numerous discovery-related motions. During discovery in this case, the Settling Parties produced and/or reviewed nearly 25 million pages of documents: in total, more than 19 million pages were produced by Defendants, more than one million pages by Plaintiffs, and more than 2.8 million pages by third parties. The Settling Parties, through their attorneys, took, defended, or otherwise participated in a total of 128 depositions, 7 of which took place over multiple days and occurred in numerous states across the country including, but not limited to: Alaska, California, Delaware, Georgia, Massachusetts, New Jersey, New York, Ohio, Pennsylvania, Texas, and Wisconsin. Depositions also took place in both Scotland and England, UK. These depositions resulted in nearly 100,000 pages of recorded testimony and exhibits. The parties filed motions to dismiss, filed ten discovery motions, and exchanged nine expert reports.

Lead Settlement Counsel in this Litigation, on behalf of Plaintiffs' Counsel, will apply to the Court for an order awarding attorneys' fees in an amount not to exceed 25% of the Settlement Amount (not including the NYAG Settlement Amount or the DOL Settlement Amount) and reimbursement of Litigation Expenses of Plaintiffs and Plaintiffs' counsel in an amount not to exceed \$5 million, plus interest earned on these amounts. Lead Plaintiffs will share in the allocation of the money paid to members of the Settlement Class on the same basis and to the same extent as all other members of the Settlement Class, except that, in addition thereto, SEPTA, IUOE Local 39, OP&F, and SERS may apply to the Court for Service Awards of up to \$25,000 each. The other Plaintiffs may apply for Service Awards of up to \$3,000 each. Any Service Award granted to Plaintiffs by the Court will be payable from the Settlement Amount, and will compensate Plaintiffs for their effort and time spent in connection with the prosecution of the Litigation, as supported by adequate written documentation of such effort and time.⁴

BASIC INFORMATION

1. Why did I receive this Notice?

You received this Notice because records indicate that you are a domestic custody customer of BNYM that used BNYM's Standing Instruction FX Program between January 12, 1999 and January 17, 2012. The Court has directed that this Notice be sent to you because, as a member of the Settlement Class, you have a right to know about the proposed

⁴ The portion of the Settlement Fund comprised of the NYAG Settlement Amount and the DOL Settlement Amount will not serve as the basis for any award of attorneys' fees, costs or other deductions apart from whatever administration costs may be incurred after the NYAG Settlement Amount and DOL Settlement Amount are added to the Settlement Fund.

Settlement with Defendants before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and any related objections and appeals are favorably resolved, the Settlement Amount, net of the costs, fees and expenses described herein, as well as the NYAG Settlement Amount and DOL Settlement Amount will be allocated among Settlement Class Members according to a Court-approved Plan of Allocation and the Released Defendant Parties and Released Plaintiff Parties will be released from all Released Claims and Released Defendant Claims, respectively, as set forth in the Stipulation.

This Notice explains the Litigation, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how you will receive your portion of the benefits. The purpose of this Notice is to inform you of the Settlement Hearing to be held by the Court to consider the fairness, reasonableness and adequacy of the Settlement and to consider the application of Lead Settlement Counsel (on behalf of all Plaintiffs' Counsel) for an award of attorneys' fees and reimbursement of Litigation Expenses of Plaintiffs and Plaintiffs' counsel from the Settlement Amount, which may include the application for Service Awards to Plaintiffs.

The Settlement Hearing will be on September 24, 2015 at 10:00 a.m., before the Honorable Lewis A. Kaplan in the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007, Courtroom 21B, to determine:

- whether the Settlement should be approved as fair, reasonable and adequate;
- whether the complaints should be dismissed with prejudice pursuant to the terms of the Settlement;
- whether the Notice and the means of dissemination thereof pursuant to the Settlement: (i) were appropriate and reasonable and constituted due, adequate, and sufficient notice to all persons entitled to notice; and (ii) met all applicable requirements of the Federal Rules of Civil Procedure, and any other applicable law;
- whether the application for attorneys' fees and reimbursement of expenses filed by Lead Settlement Counsel (on behalf of Plaintiffs and Plaintiffs' Counsel) should be approved; and
- whether the application for any Service Awards for Plaintiffs should be approved.

The issuance of this Notice is not an expression of the Court's opinion on the merits of any claim in this Litigation, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement, payment to Settlement Class Members will be made after all related appeals, if any, are favorably resolved. It is always uncertain whether such appeals can be favorably resolved, and resolving them can take time, perhaps more than a year. Please be patient.

2. What is the Litigation about? What has happened so far?

In this Litigation, Plaintiffs allege, among other things, that Defendants breached contracts they entered into with members of the Settlement Class in which BNYM promised to provide standing instruction foreign exchange ("SI FX") transactions in a manner that was "free of charge," according to "best execution standards," or on terms no less advantageous to clients than the terms offered to other parties in comparable transactions conducted on an arm's length basis. The Litigation alleges that Defendants breached their SI FX contracts by pricing SI FX transactions near the high and low edges of the daily interbank range in the manner most beneficial to BNYM. Plaintiffs allege that, by employing this pricing mechanism, BNYM earned higher spreads on SI FX trades than it would have earned on comparable transactions, including trades negotiated directly with BNYM or with a third party. Further, Plaintiffs allege that Defendants' failed to disclose this pricing mechanism, and that this nondisclosure constituted a breach of an alleged fiduciary duty, a violation of various state unfair and deceptive trade practice statutes, and, with respect to ERISA funds, violations of ERISA, 29 U.S.C. § 1104, for engaging in self-interested prohibited transactions with plan assets in violation of ERISA, 29 U.S.C. § 1106(b), and causing the plans to engage in party in interest prohibited transactions in violation of ERISA, 29 U.S.C. § 1106(a).

Defendants have denied Plaintiffs' allegations of wrongdoing. If the Litigation were to continue, Defendants would raise numerous defenses to liability, including without limitation:

- Defendants acted in accordance with the SI FX agreements and did not breach them.
- Defendants either did not owe fiduciary duties or did not breach fiduciary duties owed to certain Settlement Class Members based on state law and the plain language of the Master Trust Agreements that governed Defendants' custodial obligations.
- Defendants made no actionable misrepresentations or omissions, and did not violate any state unfair and deceptive trade practices statutes.
- All of the FX transactions executed with ERISA customers satisfy statutory or regulatory exemptions for FX transactions.
- Plaintiffs and the Settlement Class were not damaged by Defendants' conduct and received the benefit of the bargain for the services that were provided.

Counsel for the Settling Parties aggressively litigated their respective cases for nearly four years. The Settlement is the product of hard-fought, arm's length negotiations between Lead Settlement Counsel and BNYM's Counsel, facilitated by a nationally-recognized mediator with substantial experience mediating complex litigations of this type. Counsel for the Settling Parties agreed to this Settlement only after its terms were thoroughly and extensively negotiated.

3. Why is this case a class action?

In a class action, one or more individuals or entities, referred to as "Plaintiffs," sue on behalf of individuals and entities who have similar claims. All of the Persons on whose behalf Plaintiffs in this Litigation are suing are members of a "class" referred to in this Notice as Settlement Class Members or members of the Settlement Class. Because Plaintiffs believe that the wrongful conduct alleged in this case affected a large number of BNYM's custody customers that used BNYM's SI FX Program between January 12, 1999 and January 17, 2012 in a highly similar way, Plaintiffs filed their cases as putative class actions. The Settlement Class has been provisionally certified by the Court for purposes of effectuating the Settlement. United States District Court Judge Lewis A. Kaplan is presiding over this case.

4. Why is there a Settlement?

The Court has not expressed any opinions or reached any decisions on the ultimate merits of Plaintiffs' claims against Defendants. Instead, Plaintiffs and Defendants have agreed to a Settlement to resolve the Litigation. In reaching the Settlement, the Settling Parties have avoided the cost and time of further litigation, including the costs and expenses involved in completing discovery, completing class and expert discovery, class certification briefing, the summary judgment briefing, trial, post-trial briefing and potential appeals. As with any litigation, Plaintiffs would face an uncertain outcome if this case proceeded further. Pursuing the Litigation against Defendants could result in a verdict offering relief greater than this Settlement, a verdict for less money than Plaintiffs have obtained in this Settlement, no recovery at all, and/or a verdict for Defendants on their counterclaims. Based on these risks and an evaluation of other unique risks presented by this case, Plaintiffs and Plaintiffs' Counsel believe the Settlement is in the best interests of all members of the Settlement Class. Additional information concerning the Settlement and these factors is available on the website, www.BNYMellonForexSettlement.com.

As stated above, this Settlement is the product of extensive arm's-length negotiations between Lead Settlement Counsel and BNYM's Counsel, all of whom are very experienced with respect to complex litigation of this type. Lead Settlement Counsel believe the proposed Settlement is fair, reasonable and adequate and in the best interest of the Settlement Class.

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

The Court has provisionally certified the following Settlement Class:

All domestic custody customers of BNYM that used BNYM's Standing Instruction FX Program between January 12, 1999 and January 17, 2012.

The "Settlement Class" does not include any custodial clients of BNYM with or on behalf of which BNYM has previously reached, or reaches before the Settlement becomes final, a negotiated resolution in connection with disputes or potential disputes relating to the Standing Instruction FX Program (whether or not a qui tam action was filed on behalf of such custodial clients).⁵ The "Settlement Class" also does not include (a) plaintiffs in *Los Angeles County Employees Retirement Association, ex rel. FX Analytics v. The Bank of New York Mellon Corp.*, No. 12-cv-08990-LAK (S.D.N.Y.) and *In re Bank of New York Mellon Corp. False Claims Act Foreign Exchange Litigation*, No. 12-cv-03064-LAK (S.D.N.Y.); or (b) any of the New York City funds named as plaintiffs in *People ex rel. Schneiderman v. The Bank of New York Mellon Corp.*, No. 09/114735 (N.Y. Sup. Ct.), except that the Teachers' Retirement System of the City of New York Variable Annuity Funds and the New York City Deferred Compensation Plan shall both be included in the "Settlement Class." The "Settlement Class" also does not include any Defendants, their predecessors and affiliates, or any entity in which any Defendant has a controlling interest, and their officers, directors, legal representatives, heirs, successors, subsidiaries and/or assigns of any such individual or entity. The "Settlement Class" also shall not include any Person who submits a request for exclusion meeting the requirements of Paragraph 34 of the Stipulation (see Question 10 below). For the

⁵ These custodial clients on whose behalf qui tam cases were filed and resolved are Educational Retirement System of Fairfax County; Fairfax County Employees Retirement System; Fairfax County Uniformed Retirement System; Fairfax County Police Officers Retirement System; Massachusetts Pension Reserves Investment Management Board; State Board of Administration of Florida; and Virginia Retirement System.

avoidance of doubt, it is agreed that this definition of the "Settlement Class" is intended to supersede the class definitions in the complaints in the Litigation.

If you are a member of the above Settlement Class and do not request exclusion (see Question 10 below), your share of the Net Settlement Fund will be determined by the Court-approved Plan of Allocation, described in Questions 6 and 7 below and Exhibit 1 herewith.

6. What does the Settlement provide?

The Settlement provides for \$335,000,000 to be paid by or on behalf of Defendants to settle the Litigation. The \$335,000,000 and an additional \$155,000,000 to be paid pursuant to a settlement between Defendants and the NYAG, plus interest that accrues on these amounts, will be distributed to the Settlement Class after costs, expenses and fees are deducted as described below. The DOL Settlement Amount will also be distributed to those members of the Settlement Class who are ERISA plans. Your estimated recovery, before deduction of costs, expenses and fees as described below, would amount to approximately 35% of the amount of your Recognized Claim, i.e. the sales margin that BNYM recorded on the Standing Instruction FX Program for your respective custodial accounts as determined by Plaintiffs' expert. Your actual recovery will depend upon the net amount in the Settlement Amount (after disbursements and reserves for certain amounts as described in the Settlement, including expenses associated with Notice to the Settlement Class, Court-approved attorneys' fees and Litigation Expenses of Plaintiffs and Plaintiffs' counsel, including any Service Awards, taxes and other costs related to the administration of the Settlement Fund and implementation of the Plan of Allocation), which will be allocated and paid to Settlement Class Members according to a Plan of Allocation to be approved by the Court.

The Settlement will provide for cash payments to Settlement Class Members who do not exclude themselves from the Settlement Class pursuant to Question 10 below. The tax treatment of any distribution from the Net Settlement Fund is the responsibility of each recipient. You should consult your tax advisor to determine the tax consequences, if any, of any distribution to you.

In exchange for the Settlement payment, all Settlement Class Members are deemed to fully release the Released Claims, and are forever enjoined from bringing any of the Released Claims against any of the Defendants or other Released Defendant Parties. The Released Defendant Parties are defined in the Stipulation; generally, they are Defendants and certain affiliated or otherwise related persons and entities. The Released Claims, also defined in the Stipulation, generally include, subject to certain limitations set forth in the Stipulation, all claims asserted in this Litigation, as well as any claims that could have been asserted in any forum by or on behalf of the members of the Settlement Class which arise out of or are based on the allegations, transactions, facts, matters or occurrences, or alleged representations or omissions out of which the claims in this Litigation arose. This means that Settlement Class Members will not have the right to sue the Released Defendant Parties for any such claims if the Settlement is approved.

The parties reached agreement on the proposed Settlement Amount through an extensive mediation facilitated by the Honorable Layn R. Phillips (Ret.), a retired United States District Judge.

The description of the Settlement in this Notice is only a summary. The complete terms, including the definitions of the Released Defendant Parties and Released Claims, are set forth in the Stipulation (including its exhibits), which may be obtained at the Settlement website, www.BNYMellonForexSettlement.com or by contacting Lead Settlement Counsel listed below.

7. What will be my share of the Settlement Fund?

THE COVER LETTER ENCLOSING THIS NOTICE LISTS YOUR BNYM ACCOUNT NUMBER(S) AND EXPLAINS HOW TO VIEW YOUR ESTIMATED RECOVERY. IF YOU BELIEVE THAT INFORMATION TO BE INCORRECT, PLEASE CONTACT THE CLAIMS ADMINISTRATOR. IF THE CLAIMS ADMINISTRATOR CANNOT INDEPENDENTLY VERIFY THAT AN ERROR HAS BEEN MADE, YOU WILL BE ASKED TO PROVIDE DOCUMENTATION RELATING TO YOUR BNYM ACCOUNT(S).

At the Settlement Hearing, Lead Settlement Counsel will request the Court approve the Plan of Allocation enclosed herewith as Exhibit 1. The Plan of Allocation describes the manner by which the Net Settlement Fund, including the NYAG Settlement Amount, will be distributed to Settlement Class Members.⁶ In general terms, the Net Settlement Fund will be allocated to Settlement Class Members such that the amount received will depend on the Settlement Class Member's calculated loss, relative to the losses of other Settlement Class Members, related to sales margin that BNYM

⁶ The DOL Settlement Amount will also be distributed to ERISA Plans through the Claims Administrator pursuant to the Plan of Allocation.

generated from Settlement Class Members' FX transactions conducted through the Standing Instruction FX Program. Because the Net Settlement Fund will be less than the total losses alleged to have been suffered in the Litigation, a Settlement Class Member's proportionate recovery will be less than its alleged loss. You are not responsible for calculating the amount you may be entitled to receive under the Settlement. This calculation will be done as part of the implementation of the Settlement, and will be based on reasonably available information obtained from BNYM, which has agreed to undertake reasonable efforts to provide such information. However, if you believe that information relevant to the size of your estimated recovery is incorrect, please contact the Claims Administrator. You will be asked to provide documentation relating to your BNYM account(s) if the Claims Administrator cannot verify that an error has been made using available records. The tax treatment of any distribution varies based upon the recipient's tax status and treatment of its investments. The tax treatment of any distribution from the Net Settlement Fund is the responsibility of each recipient. You should consult your tax advisor to determine the tax consequences, if any, of any distribution to you.

8. How can I get my portion of the recovery?

If you do not exclude yourself from the Settlement Class pursuant to Question 10 below, you do not need to take any further action to receive your portion of the recovery as set forth in Questions 6 and 7 above and the Plan of Allocation enclosed herewith as Exhibit 1.

9. When will I receive my payment?

Payment is conditioned on several matters, including the Court's approval of the Settlement and that approval becoming Final and no longer subject to any appeals. Upon satisfaction of various conditions, the Net Settlement Fund, which includes the NYAG Settlement Amount as well as the DOL Settlement Amount, will be distributed to Settlement Class Members pursuant to the terms of the Plan of Allocation (described in Questions 6 and 7 above and the Plan of Allocation enclosed herewith as Exhibit 1) as soon as practicable after the Settlement has become Final, including the exhaustion of any appeals. Any appeal could take more than a year. Interest accrued on the Settlement Fund will be included in the amount allocated and paid to Settlement Class Members. The Settlement may be terminated on several grounds, including if the Court does not approve or otherwise materially modifies the terms of the Settlement. If the Settlement is terminated, the Litigation will proceed as if the Settlement had not been reached.

10. Can I exclude myself from the Settlement Class?

Yes. You may request to be excluded (also referred to as "opting-out") from the Settlement Class. If you request exclusion, (a) you will *not* participate in any distribution of the Net Settlement Fund, and will not receive any part of the Settlement Amount, the NYAG Settlement Amount or the DOL Settlement Amount; (b) you will not be bound by the terms of the Settlement, including the releases, and you will retain any right to file your own lawsuit concerning the Released Claims; and (c) you will not be able to object to the Settlement.

In the event you wish to exclude yourself from the Settlement Class, you must submit a written Request for Exclusion, which must be **received no later than August 17, 2015**, at the address below. In order to be valid, each Request for Exclusion must set forth your name, address, telephone number, a statement that you wish to be excluded from the Settlement Class in the Litigation, and the following information:

- (i) name of the entity you represent that entered into a contractual custody agreement with BNYM;
- (ii) the date of the contract referenced in (i) above;
- (iii) the BNYM entity that was the contractual counterparty to the contract referenced in (i) above;
- (iv) a list of all current and former accounts, including both the name and account number of such accounts, that held foreign (non-U.S.) assets and were related to the contract referenced in (i) above; and
- (v) a list of all legal actions and claims (if any) that you have brought against any of the Defendants relating to the Standing Instruction FX Program.

If you cannot provide any of the information required under (ii)–(iv), you may still submit a request for exclusion if you provide a written statement certifying that you have undertaken best efforts to provide the missing information.

Requests for Exclusion must be provided to the Claims Administrator at:

In re Bank of New York Mellon Corp. Forex Transactions Litigation
Garden City Group, LLC
Claims Administrator
P.O. Box 10170
Dublin, OH 43017-3170

To be effective, your Request for Exclusion must be received no later than August 17, 2015. Unless otherwise ordered by the Court, any Settlement Class Member who does not submit a timely and valid Request for Exclusion as provided herein shall be bound by the Settlement. Do not request exclusion if you wish to participate in the Settlement.

You cannot exclude yourself on the website, by telephone or by email. If you do not follow these procedures—including meeting the date for exclusion set out above—you will not be excluded from the Settlement Class, and you will be bound by all of the orders and judgments entered by the Court regarding the Settlement, including the release of claims.

THE LAWYERS REPRESENTING YOU

11. Do I have a lawyer in this case?

Lieff Cabraser Heimann & Bernstein, LLP, Kessler Topaz Meltzer & Check, LLP, and McTigue Law LLP are Lead Settlement Counsel for Plaintiffs and the Settlement Class in the Litigation. You will not be charged directly by these firms or the other firms representing Plaintiffs in this case (collectively "Plaintiffs' Counsel"). If you want to be represented by your own lawyer, you may hire one at your own expense.

12. How will the lawyers be paid?

Lead Settlement Counsel, on behalf of Plaintiffs' Counsel, will apply to the Court for an award of attorneys' fees and reimbursement of Litigation Expenses for their work and Plaintiffs' Counsel's work. The application for attorneys' fees will not exceed 25% of the Settlement Amount plus reimbursement of expenses not to exceed \$5 million incurred in connection with the prosecution and resolution of this Litigation. Any award of fees and expenses will be paid from the Settlement Amount prior to allocation and payment to Settlement Class Members. The written application for attorneys' fees and Litigation Expenses of Plaintiffs and Plaintiffs' counsel, together with any application for Service Awards to Plaintiffs, will be filed by August 17, 2015, and the Court will consider these applications at the Settlement Hearing. A copy of the applications will be available at www.BNYMellonForexSettlement.com or by requesting a copy from Lead Settlement Counsel. Lead Settlement Counsel and Plaintiffs' Counsel will not seek any award of attorneys' fees based on the NYAG Settlement Amount or the DOL Settlement Amount.

To date, neither Lead Settlement Counsel nor any additional Plaintiffs' Counsel have received any payment for their services in prosecuting this Litigation on behalf of the Settlement Class, nor have counsel been reimbursed for their out-of-pocket expenses incurred in connection with litigating this Litigation. The fee requested by Lead Settlement Counsel (on behalf of Plaintiffs' Counsel) would compensate appointed counsel for their efforts in achieving the Settlement for the benefit of the Settlement Class and for their risk in undertaking this representation on a contingency basis. The Court will determine the actual amount of the award.

Objecting to the Attorneys' Fees

By following the procedures described in the answer to Question 13, you can tell the Court that you do not agree with the fees and expenses the attorneys intend to seek and ask the Court to deny their motion or limit the award.

OBJECTIONS

13. How do I tell the Court if I do not like the Settlement?

Any Settlement Class Member may appear at the Settlement Hearing and explain why it thinks the Settlement of the Litigation as embodied in the Stipulation should not be approved as fair, reasonable and adequate and why a judgment should not be entered thereon, why the attorneys' fees and expenses of Plaintiffs and Plaintiffs' Counsel should not be awarded, in whole or in part, or why Plaintiffs should not be awarded any Service Awards, in whole or in part. However, no Settlement Class Member shall be heard or entitled to contest these matters unless such Settlement Class Member has filed with the Court written objections.

To object, you must send a letter or other written statement saying that you object to the Settlement, the attorneys' fee award, expenses, and/or the Service Awards in *In re Bank of New York Mellon Corp. Forex Transactions Litigation*, No. 12-MD-2335 (LAK) (JLC). Be sure to include your name, address, telephone number, signature, and a full explanation of all reasons why you object to the Settlement. You must also include the following information:

- (i) the name of the entity you represent that entered into a contractual custody agreement with BNYM;
- (ii) the date of the contract referenced in (i) above;
- (iii) the BNYM entity that was the contractual counterparty to the contract referenced in (i) above; and
- (iv) a list of all current and former accounts, including both the name and account number of such accounts, that held foreign (non-U.S.) assets and were related to the contract referenced in (i) above.

If you cannot provide any of the information required under (ii)–(iv), you may still object if you provide a written statement certifying that have undertaken best efforts to provide the missing information.

Your written objection must be filed with the Court, and served upon the counsel listed below by no later than August 26, 2015:

File with the Clerk of the Court:

Clerk of the Court
 United States District Court for the Southern District of New York
 500 Pearl Street
 New York, NY 10007

And, by the same date, serve copies of all such papers by mail and fax to each of the following:

| Lead Settlement Counsel | Defendants' Counsel |
|---|---|
| <p>Daniel P. Chiplock, Esq. Lieff Cabraser Heimann & Bernstein, LLP 250 Hudson Street 8th Floor New York, NY 10013-1413</p> <p>Sharan Nirmul, Esq. Kessler Topaz Meltzer & Check, LLP 280 King of Prussia Road Radnor, PA 19087</p> <p>J. Brian McTigue, Esq. McTigue Law LLP 4530 Wisconsin Avenue, NW Suite 300 Washington, DC 20016</p> | <p>Reid M. Figel, Esq. Kellogg, Huber, Hansen, Todd, Evans & Figel, P.L.L.C. 1615 M. Street, N.W. Suite 400 Washington, D.C. 20036</p> |

UNLESS OTHERWISE ORDERED BY THE COURT, ANY SETTLEMENT CLASS MEMBER WHO DOES NOT OBJECT IN THE MANNER DESCRIBED HEREIN WILL BE DEEMED TO HAVE WAIVED ANY OBJECTION AND SHALL BE FOREVER FORECLOSED FROM MAKING ANY OBJECTION TO THE PROPOSED SETTLEMENT AND THE APPLICATION FOR ATTORNEYS' FEES, LITIGATION EXPENSES, AND ANY SERVICE AWARDS.

THE COURT'S SETTLEMENT HEARING

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

The Court will hold a Settlement Hearing at 10:00 a.m. on September 24, 2015, before the Honorable Lewis A. Kaplan in the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007, Courtroom 21B.

IF YOU DO NOT WISH TO OBJECT TO THE PROPOSED SETTLEMENT OR THE APPLICATION FOR ATTORNEYS' FEES, LITIGATION EXPENSES OF PLAINTIFFS AND PLAINTIFFS' COUNSEL, AND ANY SERVICE AWARDS, YOU NEED NOT ATTEND THE SETTLEMENT HEARING.

At the hearing, the Court will consider whether the Settlement is fair, reasonable and adequate. If there are objections, the Court will consider them. After the Settlement Hearing, the Court will decide whether to approve the Settlement. The Court will also consider any motions for attorneys' fees, expenses of Plaintiffs and Plaintiffs' counsel, and Service Awards for Plaintiffs, as well as the proposed Plan of Allocation. We do not know how long these decisions will take.

15. Do I have to come to the hearing?

Lead Settlement Counsel will answer any questions that the Court may have about the Settlement at the Settlement Hearing. You are not required to attend the Settlement Hearing but are welcome to come at your own expense. If you send an objection, you do not have to come to Court to discuss it. As long as you filed your written objection on time, it will be before the Court when the Court considers whether to approve the Settlement as fair, reasonable and adequate. You may also have your own lawyer attend the Settlement Hearing at your expense, but such attendance is not mandatory.

16. May I speak at the hearing?

If you are a Settlement Class Member and you have filed a timely objection, if you wish to speak, present evidence or present testimony at the Settlement Hearing, you must state in your objection your intention to do so, and must identify any witnesses you intend to call or evidence you intend to present.

The Settlement Hearing may be rescheduled by the Court without further notice to the Settlement Class. If you wish to attend the Settlement Hearing, you should confirm the date and time with Lead Settlement Counsel.

IF YOU DO NOTHING

17. What happens if I do nothing at all?

If you do nothing and the Settlement is approved, you will be bound by the terms of the Settlement, will be deemed to have released all Released Claims against all of the Released Defendant Parties, and will receive your *pro rata* payment as described in Questions 6 and 7 above and the Plan of Allocation enclosed herewith as Exhibit 1.

GETTING MORE INFORMATION

18. How do I get more information?

This Notice summarizes the proposed Settlement. Full details of the Settlement are set forth in the Stipulation. You may obtain a copy of the Stipulation by making a written request to Lead Settlement Counsel listed above. Copies of the Stipulation, as well as other Settlement-related documents, may also be viewed at www.BNYMellonForexSettlement.com.

You may also contact Lead Settlement Counsel at the contact information listed above, or the Claims Administrator toll-free at (877) 940-1504 or info@BNYMellonForexSettlement.com.

DATED: May 7, 2015

By Order of the Court