

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

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

STIPULATION AND AGREEMENT OF SETTLEMENT

This Stipulation and Agreement of Settlement (the “Stipulation”) is submitted pursuant to Rule 23 of the Federal Rules of Civil Procedure. Subject to the approval of the Court, this Stipulation is entered into among (i) the City of Fort Lauderdale Police & Fire Retirement System and (ii) William A. Gaul (the “Settlement Class Representatives”) on behalf of themselves and the Settlement Class (as hereinafter defined) and (i) ARIAD Pharmaceuticals, Inc. (“ARIAD”) and (ii) Harvey J. Berger, (iii) Timothy P. Clackson, (iv) Edward M. Fitzgerald, and (v) Frank G. Haluska (the “Individual Defendants”) (ARIAD and the Individual Defendants are collectively referred to hereinafter as the “Defendants” and, together with the Settlement Class Representatives, shall be referred to hereinafter as the “Parties”), by and through their respective counsel. This Stipulation is intended by the Parties to fully, finally, and forever resolve, discharge, and settle the Settled Claims and the Settled Defendants’ Claims (as defined below), upon and subject to the terms and conditions set forth in this Stipulation and subject to the approval of the Court.

WHEREAS:

A. On October 10, 2013, the initial complaint in the action was filed in the United States District Court for the District of Massachusetts (the “Court”). ECF No. 1.

B. On January 9, 2014, the Court appointed lead plaintiffs¹ and approved selection of Lead and Liaison Counsel, pursuant to the Private Securities Litigation Reform Act of 1995 (“PSLRA”). ECF No. 95.

C. On February 18, 2014, plaintiffs filed a consolidated complaint. ECF No. 112.

D. On March 25, 2014, plaintiffs filed the Corrected Consolidated Complaint for Violations of the Federal Securities Laws, ECF No. 131; the operative complaint in this action (the “Complaint”). In the Complaint, plaintiffs asserted, under Section 10(b) and Section 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder, claims pertaining to a number of misrepresentations and omissions allegedly made by Defendants from December 12, 2011 through October 30, 2013. Complaint, ¶¶146-282. Plaintiffs also asserted claims under Sections 11 and 15 of the Securities Act of 1933 (the “Securities Act”) against ARIAD, some of its officers, and its underwriters relating to a secondary offering in January 2013. Complaint, ¶¶416-485.

E. On April 14, 2014, defendants moved to dismiss the Complaint. ECF No. 147.

F. On March 25, 2015, the Court granted defendants’ motion and dismissed the case in its entirety. ECF No. 174.

G. On April 21, 2015, plaintiffs appealed to the U.S. Court of Appeals for the First Circuit (“First Circuit”). ECF No. 175.

¹ In addition to the Settlement Class Representatives, (i) Joseph Bradley (“Bradley”), (ii) Pension Trust Fund for Operating Engineers (“Operating Engineers”), and (iii) Automotive Industries Pension Trust Fund (“Automotive Industries”) were also appointed lead plaintiffs on January 9, 2014. While their purchases of ARIAD common stock were made within the class period alleged in the filed complaints, their shares were only held during the Settlement Class Period, not purchased or otherwise acquired. Therefore, Bradley, Operating Engineers, and Automotive Industries are not members of the Settlement Class and are not bound by or eligible to participate in this Settlement. Defendants’ position is that the Bradley, Operating Engineers, and Automotive Industries’ claims were dismissed by the District Court, which dismissal was affirmed by the U.S. Court of Appeals for the First Circuit. The position of Bradley, Operating, Engineers, and Automotive Industries is that their claims were *not* dismissed with prejudice and are not released by this Settlement.

H. On November 28, 2016, the First Circuit reversed the dismissal of the Exchange Act claims predicated on statements made by Defendants on December 11, 2012. *In re ARIAD Pharms. Sec. Litig.*, 842 F.3d 744, 757 (1st Cir. 2016). The First Circuit affirmed the dismissal of the other claims, including the dismissal of the claims from December 12, 2011 to December 10, 2012 and from December 15, 2012 to October 30, 2013 and the claims under the Securities Act. The case was remanded back to the Court. ECF No. 178.

I. On February 2, 2017, Defendants filed an answer to the Complaint. ECF No. 193.

J. On February 7, 2017, the Court referred the case to Alternative Dispute Resolution, to be conducted by May 2017. ECF No. 195.

K. On March 6, 2017, plaintiffs filed a Motion for Class Certification for shareholders damaged by the alleged December 11, 2012, misstatements and omissions and filed a Memorandum of Law in Support of the Motion for Class Certification. ECF Nos. 197, 198.

L. On March 9, 2017, Defendants filed a Motion for Judgment on the Pleadings together with a Memorandum of Law in support of the motion. ECF Nos. 203, 204.

M. On March 23, 2017, plaintiffs filed a Memorandum of Law in Opposition to Defendants' Motion for Judgment on the Pleadings. ECF No. 208.

N. On April 18, 2017, Defendants filed a Reply to Plaintiffs' Response to their Motion for Judgment on the Pleadings. ECF No. 212.

O. On May 1, 2017, a mediation session scheduled before Magistrate Judge Donald L. Cabell was canceled by Court Order, ECF No. 213, and retired United States District Judge Faith Hochberg was engaged as private mediator by the Parties.

P. On May 18, 2017, after hearing, the Court denied Defendants' Motion for Judgment on the Pleadings. ECF No. 225.

Q. The mediation before Judge Hochberg took place on May 24, 2017, at the New York offices of Labaton Sucharow LLP. At this mediation, counsel for the Parties, on behalf of their respective clients, entered into a term sheet (the “Term Sheet”) setting forth all material deal points associated with the resolution of the Action.

R. The Defendants have denied, and continue to deny, each and all of the claims alleged by the plaintiffs in this Action. The Defendants have expressly denied, and continue to deny, all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts, or omissions alleged in the Action. The Defendants believe that the evidence developed to date supports their position that they acted properly at all times and that the litigation is without merit. This Stipulation shall in no event be construed or deemed to be evidence of or an admission, presumption, or concession on the part of any Defendant with respect to any claim of any fault, liability, wrongdoing, or damage whatsoever, or any infirmity in the defenses that the Defendants have asserted.

S. The Defendants have concluded, taking into account the uncertainty and risks inherent in any litigation, especially in complex cases like the Action, that further conduct of the Action would be protracted and expensive, and that it is, therefore, desirable and beneficial that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation;

T. Parties to this Stipulation recognize that this Action is being voluntarily settled after advice of counsel, and that the terms of the settlement are fair, adequate, and reasonable. This Stipulation shall not be construed or deemed to be a concession by any plaintiff of any infirmity in the claims asserted in the Action;

U. Plaintiffs' Co-Lead Counsel have conducted an investigation relating to the claims and the underlying events and transactions alleged in the Complaint. Plaintiffs' Co-Lead Counsel have analyzed the evidence adduced and have researched the applicable law with respect to the claims of Settlement Class Representatives and the Settlement Class against the Defendants and the potential defenses thereto;

V. With the assistance of retired United States District Judge Faith Hochberg acting as a mediator, Settlement Class Representatives, by their counsel, have conducted discussions and arm's length negotiations with counsel for the Defendants with respect to a compromise and settlement of the Action with a view to settling the issues in dispute and achieving the best relief possible consistent with the interests of the Settlement Class; and

W. Based upon their investigation, Plaintiffs' Co-Lead Counsel have concluded that the terms and conditions of this Stipulation are fair, reasonable, and adequate to Settlement Class Representatives and the Settlement Class, and in their best interests, and have agreed to settle the claims raised in the Action pursuant to the terms and provisions of this Stipulation, after considering the substantial benefits that Settlement Class Representatives and the members of the Settlement Class will receive from settlement of the Action, the attendant risks of litigation, and the desirability of permitting the Settlement to be consummated as provided by the terms of this Stipulation.

NOW THEREFORE, it is hereby STIPULATED AND AGREED, by and among the Parties to this Stipulation, through their respective attorneys, that, subject to approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, in consideration of the benefits flowing to the Parties from the Settlement, that the Action and all Settled Claims (as defined below) and all Settled Defendants' Claims (as defined below), as against the Released

Parties (as defined below), shall be fully and finally compromised, settled, released, and all claims asserted against the Defendants shall be dismissed from the Action on the merits and with prejudice, upon and subject to the following terms and conditions:

CERTAIN DEFINITIONS

1. As used in this Stipulation, the following terms shall have the following meanings. In the event of any inconsistency between any of the definitions set forth below and any of the definitions in any other document related to the Settlement, the definition set forth below shall control.

(a) “Action” means the civil action captioned *In re ARIAD Pharmaceuticals, Inc. Securities Litigation*, No. 1:13-cv-12544 (WGY), pending in the United States District Court for the District of Massachusetts before the Honorable William G. Young, and includes all actions consolidated therein.

(b) “Authorized Claimant” means a Settlement Class Member who submits a timely and valid Claim Form to the Claims Administrator that is accepted for payment by the Court.

(c) “Cash Settlement Amount” means the amount specified in ¶ 4 hereof.

(d) “Claim Form” means the Proof of Claim and Release form for submitting a claim, substantially in the form attached as Exhibit 2 to Exhibit A hereto.

(e) “Claims Administrator” means the firm retained by Plaintiffs’ Co-Lead Counsel, subject to Court approval, to provide all notices approved by the Court to Settlement Class Members, to process Claim Forms, and to administer the Settlement.

(f) “Defendants” means ARIAD and the Individual Defendants.

(g) “Defendants’ Counsel” means the law firm of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

(h) “Effective Date” means the date upon which the Settlement contemplated by this Stipulation shall become effective, as set forth in ¶ 24 below.

(i) “Escrow Account” means the separate escrow account at a banking institution designated and controlled by Plaintiffs’ Co-Lead Counsel into which the Cash Settlement Amount will be deposited for the benefit of the Settlement Class.

(j) “Escrow Agent” means Plaintiffs’ Co-Lead Counsel.

(k) “Final,” with respect to the Judgment, means: (a) if no appeal is filed, the expiration date of the time for filing or noticing of any appeal from the Court’s Judgment approving the Settlement, i.e. thirty (30) calendar days after entry of the Judgment; or (b) if there is an appeal, the date of final dismissal of any appeal from the Judgment, or the final dismissal of any proceeding on *certiorari* to review the Judgment; or (c) the date of final affirmance on an appeal of the Judgment, the expiration of the time to file a petition for a writ of *certiorari*, or the denial of a writ of *certiorari* to review the Judgment, and, if *certiorari* is granted, the date of final affirmance of the Judgment following review pursuant to that grant. Any proceeding or order, or any appeal or petition for a writ of *certiorari* pertaining solely to any plan of allocation and/or application for attorneys’ fees, costs, or expenses, shall not in any way delay or preclude the Judgment from becoming Final.

(l) “Gross Settlement Fund” means the Cash Settlement Amount plus any income or interest earned thereon.

(m) “Individual Defendants” means Harvey J. Berger, Timothy P. Clackson, Edward M. Fitzgerald, and Frank G. Haluska.

(n) “Judgment” or “Order and Final Judgment” means the order and final judgment to be entered by the Court approving the Settlement, substantially in the form attached hereto as Exhibit B.

(o) “Net Settlement Fund” has the meaning defined in ¶ 5 hereof.

(p) “Notice” means the Notice of Pendency of Class Action and Proposed Settlement, Motion for Attorneys’ Fees and Settlement Fairness Hearing, which is to be sent to members of the Settlement Class, substantially in the form attached hereto as Exhibit 1 to Exhibit A.

(q) “Order for Notice and Hearing” means the proposed order preliminarily approving the Settlement and directing notice thereof to the Settlement Class, substantially in the form attached hereto as Exhibit A.

(r) “Plaintiffs’ Counsel” means Plaintiffs’ Co-Lead Counsel, Plaintiffs’ Liaison Counsel, and all other counsel representing plaintiffs in the Action.

(s) “Plaintiffs’ Co-Lead Counsel” means the law firms of Bernstein Litowitz Berger & Grossman LLP, Labaton Sucharow LLP, and Milberg LLP.

(t) “Plaintiffs’ Liaison Counsel” means the law firm of Berman DeValerio LLP.

(u) “Publication Notice” means the Summary Notice of Pendency of Class Action, Proposed Settlement and Settlement Hearing for publication, substantially in the form attached as Exhibit 3 to Exhibit A.

(v) “Released Defendant Parties” means any and all of the Defendants, Defendants’ Counsel, and each of their respective past or present subsidiaries, divisions, parents, affiliates, successors and predecessors, officers, directors, agents, employees, attorneys, advisors,

investment advisors, auditors, accountants, insurers; any person, firm, trust, corporation, officer, director, or other individual or entity in which any Defendant has a controlling interest, any members of any Individual Defendant's immediate family, or any trust of which any Individual Defendant is the settlor or which is for the benefit of any Individual Defendant or his family, and the personal or legal representatives, spouses, heirs, executors, estates, administrators, successors in interest, or assigns of any Released Defendant Party.

(w) "Released Plaintiff Parties" means any and all of the Settlement Class Members, Settlement Class Representatives, Plaintiffs' Counsel, and each of their respective past or present subsidiaries, parents, affiliates, successors and predecessors, officers, directors, agents, employees, attorneys, advisors, investment advisors, auditors, accountants, insurers; any person, firm, trust, corporation, officer, director or other individual or entity in which any Settlement Class Member has a controlling interest, and the legal representatives, heirs, successors in interest or assigns of any Released Plaintiff Party.

(x) "Released Parties" means the Released Defendant Parties and the Released Plaintiff Parties, collectively.

(y) "Settled Claims" means any and all claims, debts, demands, rights, obligations, disputes, issues, controversies, or causes of action, suits, matters, damages, or liabilities of every kind, nature, description, and character whatsoever (including, but not limited to, any claims for damages, whether compensatory, special, incidental, consequential, punitive, exemplary, or otherwise), injunctive relief, declaratory relief, rescission or recessionary damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses, or liabilities whatsoever, whether based on federal, state, local, or foreign law, or statutory, common, or administrative law, or any other law, rule, or regulation, whether asserted as claims,

cross-claims, counterclaims, or third-party claims, whether fixed or contingent, choate or inchoate, accrued or un-accrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature, including both known claims and Unknown Claims, that have been or could have been or in the future could be asserted in any forum, whether foreign or domestic, by Settlement Class Representatives or any Settlement Class Member, or any person claiming through or on behalf of them, that in any way arise out of, are based upon, relate to, or concern, directly or indirectly, in whole or in part, (a) the claims, allegations, transactions, facts, events, acts, disclosures, statements, representations, or omissions, or failures to act alleged, set forth, referred to, or involved in the Action (or which could have been raised in the Action or any other forum with respect to such claims, allegations, transactions, events, acts, disclosures, statements, representations, or omissions or failures to act) or any of the complaints filed or proposed to be filed therein, and (b) the purchase, acquisition, disposition, or sale of ARIAD common stock during the Settlement Class Period. For the avoidance of doubt, “Settled Claims” do not include claims relating to the enforcement of the Settlement.

(z) “Settled Defendants’ Claims” means any and all claims, rights, or causes of action or liabilities whatsoever, whether based on federal, state, local, statutory, or common law or any other law, rule, or regulation, including both known claims and Unknown Claims, that have been or could have been asserted in the Action or any forum by the Defendants or any of them or the successors and assigns of any of them against any of the Settlement Class Representatives, other Settlement Class Members or their attorneys, which arise out of or relate in any way to the institution, prosecution, or settlement of the Action (except for claims to enforce the Settlement).

(aa) “Settlement” means the settlement contemplated by this Stipulation.

(bb) “Settlement Class” means, for the purposes of this Settlement only, all persons and entities that purchased, or otherwise acquired, shares of ARIAD publicly traded common stock during the period from December 11, 2012, through December 14, 2012, inclusive, and were damaged thereby. Excluded from the Settlement Class are: (i) Defendants; (ii) the officers, directors, and affiliates of ARIAD; (iii) members of immediate family of any Individual Defendant; (iv) any entity in which any Defendant has or had a controlling interest; (v) ARIAD’s employee retirement and/or benefit plan(s) and their participants and/or beneficiaries to the extent they purchased or acquired ARIAD common stock through any such plan(s); and (vi) the legal representatives, heirs, successors, or assigns of any such excluded person. Also excluded from the Settlement Class are any putative Settlement Class Members who exclude themselves by filing a request for exclusion in accordance with the requirements set forth in the Notice. “Settlement Class Member” means a member of the Settlement Class.

(cc) “Settlement Class Period” means, for the purposes of this Settlement only, the period of time from December 11, 2012, through December 14, 2012, inclusive.

(dd) “Unknown Claims” means any and all Settled Claims which any Settlement Class Representative or Settlement Class Member does not know or suspect to exist in his, her or its favor as of the Effective Date, and any Settled Defendants’ Claims which any Defendant does not know or suspect to exist in his, her, or its favor as of the Effective Date, which if known by him, her, or it might have affected his, her, or its decision(s) with respect to the Settlement. With respect to any and all Settled Claims and Settled Defendants’ Claims, the Parties stipulate and agree that upon the Effective Date, the Settlement Class Representatives and the Defendants shall expressly waive, and each Settlement Class Member shall be deemed to

have waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, 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 to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Settlement Class Representatives, Settlement Class Members, Defendants, or Released Defendant Parties may hereafter discover facts, legal theories, or authorities in addition to or different from those which any of them now knows or believes to be true with respect to the subject matter of the Settled Claims and the Settled Defendants' Claims, but Settlement Class Representatives and Defendants shall expressly, fully, finally, and forever settle and release, and each Settlement Class Member and Released Defendant Party shall be deemed to have settled and released, and upon the Effective Date and by operation of the Judgment shall have settled and released, fully, finally, and forever, any and all Settled Claims and Settled Defendants' Claims, as applicable without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. Settlement Class Representatives and Defendants acknowledge, and all Settlement Class Members and Released Defendant Parties by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Settled Claims and Settled Defendants' Claims was separately bargained for and was a key element of the Settlement.

SCOPE AND EFFECT OF SETTLEMENT

2. The obligations incurred pursuant to this Stipulation shall be in full and final disposition of the Action and any and all Settled Claims, as against all Released Defendant Parties, and any and all Settled Defendants' Claims, as against all Released Plaintiff Parties.

3. (a) Upon the Effective Date of this Settlement, Settlement Class Representatives and all the other members of the Settlement Class on behalf of themselves, their heirs, executors, administrators, parents, subsidiaries, affiliates, custodians, agents, attorneys, representatives, trustees, Estates, spouses, immediate family members, predecessors, successors, and assigns, and any other Person claiming through or on behalf of them, shall be deemed to have, to the fullest extent permitted by law, fully, finally, and forever waived, released, relinquished, settled, discharged, and dismissed, each and every one of the Settled Claims, against each and every one of the Released Defendant Parties, whether or not such Settlement Class Member executes and delivers the Claim Form, and whether or not such Settlement Class Member shares in the Gross Settlement Fund or the Net Settlement Fund, and shall forever be enjoined from prosecuting any Settled Claims against any of the Released Defendant Parties.

(b) Upon the Effective Date of this Settlement, each of the Defendants, on behalf of themselves and the other Released Defendant Parties, their heirs, executors, administrators, parents, subsidiaries, affiliates, custodians, agents, attorneys, representatives, trustees, Estates, spouses, immediate family members, predecessors, successors, and assigns, and any other Person claiming through or on behalf of them, shall be deemed to have, to the fullest extent permitted by law, fully, finally, and forever waived, released, relinquished, settled, discharged, and dismissed, each and every one of the Settled Defendants' Claims, and shall

forever be enjoined from prosecuting any Settled Defendants' Claims against any of the Released Plaintiff Parties.

(c) Notwithstanding the provisions of ¶¶ 3(a) and (b) hereof, none of the Settlement Class Representatives, Released Plaintiff Parties, Defendants, or Released Defendant Parties release any claims relating to the enforcement of the Settlement.

THE SETTLEMENT CONSIDERATION

4. (a) Defendants shall pay or cause to be paid \$3.5 million in cash, within ten (10) business days from the entry of an Order for Notice and Hearing, substantially in the form annexed hereto as Exhibit A, into the Escrow Account for the benefit of the Settlement Class. Plaintiffs' Co-Lead Counsel will provide complete and accurate payment instructions and a W-9 for this payment into the Escrow Account.

(b) Upon deposit of the Cash Settlement Amount into escrow, the Cash Settlement Amount and any income or interest earned thereon shall be the "Gross Settlement Fund."

5. (a) The Gross Settlement Fund, net of any Taxes (as defined below) on the income thereof, shall be used to pay the Notice and Administration Costs referred to in ¶ 7 hereof, the attorneys' fee and expense award referred to in ¶ 8 hereof, and any other fees and costs approved by the Court. The balance of the Gross Settlement Fund after the above payments shall be the "Net Settlement Fund." The Net Settlement Fund shall be distributed to the Authorized Claimants as provided in ¶¶ 11-14 hereof. Any sums required to be held in escrow hereunder prior to the Effective Date shall be held for the purposes of this Settlement by Plaintiffs' Co-Lead Counsel as Escrow Agents for the Gross Settlement Fund. All funds required to be held in the Escrow Account shall be deemed to be in the custody of the Court and shall

remain subject to the jurisdiction of the Court until such time as the funds shall be distributed or returned to the persons paying the same pursuant to this Stipulation and/or further order of the Court. The Escrow Agents shall invest any funds held in the Escrow Account in short-term United States Agency or Treasury Securities (or a mutual fund invested solely in such instruments) or in a fully US Government-insured account, and shall collect and reinvest any and all interest accrued thereon, except that any residual cash balances or funds needed for short-term placement up to the amount that is insured by the FDIC may be deposited in any account that is fully insured by the FDIC and held in cash. All risks related to the investment of the Gross Settlement Fund shall be borne solely by the Gross Settlement Fund, and the Released Defendant Parties shall have no responsibility for, interest in, or liability whatsoever with respect to investment decisions or the actions of the Escrow Agent, or any transactions executed by the Escrow Agent.

(b) The Parties agree that the Gross Settlement Fund is intended to be a Qualified Settlement Fund within the meaning of Treasury Regulation § 1.468B-1 and that the Escrow Agents, as administrator of the Gross Settlement Fund within the meaning of Treasury Regulation §1.468B-2(k)(3), shall be responsible for filing tax returns for the Gross Settlement Fund and paying from the Gross Settlement Fund any Taxes (defined below) owed with respect to the Gross Settlement Fund. The Parties agree that the Gross Settlement Fund shall be treated as a Qualified Settlement Fund from the earliest date possible, and agree to any relation-back election required to treat the Gross Settlement Fund as a Qualified Settlement Fund from the earliest date possible. It shall be the responsibility of Plaintiffs' Co-Lead Counsel to timely and properly prepare and deliver, or cause to be prepared and delivered, the necessary documentation

for signature by all necessary parties, and thereafter take all such actions as may be necessary or appropriate to cause the appropriate filing(s) to occur. Consistent with the foregoing:

(c) All taxes on the income of the Gross Settlement Fund and expenses and costs incurred in connection with the taxation of the Gross Settlement Fund (including, without limitation, expenses of tax attorneys and accountants) (collectively “Taxes”) shall be paid out of the Gross Settlement Fund, shall be considered to be a cost of administration of the Settlement and shall be timely paid from the Gross Settlement Fund without prior Order of the Court. Plaintiffs’ Co-Lead Counsel shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized Claimants any funds necessary to pay Taxes (as well as any amounts that may be required to be withheld under Treas. Reg. § 1.468B-2(l)(2)). The Parties, through their counsel, agree to cooperate with each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this ¶ 5.

ADMINISTRATION

6. The Claims Administrator shall administer the Settlement subject to the jurisdiction of the Court. Except as stated in ¶ 16 hereof, Defendants shall have no responsibility for the administration of the Settlement and shall have no liability to the Settlement Class in connection with such administration. Defendants’ Counsel shall cooperate in the administration of the Settlement to the extent reasonably necessary to effectuate its terms, including providing without charge all information from ARIAD’s transfer records concerning the identity of Settlement Class Members. Such transfer records shall be provided to Plaintiff’s Co-Lead Counsel or the Claims Administrator within five (5) business days of entry of the Order for Notice and Hearing and shall be in electronic searchable form, such as Excel, and should contain

the names and addresses of persons or entities who purchased or otherwise acquired shares of ARIAD publicly traded common stock during the Settlement Class Period.

7. Plaintiffs' Co-Lead Counsel may use up to \$250,000 from the Gross Settlement Fund to pay notice and administration costs reasonably, necessarily, and actually incurred, without further approval from the Defendants or order of the Court. The reasonable costs and expenses associated with identifying members of the Settlement Class, providing notice to the Settlement Class, and administering the Settlement, will include without limitation: the costs of publication, printing, and mailing the notice; reimbursements to nominee owners for forwarding the notice to their beneficial owners; the expenses and fees charged by the Claims Administrator in connection with providing notice, processing the submitted claims, and distributing the Net Settlement Fund; and the expenses and fees related to the Escrow Account ("Notice and Administration Costs"). Prior to the Effective Date, Plaintiffs' Co-Lead Counsel shall not pay more than \$250,000 from the Gross Settlement Fund for such Notice and Administration Costs without the approval of the Defendants, which shall not be unreasonably withheld. In the event that the Claims Administrator seeks more than \$250,000 before the Effective Date to pay such costs, the Claims Administrator must submit a written request to Plaintiffs' Co-Lead Counsel and Defendants' Counsel seeking to utilize additional monies from the Gross Settlement Fund for the purpose of providing notice.

ATTORNEYS' FEES AND EXPENSES

8. Plaintiffs' Co-Lead Counsel will apply to the Court for an award from the Gross Settlement Fund of attorneys' fees and payment of expenses incurred in prosecuting the Action, which may include a request for reimbursement of the costs and expenses of the Settlement Class Representatives, pursuant to 15 U.S.C. §78u-4(a)(4) of the PSLRA. Such amounts as are

awarded by the Court shall be payable from the Gross Settlement Fund to Plaintiffs' Co-Lead Counsel immediately upon award, notwithstanding the existence of any timely filed objections thereto, or potential for appeal therefrom, or collateral attack on the Settlement or any part thereof, subject to Plaintiffs' Co-Lead Counsel's obligation to make appropriate refunds or repayments to the Gross Settlement Fund, plus accrued interest at the same net rate as is earned by the Gross Settlement Fund, if and when, the Settlement is terminated pursuant to the terms of this Stipulation or, as a result of any appeal and/or further proceedings on remand, or successful collateral attack, the Settlement is terminated or the fee or expense award is reduced or reversed. Plaintiffs' Co-Lead Counsel shall make the appropriate refund or repayment no later than fifteen (15) business days after receiving notice of the termination of the Settlement pursuant to this Stipulation, notice from a court of appropriate jurisdiction of the disapproval of the Settlement by final non-appealable order, or notice of any reduction or reversal of the award of attorneys' fees and/or expense by final non-appealable order.

9. Plaintiffs' Co-Lead Counsel shall allocate the attorneys' fees amongst Plaintiffs' Counsel in a manner in which they in good faith believe reflects the contributions of such counsel to the prosecution and settlement of the Action with Defendants. Defendants have no liability or obligation to Settlement Class Representatives, the other members of the Settlement Class, or Plaintiffs' Counsel, with respect to any attorneys' fees, costs, or expenses other than Defendants' obligation to pay or cause to be paid the Cash Settlement Amount.

10. The procedure for and the allowance or disallowance by the Court of any fee and expense application are not part of the Settlement, and are separate from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement, and any order or proceeding relating to any fee and expense application, including without limitation an award of

attorneys' fees or expenses in an amount less than the amount requested by Plaintiffs' Co-Lead Counsel, or any appeal from or reversal or modification of any order relating to attorneys' fees or expenses, shall not operate to terminate or cancel the Stipulation, or affect or delay the finality of the Judgment approving the Stipulation and the Settlement, including, but not limited to, the release, discharge, and relinquishment of the Settled Claims against the Released Defendant Parties, or any other orders entered pursuant to the Stipulation. Settlement Class Representatives and Plaintiffs' Co-Lead Counsel may not cancel or terminate the Stipulation or the Settlement in accordance with ¶ 25 or otherwise based on the Court's or any appellate court's ruling with respect to fees and expenses in the Action.

DISTRIBUTION TO AUTHORIZED CLAIMANTS

11. Plaintiffs' Counsel will apply to the Court, on notice to Defendants' Counsel, for an order (the "Distribution Order") approving the Claims Administrator's administrative determinations concerning the acceptance and rejection of the claims submitted herein and approving any fees and expenses not previously applied for, including the fees and expenses of the Claims Administrator, and, if the Effective Date has occurred, directing payment of the Net Settlement Fund to Authorized Claimants.

12. The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's Recognized Claim (as defined in the Plan of Allocation described in the Notice annexed hereto as Exhibit 1 to Exhibit A, or in such other Plan of Allocation as the Court approves).

13. The Plan of Allocation proposed in the Notice is not a necessary term of this Stipulation and it is not a condition of this Stipulation that any particular Plan of Allocation be approved.

14. Each Authorized Claimant shall be allocated a *pro rata* share of the Net Settlement Fund based on his or her Recognized Claim compared to the total Recognized Claims of all accepted claimants. This is not a claims-made settlement. The entire Net Settlement Fund shall be distributed to the Authorized Claimants. The Defendants shall not be entitled to the return of any of the settlement monies once the Settlement reaches the Effective Date. The Defendants and Defendants' Counsel shall have no involvement in reviewing or challenging claims.

ADMINISTRATION OF THE SETTLEMENT

15. Any member of the Settlement Class who does not submit a valid Claim Form will not be entitled to receive any of the proceeds from the Net Settlement Fund but will otherwise be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment to be entered in the Action and the releases provided for herein, and will be barred from bringing any action against the Released Defendant Parties concerning the Settled Claims.

16. The Claims Administrator shall process the Claim Forms and, after entry of the Distribution Order, distribute the Net Settlement Fund to the Authorized Claimants. Except for their obligations to pay the Cash Settlement Amount and to separately pay the costs associated with providing ARIAD's transfer records and providing notice under the Class Action Fairness Act of 2005, 28 U.S.C. § 1715, if any, Defendants shall have no liability, obligation, or responsibility for the administration of the Settlement or disbursement of the Net Settlement Fund. Plaintiffs' Co-Lead Counsel shall have the right, but not the obligation, to advise the Claims Administrator to waive what Plaintiffs' Co-Lead Counsel deem to be *de minimis* or

formal or technical defects in any Claim Forms submitted in the interests of achieving substantial justice.

17. For purposes of determining the extent, if any, to which a claimant shall be entitled to be treated as an “Authorized Claimant”, the following conditions shall apply:

(a) Each claimant shall be required to submit a Claim Form, substantially in the form of Exhibit 2 to Exhibit A, supported by such documents as are designated therein, including proof of the transactions claimed and the losses incurred thereon, or such other documents or proof as the Claims Administrator, in its discretion may deem acceptable;

(b) All Claim Forms must be submitted by the date set by the Court in the Order for Notice and Hearing and specified in the Notice, unless such period is extended by Order of the Court at the request of Plaintiffs’ Co-Lead Counsel. Any Settlement Class Member who fails to submit a Claim Form by such date shall be forever barred from receiving any payment pursuant to this Stipulation (unless, by Order of the Court at the request of Plaintiffs’ Co-Lead Counsel, a later submitted Claim Form by such Settlement Class Member is approved), but shall in all other respects be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment to be entered in the Action and the releases provided for herein, and will be barred from bringing any action against the Released Defendant Parties concerning the Settled Claims. Provided that it is received before the motion for the Distribution Order is filed, a Claim Form shall be deemed to have been submitted when posted, 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;

(c) Each Claim Form shall be submitted to and reviewed by the Claims Administrator, who shall determine in accordance with this Stipulation and the approved Plan of Allocation the extent, if any, to which each claim shall be allowed, subject to review by the Court pursuant to subparagraph (e) below;

(d) Claim Forms that do not meet the submission requirements may be rejected. Prior to rejection of a Claim Form, the Claims Administrator shall communicate with the claimant in order to attempt to remedy the curable deficiencies in the Claim Form submitted. The Claims Administrator shall notify, in a timely fashion and in writing, each claimant whose Claim Form it proposes to reject in whole or in part, setting forth the reasons therefor, and shall indicate in such notice that the claimant whose claim is to be rejected has the right to a review by the Court if the claimant so desires and complies with the requirements of subparagraph (e) below;

(e) If any claimant whose claim has been rejected in whole or in part desires to contest such rejection, the claimant must, within twenty (20) calendar days after the date of sending the notice required in subparagraph (d) above, or a lesser period if the claim is untimely, serve upon the Claims Administrator a notice and statement of reasons indicating the claimant's grounds for contesting the rejection along with any supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a claim cannot be otherwise resolved, Plaintiffs' Co-Lead Counsel shall thereafter present the request for review to the Court on notice to the claimant; and

(f) The administrative determinations of the Claims Administrator accepting and rejecting claims shall be presented to the Court, on notice to Defendants' Counsel, for approval by the Court in the Distribution Order.

18. Each claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to the claimant's claim, and the claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to that claimant's status as a Settlement Class Member and the validity and amount of the claimant's claim. No discovery shall be allowed on the merits of the Action or Settlement in connection with processing of the Claim Forms.

19. Payment pursuant to the Distribution Order shall be deemed final and conclusive against all Settlement Class Members. All Settlement Class Members whose claims are not approved by the Court shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment to be entered in the Action and the releases provided for herein, and will be barred from bringing any action against the Released Defendant Parties concerning the Settled Claims.

20. All proceedings with respect to the administration, processing and determination of claims described by ¶ 17 of this Stipulation and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of claims, shall be subject to the jurisdiction of the Court, but shall not in any event delay or affect the finality of the Judgment.

TERMS OF ORDER FOR NOTICE AND HEARING

21. Plaintiffs' Co-Lead Counsel and Defendants' Counsel jointly shall apply to the Court for entry of an Order for Notice and Hearing, substantially in the form annexed hereto as Exhibit A.

TERMS OF ORDER AND FINAL JUDGMENT

22. If the Settlement contemplated by this Stipulation is approved by the Court, counsel for the Parties shall request that the Court enter an Order and Final Judgment, substantially in the form annexed hereto as Exhibit B.

SUPPLEMENTAL AGREEMENT

23. Simultaneously herewith, Plaintiffs' Co-Lead Counsel and Defendants' Counsel are executing a Confidential Supplemental Agreement Regarding Requests for Exclusion ("Supplemental Agreement") setting forth certain conditions under which this Settlement may be terminated by Defendants if potential Settlement Class Members who purchased in excess of a certain number of shares of ARIAD publicly traded common stock during the Settlement Class Period exclude themselves from the Settlement Class (the "Opt-Out Threshold"). The Parties agree to maintain the confidentiality of the Supplemental Agreement, which shall not be filed with the Court unless a dispute arises as to its terms or the Parties are ordered otherwise by the Court. In the event that the Court directs that the Supplemental Agreement be filed prior to the deadline for submitting exclusion requests, the Parties will undertake to have the Opt-Out Threshold submitted to the Court *in camera* or under seal. In the event of a termination of this Settlement pursuant to the Supplemental Agreement, this Stipulation shall become null and void and of no further force and effect and the provisions of ¶ 27 shall apply. Notwithstanding the foregoing, the Stipulation shall not become null and void as a result of the election by the Defendants to exercise their option to withdraw from the Stipulation pursuant to the Supplemental Agreement until the conditions set forth in the Supplemental Agreement have been satisfied.

EFFECTIVE DATE OF SETTLEMENT, WAIVER OR TERMINATION

24. The “Effective Date” of Settlement shall be the date when all the following shall have occurred:

- (a) entry of the Order for Notice and Hearing, which shall be in all material respects substantially in the form set forth in Exhibit A annexed hereto;
- (b) payment of the Cash Settlement Amount into the Escrow Account;
- (c) approval by the Court of the Settlement, following notice to the Settlement Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure; and
- (d) entry by the Court of an Order and Final Judgment, substantially in the form set forth in Exhibit B annexed hereto, and the expiration of any time for appeal or review of such Order and Final Judgment, or, if any appeal is filed and not dismissed, after such Order and Final Judgment is upheld on appeal in all material respects and is no longer subject to review upon appeal or review by writ of *certiorari*, or, in the event that the Court enters an order and final judgment in a form other than that provided above (“Alternative Judgment”) and none of the Parties elect to terminate this Settlement, the date that such Alternative Judgment becomes Final and no longer subject to appeal or review.

25. Defendants and Settlement Class Representatives shall each have the right to terminate the Settlement and this Stipulation by providing written notice of their election to do so (“Termination Notice”) to all other Parties within thirty (30) calendar days of: the Court’s declining to enter the Order for Notice and Hearing in any material respect; the Court’s refusal to approve this Stipulation or any material part of it; the Court’s declining to enter the Order and Final Judgment in any material respect; the date upon which the Order and Final Judgment is modified or reversed in any material respect by the Court of Appeals or the Supreme Court; or

the date upon which an Alternative Judgment is modified or reversed in any material respect by the Court of Appeals or the Supreme Court. However, no order of the Court or modification or reversal on appeal of any order of the Court concerning the Plan of Allocation or the amount of any attorneys' fees, costs, expenses, and interest awarded by the Court to any of Plaintiffs' counsel shall constitute grounds for cancellation or termination of the Stipulation.

26. In addition to all of the rights and remedies that Settlement Class Representatives have under the terms of this Stipulation, Settlement Class Representatives shall also have the right to terminate the Settlement in the event that the Cash Settlement Amount has not been paid in the time period provided for in ¶ 4 above, but only if (i) Plaintiffs' Co-Lead Counsel provides written notice of the election to terminate to all other Parties and (ii) thereafter, the entire Cash Settlement Amount is not paid into the Escrow Account within fourteen (14) calendar days after Plaintiffs' Co- Lead Counsel have provided such written notice.

27. Except as otherwise provided herein, in the event the Settlement is terminated, then the Parties to this Stipulation shall be deemed to have reverted to their respective status in the Action on the day of the Term Sheet and, except as otherwise expressly provided, the Parties shall proceed in all respects as if this Stipulation and any related orders had not been entered, and any portion of the Cash Settlement Amount previously paid by Defendants, together with any interest earned thereon, less any Taxes due with respect to such income, and less Notice and Administration Costs incurred and payable from the Cash Settlement Amount, shall be returned to the persons paying the same.

NO ADMISSION OF WRONGDOING

28. This Stipulation and each of its provisions, and the Settlement provided for herein, whether or not consummated, and any negotiations, proceedings, or agreements relating

to the Stipulation and the Settlement, or any matter arising in connection with such negotiations, proceedings, or agreements are not and shall not in any event (including in the event that the Stipulation is terminated) be:

(a) described as, construed as, offered or received as, or deemed to be

(i) evidence of a presumption, concession, or admission by any Defendant of the truth of any fact alleged or the validity of any claim that has been, or could have been, asserted in the Action, or

(ii) evidence of or construed as or deemed to be evidence of any presumption, concession, or the validity of any claim that has been or could have been asserted in the Action or in any litigation, or the deficiency of any defense that has been, could have been, or in the future might be asserted in the Action or in any litigation, or of any liability, negligence, fault, or wrongdoing of any of the Defendants;

(b) described as, construed as, offered or received as, or deemed to be evidence of a presumption, concession, or admission of any liability, fault, wrongdoing, breach of duty, wrongful act or misrepresentation or omission in any statement or written document approved or made by any of the Defendants, or against or to the prejudice of Settlement Class Representatives or any other Members of the Settlement Class, as evidence of any infirmity in the claims of Settlement Class Representatives or the other members of the Settlement Class;

(c) described as, construed as, offered or received against any of the Defendants, Settlement Class Representatives, any other member of the Settlement Class, or their respective counsel, as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing, breach of duty, wrongful act or misrepresentation or omission, or in any way referred to for any other reason as against any of the Defendants, Settlement Class Representatives, other members of the Settlement Class, or their respective

counsel, in any other civil, criminal, or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation; provided, however, that if this Stipulation is approved by the Court, the Defendants, Settlement Class Representatives, or any other Member of the Settlement Class may refer to it to effectuate the liability protection granted them hereunder;

(d) construed against Defendants, Settlement Class Representatives or any of the other Settlement Class Members as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; and

(e) construed as or received in evidence as an admission, concession or presumption against Settlement Class Representatives or any of the other Settlement Class Members that any of their claims are without merit, or that any defenses asserted by any of the Defendants have any merit, or that damages recoverable under the Complaint would not have exceeded the Cash Settlement Amount, provided, however, that the Defendants may file the Stipulation and/or the Judgment from this Action in any other action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, or any theory of claim preclusion or issue preclusion or similar defense or counterclaim.

MISCELLANEOUS PROVISIONS

29. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein.

30. Each Defendant contributing to the Cash Settlement Amount warrants as to himself, herself or itself that, as to the payments made by or on behalf of him, her or it, at the

time of such payment that the Defendant made or caused to be made pursuant to ¶ 4 above, he, she or it was not insolvent, nor did nor will the payment required to be made by or on behalf of him, her or it render such Defendant insolvent, within the meaning of and/or for the purposes of the United States Bankruptcy Code, including §§ 101 and 547 thereof. This warranty is made by each such Defendant and not by such Defendant's Counsel.

31. If a case is commenced in respect of any Defendant contributing to the Cash Settlement Amount (or any insurer contributing funds to the Cash Settlement Amount on behalf of any Defendant) under Title 11 of the United States Code (Bankruptcy), or a trustee, receiver, conservator, or other fiduciary is appointed under any similar law, and in the event of the entry of a final order of a court of competent jurisdiction determining the transfer of money to the Gross Settlement Fund or any portion thereof by or on behalf of such Defendant to be a preference, voidable transfer, fraudulent transfer or similar transaction and any portion thereof is required to be returned, and such amount is not promptly deposited to the Gross Settlement Fund by others, then, at the election of Plaintiffs' Co-Lead Counsel, the Parties shall jointly move the Court to vacate and set aside the releases given and Judgment entered in favor of the Defendants pursuant to this Stipulation, which releases and Judgment shall be null and void, and the Parties shall be restored to their respective positions in the litigation on the day of the Term Sheet and any cash amounts in the Gross Settlement Fund shall be returned as provided in ¶ 27 above.

32. The Parties to this Stipulation intend the Settlement to be a final and complete resolution of all disputes asserted or which could be asserted by the Settlement Class Members against the Released Defendant Parties with respect to the Settled Claims. Accordingly, Settlement Class Representatives and Defendants agree not to assert in any forum that the litigation was brought by Settlement Class Representatives or defended by Defendants in bad

faith or without a reasonable basis. The Parties shall assert no claims of any violation of Rule 11 of the Federal Rules of Civil Procedure relating to the prosecution, defense, or settlement of the Action. The Parties agree that the amount paid and the other terms of the Settlement were negotiated at arm's length in good faith by the Parties, and reflect a settlement that was reached voluntarily after consultation with experienced legal counsel.

33. This Stipulation may not be modified or amended, nor may any of its provisions be waived except by a writing signed by all Parties or their successors-in-interest.

34. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

35. The administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of the Court and the Court shall retain jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and expenses to Plaintiffs' Co-Lead Counsel and enforcing the terms of this Stipulation.

36. The waiver by one party of any breach of this Stipulation by any other Party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

37. This Stipulation and its exhibits and the Supplemental Agreement constitute the entire agreement among the Parties concerning the Settlement of the Action, and no representations, warranties, or inducements have been made by any Party concerning this Stipulation and its exhibits and the Supplemental Agreement other than those contained and memorialized in such documents.

38. This Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument.

39. This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties.

40. The construction, interpretation, operation, effect, and validity of this Stipulation, and all documents necessary to effectuate it, shall be governed by the internal laws of the Commonwealth of Massachusetts without regard to conflicts of laws, except to the extent that federal law requires that federal law governs.

41. No opinion or advice concerning the tax consequences of the proposed Settlement to individual Settlement Class Members is being given or will be given by Plaintiffs' Co-Lead Counsel or Defendants' Counsel; nor is any representation or warranty in this regard made by virtue of this Stipulation. Each Settlement Class Member's tax obligations, and the determination thereof, are the sole responsibility of the Settlement Class Member, and it is understood that the tax consequences may vary depending on the particular circumstances of each individual Settlement Class Member.

42. This Stipulation shall not be construed more strictly against one Party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Parties, it being recognized that it is the result of arm's-length negotiations between the Parties and all Parties have contributed substantially and materially to the preparation of this Stipulation.

43. All counsel and any other person executing this Stipulation and any of the exhibits hereto, or any related settlement documents, warrant and represent that they have the full authority to do so and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Stipulation to effectuate its terms.

44. Plaintiffs' Co-Lead Counsel and Defendants' Counsel agree to cooperate fully with one another in seeking Court approval of the Order for Notice and Hearing, the Stipulation and the Settlement, and to promptly agree upon and execute all such other documentation as may be reasonably required to obtain final approval by the Court of the Settlement.

DATED: November 29, 2017

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Counsel for Defendants

EXHIBIT A

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

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

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

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

NOW, THEREFORE, IT IS HEREBY ORDERED, this _____ day of _____, 201____ that:

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

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

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

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

5. A hearing (the “Settlement Fairness Hearing”) pursuant to Rule 23(e) of the Federal Rules of Civil Procedure is hereby scheduled to be held before the Court on _____, 2018, at ____:____.m. for the following purposes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) A properly executed Claim Form must be submitted to the Claims Administrator, at the Post Office Box indicated in the Notice, postmarked or received no later than twenty-eight (28) calendar days after the Settlement Fairness Hearing date. Such deadline may be further extended by Court Order at the request of Plaintiffs' Co-Lead Counsel. Each Claim Form shall be deemed to have been submitted when postmarked (if properly addressed and mailed by first class mail, postage prepaid) provided such Claim Form is actually received prior to the motion for an order of the Court approving distribution of the Net Settlement Fund. Any Claim Form submitted in any other manner shall be deemed to have been submitted when it was actually received at the address designated in the Notice.

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

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

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

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

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

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

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

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

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

19. No Settlement Class Member shall be heard or be entitled to contest the approval of the terms and conditions of the proposed Settlement, the Order and Final Judgment to be entered, the proposed Plan of Allocation, or the application for an award of attorneys' fees and payment of expenses, unless on or before twenty-one (21) calendar days before the Settlement Fairness Hearing, the Settlement Class Member has served by hand or by first-class mail written objections and copies of any supporting papers and briefs (which must contain proof of purchase of ARIAD publicly traded common stock during the Settlement Class Period) upon Sanford P. Dumain, Milberg LLP, One Penn Plaza, 50th Floor, New York, NY 10119-0165 on behalf of the Settlement Class Representatives and the Settlement Class and John F. Sylvia, Mintz Levin Cohn Ferris Glovsky and Popeo PC, One Financial Center, Boston, MA 02111 on behalf of the Defendants, and has filed the objections, papers and briefs showing due proof of service upon all

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Dated: Boston, Massachusetts
_____, 201____

WILLIAM G. YOUNG
DISTRICT JUDGE

EXHIBIT 1 TO EXHIBIT A

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

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

**NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT,
MOTION FOR ATTORNEYS' FEES AND SETTLEMENT FAIRNESS HEARING**

If you purchased or otherwise acquired shares of ARIAD Pharmaceuticals, Inc. (“ARIAD”) publicly traded common stock during the period from December 11, 2012, through December 14, 2012, inclusive (the “Settlement Class Period”), and were damaged thereby, then you may be entitled to a payment from a class action settlement.

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

- The settlement will provide a \$3.5 million settlement fund for the benefit of investors who purchased, or otherwise acquired, shares of ARIAD publicly traded common stock during the Settlement Class Period, and were damaged thereby.¹
- The Settlement resolves claims by the City of Fort Lauderdale Police & Fire Retirement System and William A. Gaul (“Settlement Class Representatives”) that have been asserted on behalf of the proposed Settlement Class against ARIAD, Harvey J. Berger, Timothy P. Clackson, Edward M. Fitzgerald, and Frank G. Haluska (collectively, “Defendants”).
- Your legal rights are affected whether you act or do not act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIM FORM BY _____, 2018	The only way to get a payment.
EXCLUDE YOURSELF BY _____, 2018	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against ARIAD and the other Released Defendant Parties about the Settled Claims.
OBJECT BY _____, 2018	Write to the Court about why you do not like the Settlement, the proposed Plan of Allocation, and/or Plaintiffs’ Co-Lead Counsel’s application for an award of attorneys’ fees and payment of expenses.

¹ All capitalized terms not otherwise defined in this document shall have the meaning provided in the Stipulation and Agreement of Settlement, dated November 29, 2017 (the “Stipulation”).

GO TO A HEARING ON _____, 2018	Ask to speak in Court about the Settlement at the Settlement Fairness Hearing.
DO NOTHING	Get no payment. Give up rights.

- These rights and options - **and the deadlines to exercise them** - are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and after appeals are resolved. Please be patient.

SUMMARY OF THIS NOTICE

Statement of Plaintiff Recovery

Pursuant to the Settlement described herein, a Settlement Fund consisting of \$3.5 million in cash, including any interest, has been established. Based on Settlement Class Representative's consulting expert's estimate of the number of shares of common stock that may have been damaged by the alleged fraud, and assuming that all those shares participate in the Settlement, Settlement Class Representative's consulting expert estimates that the average recovery per damaged share of ARIAD common stock under the settlement is \$1.52 per damaged share² before deduction of Court-awarded attorneys' fees and expenses, and \$0.87 per damaged share after deduction of the attorneys' fees and expenses discussed below. A Settlement Class Member's actual recovery will be a proportion of the Net Settlement Fund determined by that claimant's Recognized Claim as compared to the total Recognized Claims of all Settlement Class Members who submit acceptable Claim Forms. Depending on the number of claims submitted, when during the Settlement Class Period a Settlement Class Member purchased shares of ARIAD common stock, the purchase price paid, and whether those shares were held at the end of the Settlement Class Period or sold during the Settlement Class Period, and, if sold, when they were sold and the amount received, an individual Settlement Class Member may receive more or less than this average amount. *See* the Plan of Allocation beginning on page [____] for more information on your Recognized Claim.

Statement of Potential Outcome of Case

The Parties disagree on both liability and damages and do not agree on the average amount of damages per share that would be recoverable if plaintiffs were to have prevailed on each claim alleged. The issues on which the Parties disagree include whether the statements made or facts

² An allegedly damaged share might have been traded more than once during the Settlement Class Period, and the indicated average recovery would be the total for all purchasers of that share.

allegedly omitted were material or otherwise actionable under the federal securities laws; the appropriate economic model for determining the amount by which ARIAD common stock was allegedly artificially inflated (if at all) during the Settlement Class Period; the amount by which ARIAD common stock was allegedly artificially inflated (if at all) during the Settlement Class Period; the effect of various market forces influencing the trading price of ARIAD common stock at various times during the Settlement Class Period; the extent to which Defendants' alleged misstatements and omissions influenced (if at all) the trading price of ARIAD common stock at various times during the Settlement Class Period; and whether any purchasers of ARIAD publicly traded common stock suffered damages as a result of the alleged misstatements and omissions. The Defendants have expressly denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, acts, misstatements, or omissions alleged, or that could have been alleged, in this action, and deny any and all liability to the plaintiffs or the Settlement Class and deny that plaintiffs or the Settlement Class have suffered any damages.

Statement of Attorneys' Fees and Costs Sought

Plaintiffs' Co-Lead Counsel will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed 30% of the Settlement Fund. In addition, Plaintiffs' Co-Lead Counsel will apply for reimbursement of litigation expenses paid or incurred in connection with the institution, prosecution and resolution of the claims against the Defendants, in an amount not to exceed \$450,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by the Settlement Class Representatives directly related to their representation of the Settlement Class. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. The estimate of the average cost per damaged share, if the Court approves Plaintiffs' Co-Lead Counsel's fee and expense application, is \$0.65 per damaged share. Plaintiffs' Counsel have expended considerable time and effort in the prosecution of this litigation on a contingent fee basis, and have advanced the expenses of the litigation, in the expectation that if they were successful in obtaining a recovery for the Settlement Class they would be paid from such recovery. The Defendants have expressly denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, acts, or omissions alleged, or that could have been alleged, in this action.

Further Information

Further information regarding the Action and this Notice may be obtained by contacting the Claims Administrator: *ARIAD Securities Litigation*, c/o [Claims Administrator], P.O. Box _____, www._____; or Plaintiffs' Co-Lead Counsel: John C. Browne, Bernstein Litowitz Berger & Grossman LLP, 1251 Avenue of the Americas, New York, NY 10020, Tel: (212) 554-1400, johnb@blbgllaw.com; Jonathan Gardner, Labaton Sucharow LLP, 140 Broadway, New York, NY 10005, Tel: (212) 907-0700, settlementquestions@labaton.com; and Sanford P. Dumain, Milberg LLP, One Penn Plaza, 50th Floor, New York, NY 10119-0165, Tel: (212) 594-5300, sdumain@milberg.com.

Reasons for the Settlement

For the Settlement Class Representatives, the principal reason for the Settlement is the benefit to be provided to the Settlement Class now. This benefit must be compared to the risk that no recovery might be achieved in view of the District Court's dismissal of the Complaint. Although plaintiffs were successful reinstating some of their claims on appeal, there are risks that a smaller recovery or no recovery might be obtained after continued litigation, including a contested trial and potential appeals, possibly years into the future.

For the Defendants, who deny all allegations of wrongdoing or liability whatsoever, the principal reason for the settlement is to eliminate the expense, risks, and uncertain outcome of the litigation.

[END OF PSLRA COVER PAGE]

BASIC INFORMATION

1. Why did I get this Notice?

You or someone in your family may have purchased or otherwise acquired shares of ARIAD publicly traded common stock during the period from December 11, 2012, through December 14, 2012, inclusive, and been damaged thereby.

The Court directed that this Notice be sent to Settlement Class Members because they have a right to know about a proposed settlement of a class action lawsuit, and about all of their options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after objections and appeals are resolved, an administrator appointed by the Court will make the payments that the Settlement allows.

This Notice explains the lawsuit, the Settlement, Settlement Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the District of Massachusetts, and the case is known as *In re ARIAD Pharmaceuticals, Inc. Securities Litigation*, Case No. 1:13-cv-12544-WGY (D. Mass.). This case was assigned to United States District Judge William G. Young. The people who sued are called plaintiffs, and the company and the persons they sued, ARIAD Pharmaceuticals, Inc. and Harvey J. Berger (former Chairman and Chief Executive Officer of ARIAD), Timothy P. Clackson (President of Research and Development, Senior Vice President, and Chief Scientific Officer of ARIAD), Edward M. Fitzgerald (Executive Vice President and Chief Financial Officer of ARIAD), and Frank G. Haluska (Senior Vice President and Chief Medical Officer of ARIAD), are called the Defendants.

2. What is this lawsuit about?

ARIAD is a pharmaceutical manufacturer focused on developing drugs for the treatment of cancer. This class action lawsuit claims that Defendants misled investors by making materially false and misleading statements and omissions about the safety and efficacy of ARIAD's development-stage cancer medication, "ponatinib," and its prospects for approval for front line use by the Food and Drug Administration ("FDA") with a "favorable label" for the drug. The lawsuit seeks money damages against the Defendants for violations of the federal securities laws. The Defendants deny any wrongdoing whatsoever.

On October 10, 2013, the initial complaint in the action was filed. The operative complaint in the Action, the Corrected Consolidated Complaint for Violations of the Federal Securities Laws (the "Complaint"), was filed on March 25, 2014. The Complaint asserted claims under Section 10(b) and Section 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 pertaining to a number of alleged misrepresentations and omissions allegedly made by Defendants during the time period from December 12, 2011, through October 30, 2013, and also asserted claims under Sections 11 and 15 of the Securities Act of 1933 against ARIAD, some of its officers, and its underwriters relating to a secondary offering in January 2013.

On April 14, 2014, defendants moved to dismiss the Complaint. On March 25, 2015, the Court granted defendants' motion and dismissed the Complaint in its entirety. On April 21, 2015, plaintiffs appealed to the U.S. Court of Appeals for the First Circuit.

On November 28, 2016, the First Circuit reversed the dismissal of the claims under Section 10(b) and Section 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 predicated on statements allegedly made by Defendants on December 11, 2012. *In re ARIAD Pharms. Sec. Litig.*, 842 F.3d 744, 757 (1st Cir. 2016). The First Circuit affirmed the dismissal of the other claims, including the dismissal of the claims from December 12, 2011, to December 10, 2012, and from December 15, 2012, to October 30, 2013, and the claims under the Securities Act of 1933. The case was remanded back to the District Court.

On February 2, 2017, Defendants filed an answer to the Complaint.

On February 7, 2017, the Court referred the case to Alternative Dispute Resolution, to be conducted by May 2017.

On March 6, 2017, plaintiffs filed a Motion for Class Certification for shareholders damaged by the alleged December 11, 2012, misstatements and omissions and filed a Memorandum of Law in Support of the Motion for Class Certification.

On March 9, 2017, Defendants filed a Motion for Judgment on the Pleadings together with a Memorandum of Law in support of the motion.

On March 23, 2017, plaintiffs filed a Memorandum of Law in Opposition to Defendants' Motion for Judgment on the Pleadings.

On April 18, 2017, with leave of the Court and Plaintiffs' assent, Defendants filed a Reply to Plaintiffs' Response to their Motion for Judgment on the Pleadings.

On May 1, 2017, mediation scheduled before Magistrate Judge Donald L. Cabell was canceled by Court Order, and retired United States District Judge Faith Hochberg was engaged as private mediator by the parties.

On May 18, 2017, after hearing, the Court denied Defendants' Motion for Judgment on the Pleadings.

The mediation before Judge Hochberg took place on May 24, 2017, at the New York offices of Labaton Sucharow LLP. At this mediation, Plaintiffs' Co-Lead Counsel and Defendants' Counsel, on behalf of their respective clients, entered into a term sheet setting forth all material deal points associated with the resolution of the Action.

3. Why is this a class action?

In a class action, one or more people called class representatives (in this case (i) the City of Fort Lauderdale Police & Fire Retirement System and (ii) William A. Gaul), sue on behalf of people who have similar claims. All these people are a class or class members. Bringing a case, such as this one, as a class action allows adjudication of many similar claims of persons and entities that might be economically too small to bring in individual actions. One court resolves the issues for all class members, except for those who exclude themselves from the class.

4. Why is there a settlement?

The Court did not finally decide in favor of plaintiffs or Defendants. Instead, both sides, with the assistance of retired United States District Judge Faith Hochberg acting as a mediator, agreed to a settlement. That way, they avoid the risks and cost of a trial. The Settlement Class Representatives and their attorneys think the Settlement is in the best interest of the Settlement Class.

WHO IS IN THE SETTLEMENT

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

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

The Court directed, for the purposes of the proposed Settlement, that everyone who fits this description is a Settlement Class Member: *all persons and entities that purchased, or otherwise*

acquired, shares of ARIAD publicly traded common stock during the period from December 11, 2012, through December 14, 2012, inclusive, and were damaged thereby.

6. Are there exceptions to being included?

Yes. There are some individuals and entities that are excluded from the Settlement Class by definition. Excluded from the Settlement Class are: (i) Defendants; (ii) the officers, directors, and affiliates of ARIAD; (iii) members of immediate family of any Individual Defendant; (iv) any entity in which any Defendant has or had a controlling interest; (v) ARIAD's employee retirement and/or benefit plan(s) and their participants and/or beneficiaries to the extent they purchased or acquired ARIAD common stock through any such plan(s); and (vi) the legal representatives, heirs, successors or assigns of any such excluded person. Also excluded from the Settlement Class will be any persons or entities who timely and validly seek exclusion from the Settlement Class in accordance with the requirements explained in question 11 below.

If one of your mutual funds purchased shares of ARIAD common stock during the Settlement Class Period, that alone does not make you a Settlement Class Member. You are a Settlement Class Member only if you directly purchased or otherwise acquired shares of ARIAD common stock during the Settlement Class Period. If you **sold** ARIAD common stock during the Settlement Class Period, that alone does not make you a Settlement Class Member. You are a Settlement Class Member only if you **purchased or otherwise acquired** your shares during the Settlement Class Period. Check your investment records or contact your broker to see if you purchased or otherwise acquired ARIAD common stock during the Settlement Class Period.

7. What if I am still not sure if I am included?

If you are still not sure whether you are included, you can ask for free help. You can call 1-800-_____-_____- or visit [www._____.com] for more information. Or you can fill out and return the Claim Form described on page [____], in question 9, to see if you qualify.

THE SETTLEMENT BENEFITS — WHAT YOU GET

8. What does the Settlement provide?

In exchange for the Settlement and release of the Settled Claims against the Released Defendant Parties, Defendants have agreed to create a \$3.5 million fund to be divided, after deduction of Court-awarded attorneys' fees, interest, and expenses, settlement administration costs, and any applicable Taxes, among all Settlement Class Members who send in valid Claim Forms.

The Plan of Allocation discussed on page _____ explains how claimants' "Recognized Claims" will be calculated. Your share of the fund will depend on the total amount of Recognized Claims

other Settlement Class Members; how many shares of ARIAD common stock you bought; how much you paid for the shares; and when you bought and whether or when you sold them, and if so for how much you sold them.

You can calculate your Recognized Claim in accordance with the formula shown below in the Plan of Allocation. It is unlikely that you will get a payment for all of your Recognized Claim. After all Settlement Class Members have sent in their Claim Forms, the payment you get will be a part of the Net Settlement Fund equal to your Recognized Claim divided by the total of everyone's Recognized Claims. *See* the Plan of Allocation beginning on page [] for more information on your Recognized Claim.

9. How can I get a payment? When would I get my payment?

To qualify for a payment, you must send in a timely and valid Claim Form with supporting documents. A Claim Form is being circulated with this Notice. You may also get a Claim Form on the Internet at [www. .com]. Read the instructions carefully, fill out the Claim Form, include all the documents the form asks for, sign it, and mail it to the Claims Administrator by first class mail, postmarked or received no later than _____, 2018.

The Court will hold a hearing on _____, 2018, to decide whether to approve the settlement. If the Court approves the settlement after that, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. It also takes time for all the Claim Forms to be processed. Please be patient.

10. What am I giving up to get a payment or stay in the Settlement Class?
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Unless you exclude yourself, you are staying in the Settlement Class, and that means that, upon the "Effective Date," you will release all "Settled Claims" (as defined below) against the "Released Defendant Parties" (as defined below).

"Settled Claims" means any and all claims, debts, demands, rights, obligations, disputes, issues, controversies, or causes of action, suits, matters, damages, or liabilities of every kind, nature, description, and character whatsoever (including, but not limited to, any claims for damages, whether compensatory, special, incidental, consequential, punitive, exemplary, or otherwise), injunctive relief, declaratory relief, rescission or recessionary damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses, or liabilities whatsoever, whether based on federal, state, local, or foreign law, or statutory, common, or administrative law, or any other law, rule, or regulation, whether asserted as claims, cross-claims, counterclaims, or third-party claims, whether fixed or contingent, choate or inchoate, accrued or un-accrued, liquidated or unliquidated, at law or in equity, matured or un-matured, whether class or individual in nature, including both known claims and Unknown Claims, that have been or could have been or in the future could be asserted in any forum, whether foreign or domestic, by Settlement Class Representatives or any Settlement Class Member, or any person claiming through or on behalf of

them, that in any way arise out of, are based upon, relate to, or concern, directly or indirectly, in whole or in part, (a) the claims, allegations, transactions, facts, events, acts, disclosures, statements, representations, or omissions, or failures to act alleged, set forth, referred to, or involved in the Action (or which could have been raised in the Action or any other forum with respect to such claims, allegations, transactions, events, acts, disclosures, statements, representations, or omissions or failures to act) or any of the complaints filed or proposed to be filed therein, and (b) the purchase, acquisition, disposition, or sale of ARIAD common stock during the Settlement Class Period. For the avoidance of doubt, “Settled Claims” do not include claims relating to the enforcement of the Settlement.

“Released Defendant Parties” means any and all of the Defendants, Defendants’ Counsel, and each of their respective past or present subsidiaries, divisions, parents, affiliates, successors and predecessors, officers, directors, agents, employees, attorneys, advisors, investment advisors, auditors, accountants, insurers; any person, firm, trust, corporation, officer, director, or other individual or entity in which any Defendant has a controlling interest, any members of any Individual Defendant’s immediate family, or any trust of which any Individual Defendant is the settlor or which is for the benefit of any Individual Defendant or his family, and the personal or legal representatives, spouses, heirs, executors, estates, administrators, successors in interest, or assigns of any Released Defendant Party.

“Unknown Claims” means any and all Settled Claims which any Settlement Class Representative or Settlement Class Member does not know or suspect to exist in his, her or its favor as of the Effective Date, and any Settled Defendants’ Claims which any Defendant does not know or suspect to exist in his, her, or its favor as of the Effective Date, which if known by him, her, or it might have affected his, her, or its decision(s) with respect to the Settlement. With respect to any and all Settled Claims and Settled Defendants’ Claims, the Parties stipulate and agree that upon the Effective Date, the Settlement Class Representatives and the Defendants shall expressly waive, and each Settlement Class Member shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, 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 to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Settlement Class Representatives, Settlement Class Members, Defendants, or Released Defendant Parties may hereafter discover facts, legal theories, or authorities in addition to or different from those which any of them now knows or believes to be true with respect to the subject matter of the Settled Claims and the Settled Defendants’ Claims, but Settlement Class Representatives and Defendants shall expressly, fully, finally, and forever settle and release, and each Settlement Class Member and Released Defendant Party shall be deemed to have settled and released, and upon the Effective Date and by operation of the Judgment shall have settled and released, fully, finally, and forever, any and all Settled Claims and Settled Defendants’ Claims, as applicable without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. Settlement Class Representatives and Defendants

acknowledge, and all Settlement Class Members and Released Defendant Parties by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Settled Claims and Settled Defendants’ Claims was separately bargained for and was a key element of the Settlement.

The “Effective Date” will occur when an Order entered by the Court approving the Settlement becomes final and not subject to appeal.

If you remain a member of the Settlement Class, all of the Court’s orders will apply to you and legally bind you.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement, but you want to keep any right you may have to sue or continue to sue the Defendants and the other Released Defendant Parties, on your own, about the Settled Claims, then you must take steps to get out. This is called excluding yourself — or is sometimes referred to as “opting out” of the Settlement Class. Defendants may withdraw from and terminate the Settlement if putative Settlement Class Members who purchased or otherwise acquired in excess of a certain amount of ARIAD common stock exclude themselves from the Settlement Class.

11. How do I get out of the proposed Settlement?

To exclude yourself from the Settlement Class, you must send a signed letter by mail stating that you “request exclusion from the Settlement Class in *In re ARIAD Pharmaceuticals, Inc. Securities Litigation*, Case No. 1:13-cv-12544-WGY (D. Mass.).” Your letter should state the date(s), price(s), and number(s) of shares of all your purchases, acquisitions, and sales of ARIAD publicly traded common stock during the Settlement Class Period (and sales in the 90 days after the Settlement Class Period). In addition, be sure to include your name, address, telephone number, and your signature. You must mail your exclusion request postmarked no later than _____, **2018** to:

ARIAD Securities Litigation Exclusions
c/o _____, Claims Administrator
P.O. Box _____
_____, _____

You cannot exclude yourself by telephone or by e-mail. If you ask to be excluded, you will not get any payment from the Settlement, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit, and you may be able to sue (or continue to sue) the Defendants and the other Released Defendant Parties in the future.

12. If I do not exclude myself, can I sue the Defendants and the other Released Defendant Parties for the same thing later?

No. Unless you exclude yourself, you give up any rights to sue the Defendants and the other Released Defendant Parties for any and all Settled Claims. If you have a pending lawsuit speak to your lawyer in that case immediately. You must exclude yourself from *this* Settlement Class to continue your own lawsuit. Remember, the exclusion deadline is _____, 2018.

13. If I exclude myself, can I get money from the proposed Settlement?

No. If you exclude yourself, do not send in a Claim Form to ask for any money. But, you may exercise any right you may have to sue, continue to sue, or be part of a different lawsuit against the Defendants and the other Released Defendant Parties.

THE LAWYERS REPRESENTING THE SETTLEMENT CLASS

14. Do I have a lawyer in this case? How will the lawyers be paid?

The Court ordered that the law firms of Bernstein Litowitz Berger & Grossman LLP, Labaton Sucharow LLP, and Milberg LLP will represent the Settlement Class. These lawyers are called Plaintiffs' Co-Lead Counsel. You will not be separately charged for these lawyers. The Court will determine the amount of Plaintiffs' Co-Lead Counsel's fees and expenses, which will be paid from the Gross Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

Plaintiffs' Co-Lead Counsel will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed 30% of the Settlement Fund. At the same time, Lead Counsel also intends to apply for reimbursement of litigation expenses in an amount not to exceed \$450,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by the Settlement Class Representatives directly related to their representation of the Settlement Class. The Court will determine the amount of any award of attorneys' fees or reimbursement of litigation expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

OBJECTING TO THE SETTLEMENT

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

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

If you are a Settlement Class Member you can object to the Settlement or any of its terms, the proposed Plan of Allocation and/or the application by Plaintiffs' Co-Lead Counsel for an award of attorneys' fees and expenses. You may write to the Court setting out your objection. You may give reasons why you think the Court should not approve any or all of the Settlement terms or arrangements. The Court will consider your views if you file a proper objection within the deadline identified, and according to the following procedures.

To object, you must send a signed letter stating that you object to the proposed Settlement in "*In re ARIAD Pharmaceuticals, Inc. Securities Litigation*, Case No. 1:13-cv-12544-WGY (D. Mass.)." The objection must include the following: the name of this Action; your full name, address, telephone number, and signature; information sufficient to prove membership in the Settlement Class, including the number of shares of ARIAD common stock purchased, acquired, and or sold during the Settlement Class Period; all grounds for the objection, accompanied by any legal support known to you or your counsel; the identity of all counsel who represent you; a statement confirming whether you or any counsel representing you intend to personally appear and/or testify at the Settlement Fairness Hearing; and a list of any persons who may be called to testify at the Settlement Fairness Hearing in support of your objection. Your objection must be filed with the Court and served on all the following counsel on or before _____, **2018**:

COURT:

Clerk of the Court
United States District Court for the District of Massachusetts
John Joseph Moakley United States Courthouse
1 Courthouse Way
Boston, MA 02110

FOR SETTLEMENT CLASS:

Sanford P. Dumain
Milberg LLP
One Penn Plaza, 50th Floor
New York, NY 10119-0165

FOR DEFENDANTS:

John F. Sylvia
Mintz Levin Cohn Ferris Glovsky and Popeo PC
One Financial Center
Boston, MA 02111

You do not need to go to the Settlement Fairness Hearing to have your written objection considered by the Court. At the Settlement Fairness Hearing, any Settlement Class Member who has not previously submitted a request for exclusion from the Settlement Class and who has

complied with the procedures set out in this question 15 and question 19 below for filing with the Court and providing to counsel for the Parties a statement of an intention to appear at the Settlement Fairness Hearing may also appear and be heard, to the extent allowed by the Court, to state any objection to the Settlement, the Plan of Allocation or Plaintiffs' Co-Lead Counsel's motion for an award of attorneys' fees and payment of expenses. Any such objector may appear in person or arrange, at that objector's expense, for a lawyer to represent the objector at the hearing.

16. What is the difference between objecting and seeking exclusion?

Objecting is simply telling the Court that you do not like something about the proposed Settlement. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S SETTLEMENT FAIRNESS HEARING

17. When and where will the Court decide whether to approve the proposed settlement?

The Court will hold a Settlement Fairness Hearing at __:_____.m. on ____day, _____, 2018, at the United States District Court for the District of Massachusetts, John Joseph Moakley United States Courthouse, 1 Courthouse Way, 5th Floor, Courtroom 18, Boston, Massachusetts 02210. At this hearing the Court will consider whether the Settlement is fair, reasonable and adequate. The Court also will consider the proposed Plan of Allocation for the proceeds of the Settlement and the application of Plaintiffs' Co-Lead Counsel for attorneys' fees and payment of expenses. The Court will take into consideration any written objections filed in accordance with the instructions in question 15. The Court also may listen to people who have properly indicated, within the deadline identified above, an intention to speak at the hearing; but decisions regarding the conduct of the hearing will be made by the Court. *See* question 19 for more information about speaking at the hearing. The Court may also decide how much to pay to Plaintiffs' Counsel. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

You should be aware that the Court may change the date and time of the Settlement Fairness Hearing. Thus, if you want to come to the hearing, you should check with Plaintiffs' Co-Lead Counsel before coming to be sure that the date and/or time has not changed.

18. Do I have to come to the Settlement Fairness Hearing?

No. Plaintiffs' Co-Lead Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to

Court to talk about it. As long as you filed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary. Settlement Class Members do not need to appear at the hearing or take any other action to indicate their approval.

19. May I speak at the Settlement Fairness Hearing?

If you object to the Settlement, you may ask the Court for permission to speak at the Settlement Fairness Hearing. To do so, you must include with your objection (see question 15 above) a statement stating that it is your “Notice of Intention to Appear in *In re ARIAD Pharmaceuticals, Inc. Securities Litigation*, Case No. 1:13-cv-12544-WGY (D. Mass.).” Persons who intend to object to the Settlement, the Plan of Allocation, and/or counsel’s application for an award of attorneys’ fees and expenses and desire to present evidence at the Settlement Fairness Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Fairness Hearing. Unless otherwise ordered by the Court, you cannot speak at the hearing if you excluded yourself from the Settlement Class or if you have not provided written notice of your intention to speak at the Settlement Fairness Hearing by the deadline identified, and in accordance with the procedures described in questions 15 and 17 above.

IF YOU DO NOTHING

20. What happens if I do nothing at all?

If you do nothing, you will get no money from the Settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against Defendants and the other Released Defendant Parties about the Settled Claims in this case, ever again. To share in the Net Settlement Fund you must submit a Claim Form (see question 9). To start, continue or be a part of any other lawsuit against the Defendants and the other Released Defendant Parties about the Settled Claims in this case you must exclude yourself from this Settlement Class (see question 11).

GETTING MORE INFORMATION

21. Are there more details about the proposed Settlement?

This notice summarizes the proposed Settlement. More details are in the Stipulation. You may review the Stipulation filed with the Court or other documents in the case during business hours at the office of the Clerk of the United States District Court, District of Massachusetts, John Joseph Moakley United States Courthouse, 1 Courthouse Way, Boston, Massachusetts 02210. Subscribers to PACER, a fee-based service, can also view the papers filed publicly in the Action

through the Court's online Case Management/Electronic Case Files System at <https://www.pacer.gov>.

You can also get a copy of the Stipulation, and other documents related to the Settlement, as well as additional information about the Settlement by visiting the website dedicated to the Settlement, [www._____.com], where you will find answers to common questions about the Settlement, a Claim Form, plus other information to help you determine whether you are a Settlement Class Member and whether you are eligible for a payment. You also can call the Claims Administrator at 1-800-____-____ toll free; write to In re ARIAD Pharmaceuticals, Inc. Securities Litigation Settlement, P.O. Box 0000, City, ST 00000-0000; or visit the websites of Plaintiffs' Co-Lead Counsel at www.blbglaw.com, www.labaton.com, www.milberg.com.

PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG SETTLEMENT CLASS MEMBERS

The Plan of Allocation set forth herein is the plan that is being proposed by Settlement Class Representatives and their counsel to the Court for approval. The Court may approve this Plan of Allocation or modify it without additional notice to the Settlement Class. Any order modifying the Plan of Allocation will be posted on the settlement website at: _____ and at www.labaton.com.

The \$3.5 million Cash Settlement Amount and the interest earned thereon shall be the Gross Settlement Fund. The Gross Settlement Fund, less all taxes, approved costs, fees and expenses (the "Net Settlement Fund") shall be distributed to members of the Settlement Class who submit acceptable Claim Forms ("Authorized Claimants").

The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Claim." The Recognized Claim formula is not intended to be an estimate of the amount of what a Settlement Class Member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the settlement. The Recognized Claim formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

The objective of this Plan of Allocation is to equitably distribute the Net Settlement Fund among Authorized Claimants who suffered economic losses as a result of the alleged violations of the federal securities laws during the Settlement Class Period (December 11, 2012 through December 14, 2012) that the Court found viable. To design this Plan, Plaintiffs' Co-Lead Counsel have conferred with their damages expert. This Plan is intended to be generally consistent with an assessment of, among other things, the damages that Plaintiffs' Co-Lead Counsel and Settlement Class Representatives believe were recoverable in the Action. The Plan of Allocation, however, is not a formal damages analysis.

The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the

amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

The Plan of Allocation generally measures the amount of loss that a Settlement Class Member can claim for purposes of making *pro rata* allocations of the Net Settlement Fund to Authorized Claimants. For losses to be compensable damages under the federal securities laws, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of the securities at issue. In this case, Plaintiffs allege that Defendants issued false statements and omitted material facts on December 11, 2012 (before market hours), which artificially inflated the price of ARIAD common stock. It is alleged that the corrective information released to the market on December 14, 2012 (during market hours, at 11:48 AM EST) impacted the market price of ARIAD common stock throughout the remainder of the day and removed the alleged artificial inflation from ARIAD common stock prices by the close of the market on December 14, 2012. Accordingly, in order to have a compensable loss in this Settlement, the ARIAD common stock must have been purchased or otherwise acquired during the Settlement Class Period and held through the release of the alleged corrective disclosure at 11:48 AM EST on December 14, 2012.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

For purposes of determining whether a Claimant has a “Recognized Claim”, purchases, acquisitions, and sales of ARIAD common stock will first be matched on a First In/First Out (“FIFO”) basis.

A “Recognized Loss Amount” will be calculated as set forth for each purchase of ARIAD common stock during the Settlement Class Period from December 11, 2012 through December 14, 2012 that is listed in the Claim Form and for which adequate documentation is provided. To the extent that the calculation of a Claimant’s Recognized Loss Amount results in a negative number, that number shall be set to zero.

For each share of ARIAD common stock purchased or otherwise acquired during the Settlement Class Period and sold before the close of trading on March 13, 2013, an “Out of Pocket Loss” will be calculated. Out of Pocket Loss is defined as the purchase price (excluding all fees, taxes, and commissions) minus the sale price (excluding all fees, taxes, and commissions). To the extent that the calculation of the Out of Pocket Loss results in a negative number, that number shall be set to zero.

For each share of ARIAD common stock purchased or otherwise acquired from December 11, 2012 through and including December 14, 2012 and:

- A. Sold before the release of corrective information on December 14, 2012 (at 11:48 AM EST),³ the Recognized Loss Amount for each such share shall be zero.

³ In the event that documentation does not exist setting forth the exact time of purchase and/or sale, the price at which the purchase and/or sale took place shall serve as a proxy for determining

B. Sold after the release of corrective information on December 14, 2012 (at 11:48 AM EST), and before the close of trading on March 13, 2013, the Recognized Loss Amount for each such share shall be *the least of*:

1. \$4.83; or
2. for shares sold on December 14, 2012, \$23.67 minus the actual sale price; or
3. the actual purchase/acquisition price of each such share minus the average closing price from December 14, 2012, up to the date of sale as set forth in Table 1 below; or
4. the Out of Pocket Loss.

C. Held as of the close of trading on March 13, 2013, the Recognized Loss Amount for each such share shall be *the lesser of*:

1. \$4.83; or
2. the actual purchase/acquisition price of each such share minus \$ 20.31.⁴

TABLE 1

ARIAD Average Closing Price

December 14, 2012 – March 13, 2013

whether the transaction occurred before or after the release of the allegedly corrective information. Shares purchased or sold on December 14, 2012 at any price less than \$23.67 shall be deemed to have occurred after 11:48 AM EST for purposes of this Plan of Allocation.

⁴ Pursuant to Section 21(D)(e)(1) of the PSLRA, “in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day look-back period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” Consistent with the requirements of the PSLRA, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of ARIAD common stock during the 90-day look-back period, December 14, 2012, through March 13, 2013. The mean (average) closing price for ARIAD common stock during this 90-day look-back period was \$20.31.

Date	Average Closing Price between Dec 14, 2012, and Date Shown		Date	Average Closing Price between Dec 14, 2012, and Date Shown
12/14/2012	\$18.93		1/30/2013	\$19.92
12/17/2012	\$19.48		1/31/2013	\$19.92
12/18/2012	\$19.71		2/1/2013	\$19.92
12/19/2012	\$19.95		2/4/2013	\$19.91
12/20/2012	\$20.07		2/5/2013	\$19.92
12/21/2012	\$20.14		2/6/2013	\$19.93
12/24/2012	\$20.17		2/7/2013	\$19.93
12/26/2012	\$20.16		2/8/2013	\$19.92
12/27/2012	\$20.11		2/11/2013	\$19.92
12/28/2012	\$20.04		2/12/2013	\$19.92
12/31/2012	\$19.96		2/13/2013	\$19.93
1/2/2013	\$19.98		2/14/2013	\$19.93
1/3/2013	\$19.96		2/15/2013	\$19.93
1/4/2013	\$19.92		2/19/2013	\$19.96
1/7/2013	\$19.85		2/20/2013	\$19.98
1/8/2013	\$19.84		2/21/2013	\$20.00
1/9/2013	\$19.85		2/22/2013	\$20.02
1/10/2013	\$19.84		2/25/2013	\$20.05
1/11/2013	\$19.81		2/26/2013	\$20.06
1/14/2013	\$19.82		2/27/2013	\$20.08
1/15/2013	\$19.84		2/28/2013	\$20.10
1/16/2013	\$19.86		3/1/2013	\$20.12
1/17/2013	\$19.89		3/4/2013	\$20.14
1/18/2013	\$19.92		3/5/2013	\$20.16
1/22/2013	\$19.94		3/6/2013	\$20.18
1/23/2013	\$19.94		3/7/2013	\$20.20
1/24/2013	\$19.92		3/8/2013	\$20.22
1/25/2013	\$19.91		3/11/2013	\$20.25
1/28/2013	\$19.92		3/12/2013	\$20.28
1/29/2013	\$19.93		3/13/2013	\$20.31

ADDITIONAL PROVISIONS

If a Settlement Class Member has more than one purchase/acquisition or sale of ARIAD common stock during the Settlement Class Period, all purchases/acquisitions and sales shall be matched on a FIFO basis. Settlement Class Period sales will be matched first against any holdings at the beginning of the Settlement Class Period and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Settlement Class Period.

Purchases or acquisitions and sales of ARIAD common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” or “sale” date. The receipt or grant by gift, inheritance or operation of law of ARIAD common stock during the Settlement Class Period shall not be deemed a purchase, acquisition, or sale of these shares of ARIAD common stock for the calculation of an Authorized Claimant’s Recognized Claim, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of such shares of such ARIAD common stock unless (i) the donor or decedent purchased or otherwise acquired such shares of ARIAD common stock during the Settlement Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such shares of ARIAD common stock; and (iii) it is specifically so provided in the instrument of gift or assignment.

In accordance with the Plan of Allocation, the Recognized Loss Amount on any portion of a purchase or acquisition that matches against (or “covers”) a “short sale” is zero. The Recognized Loss Amount on a “short sale” that is not covered by a purchase or acquisition is also zero.

In the event that a Claimant has an opening short position in ARIAD common stock at the start of the Settlement Class Period, the earliest Settlement Class Period purchases or acquisitions shall be matched against such opening short position in accordance with the FIFO matching described above and any portion of such purchases or acquisition that covers such short sales will not be entitled to recovery. In the event that a claimant newly establishes a short position during the Settlement Class Period, the earliest subsequent Settlement Class Period purchase or acquisition shall be matched against such short position on a FIFO basis and will not be entitled to a recovery.

ARIAD common stock is the only security eligible for recovery under the Plan of Allocation. With respect to ARIAD common stock purchased or sold through the exercise of an option, the purchase/sale date of the ARIAD common stock is the exercise date of the option and the purchase/sale price is the exercise price of the option.

The sum of a Claimant’s Recognized Loss Amounts will be the Claimant’s “Recognized Claim.”

An Authorized Claimant’s Recognized Claim shall be the amount used to calculate the Authorized Claimant’s *pro rata* share of the Net Settlement Fund. If the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant’s Recognized Claim divided by the total of Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

If the Net Settlement Fund exceeds the sum total amount of the Recognized Claims of all Authorized Claimants entitled to receive payment out of the Net Settlement Fund, the excess amount in the Net Settlement Fund shall be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

The Net Settlement Fund will be allocated among all Authorized Claimants whose prorated payment is \$10.00 or greater. If the prorated payment to any Authorized Claimant calculates to

less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

FURTHER PAYMENT INFORMATION FOR ALL CLAIMS

Settlement Class Members who do not submit acceptable Claim Forms will not share in the distribution of the Net Settlement Fund, however they will nevertheless be bound by the Settlement and the Order and Final Judgment of the Court dismissing this Action unless they have timely and validly sought exclusion.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. If any funds remain in the Net Settlement Fund by reason of un-cashed distributions or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Settlement Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund at least six months after the initial distribution of such funds shall be re-distributed to Settlement Class Members who have cashed their initial distributions in an economical manner, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such re-distribution. Any balance that still remains in the Net Settlement Fund after re-distribution(s), which is not feasible or economical to reallocate, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund, shall be contributed to non-sectarian, not-for-profit charitable organization(s) serving the public interest, designated by Plaintiffs' Co-Lead Counsel and approved by the Court.

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' Co-Lead Counsel, their damages expert, Claims Administrator, or other agent designated by Plaintiffs' Co-Lead Counsel, arising from determinations or distributions to Claimants made substantially in accordance with the Stipulation, the Plan of Allocation approved by the Court, or further orders of the Court. Plaintiffs, Defendants, their respective counsel, and all other Released Parties shall have no responsibility for or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the Plan of Allocation or the determination, administration, calculation, or payment of any Claim Form or non-performance of the Claims Administrator, the payment or withholding of taxes owed by the Settlement Fund or any losses incurred in connection therewith.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased or otherwise acquired shares of ARIAD publicly traded common stock during the period from December 11, 2012 through December 14, 2012, inclusive, for the beneficial interest of a person or organization other than yourself, the Court has directed that, WITHIN SEVEN (7) DAYS OF YOUR RECEIPT OF THIS NOTICE, you either provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased or otherwise acquired ARIAD common stock during such time period or request additional copies of this Notice and the Claim Form, which will be provided to you free of charge, and within seven (7) days mail the Notice and Claim Form directly to the beneficial owners of that ARIAD common stock. If you choose to follow alternative procedure (b), the

Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

In re ARIAD Pharmaceuticals, Inc. Securities Litigation
c/o [Claims Administrator]
Claims Administrator
P.O. Box _____
_____, _____
(800) ____ - _____

Dated: Boston, Massachusetts
_____, 201__

By Order of the Court
CLERK OF THE COURT

EXHIBIT 2 TO EXHIBIT A

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

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

PROOF OF CLAIM AND RELEASE

DEADLINE FOR SUBMISSION: _____, **2018**.

If you purchased or otherwise acquired shares of ARIAD Pharmaceuticals, Inc. ("ARIAD") publicly traded common stock during the period from December 11, 2012 through December 14, 2012, inclusive ("Settlement Class Period"), you are a "Settlement Class Member" and you may be entitled to share in the settlement proceeds.

Excluded from the Settlement Class are: (i) Defendants; (ii) the officers, directors, and affiliates of ARIAD; (iii) members of immediate family of any Individual Defendant; (iv) any entity in which any Defendant has or had a controlling interest; (v) ARIAD's employee retirement and/or benefit plan(s) and their participants and/or beneficiaries to the extent they purchased or acquired ARIAD common stock through any such plan(s); and (vi) the legal representatives, heirs, successors or assigns of any such excluded person. Also excluded from the Settlement Class are any putative Settlement Class Members who exclude themselves by filing a request for exclusion in accordance with the requirements set forth in the Notice of Pendency of Class Action and Proposed Settlement, Motion for Attorneys' Fees and Settlement Fairness Hearing (the "Notice").

If you are a Settlement Class Member, you must complete and submit this Proof of Claim and Release form ("Claim Form") in order to be eligible for any settlement benefits. You must mail the Claim Form by first class mail, **postmarked or received no later than** _____, **2018** to the following address:

In re ARIAD Pharmaceuticals, Inc. Securities Litigation
c/o [Claims Administrator]
Claims Administrator
Post Office Box ____
_____, _____

Your failure to submit your claim by _____, **2018** will subject your claim to rejection and preclude your receiving any money in connection with the settlement of this litigation. Do not mail or deliver your claim to the court or to any of the parties or their counsel as any such claim will be deemed not to have been submitted. Submit your claim only to the Claims Administrator.

NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request to, or may be requested to, submit information regarding their transactions in electronic files. All Claimants **MUST** submit a manually signed paper Claim Form listing all their transactions whether or not they also submit electronic

copies. If you wish to file your claim electronically, you must contact the Claims Administrator at 1-(800) ____ - ____ or visit their website at [*www.____.com*] to obtain the required file layout. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the Claimant a written acknowledgment of receipt and acceptance of electronically submitted data.

PART I - CLAIMANT IDENTIFICATION

Beneficial Owner's Name (First, Middle, Last) / Joint Owner's Name

Representative's Name

Record Owner's Name (if different from beneficial owner listed above)

Street Address

City State Zip Code

Foreign Province Foreign Country

Area Code Telephone Number (Daytime)

Area Code Telephone Number (Evening)

E-mail Address

Check appropriate box (check only one box):

- | | | |
|---|--|---------------------------------------|
| <input type="checkbox"/> Individual/Sole Proprietor | <input type="checkbox"/> Joint Owners | <input type="checkbox"/> Pension Plan |
| <input type="checkbox"/> Corporation | <input type="checkbox"/> Partnership | <input type="checkbox"/> Trust |
| <input type="checkbox"/> IRA | <input type="checkbox"/> Other (describe: _____) | |

NOTE: Separate Claim Forms should be submitted for each separate legal entity (for example, a claim from Joint Owners should not include separate transactions of just one of the Joint Owners, an Individual should not combine his or her IRA transactions with transactions made solely in the Individual's name). Conversely, a single Claim Form should be submitted on behalf of one

legal entity including all transactions made by that entity no matter how many separate accounts that entity has (for example, a Corporation with multiple brokerage accounts should include all transactions made in ARIAD common stock during the relevant time period on one Claim Form, no matter how many accounts the transactions were made in.)

Social Security Number or Taxpayer Identification Number

Social Security Number or Taxpayer Identification Number

PART II – SCHEDULE OF TRANSACTIONS IN ARIAD PUBLICLY TRADED COMMON STOCK

1. At the close of business on December 10, 2012, I owned _____ shares of ARIAD common stock (If none, write “zero” or “0”) (If other than zero, must be documented).*

2. I made the following purchases of ARIAD common stock from December 11, 2012 through December 14, 2012, inclusive. (NOTE: If you acquired your ARIAD common stock during this period other than by an open market purchase, please provide a complete description of the terms of the acquisition on a separate page) (must be documented)†:

Date(s) of Purchase (List Chronologically) (Month/Day/Year)	Number of Shares of Common Stock Purchased	Purchase Price Per Share of Common Stock	Aggregate Cost (including commissions, taxes, and fees)
____/____/____	_____	\$ _____	\$ _____
____/____/____	_____	\$ _____	\$ _____

* Documentation to show holding would commonly include the monthly brokerage statement for the account in which the stock was held.

† Documentation to show a purchase or sale should normally include a trade confirmation slip or a monthly statement showing the trade.

Date(s) of Purchase (List Chronologically) (Month/Day/Year)	Number of Shares of Common Stock Purchased	Purchase Price Per Share of Common Stock	Aggregate Cost (including commissions, taxes, and fees)
____/____/____	_____	\$ _____	\$ _____
____/____/____	_____	\$ _____	\$ _____
____/____/____	_____	\$ _____	\$ _____

3. From December 15, 2012 through March 13, 2013, inclusive, I purchased a total of _____ shares of ARIAD common stock (If none, write “zero” or “0”) (If other than zero, must be documented).[‡]

4. I made the following sales of ARIAD common stock during the period from December 11, 2012 through March 13, 2013, inclusive (If none, write “zero” or “0”) (If other than zero, must be documented):

Date(s) of Sale (List Chronologically) (Month/Day/Year)	Number of Shares of Common Stock Sold	Sale Price Per Share of Common Stock	Amount Received (net of commissions, taxes, and fees)
____/____/____	_____	\$ _____	\$ _____
____/____/____	_____	\$ _____	\$ _____
____/____/____	_____	\$ _____	\$ _____
____/____/____	_____	\$ _____	\$ _____
____/____/____	_____	\$ _____	\$ _____

5. At the close of trading on March 13, 2013, I owned _____ shares of ARIAD common stock (If none, write “zero” or “0”) (If other than zero, must be documented).

[‡] Information requested with respect to your purchases/acquisitions of ARAID publicly traded common stock from after the opening of trading on December 14, 2012 through and including the close of trading on March 13, 2013 is needed in order to balance your claim; purchases during this period, however, are not eligible under the Settlement and will not be used for purposes of calculating your Recognized Claim pursuant to the Plan of Allocation.

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS PHOTOCOPY THIS PAGE

CLAIMANT'S STATEMENT

6. I affirm that I purchased or otherwise acquired the publicly traded common stock of ARIAD Pharmaceuticals, Inc. during the period from December 11, 2012 through December 14, 2012, inclusive. (Do not submit this Claim Form if you did not purchase or otherwise acquire shares of publicly traded common stock of ARIAD during this period).

7. By submitting this Claim Form, I state that I believe in good faith that I am a Settlement Class Member as defined above and in the Notice, or am acting for such person; that I am not a Defendant in the Action or anyone excluded from the Settlement Class; that I have read and understand the Notice; that I believe that I am entitled to receive a share of the Net Settlement Fund; that I elect to participate in the proposed Settlement described in the Notice; and that I have not filed a request for exclusion. (If you are acting in a representative capacity on behalf of a Settlement Class Member (for example, as an executor, administrator, trustee, or other representative), you must submit evidence of your current authority to act on behalf of that Settlement Class Member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents.)

8. I consent to the jurisdiction of the Court with respect to all questions concerning the validity of this Claim Form. I understand and agree that my claim may be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to my status as a Settlement Class Member and the validity and amount of my claim. No discovery shall be allowed on the merits of the Action or Settlement in connection with processing of the Proofs of Claim.

9. I have set forth where requested above all relevant information with respect to each purchase or other acquisition of ARIAD common stock during the Settlement Class Period, and each sale, if any, of such securities. I agree to furnish additional information (including purchase information during the 90-day look back period or transactions in other ARIAD securities) to the Claims Administrator to support this claim if requested to do so.

10. I have enclosed photocopies of the stockbroker's confirmation slips, stockbroker's statements, or other documents evidencing each purchase, acquisition, sale or retention of ARIAD common stock listed above in support of my claim. (If any such documents are not in your possession, please obtain a copy or equivalent documents from your broker because these documents are necessary to prove and process your claim.)

11. I understand that the information contained in this Claim Form is subject to such verification as the Claims Administrator may request or as the Court may direct, and I agree to cooperate in any such verification.

12. I hereby acknowledge that, upon the occurrence of the Effective Date, by operation of law, I on behalf of myself and on behalf of my heirs, executors, administrators, predecessors, successors, and assigns (or, if I am submitting this Claim Form on behalf of a corporation, a partnership, estate or one or more other persons, I on behalf of it, him, her or them and on behalf of its, his, her or their heirs, executors, administrators, predecessors, successors, and assigns) shall fully and completely release, remise and discharge each of the "Released Defendant Parties" of all "Settled Claims," as defined in the Notice.

13. I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(c) of the Internal Revenue Code because: (a) I am (We are)

exempt from backup withholding, or (b) I (We) have not been notified by the I.R.S. that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the I.R.S. has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION I (WE) PROVIDED ON THIS CLAIM FORM IS TRUE, CORRECT AND COMPLETE.

Date: _____

Signature of Claimant (If this claim is being made on behalf of Joint Claimants, then each must sign)

(Signature)

(Signature)

(Capacity of person(s) signing, e.g. beneficial purchaser(s), executor, administrator, trustee, etc.)

THIS CLAIM FORM MUST BE SUBMITTED NO LATER THAN _____, 2018,
AND MUST BE MAILED TO:

In re ARIAD Pharmaceuticals, Inc. Securities Litigation
c/o [Claims Administrator]
Claims Administrator
Post Office Box ____
_____, ____

To be considered timely, your Claim Form must be postmarked or received by the deadline above. Unless your Claim Form is submitted with a postmark, it will be deemed to have been submitted when actually received by the Claims Administrator. It will take a significant amount of time to process all Claim Forms. This work will be completed as promptly as time permits, given the need to investigate and tabulate each Claim Form. Please notify the Claims Administrator of any change of address.

REMINDER CHECKLIST

1. ☐ Please be sure to sign this Claim Form on page [____]. If this Claim Form is submitted on behalf of joint claimants, then both claimants must sign.
2. ☐ Please remember to attach supporting documents. Do NOT send any stock certificates. Keep copies of everything you submit.
3. ☐ Do NOT use highlighter on the Claim Form or any supporting documents.
4. ☐ If you move after submitting this Claim Form, please notify the Claims Administrator of the change in your address.

NOTE: RECEIPT ACKNOWLEDGMENT NEEDED

The Claims Administrator will send a written confirmation of its receipt of your Claim Form. Do not assume your claim is submitted until you receive this written confirmation. Your claim is not deemed fully submitted until the Claims Administrator sends you written confirmation of its receipt. If you do not receive an acknowledgement postcard within thirty (30)

days of your mailing the Claim Form, then please call the Claims Administrator toll free at

_____.

EXHIBIT 3 TO EXHIBIT A

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

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

**SUMMARY NOTICE OF PENDENCY OF CLASS ACTION,
PROPOSED SETTLEMENT AND SETTLEMENT FAIRNESS HEARING**

TO: All persons and entities that purchased, or otherwise acquired, shares of ARIAD Pharmaceuticals, Inc. (“ARIAD”) publicly traded common stock during the period from December 11, 2012 through December 14, 2012, inclusive, and were damaged thereby (the “Settlement Class”).

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the Court, that the above-captioned action has been certified as a class action for purposes of a proposed settlement in the amount of \$3,500,000 in cash, that if approved, will resolve the action in its entirety.

A hearing will be held before the Honorable William G. Young in the John Joseph Moakley United States Courthouse, 1 Courthouse Way, 5th Floor, Courtroom 18, Boston, Massachusetts 02210, at ____:_____.m., on _____, 2018 to determine whether the proposed settlement should be approved by the Court as fair, reasonable, and adequate, and to consider the application of Plaintiffs’ Co-Lead Counsel for attorneys’ fees and reimbursement of expenses. The Court may change the date of the hearing without providing another notice. You do not need to attend the hearing to receive a distribution from the Net Settlement Fund.

IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS DESCRIBED ABOVE, YOUR RIGHTS WILL BE AFFECTED AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT FUND. If you have not yet received the full printed Notice of Pendency of Class Action and Proposed Settlement, Motion for Attorneys’ Fees and Settlement Fairness Hearing (the “Notice”) and a Proof of Claim form (the “Claim Form”), you may obtain copies of these documents by contacting the Claims Administrator:

In re ARIAD Pharmaceuticals, Inc. Securities Litigation
c/o [Claims Administrator]
Claims Administrator
Post Office Box ____
_____, _____
(800) _____
www._____.com

Inquiries, other than requests for the Notice and Claim Form, may be made to Plaintiffs' Co-

Lead Counsel:

John C. Browne
BERNSTEIN LITOWITZ
BERGER & GROSSMAN LLP
1251 Avenue of the Americas
New York, NY 10020
Tel: (212) 554-1400
Fax: (212) 554-1444
johnb@blbglaw.com

Jonathan Gardner
LABATON SUCHAROW LLP
140 Broadway
New York, NY 10005
Tel: (212) 907-0700
Fax: (212) 818-0477
jgardner@labaton.com

Sanford P. Dumain
MILBERG LLP
One Penn Plaza, 50th Floor
New York, NY 10119-0165
Tel: (212) 594-5300
Fax: (212) 868-1229
sdumain@milberg.com

To participate in the Settlement, you must submit a Claim Form postmarked or received no later than _____, 2018. If you are a Settlement Class Member and do not exclude yourself from the Settlement Class, you will be bound by the Order and Final Judgment of the Court. To exclude yourself from the Settlement Class, you must submit a request for exclusion in accordance with the instructions set forth in the Notice such that it is postmarked no later than _____, 2018. Any objections to the Settlement must be filed no later than _____, 2018. If you are a Settlement Class Member and do not submit a proper Claim Form, you will not share in the Settlement but you nevertheless will be bound by the Order and Final Judgment of the Court.

Further information may be obtained by contacting the Claims Administrator. Please do not contact the Court, Defendants, or Defendants' Counsel regarding this notice.

By Order of The Court

EXHIBIT B

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

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

ORDER AND FINAL JUDGMENT

WHEREAS:

On the _____ day of _____, 2018, a hearing having been held before this Court to determine: (1) whether the terms and conditions of the Stipulation and Agreement of Settlement dated November 29, 2017 (the “Stipulation”) are fair, reasonable, and adequate for the settlement, including the release of the Defendants and the Released Parties, and should be approved; (2) whether judgment should be entered dismissing the Action without costs, except as provided in the Stipulation, as against the Defendants; (3) whether to approve the Plan of Allocation as a fair and reasonable method to allocate the settlement proceeds among the members of the Settlement Class; and (4) whether and in what amount to award Plaintiffs’ Counsel fees and payment of expenses.

The Court having considered all matters submitted to it at the hearing and otherwise being fully informed; and it appearing that the Notice of Pendency of Class Action and Proposed Settlement, Motion for Attorneys’ Fees and Settlement Fairness Hearing (the “Notice”) and a Proof of Claim and Release form (the “Claim Form”), substantially in the forms approved by the Court was mailed to all potential Settlement Class Members who could be identified through reasonable effort, and that a Summary Notice of Pendency of Class Action, Proposed Settlement and Settlement Hearing (the “Publication Notice”), substantially in the form approved by the Court was published in *Investor’s Business Daily* and transmitted over *PRNewswire* pursuant to

the specifications of the Court; and the Court having considered and determined the fairness and reasonableness of the Settlement:

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. This Judgment incorporates by reference: (i) the Stipulation and (ii) the Notice. Capitalized terms not defined in this Judgment shall have the meanings set forth and defined in the Stipulation.

2. The Court has jurisdiction over the subject matter of the Action, the Settlement Class Representatives, all Settlement Class Members, and the Defendants.

3. The Court hereby affirms its determinations in the Order for Notice and Hearing, and, pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court hereby finally certifies, for purposes of the Settlement only, this action as a class action on behalf of all persons and entities that purchased, or otherwise acquired, shares of ARIAD Pharmaceuticals, Inc. ("ARIAD") publicly traded common stock during the period from December 11, 2012 through December 14, 2012, inclusive (the "Settlement Class Period"), and were damaged thereby. Excluded from the Settlement Class are: (i) Defendants; (ii) the officers, directors, and affiliates of ARIAD; (iii) members of immediate family of any Individual Defendant; (iv) any entity in which any Defendant has or had a controlling interest; (v) ARIAD's employee retirement and/or benefit plan(s) and their participants and/or beneficiaries to the extent they purchased or acquired ARIAD common stock through any such plan(s); and (vi) the legal representatives, heirs, successors or assigns of any such excluded person. **[Also excluded from the Settlement Class are the persons and/or entities who requested exclusion from the Settlement Class as listed on Exhibit 1 annexed hereto OR No timely and valid requests for exclusion from the Settlement Class were received.]**

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for purposes of the Settlement only, the Court hereby reaffirms its determinations in the Order for Notice and Hearing appointing the City of Fort Lauderdale Police & Fire Retirement System and William A. Gaul as Settlement Class Representatives; appointing the law firms of Bernstein Litowitz Berger & Grossmann LLP, Labaton Sucharow LLP, and Milberg LLP as Settlement Class Counsel for the Settlement Class and Berman DeValerio LLP as Settlement Liaison Counsel for the Settlement Class.

5. The form and method of notifying the Settlement Class of the pendency of the action as a class action and of the terms and conditions of the proposed Settlement met the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7) as amended by the Private Securities Litigation Reform Act of 1995, due process, and any other applicable law, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto. Plaintiffs' Co-Lead Counsel has filed with the Court proof of mailing of the Notice and Claim Form and proof of publication of the Publication Notice.

6. **[The Court has considered the objections to the Settlement and they are hereby overruled.]**

7. In light of the benefits to the Settlement Class, the complexity, expense, and possible duration of further litigation against Defendants, the risks of establishing liability and damages, and the costs of continued litigation, the Court fully and finally approves the Settlement provided for in the Stipulation in all respects, and finds that the Settlement is, in all

respects, fair, reasonable, and adequate. The Parties are directed to consummate the Settlement in accordance with the terms and provisions of the Stipulation.

8. The Complaint, which the Court finds was filed on a good faith basis in accordance with the Private Securities Litigation Reform Act and Rule 11 of the Federal Rules of Civil Procedure based upon all publicly available information, is hereby dismissed without prejudice and without costs, except as provided in the Stipulation, as against the Defendants.

9. As of the Effective Date, the Settlement Class Representatives and members of the Settlement Class, on behalf of themselves, their heirs, executors, administrators, parents, subsidiaries, affiliates, custodians, agents, attorneys, representatives, trustees, Estates, spouses, immediate family members, predecessors, successors, and assigns, and any other Person claiming through or on behalf of them, shall be deemed to have, to the fullest extent permitted by law, fully, finally, and forever waived, released, relinquished, settled, discharged, and dismissed each and every one of the Settled Claims against each and every one of the Released Defendant Parties, whether or not such Settlement Class Member executes and delivers the Claim Form, and whether or not such Settlement Class Member shares in the Gross Settlement Fund or the Net Settlement Fund, and shall be permanently barred and enjoined from instituting, commencing or prosecuting the Settled Claims against the Released Defendant Parties. The Settled Claims are hereby compromised, settled, released, discharged and dismissed as against the Released Defendant Parties on the merits and with prejudice by virtue of the proceedings herein and this Order and Final Judgment.

10. As of the Effective Date, the Defendants and the other Released Defendant Parties, on behalf of themselves, their heirs, executors, administrators, parents, subsidiaries,

affiliates, custodians, agents, attorneys, representatives, trustees, Estates, spouses, immediate family members, predecessors, successors, and assigns, and any other Person claiming through or on behalf of them, shall be deemed to have, to the fullest extent permitted by law, fully, finally, and forever waived, released, relinquished, settled, discharged, and dismissed, each and every one of the Settled Defendants' Claims against each and every one of the Released Plaintiff Parties, and shall be permanently barred and enjoined from instituting, commencing or prosecuting any and all of the Settled Defendants' Claims against any and all of the Released Plaintiff Parties. The Settled Defendants' Claims are hereby compromised, settled, released, discharged and dismissed as against the Released Plaintiff Parties on the merits and with prejudice by virtue of the proceedings herein and this Order and Final Judgment.

11. Notwithstanding the provisions of ¶¶ 9 and 10 of this Order and Final Judgment, none of the Settlement Class Representatives, Released Plaintiff Parties, Defendants, or Released Defendant Parties release any claims relating to the enforcement of the Settlement.

12. Neither this Order and Final Judgment, the Stipulation, nor any of its terms and provisions, nor any of the negotiations, proceedings, or agreements related to them, nor any matter arising in connection with such negotiations, proceedings, or agreements shall be:

- (a) described as, construed as, offered or received as, or deemed to be
 - (i) evidence of a presumption, concession, or admission by any Defendant of the truth of any fact alleged or the validity of any claim that has been, or could have been, asserted in the Action, or
 - (ii) evidence of or construed as or deemed to be evidence of any presumption, concession, or the validity of any claim that has been or could have been asserted in the Action or in any litigation, or the deficiency of any defense that has been, could have been, or in the future might be asserted

in the Action or in any litigation, or of any liability, negligence, fault, or wrongdoing of any of the Defendants;

(b) described as, construed as, offered or received as, or deemed to be evidence of a presumption, concession or admission of any liability, fault, wrongdoing, breach of duty, wrongful act or misrepresentation or omission in any statement or written document approved or made by any of the Defendants, or against or to the prejudice of Settlement Class Representatives or any other Members of the Settlement Class, as evidence of any infirmity in the claims of Settlement Class Representatives or the other members of the Settlement Class;

(c) described as, construed as, offered or received against any of the Defendants, Settlement Class Representatives, any other member of the Settlement Class, or their respective counsel, as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing, breach of duty, wrongful act or misrepresentation or omission, or in any way referred to for any other reason as against any of the Defendants, Settlement Class Representatives, any other member of the Settlement Class, or their respective counsel, in any other civil, criminal, or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; provided, however, that any of the Defendants, Settlement Class Representatives, or any other Member of the Settlement Class may refer to it to effectuate the liability protection granted them hereunder;

(d) construed against Defendants, the Settlement Class Representatives or any of the other Settlement Class Members as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial;

or

(e) construed as or received in evidence as an admission, concession or presumption against the Settlement Class Representatives or any of the other Settlement Class Members that any of their claims are without merit, or that any defenses asserted by any of the Defendants have any merit, or that damages recoverable under the Complaint would not have exceeded the Cash Settlement Amount, provided, however, that the Defendants may file the Stipulation and/or this Order and Final Judgment in any other action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, or any theory of claim preclusion or issue preclusion or similar defense or counterclaim.

13. If the Settlement is terminated or the Effective Date of the Settlement otherwise fails to occur, then this Judgment shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated, and in such event, all orders entered and releases delivered in connection with this Order and Final Judgment shall be null and void to the extent provided by and in accordance with the Stipulation.

14. A separate order shall be entered regarding Plaintiffs' Co-Lead Counsel's application for attorneys' fees and payment of expenses as allowed by the Court. A separate order shall also be entered regarding the proposed Plan of Allocation for the Net Settlement Fund. Those orders shall in no way disturb or affect this Order and Final Judgment and shall be considered separate from this Order and Final Judgment.

15. The Court finds that all parties to the Action and their counsel have complied with each requirement of Rule 11 of the Federal Rules of Civil Procedure as to all proceedings herein.

16. Exclusive jurisdiction is hereby retained over the parties and the Settlement Class Members for all matters relating to this Action, including the administration, interpretation, effectuation or enforcement of the Stipulation and this Order and Final Judgment, and including any application for fees and expenses incurred in connection with administering and distributing the settlement proceeds to the members of the Settlement Class.

17. The stipulation or orders entered during this Action relating to the confidentiality of information shall survive this Settlement.

18. Without further order of the Court, the Parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

19. There is no just reason for delay in the entry of this Order and Final Judgment and immediate entry by the Clerk of the Court is expressly directed pursuant to Rule 54 (b) of the Federal Rules of Civil Procedure.

Dated: Boston, Massachusetts
_____, 2018

WILLIAM G. YOUNG
DISTRICT JUDGE