

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE EBIX, INC.,
STOCKHOLDER LITIGATION

) CONSOLIDATED
) C.A. No. 8526-VCS

**NOTICE OF PENDENCY AND PROPOSED SETTLEMENT
OF CLASS AND DERIVATIVE ACTION**

TO: ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF EBIX, INC. COMMON STOCK AT ANY TIME BETWEEN AND INCLUDING JULY 15, 2009 THROUGH JANUARY 23, 2019.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS ACTION. IF THE COURT APPROVES THE PROPOSED SETTLEMENT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS OF THE PROPOSED SETTLEMENT OR PURSUING THE “RELEASED CLAIMS” (AS DEFINED BELOW).

IF YOU ARE A NOMINEE WHO HOLDS EBIX, INC. COMMON STOCK FOR THE BENEFIT OF ANOTHER, READ THE SECTION BELOW ENTITLED “NOTICE TO PERSONS OR ENTITIES HOLDING RECORD OWNERSHIP ON BEHALF OF OTHERS.”

I. THE PURPOSE OF THIS NOTICE

This Notice¹ relates to a proposed settlement (the “Settlement”) of the above-captioned class and derivative action (the “Action”), pending in the Court of Chancery of the State of Delaware (the “Court”), which was brought by plaintiffs Gilbert C. Spagnola (“Spagnola”), Desert States Employers & UFCW Union Pension Plan (“Desert States”) and Amalgamated Bank, as Trustee for LongView SmallCap 600 Index Fund and LongView Broadmarket 300 Index Fund (“Amalgamated” and collectively, “Plaintiffs”) on their own behalf and on behalf of the Class (defined below) of stockholders of Ebix, Inc. (“Ebix” or the “Company”). Subject to the approval of the Court, the proposed Settlement will resolve all claims brought, or that could have been brought, in the Action.

The complete terms of the Settlement, which remains subject to approval of the Court, are set forth in a Stipulation and Agreement of Settlement, dated January 23, 2019 (the “Stipulation”), entered into by and among Plaintiffs and defendants Ebix, Inc. (“Ebix”), Robin Raina (“Raina”), Hans U. Benz (“Benz”), Pavan Bhalla (“Bhalla”), Neil D. Eckert (“Eckert”), Rolf Herter (“Herter”), Hans U. Keller (“Keller”), Joseph R. Wright, Jr. (“Wright”) and George W. Hebard III (“Hebard”) (collectively, “Defendants,” and with Plaintiffs, the “Parties”).

You received this Notice because you have been identified as a member of the Class. The purpose of the Notice is to inform you of (a) the pendency of the Action, (b) the proposed Settlement of the Action, subject to Court approval on the terms and conditions set forth in the Stipulation, and (c) a hearing to be held by the Court. The hearing will be held in the Court of Chancery, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801, on April 5, 2019, at 9:15 a.m. (the “Settlement Hearing”) to: (a) certify the Class, pursuant to Court of Chancery Rules 23(a), 23(b)(1) and 23(b)(2), which is comprised of any and all record holders and beneficial owners of Ebix common stock and their successors in interest at any time between and including July 15, 2009 through January 23, 2019 – excluding Defendants named in this lawsuit and any person, firm, trust, corporation or other entity related to or affiliated with any of the Defendants (the “Class”); (b) determine whether the Settlement should be approved by the Court as fair, reasonable, adequate, and in the best interests of the Class and Ebix; (c) determine whether an order and final judgment should be entered, dismissing the Action with prejudice (the “Final Order”); (d) consider the application of Class Counsel (defined below) for an award of attorneys’ fees and expenses; (e) hear and consider any objections to the Settlement and/or to Class Counsel’s application for an award of attorneys’ fees and expenses; and (f) rule on any other matters as the Court may deem appropriate.

II. CLASS ACTION CERTIFICATION

On July 17, 2018, the Court entered an Order Granting Class Certification and Appointing Class Representatives and Class Counsel, which certified the Action as a class action on behalf of the Class, plaintiffs Gilbert C. Spagnola (“Spagnola”), Desert States Employers & UFCW Union Pension Plan (“Desert States”) and Amalgamated Bank, as Trustee for LongView SmallCap 600 Index Fund and LongView Broadmarket 300 Index Fund (“Amalgamated”) as Class Representatives and the law firms of Prickett, Jones & Elliott, P.A. and Grant & Eisenhofer P.A. as “Class Counsel.” The “Class” will be defined as any and all record holders and beneficial owners of Ebix common stock and their successors in interest at any time between and including July 15, 2009 through January 23, 2019 – excluding Defendants named in this Action and any person, firm, trust, corporation or other entity related to or affiliated with any of the Defendants.

A member of the Class is referred to herein as a “Class Member.”

¹ All capitalized terms that are not defined in this Notice shall have the meanings provided in the Stipulation.

III. BACKGROUND OF THE ACTION

THE DESCRIPTION OF THE ACTION AND SETTLEMENT WHICH FOLLOWS HAS BEEN PREPARED BY COUNSEL FOR THE PARTIES. THE COURT HAS MADE NO FINDINGS WITH RESPECT TO SUCH MATTERS, AND THIS NOTICE IS NOT AN EXPRESSION OR STATEMENT BY THE COURT OF FINDINGS OF FACT.

In May 2013, twelve complaints were filed in the Court by purported stockholders of Ebix, including separate actions filed by Plaintiffs Spagnola and Desert States, bringing claims related to, among other things, a merger agreement between Ebix and an affiliate of Goldman, Sachs & Co. providing for the acquisition of Ebix for \$20 per share in cash. The actions were consolidated by order of the Court on June 10, 2013.

On June 17, 2013, Plaintiffs Spagnola and Desert States filed a Consolidated Verified Class Action Complaint (the “Consolidated Complaint”).

On June 19, 2013, Ebix announced that the merger agreement had been terminated.

On August 27, 2013, Plaintiffs Spagnola and Desert States filed a Verified Amended and Supplemented Class Action and Derivative Complaint (“First Amended Complaint”) against Defendants Raina, Benz, Bhalla, Eckert, Herter, Keller and Ebix (the “Ebix Defendants”), including claims for declaratory and injunctive relief and alleging breaches of fiduciary duty relating to an Acquisition Bonus Agreement between Ebix and Raina, dated July 15, 2009 (the “ABA”). At the time of the filing of the First Amended Complaint and on the effective date of the ABA, the individuals comprising the Ebix Defendants constituted the entire Ebix Board of Directors. Mr. Raina also served, and continues to serve, as Ebix’s Chief Executive Officer (“CEO”).

The terms of the ABA generally provided that, if Raina was employed by the Company, upon an event by which: (i) more than 50% of the voting stock of the Company was sold, transferred, or exchanged, (ii) a merger or consolidation of the Company occurs, (iii) the sale, exchange, or transfer of all or substantially all of the Company’s assets occurs, or (iv) the Company is acquired or dissolved (each, an “Acquisition Event”), the Company would pay Raina, a bonus amount, in cash, in the manner set forth in the ABA, and a tax gross-up payment for excise taxes that would be imposed on Raina for the bonus amount. Among other things, Plaintiffs disputed the calculation of the bonus amount under the formula disclosed by the Company.

The Ebix Defendants moved to dismiss the First Amended Complaint and on July 24, 2014, the Court issued a Memorandum Opinion granting in part and denying in part the Motion to Dismiss the First Amended Complaint. On September 15, 2014, the Court entered an Order granting in part and denying in part the Motion to Dismiss the First Amended Complaint.

On January 16, 2015, Plaintiffs Spagnola and Desert States filed a Verified Second Amended and Supplemented Class Action and Derivative Complaint (the “Second Amended Complaint”). The Ebix Defendants moved to dismiss the Second Amended Complaint, and on January 15, 2016, the Court issued a Memorandum Opinion and Order, granting in part and denying in part the Motion to Dismiss the Second Amended Complaint.

On October 26, 2016, Plaintiffs Spagnola and Desert States filed their Verified Third Amended and Supplemented Class Action and Derivative Complaint (the “Third Amended Complaint”), which, among other things, added George W. Hebard III and Joseph R. Wright Jr. as defendants, each of whom joined the Ebix Board in 2015. On November 10, 2016, Defendants Ebix, Benz, Bhalla, Eckert, Herter and Keller filed answers and partial motions to dismiss the Third Amended Complaint. On November 23, 2016, Defendant Raina filed an Answer to the Third Amended Complaint and a Verified Cross-Claim, seeking reformation of the ABA to provide for adjustment of the Base Price for stock splits. On December 27, 2016, Defendants Wright and Hebard filed a Motion to Dismiss the Third Amended Complaint.

On January 5, 2018, Amalgamated filed a Motion for Permissive Joinder as Plaintiff, which, following briefing and argument, was granted on April 2, 2018.

On January 19, 2018, Plaintiffs Spagnola and Desert States filed a Verified Fourth Amended and Supplemented Class Action and Derivative Complaint (the “Fourth Amended Complaint”), which included ten counts.

- Count I alleged a breach of fiduciary duty for maintaining the ABA as an unreasonable anti-takeover device.
- Count II alleged a breach of fiduciary duty regarding disclosures concerning the ABA in Ebix’s 2010 proxy statement, which allegedly affected the validity of a stock incentive plan.
- Count III alleged a breach of fiduciary duty regarding compensation paid pursuant to the 2010 stock incentive plan.
- Count IV alleged a breach of fiduciary duty regarding certain Ebix bylaws that were amended in December 2014.
- Count V sought a declaration that the December 2014 bylaws were invalid.
- Count VI alleged a breach of fiduciary duty regarding the approval of ABA.
- Count VII alleged a breach of fiduciary duty regarding disclosures about the terms and history of the ABA.
- Count VIII alleged that a 2008 amendment to Ebix’s certificate of incorporation and a 2008 stock dividend were invalid, and that the Ebix Board’s ratification of these acts pursuant to 8 *Del. C.* § 204 on November 26, 2017 was not effective.
- Count IX alleged a breach of fiduciary duty regarding disclosures in Ebix’s 2016 proxy statement which sought stockholder approval of the Company’s CEO bonus plan.
- Count X alleged a breach of fiduciary duty regarding the terms of the ABA.

Among other things, the Fourth Amended Complaint challenged the formula utilized to calculate the potential bonus amount upon the occurrence of an Acquisition Event under the ABA in Ebix's SEC filings. Plaintiffs alleged that the formula used to calculate the ABA bonus amount was incorrect because it reflected terms that were not provided in the ABA and overstated the bonus by more than \$300 million at an Acquisition Event price of \$79.25 (Ebix's closing stock price on December 29, 2017).

On February 1, 2018, Defendants Ebix and Raina filed a Stipulation and Proposed Order Governing Cross-Claim to stay Raina's cross-claim, which, following briefing and argument, was granted on April 4, 2018.

On March 7, 2018, Defendants Ebix, Benz, Bhalla, Eckert, Herter, Keller, Hebard and Wright filed motions for summary judgment and supporting opening briefs, and on March 8, 2018, Defendant Raina filed a motion for partial summary judgment.

On April 10, 2018, Ebix and Raina entered into a Stock Appreciation Right Award Agreement (the "April SAR Agreement"), which replaced the ABA. The April SAR Agreement granted Raina 5,953,975 stock appreciation rights ("SARs") which, upon the occurrence of an Acquisition Event, each entitled Raina a cash payment from the Company equal to the excess, if any, of the net proceeds per share received in connection with an Acquisition Event over the base price of \$7.95 per share of Company stock, as well as tax gross-up payments for excise taxes incurred by Raina. Further, under the April SAR Agreement, Raina was entitled to annual shortfall grants, in the form of SARs or restricted stock, if the number of Ebix shares owned by Raina as of the execution of the April SAR Agreement, the number of SARs granted to Raina, and the number of shares underlying any previously granted shortfall grant, is less than twenty percent of the number of SARs and the number of outstanding shares reported by the Company.

On April 18, 2018, Plaintiffs filed their answering brief in opposition to Defendants' motions for summary judgment.

On April 27, 2018, Defendants Benz, Bhalla, Eckert, Herter and Keller filed a Motion to Dismiss as Moot Counts I, VI, VII and X of the Fourth Amended Complaint, and on April 30, 2018, Defendants Raina, Hebard and Wright filed joinders to the motion.

On May 18, 2018, Defendants Ebix, Benz, Bhalla, Eckert, Herter, Keller, Hebard and Wright filed reply briefs in further support of their motions for summary judgment, and Defendant Raina filed a joinder to certain arguments made in the briefs filed by Defendants Ebix, Benz, Bhalla, Eckert, Herter and Keller.

On May 31, 2018, Plaintiffs filed their Verified Supplement to Their Verified Fourth Amended and Supplemented Class Action and Derivative Complaint (the "Supplement"), which reflected, among other things, Amalgamated's addition as a Plaintiff and contained three additional counts.

- Count XI challenged the validity of the April SAR Agreement.
- Counts XII and XIII alleged breaches of fiduciary duty regarding the adoption and effect of the April SAR Agreement.

Among other things, Plaintiffs alleged that the April SAR Agreement was essentially an amendment of the ABA and that the 5,953,975 SARs it awarded Raina were based upon the incorrect formula and alleged unwritten terms of the ABA. Plaintiffs calculated that at an Acquisition Event price of \$79.25 (Ebix's closing stock price on December 29, 2017), the April SAR Agreement would require that Ebix pay Raina (i) a bonus of approximately \$424.5 million plus (ii) an excise tax gross-up payment of approximately \$242.6 million.

On June 8, 2018, the parties filed a Stipulation and Proposed Order Pursuant to 8 *Del. C.* § 205, which provides a mechanism for validating prior defective corporate acts, which the Court granted on June 18, 2018, declaring valid the certificate amendment and stock dividend challenged in Count VIII.

On June 18, 2018, Defendants filed a Motion to Dismiss the Supplement to the Fourth Amended Complaint and a supporting opening brief.

On June 29, 2018, Plaintiffs filed an Answering Brief in Opposition to Defendants' Motion to Dismiss the Supplement to the Fourth Amended Complaint.

On July 3, 2018, the parties filed a Stipulation and Proposed Order Dismissing Count VIII of the Fourth Amended Complaint.

On July 5, 2018, the Court granted the Stipulation and Order Dismissing Count VIII of the Fourth Amended Complaint.

On July 9, 2018, Defendants filed a Reply Brief in Further Support of Their Motion to Dismiss the Supplement to the Fourth Amended Complaint.

On July 17, 2018, the Court entered an Order Granting in Part and Denying in Part Defendants' Motions for Summary Judgment, which: (a) granted summary judgment to all Defendants on Counts I, IV, V, VI, VII and X; (b) granted in part and denied in part summary judgment as to all Defendants other than Ebix, Hebard and Wright on Count IX; (c) granted summary judgment as to Ebix, Hebard and Wright on Count IX; (d) denied summary judgment as to Benz, Bhalla, Eckert, Herter, Keller and Raina on Count II; and (e) denied summary judgment as to Benz, Bhalla, Eckert, Herter, Keller, Raina, Hebard and Wright as to Count III of the Fourth Amended Complaint.

On August 9, 2018, the Court provided a bench ruling on Defendants' Motion to Dismiss the Supplement to the Fourth Amended Complaint, in which the Court denied Defendants' Motion to Dismiss the Supplement to the Fourth Amended Complaint under Court of Chancery Rule 23.1, and granted in part and denied in part Defendants' Motion to Dismiss the Supplement to the Fourth Amended Complaint under Court of Chancery Rule 12(b)(6).

Between June 17, 2013 and July 31, 2018, the parties engaged in extensive discovery, resulting in Plaintiffs' production of more than 700 documents, composed of more than 60,000 pages, Defendants' production of more than 3,500 documents, composed of more than 36,000 pages, non-parties' production of more than 3,700 documents, composed of more than 91,000 pages, and twenty-six depositions.

Trial was held on August 20, 21, and 23, 2018. A total of 938 trial exhibits were submitted to the Court, and eight witnesses provided live testimony at trial.

After trial the parties engaged in settlement discussions that resulted in the execution of the Stipulation.

IV. THE SETTLEMENT CONSIDERATION

Plaintiffs, acting in their individual capacity and as representatives of the Class, and Defendants have agreed upon the Settlement of the Action. The terms and conditions of the Settlement are set forth in detail in the Stipulation, which has been filed with the Court. The Settlement is subject to and will become effective only upon approval by the Court. This Notice includes only a summary of various terms of the Settlement, and it does not purport to be a comprehensive description of its terms, which are available for review as described below.

The Stipulation provides, among other things, that the Action shall be dismissed on the merits with prejudice as to the Plaintiff Released Persons and Defendant Released Persons, as defined below, and against all members of the Class, and that all of Plaintiffs' Released Claims, Raina's Released Claims, Ebix's Released Claims and Defendants' Released Claims (collectively, the "Released Claims"), as defined below, shall be completely, fully, finally and forever compromised, settled, released, discharged, extinguished and dismissed with prejudice, as to all Plaintiff Released Persons and Defendant Released Persons (collectively, the "Released Persons"), as defined below, upon the terms and conditions set forth therein.

The Stipulation further provides that in consideration for the full settlement, satisfaction, compromise and release of Plaintiffs' Released Claims against the Defendant Released Persons, Raina's Released Claims against both the Plaintiff Released Persons and Defendant Released Persons, and Ebix's Released Claims against the Defendant Released Persons, the Parties have agreed to the following:

- A. Each of Raina and Ebix shall cause the execution of an amended stock appreciation right award agreement (the "Amended SAR Agreement") set forth in Exhibit A to the Stipulation to replace the April SAR Agreement. The Amended SAR Agreement includes the following changes and modifications to the April SAR Agreement:
 1. Raina will commit to continue to serve and not resign as Ebix's Chief Executive Officer for at least two years following Final Approval of the Settlement;
 2. Any shares paid, awarded or otherwise received by Raina as compensation after the effective date of the April SAR Agreement, including any shares received by Raina from the exercise of any options granted after the effective date of the April SAR Agreement or from the grant or vesting of any restricted shares or settlement of any restricted stock units granted after the effective date of the April SAR Agreement (but excluding any shares received as a result of the grant, vesting or settlement of any Share Grants (as defined in the Amended SAR Agreement)), will be excluded from the outstanding shares for purposes of the Board's annual shortfall determination;
 3. If an Acquisition Event occurs more than 180 days after, but not later than the tenth anniversary of, the date that Raina's employment is involuntarily terminated by the Company without Cause (as defined in the Amended SAR Agreement), 1,000,000 SARs will be deemed accrued and will be eligible to vest on the closing date of the Acquisition Event, which number will be increased by 750,000 SARs beginning on the first anniversary of Final Approval of the Settlement and each anniversary thereafter (subject in each case to Raina's continued employment on each anniversary date), until 100% of the SARs (including any Shortfall Grants) have accrued and are eligible to vest on the closing date of an Acquisition Event that occurs more than 180 days after, but not later than the tenth anniversary of, the date that Raina's employment is involuntarily terminated by the Company without Cause;
 4. The obligation of Ebix to make tax gross-up payments for excise taxes that would be imposed on Raina in respect to any payments made in connection with a change in control of the Company will be eliminated.
- B. Ebix will implement the following governance measures set forth in the form attached as Exhibit B to the Stipulation;
 1. Ebix will hire an in-house general counsel within 180 days of Final Approval;
 2. Ebix will develop a CEO succession plan within 180 days of Final Approval;
 3. The Nominating and Governance Committee of the Board will meet on an annual basis;
 4. Eckert will be added as a member of the Compensation Committee upon Final Approval;
 5. The Compensation Committee will hire a nationally recognized independent compensation consultant to advise annually on director and officer compensation.
- C. A Form 8-K set forth in the form attached as Exhibit C to the Stipulation will be filed with the U.S. Securities and Exchange Commission upon Final Approval.

V. **DISMISSAL AND RELEASES**

THE SETTLEMENT OF THE ACTION, IF APPROVED BY THE COURT ON THE TERMS AND CONDITIONS SET FORTH IN THE STIPULATION, WILL INCLUDE A RELEASE OF ALL CLAIMS WHICH WERE OR COULD HAVE BEEN ASSERTED IN THIS ACTION.

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

The proposed Settlement, if the Delaware Court of Chancery approves it, shall extinguish for all time completely, fully, finally, and shall forever compromise, settle, release, discharge, extinguish, and dismiss on the merits and with prejudice, upon and subject to the terms and conditions set forth in the Stipulation, all rights, claims, and causes of action that are or relate to the Released Claims.

Release of Claims by Plaintiffs, by and on behalf of themselves and the Class (collectively, the “Plaintiff Releasing Persons”): Plaintiff Releasing Persons, by operation of the Stipulation, finally and fully release each and all of the Defendant Released Persons from any and all of the Plaintiffs’ Released Claims, and shall forever be barred and enjoined from commencing, instituting or prosecuting any of the Plaintiffs’ Released Claims against any of the Defendant Released Persons.

“Plaintiffs’ Released Claims” means any and all claims, demands, losses, rights, actions, causes of action, liabilities, obligations, duties, judgments, suits, costs, expenses, matters and issues known or unknown, whether contingent or absolute, suspected or unsuspected, disclosed or undisclosed, liquidated or unliquidated, matured or unmatured, accrued or unaccrued, apparent or unapparent, of any kind or nature whatsoever, for damages, injunctive relief, or any other remedies, that have been asserted, could have been asserted or might be asserted by any member of the Class in the Action or in any court, tribunal, forum or proceedings (including, but not limited to, any claims arising under federal, state or foreign law, common law, statute, rule or regulation relating to fraud, breach of any duty, negligence, violation of any state, federal or foreign securities law, violation of any contractual obligation, aiding and abetting any of the foregoing, or otherwise, and including all claims within the exclusive jurisdiction of the federal courts), whether individual, class, direct, derivative, representative, legal, equitable or any other type or in any other capacity, against the Defendant Released Persons, that were, or could have been, alleged, asserted, raised, claimed, related to, or referred to, in whole or in part, in the Consolidated Complaint, First Amended Complaint, Second Amended Complaint, Third Amended Complaint, Fourth Amended Complaint, or the Supplement to the Fourth Amended Complaint. Plaintiffs’ Released Claims, however, shall not include (i) the right to enforce the Settlement or (ii) potential future claims based on future conduct regarding the Amended SAR Agreement.

“Defendant Released Persons” means any of the Defendants, any of their families, associates, affiliates, successors or subsidiaries, any of their respective present or past heirs, executors, estates, administrators, predecessors, successors, stockholders, assigns, subsidiaries, associates, affiliates, employers, employees, agents, consultants, directors, managing directors, officers, partners, partnerships, principals, limited liability companies, members, attorneys, bankers, consultants, trustees, accountants, financial or other advisors, investment bankers, underwriters, lenders, or any other representatives of any of these persons or entities.

Release of Claims by Raina: Raina, and his family, present or past heirs, executors, estate, successors and assigns, by operation of the Stipulation, finally and fully release each and all of the Plaintiff Released Persons and the Defendant Released Persons from any and all of Raina’s Released Claims, and shall forever be barred and enjoined from commencing, instituting or prosecuting any of Raina’s Released Claims against any of the Plaintiff Released Persons or the Defendant Released Persons.

“Raina’s Released Claims” means any and all claims that have been asserted, could have been asserted or might be asserted against either Plaintiff Released Persons or Defendant Released Persons concerning the ABA or the April SAR Agreement, including claims that were, or could have been, alleged, asserted, raised, claimed, related to, or referred to, in whole or in part, in Raina’s Cross-Claim. Raina’s Released Claims, however, shall not include the right to enforce the Settlement.

Release of Claims by Ebix, Plaintiffs, and each and every Ebix stockholder: Ebix, Plaintiffs, and each and every Ebix stockholder, derivatively and on behalf of Ebix, and their respective agents, spouses, heirs, predecessors, successors, transferors, transferees, personal representatives, representatives and assigns, in their capacities as such only, by operation of the Stipulation, finally and fully release each and all of the Defendant Released Persons from any and all of Ebix’s Released Claims, and shall forever be barred and enjoined from commencing, instituting or prosecuting any of Ebix’s Released Claims against any of the Defendant Released Persons.

“Ebix’s Released Claims” means any and all claims, demands, losses, rights, actions, causes of action, liabilities, obligations, duties, judgments, suits, costs, expenses, matters and issues known or unknown, whether contingent or absolute, suspected or unsuspected, disclosed or undisclosed, liquidated or unliquidated, matured or unmatured, accrued or unaccrued, apparent or unapparent, of any kind or nature whatsoever, for damages, injunctive relief, or any other remedies, that have been asserted, could have been asserted or might be asserted by any member of the Class in the Action or in any court, tribunal, forum or proceedings (including, but not limited to, any claims arising under federal, state or foreign law, common law, statute, rule or regulation relating to fraud, breach of any duty, negligence, violation of any state, federal or foreign securities law, violation of any contractual obligation, aiding and abetting any

of the foregoing, or otherwise, and including all claims within the exclusive jurisdiction of the federal courts), whether individual, class, direct, derivative, representative, legal, equitable or any other type or in any other capacity, against Defendant Released Persons, that were or could have been alleged, asserted, raised, claimed, related to, or referred to, in whole or in part, in the Consolidated Complaint, First Amended Complaint, Second Amended Complaint, Third Amended Complaint, Fourth Amended Complaint or the Supplement to the Fourth Amended Complaint. Ebix's Released Claims, however, shall not include the right to enforce the Settlement.

Release of Claims by Defendant Released Persons: Defendant Released Persons by operation of the Stipulation, finally and fully release each and all of the Plaintiff Released Persons from any and all of the Defendants' Released Claims, and shall forever be barred and enjoined from commencing, instituting or prosecuting any of the Defendants' Released Claims against any of the Plaintiff Released Persons.

"Defendants' Released Claims" means any and all claims that Defendant Released Persons may have or could have asserted against the Plaintiff Released Persons arising out of the initiation, litigation and resolution of the Action. Defendants' Released Claims, however, shall not include the right to enforce the Settlement.

"Plaintiff Released Persons" means Plaintiff Releasing Persons and their Counsel.

The Plaintiff Releasing Persons and Defendant Released Persons (collectively, the "Releasing Persons") acknowledge that they may discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of this release, but that it is their intention, as Plaintiffs and on behalf of the Plaintiff Releasing Persons and as Defendants on behalf of the Defendant Released Persons, to fully, finally and forever settle and release any and all claims released hereby, whether known or unknown, suspected or unsuspected, which now exist or heretofore existed, and without regard to any additional or different facts learned in subsequent discovery.

VI. REASONS FOR THE SETTLEMENT

Plaintiffs' Counsel have conducted an investigation, obtained extensive discovery and proceeded through trial on the claims alleged in the Action. Plaintiffs' counsel analyzed the evidence obtained through the Action, including numerous sets of document requests, interrogatories and requests for admission, Defendants' production of more than 3,500 documents, composed of more than 36,000 pages, non-parties' production of more than 3,700 documents, composed of more than 91,000 pages, four expert reports, twenty-six depositions and a three-day trial with 938 trial exhibits and eight live witnesses. In negotiating and evaluating the terms of the Settlement, Plaintiffs' Counsel considered the legal and factual defenses to Plaintiffs' claims that Defendants had asserted at trial and in numerous briefs in support of motions to dismiss and motions for summary judgment. Based upon their evaluation, Plaintiffs' Counsel have determined that the Settlement set forth in the Stipulation is fair, reasonable, adequate and in the best interests of all Class Members and Ebix, and that it confers substantial benefits upon all Class Members and Ebix.

Defendants believe that they have substantial defenses to the claims alleged against them in the Action, and they have denied and continue to deny any and all allegations of wrongdoing, fault, liability, violations of law, or damage asserted in or arising from the Action. Defendants maintain that they have complied with their fiduciary duties and state and federal laws, and have committed no disclosure violations or any other breach of fiduciary duty or wrongdoing in connection with the events and transactions alleged in the Action. The Settlement shall in no event be construed or deemed to be evidence of or constitute an admission of wrongdoing or liability, or of any infirmity of any claims that were, might be, or could have been raised in the Action.

VII. APPLICATION FOR ATTORNEYS' FEES AND EXPENSES

Plaintiffs' Counsel intend to apply to the Court for an award of attorneys' fees and expenses of no more than \$30 million for the benefits conferred upon Ebix and the Class through and as a result of this Action, including this Settlement ("Fee Application"). All such fees and expenses that are awarded by the Court (the "Fee Award") shall be paid solely by Ebix or Ebix's insurance carriers, and from no other source, within twenty (20) business days of entry of an Order approving such award. Ebix reserves the right to oppose the Fee Application. The parties agree that any agreement or approval of an award of attorneys' fees and expenses shall not be a condition to final approval of the Settlement. Any failure of the Court to approve the Settlement shall not preclude Plaintiffs' Counsel from applying for an award of attorneys' fees and expenses on grounds of mootness, and Defendants reserve the right to oppose any such mootness-fee application.

VIII. RIGHT TO APPEAR AND OBJECT AT THE SETTLEMENT HEARING

Any Class Member who objects to the Settlement, the Final Order to be entered in the Action, and/or Plaintiffs' Counsel's application for fees and expenses, or otherwise wishes to object or to be heard, may appear personally or by counsel at the Settlement Hearing and present evidence or argument that may be proper and relevant; provided, however, that no Class Member may be heard and no briefs, pleadings, or other documents submitted by or on behalf of any member of the Class shall be considered by the Court, except by Order of the Court for good cause shown, unless, not later than eighteen (18) calendar days prior to the Settlement Hearing, copies of (a) a written notice of intention to appear, identifying the name, address, and telephone number of the objector and, if represented, their counsel; (b) proof of membership in the Class; (c) a written statement of such person's objections to any matter before the Court; (d) the grounds for such objections and the reasons for such person's desiring to appear and be heard; and (e) all documents and writings such person desires the Court to consider, shall be filed with the Court of Chancery and, on or before such filing, served electronically via File and Serve*Xpress* e-service, by hand, or by overnight mail upon the following counsel:

Michael Hanrahan (ID No. 941)
Paul A. Fioravanti, Jr. (ID No. 3808)
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222 Delaware Avenue, Suite 1410
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Unless the Court otherwise directs, no member of the Class shall be entitled to object to the Settlement, or to the Final Order, or to the award of attorneys' fees and expenses to Plaintiffs' Counsel, or otherwise to be heard, except by serving and filing written objections as prescribed in the foregoing paragraph. Any person who fails to object in the manner provided above shall be deemed to have waived the right to object (including any right of appeal) and shall be forever barred from raising such objection in this Action or in any other action or proceeding.

IX. SCOPE OF THIS NOTICE AND FURTHER INFORMATION

This Notice does not purport to be a comprehensive description of the Action, the allegations or transactions related thereto, or the terms of the Settlement. The Stipulation and its exhibits are available for download at the following website established for the Settlement: www.EbixStockholderLitigation.com.

For a more detailed statement of the matters involved in this litigation, you may inspect the pleadings, the Stipulation, the orders entered by the Court in the Action, and other papers filed in the Action, unless sealed, at the Office of the Register in Chancery in the Court of Chancery of the State of Delaware, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware, 19801, during regular business hours of each business day. **DO NOT WRITE OR TELEPHONE THE COURT.** Questions regarding the Settlement should be directed to Plaintiff's Counsel as follows:

Michael Hanrahan (ID No. 941)
Paul A. Fioravanti, Jr. (ID No. 3808)
Kevin H. Davenport (ID No. 5327)
John G. Day (ID No. 6023)
PRICKETT, JONES & ELLIOTT, P.A.
1310 N. King Street
Wilmington, Delaware 19801

Michael J. Barry (ID No. 4368)
Kelly L. Tucker (ID No. 6382)
GRANT & EISENHOFER P.A.
123 Justison Street
Wilmington, Delaware 19801

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

Brokerage firms, banks, and other persons or entities who are Class Members in their capacities as record holders, but not as beneficial owners, are requested to send this Notice promptly to beneficial owners. Additional copies of this Notice for transmittal to beneficial owners are available by contacting the settlement administrator at:

Ebix Stockholder Litigation Settlement Administrator
c/o KCC Class Action Services
P.O. Box 404002
Louisville, KY 40233-4002

www.EbixStockholderLitigation.com

You may also furnish the names and addresses of your beneficial owners in the form of mailing labels or in electronic format to the settlement administrator at EbixStockholderLitigation@kccllc.com, which will then be responsible for sending the Notice to such beneficial owners.

Dated: February 4, 2019

BY ORDER OF THE COURT
OF CHANCERY OF THE STATE OF DELAWARE