

**UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT**

IN RE: SYNCHRONY FINANCIAL
SECURITIES LITIGATION

No. 3:18-cv-1818-VAB

CLASS ACTION

**NOTICE OF (I) PENDENCY OF CLASS ACTION AND
PROPOSED SETTLEMENT; (II) SETTLEMENT HEARING; AND
(III) MOTION FOR ATTORNEYS' FEES AND LITIGATION EXPENSES**

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

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by the above-captioned securities class action (the "Action") pending in the United States District Court for the District of Connecticut (the "Court"), if you purchased or otherwise acquired the common stock of Synchrony Financial ("Synchrony" or the "Company") during the period from January 19, 2018, through July 12, 2018, inclusive (the "Class Period"), and were damaged thereby.¹

NOTICE OF SETTLEMENT: Please also be advised that the Court-appointed Lead Plaintiff Stichting Depository APG Developed Markets Equity Pool ("Lead Plaintiff" or "APG") and Plaintiff Stichting Depository APG Fixed Income Credits Pool (collectively with Lead Plaintiff, "Plaintiffs"), on behalf of themselves and the Class, have reached a proposed settlement of the Action for \$34,000,000 in cash.

PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of a payment from the Settlement. If you are a member of the Class, your legal rights will be affected whether or not you act.

If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact the Court, the Office of the Clerk of the Court, Defendants, or their counsel. All questions should be directed to Lead Counsel or the Claims Administrator (see ¶ 81 below).

1. **Description of the Action and the Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action brought by investors against Synchrony and certain of its executives and controlling entities. The Defendants are Synchrony; Margaret M. Keane, Synchrony's CEO and President during the Class Period; Thomas M. Quindlen, Synchrony's Executive Vice President and CEO of Retail Card during the Class Period; and Brian D. Doubles, Synchrony's CFO and Executive Vice President during the Class Period (collectively, "Defendants"). Plaintiffs allege that the Defendants violated the federal securities laws by making false and misleading statements regarding Synchrony's business. A more detailed description of the Action is set forth in ¶¶ 11-30 below. As noted below, Defendants have denied and continue to deny all claims and allegations of wrongdoing asserted against them in the Action. The proposed Settlement, if approved by the Court, will settle claims of the Class, as defined in ¶ 31 below.

2. **Statement of the Class's Recovery:** Subject to Court approval, Plaintiffs, on behalf of themselves and the Class, have agreed to settle the Action in exchange for \$34,000,000 in cash (the "Settlement Amount") to be deposited into an escrow account. The Net Settlement Fund (i.e., the Settlement Amount plus any and all interest earned thereon (the "Settlement Fund") less (i) any Taxes; (ii) any Notice and Administration Costs; (iii) any Litigation Expenses awarded by the Court; (iv) any attorneys' fees awarded by the Court; and (v) any other costs or fees approved by the Court) will be distributed in accordance with a plan of allocation that is approved by the Court. The proposed plan of allocation (the "Plan of Allocation") is attached hereto as Appendix A.

3. **Estimate of Average Amount of Recovery Per Share:** Based on Plaintiffs' damages expert's estimate of the number of shares of Synchrony common stock purchased during the Class Period that may have been affected by the conduct at issue in the Action, and assuming that all Class Members elect to participate in the Settlement,

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated April 3, 2023 (the "Stipulation"), which is available at www.SynchronySecuritiesLitigation.com.

the estimated average recovery (before the deduction of any Court-approved fees, expenses, and costs as described herein) is \$0.23 per affected share. Class Members should note, however, that the foregoing average recovery per share is only an estimate. Some Class Members may recover more or less than this estimated amount depending on, among other factors, when and at what prices they purchased/acquired or sold their Synchrony common stock, and the total number and value of valid Claim Forms submitted. Distributions to Class Members will be made based on the Plan of Allocation set forth in Appendix A or such other plan of allocation as may be ordered by the Court.

4. **Average Amount of Damages Per Share:** The Parties do not agree on the average amount of damages per share that would be recoverable if Plaintiffs were to prevail in the Action. Among other things, Defendants do not agree with the assertion that they violated the federal securities laws or that any damages were suffered by any members of the Class as a result of their conduct.

5. **Attorneys’ Fees and Expenses Sought:** Plaintiffs’ Counsel have been prosecuting the Action on a wholly contingent basis since its inception in 2018, have not received any payment of attorneys’ fees for their representation of the Class, and have advanced the funds to pay expenses necessarily incurred to prosecute this Action. Court-appointed Lead Counsel, Bernstein Litowitz Berger & Grossmann LLP, will apply to the Court for an award of attorneys’ fees for Plaintiffs’ Counsel in an amount not to exceed 13% of the Settlement Fund. In addition, Lead Counsel will apply for payment of Litigation Expenses incurred in connection with the institution, prosecution, and resolution of the Action in an amount not to exceed \$750,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Plaintiffs directly related to their efforts in the Action and representation of the Class, pursuant to the Private Securities Litigation Reform Act of 1995 (“PSLRA”). Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses. The estimated average cost for such fees and expenses, if the Court approves Lead Counsel’s fee and expense application, is \$0.03 per affected share.

6. **Identification of Attorneys’ Representative:** Plaintiffs and the Class are represented by Salvatore J. Graziano, Esq. of Bernstein Litowitz Berger & Grossmann LLP, 1251 Avenue of the Americas, 44th Floor, New York, NY 10020, 1-800-380-8496, settlements@blbglaw.com.

7. **Reasons for the Settlement:** Plaintiffs’ principal reason for entering into the Settlement is the substantial and certain recovery for the Class without the risk or the delays inherent in further litigation. Moreover, the substantial recovery provided under the Settlement must be considered against the significant risk that a smaller recovery—or indeed no recovery at all—might be achieved after contested motions, a trial of the Action, and the likely appeals that would follow a trial. This process could be expected to last several years. Defendants, who deny that they have committed any act or omission giving rise to liability under the federal securities laws, are entering into the Settlement solely to eliminate the uncertainty, burden, and expense of further protracted litigation.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:	
SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN SEPTEMBER 7, 2023.	This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Class Member and you remain in the Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiffs’ Claims (defined in ¶ 44 below) that you have against Defendants and the other Defendants’ Releasees (defined in ¶ 45 below), so it is in your interest to submit a Claim Form.
EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN JULY 10, 2023.	If you exclude yourself from the Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against any of the Defendants or the other Defendants’ Releasees concerning the Released Plaintiffs’ Claims. Please note however, that you may be time-barred from asserting the claims covered by the Action by statutes of limitation or repose. Lead Counsel offers no advice and no opinion on whether you will be able to maintain such claims.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN JULY 10, 2023.	If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for an award of attorneys’ fees and Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation, or the fee and expense request unless you are a Class Member and do not exclude yourself from the Class.

GO TO A HEARING ON JULY 31, 2023 AT 10:00 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN JULY 10, 2023.	Filing a written objection and notice of intention to appear by July 10, 2023 allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys’ fees and Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.
DO NOTHING.	If you are a member of the Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.

Please Note: The date and time of the Settlement Hearing—currently scheduled for July 31, 2023, at 10:00 a.m.—is subject to change without further written notice to the Class. It is also within the Court’s discretion to hold the hearing by video or telephonic conference. If you plan to attend the hearing, you should check www.SynchronySecuritiesLitigation.com or with Lead Counsel to confirm no change to the date and/or time of the hearing has been made.

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WHY DID I GET THIS NOTICE?

8. The Court directed that this Notice be mailed to you because you or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired Synchrony common stock during the Class Period. The Court has directed us to send you this Notice because, as a potential Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how this class action lawsuit may generally affect your legal rights. If the Court approves the Settlement and the Plan of Allocation (or some other plan of allocation), the Claims Administrator selected by Plaintiffs and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved.

9. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation, and the motion by Lead Counsel for an award of attorneys' fees and payment of Litigation Expenses (the "Settlement Hearing"). See ¶¶ 70-71 below for details about the Settlement Hearing, including the date and location of the hearing.

10. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

WHAT IS THIS CASE ABOUT?

11. Synchrony is a consumer financial services company with headquarters in Stamford, Connecticut. Synchrony provides private-label credit cards (credit cards branded by one of Synchrony's retail or consumer brand partners and used for purchases with that partner) and general purpose co-branded credit cards. At all relevant times, Synchrony common stock traded on the New York Stock Exchange ("NYSE") under ticker symbol "SYF."

12. On November 2, 2018, a class action was brought in the Court against Synchrony and certain executives alleging violations of the Securities Exchange Act of 1934 (the "Exchange Act").

13. On February 5, 2019, the Court (The Honorable Victor A. Bolden) appointed Stichting Depository APG Developed Markets Equity Pool as Lead Plaintiff and approved Bernstein Litowitz Berger & Grossmann LLP as Lead Counsel under the Private Securities Litigation Reform Act of 1995 ("PSLRA").

14. On March 25, 2019, the Court ordered that any subsequently filed, removed, or transferred actions related to the claims asserted in this Action would be consolidated and directed the Clerk of the Court to consolidate two related cases.

15. On April 5, 2019, Plaintiffs filed an Amended Complaint (the "Complaint"). The Complaint asserted claims on behalf of all persons and entities who: (i) purchased or otherwise acquired publicly traded Synchrony common stock from October 21, 2016 through November 1, 2018, inclusive and/or (ii) purchased or otherwise acquired Synchrony 3.95% bonds due 2027 (the "Synchrony Notes") either in or traceable to Synchrony's December 1, 2017 note offering (the "Offering") from October 21, 2016 through November 1, 2018, inclusive. The Complaint alleged that Defendants made materially false and misleading statements and omissions regarding Synchrony's underwriting standards, the Company's underwriting changes, and the Company's relationships with retail partners, including Walmart Inc., and that the Individual Defendants sold shares of Synchrony common stock while in possession of material non-public information. Specifically, the Complaint asserted (i) claims under Section 10(b) of the Exchange Act and SEC Rule 10b-5 against Defendants Synchrony, Keane, Quindlen, and Doubles; (ii) claims under Sections 20A and 20(a) of the Exchange Act against Keane, Quindlen, and Doubles (the "Individual Defendants"); (iii) claims under Section 11 of the Securities Act of 1933 ("Securities Act") against Synchrony, Keane, Doubles, the Former Individual Defendants, and the Former Underwriter Defendants; and (iv) claims under Section 15 of the Securities Act against Keane, Doubles, and the Former Individual Defendants.

16. On June 26, 2019, Defendants moved to dismiss the Complaint, asserting (among other things) that, with respect to Plaintiffs' Exchange Act claims, Plaintiffs failed to sufficiently allege: (i) any actionable misrepresentation, (ii) that Defendants acted with scienter in making any alleged misrepresentation, or (iii) loss causation with respect

to the alleged corrective disclosures; and with respect to Plaintiffs' Securities Act claims, Defendants asserted that Plaintiffs failed to sufficiently allege: (i) any actionable misstatement in Synchrony's offering materials, (ii) that the claims were not time-barred, or (iii) a domestic transaction. On August 21, 2019, Plaintiffs filed their opposition to Defendants' motion to dismiss. On October 11, 2019, Defendants filed their reply.

17. On October 21, 2019, Plaintiffs filed a motion for partial modification of the PSLRA stay, seeking to obtain an unredacted copy of the complaint in Walmart's 2018 lawsuit against Synchrony. Simultaneously, Plaintiffs filed a motion in the United States District Court for the Western District of Arkansas, seeking to unseal Walmart's complaint from 2018. The Western District of Arkansas granted that motion on November 25, 2019. Defendants appealed to the Eighth Circuit Court of Appeals and simultaneously moved for an emergency stay of the order granting Plaintiffs' motion to unseal. On December 18, 2019, the Eighth Circuit Court of Appeals denied Defendants' motion for an expedited appeal, but granted Defendants' motion for a stay pending a decision by the District of Connecticut on Plaintiffs' motion for partial modification of the PSLRA stay. On April 24, 2020, the Eighth Circuit reversed the Western District of Arkansas' November 25, 2019 order unsealing the Walmart complaint.

18. On March 26, 2020, the Court held oral argument on Defendants' motion to dismiss the Complaint. On March 31, 2020, the Court granted Defendants' motion to dismiss in its entirety and dismissed the Action with prejudice.

19. Plaintiffs appealed the Court's dismissal of the Action to the United States Court of Appeals for the Second Circuit. On February 16, 2021, after full briefing and oral argument on Plaintiffs' appeal, the Second Circuit partially reversed the Court's decision granting Defendants' motion to dismiss. Specifically, the Second Circuit ruled that the Complaint plausibly alleged the falsity of the statement by Defendant Keane (Synchrony's former CEO) on January 19, 2018 that Synchrony was "not getting any pushback on credit." The Second Circuit affirmed the Court's dismissal of all other claims under the Exchange Act, and the Court's dismissal of all claims under the Securities Act.

20. On May 17, 2021, Defendants filed a renewed motion to dismiss the Amended Complaint. Plaintiffs filed their opposition to that motion on July 1, 2021. On August 2, 2021, Defendants filed a reply in further support of their motion to dismiss. On February 11, 2022, the Court denied Defendants' renewed motion to dismiss, except that the Court upheld only the alleged corrective disclosure on July 12, 2018 and dismissed the remaining alleged corrective disclosures. The Court also ordered the parties to proceed with discovery.

21. On March 18, 2022, Defendants filed their answer to the Complaint. Among other things, Defendants' answer denied Plaintiffs' allegations of wrongdoing and asserted various affirmative defenses.

22. On June 24, 2022, Plaintiffs filed a motion for class certification and appointment of class representative and class counsel, which was accompanied by a report from Plaintiffs' expert, Dr. Steven Feinstein, on market efficiency and common damages methodologies. Consistent with the Court's and Second Circuit's rulings on the motion to dismiss, Plaintiffs moved to certify a class of investors who purchased or otherwise acquired the common stock of Synchrony from January 19, 2018 through July 12, 2018, inclusive.

23. The Parties began seriously exploring the possibility of a settlement in the summer of 2022. The Parties agreed to engage in private mediation and retained Jed D. Melnick, Esq., of JAMS to act as mediator in the Action (the "Mediator"). On July 26, 2022, counsel for the Parties participated in a full-day mediation session before the Mediator. In advance of that session, the Parties exchanged and submitted detailed mediation statements and supporting exhibits to the Mediator. The Parties were unable to reach a settlement during the July 26, 2022 mediation.

24. The Parties continued to meet and confer as their discovery efforts continued—exchanging numerous letters concerning disputed discovery issues over several months. On August 29, 2022, the Court held a remote discovery conference and on September 26, 2022, after ruling on several additional discovery disputes, the Court extended the case schedule.

25. Discovery in the Action continued through December 2022. Over the course of discovery, Defendants produced more than 50,000 documents to Plaintiffs, including almost 300,000 pages, and Plaintiffs' Counsel reviewed those documents on a rolling basis as Defendants produced them.

26. On December 12, 2022, the Parties held a second mediation session, which was preceded by the Parties making supplemental written submissions to the Mediator. The second mediation included a presentation by Plaintiffs' Counsel summarizing certain evidence they had gathered to date in discovery. The Parties did not reach an agreement at the mediation session, but the Parties continued intense settlement negotiations over the following weeks. On December 29, 2022, the Mediator proposed that the Parties settle the Action for \$34 million, which the Parties considered on a double-blind basis (that is, if a Party denied the proposal they would not learn whether the other side had accepted or reject it).

27. On January 2, 2023, the Mediator informed the Parties that both sides had accepted the Mediator’s proposal. The agreement’s terms were memorialized in a Memorandum of Understanding to Settle Class Action executed on January 17, 2023 (the “Memorandum of Understanding”), which was confidential and subject to the execution of the Stipulation and Agreement of Settlement. The Memorandum of Understanding set forth the material terms of the Parties’ binding agreement to settle and release all claims against Defendants in the Action in return for a cash payment of \$34,000,000 for the benefit of the Class.

28. On February 3, 2023, the Court entered a Ruling and Order on Motion for Class Certification, which granted Plaintiffs’ motion for class certification and certified the Action to proceed as a class action on behalf of a class of all persons or entities who purchased or otherwise acquired the common stock of Synchrony between January 19, 2018, and July 12, 2018, inclusive, and who were damaged thereby. The Order also appointed Lead Plaintiff as Class Representative for the Class, Lead Counsel Bernstein Litowitz Berger & Grossmann LLP as Class Counsel, and Motley Rice LLC as Liaison Counsel for the Class.

29. On April 3, 2023, the Parties entered into the Stipulation and Agreement of Settlement, which sets forth the terms and conditions of the Settlement. The Stipulation is available at www.SynchronySecuritiesLitigation.com.

30. On April 12, 2023, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT? WHO IS INCLUDED IN THE CLASS?

31. If you are a member of the Class, you are subject to the Settlement, unless you timely request to be excluded. The Class means the class certified in the Court’s February 3, 2023 Order. Specifically, the Class consists of:

all persons or entities who purchased or otherwise acquired the common stock of Synchrony from January 19, 2018, through July 12, 2018, inclusive (the “Class Period”), and who were damaged thereby (the “Class”).

Excluded from the Class are: (i) Defendants; (ii) the Former Individual Defendants; (iii) the Former Underwriter Defendants; (iv) Immediate Family Members of any Individual Defendant or any Former Individual Defendant; (v) any person who was an Officer or director of Synchrony or any of the Former Underwriter Defendants during the Class Period and any of their Immediate Family Members; (vi) any parent, subsidiary, or affiliate of Synchrony or any of the Former Underwriter Defendants; (vii) any firm, trust, corporation, or other entity in which any Defendant, Former Defendant, or any other excluded person or entity has, or had during the Class Period, a controlling interest; and (viii) the legal representatives, agents, affiliates, heirs, successors-in-interest or assigns of any such excluded persons or entities. Also excluded from the Class are any persons or entities who or which exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice. *See* “What If I Do Not Want To Be A Member Of The Class? How Do I Exclude Myself,” on page 10 below.

Please note: Receipt of this Notice does not mean that you are a Class Member or that you will be entitled to a payment from the Settlement. If you are a Class Member and you wish to be eligible to receive a payment from the Settlement, you are required to submit the Claim Form that is being distributed with this Notice and the required supporting documentation as set forth therein postmarked (or submitted online) no later than September 7, 2023.

WHAT ARE PLAINTIFFS’ REASONS FOR THE SETTLEMENT?

32. Plaintiffs and Lead Counsel believe that the claims asserted against Defendants have merit. They recognize, however, the substantial risks faced in establishing liability and damages, as well as the significant length and expense to the Class required to continue to pursue their claims against Defendants through the completion of discovery, summary judgment, trial, and appeals. In addition, because the Court sustained Plaintiffs’ claims as to a single misstatement and a single corrective disclosure—after initially dismissing Plaintiffs’ allegations entirely—each stage would pose increased risk to Plaintiffs’ narrow, remaining claim.

33. Plaintiffs would have been required to prove (i) that Defendants’ misstatement and omissions were materially false and misleading when made; (ii) that Defendants knew or recklessly disregarded that this statement and related omissions were false when made (i.e., Defendants acted with “scienter”); (iii) that the revelation of Defendants’ fraud caused the loss suffered by Plaintiffs and the Class (i.e., loss causation); and (iv) the amount of class-wide damages. Defendants would have had arguments concerning each of these issues.

34. First, Defendants have argued, and would continue to argue, that they did not violate the federal securities laws because they did not make any misleading statements or omissions and that the remaining alleged misstatement was immaterial or otherwise inactionable as a matter of law. Specifically, Plaintiffs would face risks with respect to establishing materiality because Defendants would continue to assert that the only remaining misstatement was an offhand, unscripted remark that could not be material to investors when made. In addition, Defendants would contend that the alleged misstatement was not made with “scienter” as required under the Exchange Act. Defendants would have argued that Defendant Keane did not have fraudulent intent to mislead investors and that, even if her statement was false or misleading (which they denied), she believed it to be true. Defendants would also continue to argue that Plaintiffs cannot establish a motive to commit fraud.

35. In addition, Defendants would continue to argue that Plaintiffs cannot establish loss causation because the remaining corrective disclosure was not corrective of the remaining alleged misstatement, and so Defendants’ alleged fraud could not have caused the losses suffered by the Class or any amount of damages. Specifically, Defendants would argue that Synchrony’s July 12, 2018 stock price drop was caused by other news disclosed that day—not the corrective disclosure alleged by Plaintiffs—and was unrelated to underwriting or the alleged misstatement. Defendants would also argue that Synchrony’s relationship with Walmart was not renewed for reasons other than that Synchrony had overtightened its underwriting standards. Defendants would argue that any potential mismatch between the alleged fraud and its purported corrective disclosure disproves loss causation both at summary judgment and trial. In addition, other potential explanations for the non-renewal of Walmart’s relationship with Synchrony would create the risk that any losses associated with the stock price decline would need to be allocated among the various causes. Accordingly, Defendants would have challenged Plaintiffs’ alleged damages and argued that all, or nearly all, of Synchrony’s stock price decline is not recoverable. Proving what portion (if any) of the subsequent price declines resulted from the revelation of alleged misstatement (rather than other, confounding information) would have been a challenge and subject to continued dispute through trial.

36. Overcoming these arguments would have presented significant challenges. And to obtain a recovery for the Class, Plaintiffs would need to prevail at several stages, including summary judgment and trial—and, even if they prevailed on those, on the appeals that were likely to follow. In sum, there were significant risks in continuing to prosecute the Action, and there was no guarantee that further litigation would have resulted in a higher recovery, or any recovery at all.

37. Considering these risks, the amount of the Settlement, and the immediacy of recovery to the Class, Plaintiffs and Lead Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Class. Plaintiffs and Lead Counsel believe that the Settlement provides a favorable result for the Class, namely \$34,000,000 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Action would produce a smaller, or no recovery after full discovery, summary judgment, trial, and appeals, possibly years in the future.

38. Defendants have denied the claims asserted against them in the Action and deny that the Class was harmed or suffered any damages as a result of the conduct alleged in the Action. Defendants further expressly deny that class certification is appropriate outside of the settlement context. Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation. Accordingly, the Settlement may not be construed as an admission of any wrongdoing by Defendants.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

39. If there were no Settlement and Plaintiffs failed to establish any essential legal or factual element of their claims against Defendants, neither Plaintiffs nor any members of the Class would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, either at summary judgment, at trial, or on appeal, the Class could recover substantially less than the amount provided in the Settlement, or nothing at all.

HOW ARE CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?

40. As a Class Member, you are represented by Plaintiffs and Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” on page 11 below.

41. If you are a Class Member and do not wish to remain a Class Member, you may exclude yourself from the Class by following the instructions in the section entitled, “What If I Do Not Want To Be A Member Of The Class? How Do I Exclude Myself?,” page 10 below. Please note however, that you may be time-barred from asserting the claims covered by the Action by statutes of limitation or repose. Lead Counsel offers no advice and no opinion on whether you will be able to maintain such claims.

42. If you are a Class Member and you wish to object to the Settlement, the Plan of Allocation, or Lead Counsel’s application for attorneys’ fees and Litigation Expenses, and if you do not exclude yourself from the Class, you may present your objections by following the instructions in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” page 11 below.

43. If you are a Class Member and you do not exclude yourself from the Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Plaintiffs and each of the other Class Members, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, will have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged any or all of the Released Plaintiffs’ Claims (as defined in ¶ 44 below) against Defendants and the other Defendants’ Releasees (as defined in ¶ 45 below), and will forever be barred and enjoined from prosecuting or otherwise pursuing, whether directly or in any other capacity, any or all of the Released Plaintiffs’ Claims against any of the Defendants’ Releasees.

44. “Released Plaintiffs’ Claims” means any and all claims and causes of action of every nature and description, known or unknown (including Unknown Claims, defined below), suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including but not limited to conduct which is negligent, intentional, with or without malice, or a breach of any fiduciary, contractual, or other duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts, whether arising from federal, state, foreign, or common law, (i) alleged by Plaintiffs or Class Members in the Action, or (ii) that have been, could have been, or in the future can or might be asserted in the Action or in any federal, state or foreign court, tribunal, forum or proceeding (A) arising out of or relating in any manner to the allegations, claims, transactions, facts, matters or occurrences, representations or omissions and defenses asserted or referred to in the Action, including any and all previously dismissed claims relating to the Action, *and* the purchase or acquisition of Synchrony common stock during the Class Period, or (B) arising out of Defendants’ conduct or defense of the Action. This release does not cover, include, or release (i) claims asserted in any ERISA or derivative action; (ii) claims by any governmental entity that arise out of any governmental investigation of Defendants relating to the conduct alleged in the Action; or (iii) claims relating to the enforcement of the Stipulation or the Settlement.

45. “Defendants’ Releasees” means Defendants, the Former Individual Defendants, and the Former Underwriter Defendants, and their current and former parents, affiliates, subsidiaries, officers, directors, agents, successors, predecessors, assigns, assignees, partnerships, partners, trustees, trusts, employees, Immediate Family Members, insurers, reinsurers, and attorneys.

46. “Unknown Claims” means any Released Plaintiffs’ Claims which any Plaintiff or any Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, and any Released Defendants’ Claims which any Defendant does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which, if known by him, her, or it, might have affected his, her, or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Plaintiffs and Defendants shall expressly waive, and each of the Class Members shall be deemed to have waived, and by operation of the Judgment or the Alternate Judgment, if applicable, 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 or foreign law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Plaintiffs and Defendants acknowledge, and each of the Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

47. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, will have, fully, finally, and forever compromised, settled, released, resolved, relinquished,

waived, and discharged any or all of the Released Defendants' Claims (as defined in ¶ 48 below) against Plaintiffs and the other Plaintiffs' Releasees (as defined in ¶ 49 below), and will forever be barred and enjoined from prosecuting or otherwise pursuing, whether directly or in any other capacity, any or all of the Released Defendants' Claims against any of the Plaintiffs' Releasees.

48. "Released Defendants' Claims" means all claims and causes of action of every nature and description, known or unknown (including Unknown Claims), whether arising from federal, state, common, or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims against Defendants in the Action. This release does not cover, include, or release (i) claims relating to the enforcement of the Stipulation or the Settlement; or (ii) any claims against any person or entity who or which submits a request for exclusion that is accepted by the Court.

49. "Plaintiffs' Releasees" means Plaintiffs, all other plaintiffs in the Action, and all Class Members, and their respective current and former parents, affiliates, subsidiaries, officers, directors, agents, successors, predecessors, assigns, assignees, partnerships, partners, trustees, trusts, employees, Immediate Family Members, insurers, reinsurers, and attorneys.

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

50. To be eligible for a payment from the Settlement, you must be a member of the Class and you must timely complete and return the Claim Form with adequate supporting documentation ***postmarked (if mailed), or submitted online at no later than September 7, 2023***. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator for the Settlement, www.SynchronySecuritiesLitigation.com. You may also request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-877-252-5795 or by emailing the Claims Administrator at info@SynchronySecuritiesLitigation.com. **Please retain all records of your ownership of and transactions in Synchrony common stock, as they will be needed to document your Claim.** The Parties and Claims Administrator do not have information about your transactions in Synchrony common stock.

51. If you request exclusion from the Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

HOW MUCH WILL MY PAYMENT BE?

52. At this time, it is not possible to make any determination as to how much any individual Class Member may receive from the Settlement.

53. Pursuant to the Settlement, Defendants have agreed to pay or caused to be paid a total of \$34,000,000 in cash (the "Settlement Amount"). The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any interest earned thereon is referred to as the "Settlement Fund." If the Settlement is approved by the Court and the Effective Date occurs, the "Net Settlement Fund" (that is, the Settlement Fund less (i) any Taxes; (ii) any Notice and Administration Costs; (iii) any Litigation Expenses awarded by the Court; (iv) any attorneys' fees awarded by the Court; and (v) any other costs or fees approved by the Court) will be distributed to Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

54. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired.

55. Neither Defendants nor any other person or entity that paid any portion of the Settlement Amount on their behalf are entitled to get back any portion of the Settlement Fund once the Court's order or judgment approving the Settlement becomes Final. Defendants shall not have any liability, obligation, or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund, or the plan of allocation.

56. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

57. Unless the Court otherwise orders, any Class Member who or which fails to submit a Claim Form postmarked (or submitted online) on or before September 7, 2023 shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a member of the Class and be subject to the provisions

of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Class Member releases the Released Plaintiffs' Claims (as defined in ¶ 44 above) against the Defendants' Releasees (as defined in ¶ 45 above) and will be barred and enjoined from prosecuting any of the Released Plaintiffs' Claims against any of the Defendants' Releasees whether or not such Class Member submits a Claim Form.

58. Participants in, and beneficiaries of, a Synchrony employee benefit plan covered by ERISA ("ERISA Plan") should NOT include any information relating to their transactions in Synchrony common stock held through the ERISA Plan in any Claim Form that they submit in this Action. They should include ONLY those shares that they purchased or acquired outside of the ERISA Plan. Claims based on any ERISA Plan's purchases or acquisitions of Synchrony common stock during the Class Period may be made by the plan's trustees.

59. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Class Member.

60. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her, or its Claim and the subject matter of the Settlement.

61. Only Class Members, i.e., persons and entities who purchased or otherwise acquired Synchrony common stock during the Class Period and were damaged as a result of such purchases or acquisitions, will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities that are excluded from the Class by definition or that exclude themselves from the Class pursuant to request will not be eligible for a payment and should not submit Claim Forms. The only security that is included in the Settlement is Synchrony common stock.

62. **Appendix A to this Notice sets forth the Plan of Allocation for allocating the Net Settlement Fund among Authorized Claimants, as proposed by Plaintiffs. At the Settlement Hearing, Plaintiffs will request the Court approve the Plan of Allocation. The Court may modify the Plan of Allocation, or approve a different plan of allocation, without further notice to the Class.**

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

63. Plaintiffs' Counsel have not received any payment for their services in pursuing claims asserted in the Action on behalf of the Class, nor have Plaintiffs' Counsel been paid for their litigation expenses. Before final approval of the Settlement, Lead Counsel will apply to the Court for an award of attorneys' fees for Plaintiffs' Counsel in an amount not to exceed 13% of the Settlement Fund. At the same time, Lead Counsel also intends to apply for payment of Litigation Expenses incurred by Plaintiffs' Counsel in an amount not to exceed \$750,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Plaintiffs directly related to their efforts in the Action and their representation of the Class, pursuant to the PSLRA. The Court will determine the amount of any award of attorneys' fees or Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

WHAT IF I DO NOT WANT TO BE A MEMBER OF THE CLASS? HOW DO I EXCLUDE MYSELF?

64. Each Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Class, addressed to *Synchrony Securities Litigation*, EXCLUSIONS, c/o Epiq, P.O. Box 2090, Portland, OR 97208-2090, that is accepted by the Court. The Request for Exclusion must be **received no later than July 10, 2023**. You will not be able to exclude yourself from the Class after that date. Each Request for Exclusion must (i) state the name, address, and telephone number of the person or entity requesting exclusion, and in the case of entities, the name and telephone number of the appropriate contact person; (ii) state that such person or entity "requests exclusion from the Class in *In re Synchrony Financial Securities Litigation*, No. 3:18-cv-1818-VAB"; (iii) state the number of shares of Synchrony common stock that the person or entity requesting exclusion (A) owned as of the opening of trading on January 19, 2018 and (B) purchased/acquired and/or sold from January 19, 2018, through July 12, 2018, inclusive, as well as the date, number of shares, and price of each such purchase/acquisition and sale; and (iv) be signed by the person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

65. If you do not want to be part of the Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiffs' Claim against any of the Defendants' Releasees.

66. If you ask to be excluded from the Class, you will not be eligible to receive any payment out of the Net Settlement Fund.

67. If you ask to be excluded from the Class, please note that you may be time-barred from asserting the claims covered by the Action by statutes of limitation or repose. Lead Counsel offers no advice and no opinion on whether you will be able to maintain such claims.

68. Synchrony has the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Class in an amount that exceeds an amount agreed to by Plaintiffs and Synchrony.

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

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

70. **Please Note:** The date and time of the Settlement Hearing may change without further written notice to the Class. In addition, the COVID-19 pandemic is a fluid situation that creates the possibility that the Court may decide to conduct the Settlement Hearing by video or telephonic conference, or otherwise allow Class Members to appear at the hearing by phone, without further written notice to the Class. **In order to determine whether the date and time of the Settlement Hearing have changed, or whether Class Members must or may participate by phone or video, it is important that you monitor the Court's docket and the Settlement website, www.SynchronySecuritiesLitigation.com, before making any plans to attend the Settlement Hearing. Any updates regarding the Settlement Hearing, including any changes to the date or time of the hearing or updates regarding in-person or remote appearances at the hearing, will be posted to the Settlement website, www.SynchronySecuritiesLitigation.com. If the Court requires or allows Class Members to participate in the Settlement Hearing by telephone or video conference, the information for accessing the telephone or video conference will be posted to the Settlement website, www.SynchronySecuritiesLitigation.com.**

71. The Settlement Hearing will be held on **July 31, 2023 at 10:00 a.m.**, before The Honorable Victor A. Bolden of the United States District Court for the District of Connecticut, either in person in Courtroom 2 of the Brien McMahon Federal Building, United States Courthouse, 915 Lafayette Boulevard, Bridgeport, CT 06604, or by telephone or videoconference (in the discretion of the Court), to determine, among other things, (i) whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to the Class, and should be finally approved by the Court; (ii) whether the Action should be dismissed with prejudice against Defendants and the Releases specified and described in the Stipulation (and in this Notice) should be granted; (iii) whether the proposed Plan of Allocation should be approved as fair and reasonable; (iv) whether Lead Counsel's motion for attorneys' fees and Litigation Expenses should be approved; and (v) any other matters that may properly be brought before the Court in connection with the Settlement. The Court reserves the right to approve the Settlement, the Plan of Allocation, and Lead Counsel's motion for attorneys' fees and Litigation Expenses; and/or consider any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Class.

72. Any Class Member that does not request exclusion may object to the Settlement, the proposed Plan of Allocation, or Lead Counsel's motion for attorneys' fees and Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, electronically with the Court or by letter mailed to the Clerk's Office at the United States District Court for the District of Connecticut, at the address set forth below **on or before July 10, 2023**. You must also serve the papers on Lead Counsel and on Representative Defendants' Counsel at the addresses set forth below so that the papers are **received on or before July 10, 2023**.

Clerk's Office	
United States District Court District of Connecticut Clerk's Office United States Courthouse 915 Lafayette Boulevard Bridgeport, CT 06604	
Lead Counsel	Representative Defendant's Counsel
Bernstein Litowitz Berger & Grossmann LLP Salvatore J. Graziano, Esq. 1251 Avenue of the Americas, 44th Floor New York, NY 10020	Cleary Gottlieb Steen & Hamilton LLP Victor L. Hou, Esq. One Liberty Plaza New York, NY 10006

73. Any objections, filings, and other submissions by the objecting Class Member: (a) must identify the case name and docket number, *In re: Synchrony Financial Securities Litigation*, No. 3:18-cv-1818 (D. Conn.); (b) must state the name, address, and telephone number of the person or entity objecting and must be signed by the objector; (c) must state with specificity the grounds for the Class Member's objection, including any legal and evidentiary support the Class Member wishes to bring to the Court's attention and whether the objection applies only to the objector, to a specific subset of the Class, or to the entire Class; and (d) must include documents sufficient to prove membership in the Class, including the number of shares of Synchrony common stock that the objecting Class Member (A) owned as of the opening of trading on January 19, 2018 and (B) purchased/acquired and/or sold from January 19, 2018, through July 12, 2018, inclusive, as well as the date, number of shares, and price of each such purchase/acquisition and sale. The objecting Class Member shall provide documentation establishing membership in the Class through copies of brokerage confirmation slips or monthly brokerage account statements, or an authorized statement from the objector's broker containing the transactional and holding information found in a broker confirmation slip or account statement. Objectors who enter an appearance and desire to present evidence at the Settlement Hearing in support of their objection must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and any exhibits they intend to introduce into evidence at the hearing.

74. You may not object to the Settlement, the Plan of Allocation, or Lead Counsel's motion for attorneys' fees and Litigation Expenses if you exclude yourself from the Class or if you are not a member of the Class.

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

76. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, or Lead Counsel's motion for attorneys' fees and Litigation Expenses, assuming you timely file and serve a written objection as described above, you must also file a notice of appearance electronically with the Court or by letter mailed to the Clerks' office and serve it on Lead Counsel and on Representative Defendants' Counsel at the addresses set forth in ¶ 72 above so that it is **received on or before July 10, 2023**. Objectors and/or their counsel may be heard orally at the discretion of the Court.

77. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Lead Counsel and Representative Defendants' Counsel at the addresses set forth in ¶ 72 above so that the notice is **received on or before July 10, 2023**.

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

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

WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

80. If you purchased or otherwise acquired shares of Synchrony common stock during the period from January 19, 2018, through July 12, 2018, inclusive, for the beneficial interest of persons or organizations other than yourself, you must either (i) within seven (7) calendar days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and Claim Form (the "Notice Packet") to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notice Packets forward them to all such beneficial owners; or (ii) within seven (7) calendar days of receipt of this Notice, provide a list of the names, addresses, and email addresses (if available) of all such beneficial owners to *Synchrony Securities Litigation*, c/o Epiq, P.O. Box 2090, Portland, OR 97208-2090. If you choose the second option, the Claims Administrator will send a copy of the Notice Packet to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form may also be obtained from the Settlement website, www.SynchronySecuritiesLitigation.com, by calling the Claims Administrator toll-free at 1-877-252-5795, or by emailing the Claims Administrator at info@SynchronySecuritiesLitigation.com. In determining whether a nominee's expenses are reasonable, a cap of \$0.15 per mailing record provided (or bulk Notice Packet mailed) plus actual postage costs incurred shall be applied.

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

81. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Clerk, United States District Court for the District of Connecticut, United States Courthouse, 915 Lafayette Boulevard, Bridgeport, CT 06604. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the Settlement website, www.SynchronySecuritiesLitigation.com.

All inquiries concerning this Notice and the Claim Form should be directed to:

Synchrony Securities Litigation
P.O. Box 2090
Portland, OR 97208-2090
1-877-252-5795
info@SynchronySecuritiesLitigation.com
www.SynchronySecuritiesLitigation.com

and/or

Salvatore J. Graziano, Esq.
Bernstein Litowitz Berger & Grossmann LLP
1251 Avenue of the Americas,
44th Floor
New York, NY 10020
1-800-380-8496
settlements@blbglaw.com

DO NOT CALL OR WRITE THE COURT, THE OFFICE OF THE CLERK OF THE COURT, DEFENDANTS, OR THEIR COUNSEL REGARDING THIS NOTICE.

Dated: May 10, 2023

By Order of the Court
United States District Court
District of Connecticut

APPENDIX A

PROPOSED PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND

82. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund to those Class Members who suffered economic losses as a result of the alleged violations of the federal securities laws. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that 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 Claimants against one another for the purposes of making pro rata allocations of the Net Settlement Fund.

83. In order to have recoverable damages, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of Synchrony common stock. In this case, Plaintiffs allege that Defendants made false statements and omitted material facts during the Class Period, which had the effect of artificially inflating the price of Synchrony common stock. Plaintiffs further allege that corrective information was released to the market on July 12, 2018, which removed the artificial inflation from the price of Synchrony common stock on July 12, 2018 and July 13, 2018. The estimated artificial inflation takes into account price changes in Synchrony common stock in reaction to certain public announcements allegedly revealing the truth concerning Defendants' alleged misrepresentations and omissions and adjusts for price changes attributable to market or industry factors. Based on these calculations, there was a total of \$2.39 in estimated artificial inflation per share in the Synchrony common stock price during the Class Period.

84. Recognized Loss Amounts are based primarily on the difference in the amount of alleged artificial inflation in the price of Synchrony common stock at the time of purchase or acquisition and at the time of sale, or the difference between the actual purchase price and sale price (or price per the PSLRA). Accordingly, in order to have a Recognized Loss Amount under the Plan of Allocation, a Class Member must have held shares purchased or acquired during the Class Period until at least July 12, 2018 at approximately 1:35 p.m. when alleged corrective information was first released to the market and began to remove alleged artificial inflation from the price of Synchrony common stock.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

85. Based on the formula stated below, a "Recognized Loss Amount" will be calculated for each purchase or acquisition of Synchrony common stock that is listed on the Claim Form and for which adequate documentation is provided. If a Recognized Loss Amount calculates to a negative number or zero under the formula below, that number will be zero.

86. For each share of Synchrony common stock purchased or otherwise acquired during the Class Period (from January 19, 2018 through July 12, 2018), and:

- a) Sold before 1:35 p.m. Eastern time on July 12, 2018, the Recognized Loss Amount will be \$0.00;²
- b) Sold at or after 1:35 p.m. on Eastern time on July 12, 2018 through the close of trading on July 12, 2018, the Recognized Loss Amount will be the **lesser of**: (i) \$1.99; or (ii) the purchase/acquisition price *minus* the sale price;
- c) Sold from July 13, 2018 through the close of trading on October 10, 2018, the Recognized Loss Amount will be **the least of**: (i) \$2.39; (ii) the purchase/acquisition price *minus* the average closing price from July 13, 2018 through the date of sale as stated in Table A below; or (iii) the purchase/acquisition price *minus* the sale price; or
- d) Held as of the close of trading on October 10, 2018, the Recognized Loss Amount will be **the lesser of**: (i) \$2.39; or (ii) the purchase/acquisition price *minus* \$31.51.³

² For purposes of this Plan of Allocation, the Claims Administrator will assume that any shares purchased/acquired or sold on July 12, 2018 at any price less than \$34.60 per share occurred at or after 1:35 p.m. (and thus after allegedly corrective information was released to the market), and that any shares purchased/acquired or sold on July 12, 2018, at any price equal to or greater than \$34.60 per share occurred before 1:35 p.m. (before allegedly corrective information was released to the market).

³ Pursuant to Section 21D(e)(1) of the Exchange Act, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market." Consistent with the requirements of the Exchange Act, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of Synchrony common stock during the "90-day look-back period," July 13, 2018 through October 10, 2018. The mean (average) closing price for Synchrony common stock during this 90-day look back period was \$31.51.

ADDITIONAL PROVISIONS

87. **Calculation of Claimant's "Recognized Claim":** A Claimant's "Recognized Claim" will be the sum of his, her, or its Recognized Loss Amounts as calculated under ¶ 86 above.

88. **FIFO Matching:** If a Class Member made more than one purchase/acquisition or sale of Synchrony common stock during the Class Period, all purchases/acquisitions and sales will be matched on a First In, First Out ("FIFO") basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

89. **"Purchase/Sale" Prices:** For the purposes of calculations under this Plan of Allocation, "purchase/acquisition price" means the actual price paid, excluding all fees, taxes, and commissions, and "sale price" means the actual amount received, not deducting any fees, taxes, and commissions.

90. **"Purchase/Sale" Dates:** Purchases or acquisitions and sales of Synchrony common stock will be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance, or operation of law of Synchrony common stock during the Class Period shall not be deemed a purchase, acquisition, or sale of Synchrony common stock for the calculation of a Claimant's Recognized Loss Amount, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition/sale of Synchrony common stock unless (i) the donor or decedent purchased or otherwise acquired or sold such Synchrony common stock during the Class Period; (ii) the instrument of gift or assignment specifically provides that it is intended to transfer such rights; and (iii) no Claim was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to shares of such shares of Synchrony common stock.

91. **Short Sales:** The date of covering a "short sale" is deemed to be the date of purchase or acquisition of the Synchrony common stock. The date of a "short sale" is deemed to be the date of sale of the Synchrony common stock. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on "short sales" and the purchases covering "short sales" is zero.

92. In the event that a Claimant has an opening short position in Synchrony common stock, the earliest purchases or acquisitions of Synchrony common stock during the Class Period will be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

93. **Common Stock Purchased/Sold Through the Exercise of Options:** Option contracts are not securities eligible to participate in the Settlement. With respect to Synchrony common stock purchased or sold through the exercise of an option, the purchase/sale date of the security is the exercise date of the option and the purchase/sale price is the exercise price of the option.

94. **Market Gains and Losses:** The Claims Administrator will determine if the Claimant had a "Market Gain" or a "Market Loss" with respect to his, her, or its overall transactions in Synchrony common stock during the Class Period (that is, from January 19, 2018 through July 12, 2018). For purposes of making this calculation, the Claims Administrator shall determine the difference between (i) the Claimant's Total Purchase Amount⁴ and (ii) the sum of the Claimant's Total Sales Proceeds⁵ and the Claimant's Holding Value.⁶ If the Claimant's Total Purchase Amount *minus* the sum of the Claimant's Total Sales Proceeds and the Holding Value is a positive number, that number will be the Claimant's Market Loss; if the number is a negative number or zero, that number will be the Claimant's Market Gain.

95. If a Claimant had a Market Gain with respect to his, her, or its overall transactions in Synchrony common stock during the Class Period, the value of the Claimant's Recognized Claim will be zero, and the Claimant will in any event be bound by the Settlement. If a Claimant suffered an overall Market Loss with respect to his, her, or its overall transactions in Synchrony common stock during the Class Period but that Market Loss was less than the Claimant's Recognized Claim, then the Claimant's Recognized Claim will be limited to the amount of the Market Loss.

⁴ The "Total Purchase Amount" is the total amount the Claimant paid (excluding all fees, taxes, and commissions) for all shares of Synchrony common stock purchased or acquired during the Class Period.

⁵ The Claims Administrator shall match any sales of Synchrony common stock during the Class Period first against the Claimant's opening position in Synchrony common stock (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (not deducting any fees, taxes and commissions) for sales of the remaining shares of Synchrony common stock sold during the Class Period is the "Total Sales Proceeds."

⁶ The Claims Administrator shall ascribe a "Holding Value" of \$32.44 to each share of Synchrony common stock purchased or acquired during the Class Period that was still held as of the close of trading on July 12, 2018.

96. **Determination of Distribution Amount:** 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 will be the Authorized Claimant's Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

97. 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 will be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

98. If an Authorized Claimant's Distribution Amount calculates to less than \$10.00, no distribution will be made to that Authorized Claimant.

99. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the Net Settlement Fund after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determines that it is cost-effective to do so, the Claims Administrator, no less than seven (7) months after the initial distribution, will conduct another distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such distribution. Additional distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determines that additional distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such distributions, would be cost-effective. At such time as it is determined that further distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance will be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s), to be recommended by Lead Counsel and approved by the Court.

100. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, will be conclusive against all Authorized Claimants. No person shall have any claim against Plaintiffs, Lead Counsel, Plaintiffs' damages or consulting experts, Defendants, Defendants' Counsel, or any of the other Plaintiffs' Releasees or Defendants' Releasees, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. Plaintiffs, Defendants, and their respective counsel, and all other Defendants' Releasees, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund; the Plan of Allocation (or other plan of allocation approved by the Court); the determination, administration, calculation, or payment of any Claim or nonperformance of the Claims Administrator; the payment or withholding of Taxes; or any losses incurred in connection therewith.

101. The Plan of Allocation stated herein is the plan that is being proposed to the Court for approval by Plaintiffs after consultation with their damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the case website, www.SynchronySecuritiesLitigation.com.

TABLE A

**90-Day Look-Back Table for Synchrony Common Stock
(Closing Price and Average Closing Price: July 13, 2018 – October 10, 2018)**

Date	Closing Price	Average Closing Price Between July 13, 2018 and Date Shown	Date	Closing Price	Average Closing Price Between July 13, 2018 and Date Shown
7/13/2018	\$32.44	\$32.44	8/28/2018	\$31.82	\$31.04
7/16/2018	\$32.56	\$32.50	8/29/2018	\$31.68	\$31.06
7/17/2018	\$32.82	\$32.61	8/30/2018	\$31.61	\$31.08
7/18/2018	\$33.41	\$32.81	8/31/2018	\$31.67	\$31.09
7/19/2018	\$33.24	\$32.89	9/4/2018	\$31.88	\$31.12
7/20/2018	\$32.81	\$32.88	9/5/2018	\$32.01	\$31.14
7/23/2018	\$33.51	\$32.97	9/6/2018	\$31.80	\$31.16
7/24/2018	\$33.82	\$33.08	9/7/2018	\$31.73	\$31.17
7/25/2018	\$33.44	\$33.12	9/10/2018	\$32.18	\$31.19
7/26/2018	\$30.00	\$32.81	9/11/2018	\$32.44	\$31.22
7/27/2018	\$29.92	\$32.54	9/12/2018	\$32.29	\$31.25
7/30/2018	\$29.51	\$32.29	9/13/2018	\$32.21	\$31.27
7/31/2018	\$28.94	\$32.03	9/14/2018	\$32.59	\$31.30
8/1/2018	\$29.20	\$31.83	9/17/2018	\$32.50	\$31.33
8/2/2018	\$29.69	\$31.69	9/18/2018	\$32.98	\$31.36
8/3/2018	\$29.85	\$31.57	9/19/2018	\$33.39	\$31.40
8/6/2018	\$29.65	\$31.46	9/20/2018	\$33.60	\$31.45
8/7/2018	\$30.09	\$31.38	9/21/2018	\$33.47	\$31.49
8/8/2018	\$30.05	\$31.31	9/24/2018	\$33.04	\$31.52
8/9/2018	\$29.98	\$31.25	9/25/2018	\$32.98	\$31.55
8/10/2018	\$29.41	\$31.16	9/26/2018	\$31.91	\$31.55
8/13/2018	\$29.19	\$31.07	9/27/2018	\$31.57	\$31.55
8/14/2018	\$30.01	\$31.02	9/28/2018	\$31.08	\$31.55
8/15/2018	\$29.86	\$30.98	10/1/2018	\$31.48	\$31.54
8/16/2018	\$30.43	\$30.95	10/2/2018	\$31.34	\$31.54
8/17/2018	\$30.37	\$30.93	10/3/2018	\$31.78	\$31.55
8/20/2018	\$31.07	\$30.94	10/4/2018	\$31.50	\$31.54
8/21/2018	\$31.17	\$30.94	10/5/2018	\$31.31	\$31.54
8/22/2018	\$31.70	\$30.97	10/8/2018	\$31.33	\$31.54
8/23/2018	\$31.27	\$30.98	10/9/2018	\$31.15	\$31.53
8/24/2018	\$31.36	\$30.99	10/10/2018	\$30.52	\$31.51
8/27/2018	\$31.83	\$31.02			