UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF CALIFORNIA SAN FRANCISCO DIVISION

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT, Individually and on Behalf of All Others Similarly Situated,) Case No. 13-cv-00945-VC
Plaintiff,)
VS.	,)
ROSEMARY A. CRANE, PATRICK D.)
SPANGLER, and EPOCRATES, INC.,)
Defendants.))
	1

REVISED NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION, MOTION FOR ATTORNEYS' FEES AND EXPENSES, AND SETTLEMENT HEARING

Notice of Pendency of Class Action; Proposed Settlement of Claims Against Epocrates, Inc., Rosemary A. Crane, and Patrick D. Spangler; and Hearing on Proposed Settlement, Plan of Allocation, and Motion for Attorneys' Fees and Litigation Expenses

Did you purchase or otherwise acquire stock in a company called Epocrates, Inc., during the period February 1, 2011, through and including August 9, 2011? If so, please read this notice very carefully and in its entirety: Your rights are probably affected by a settlement of a class action because you may be a member of the class. If you are a member of the class, you must decide whether to:

- (1) include yourself in the class and seek money from the class action settlement, but give up your right to sue in a different case about the same subject matter;
- (2) include yourself in the class and seek money from the class action settlement, give up your right to sue in a different case about the same subject matter, but object to the terms of the settlement; or
- (3) exclude yourself from the class and give up your right to seek money from the class action settlement, but keep your right to sue in a different case about the same subject matter.

If you do not actively choose one of these three options, you get nothing: You lose your rights to seek money from the class action settlement, object to the terms of the settlement, AND to sue in a different case about the same subject matter.

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by the above-captioned class action lawsuit pending in this Court (the "Litigation") if you purchased or otherwise acquired Epocrates, Inc. ("Epocrates" or the "Company") common stock during the period February 1, 2011, through and including August 9, 2011.

NOTICE OF SETTLEMENT: Please be advised that the Lead Plaintiff in this Litigation, the Police and Fire Retirement System of the City of Detroit ("Lead Plaintiff"), on behalf of itself and the other Settlement Class Members (as defined below), has reached a proposed settlement with Defendants Epocrates, Rosemary A. Crane, and Patrick D. Spangler ("Defendants") (together with Lead Plaintiff, the "Settling Parties") for a total of \$5.1 million that will resolve all claims against Defendants in this Litigation (the "Settlement") on the terms and conditions set forth in the Stipulation of Settlement entered into by and between Lead Plaintiff and Defendants, dated October 30, 2015 (the "Stipulation"). The Court in charge of this case still has to decide whether to approve the Settlement. The Settlement Fund will be available for distribution to the Settlement Class only if the Settlement is approved and that approval is upheld following any appeals.

On December 15, 2015, the Court preliminarily approved the Settlement.

A FEDERAL COURT AUTHORIZED THIS NOTICE. IT IS NOT A SOLICITATION FROM A LAWYER.

The following table provides a brief summary of the rights you have if you are a Settlement Class Member and the relevant deadlines, which are described in more detail later in this Notice.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENTS		
Submit a Proof Claim and Release form so that it is postmarked no later than May 13, 2016.	If the Settlement is approved and you are a member of the Settlement Class, you may be entitled to receive a payment. But you must submit a Proof of Claim and Release form to share in the proceeds. This is the only way to get a payment. A copy of the Proof of Claim and Release form is enclosed, and is also available at www.epocratessecuritieslitigation.com. If you remain in the Settlement Class, you will be bound by the Settlement and will give up any and all of the Released Claims you may have against the Persons who are being released from liability as described below at pages 8 and 9.1	
Exclude Yourself from the Settlement Class by submitting a written request for exclusion so that it is postmarked no later than April 21, 2016.	If you exclude yourself from the Settlement Class, you will not get a payment from that Settlement but will be able to bring a lawsuit against the Defendants (as well as the other Persons being released under the Settlement).	
Object to the Settlement by submitting a written objection so that it is filed with the Court and postmarked to Counsel no later than April 21, 2016.	If you do not exclude yourself but you wish to object to the proposed Settlement, the proposed Plan of Allocation, and/or Lead Counsel's application for a Fee and Expense Award and the Lead Plaintiff Cost and Expense Award, you may write to the Court about your objections. You cannot object unless you are a Settlement Class Member. The contents and manner of submitting any written objection is set forth in this Notice. You must comply with these provisions for your objection to be considered.	
Attend the Hearing on May 12, 2016, and submit a Notice of Intention to Appear so that it is filed with the Court and postmarked to Counsel no later than April 21, 2016.	Filing a written objection and notice of intention to appear allows you to speak in Court about the fairness of the proposed Settlement. If you have submitted a written objection, you may (but do not have to) attend the hearing and speak to the Court about your objections.	
Do Nothing.	Receive no payment, remain a Settlement Class Member, give up your rights and be bound by the judgment that will be entered by the Court regarding the Settlement, including, without limitation, the releases that will be set forth in that judgment.	

WHAT THIS NOTICE CONTAINS

BASIC INFORMATION	Page 2
WHO IS IN THE SETTLEMENT CLASS	Page 4
SUMMARY OF THE SETTLEMENT	Page 4
THE BENEFITS OF THE SETTLEMENT - WHAT YOU GET	Page 5
PROPOSED PLAN OF ALLOCATION	
HOW TO GET A PAYMENT	
EXCLUDING YOURSELF FROM THE SETTLEMENT	Page 9
THE LAWYERS REPRESENTING YOU	Page 9
THE HEARING REGARDING THE SETTLEMENT	Page 10
IF YOU DO NOTHING	Page 11
GETTING MORE INFORMATION	Page 12
SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES	Page 12
BASIC INFORMATION	_

Why did I get this Notice? 1.

This Notice is being sent to you pursuant to an order of the Court because you or someone in your family or an investment account for which you serve as custodian may have purchased or otherwise acquired Epocrates common stock during the period beginning on February 1, 2011 through August 9, 2011, inclusive (the "Settlement Class Period"). The Court has directed us to send you this Notice because, as a potential Settlement Class Member, you should understand how this class action lawsuit and the proposed Settlement may affect you and further to advise you about your options before the Court rules on the proposed Settlement. You should understand that if the Court approves the Settlement and it becomes effective, among other things: (a) the Litigation will be dismissed with prejudice as to all Defendants: (b) all Settlement Class Members will be deemed to have released each of the Released Claims described at pages 8 and 9 below; and (c) the Claims Administrator will make payments to Authorized Claimants, as described below.

¹ "Person" means an individual, corporation, limited liability company, professional corporation, partnership, limited partnership, limited liability partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any other business or legal entity together with the spouses, heirs, predecessors, successors, representatives, or assignees of any of the foregoing.

- 2. This Notice is intended to explain this class action, how you might be affected by it, to inform you of the terms of the proposed Settlement, the process by which the Court will consider them, your legal rights, what benefits may be available to you, who is eligible to get a payment, how to get a payment if you are eligible, what rights you will forfeit if the Settlement is approved, and of Lead Counsel's intention to seek a Fee and Expense Award as well as the Lead Plaintiff Cost and Expense Award. See pages 9 and 10 below for details about the Settlement Hearing.
- 3. This Notice does not express any opinion by the Court concerning the merits of any claim in the Litigation, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement, payments to eligible claimants will be made after any appeals are resolved, and after the completion of all claims processing.

2. What is a class action?

4. In a class action, one or more plaintiffs, called "lead plaintiffs" or "class representatives," sue on behalf of people who have similar claims. All of the Persons on whose behalf the class representatives are suing are known as "class members." One court resolves the issues in the case for all class members, except for those who choose to exclude themselves from the class if exclusion is permitted by applicable rules of procedure.

3. What is this lawsuit about? What has happened so far?

- 5. In this lawsuit, Lead Plaintiff alleged that Defendants knowingly or with deliberate recklessness engaged in a scheme to manipulate the price of Epocrates common stock. Epocrates was a Delaware corporation with its principal executive offices located in San Mateo, California. During the Settlement Class Period, Epocrates common stock traded on the NASDAQ Global Market under the ticker symbol "EPOC."
- 6. Epocrates developed mobile applications for smart phones and tablets that it used to distribute pharmaceutical drug information to its extensive base of doctors and other healthcare professionals. The largest source of Epocrates' revenue came from selling pharmaceutical companies access to its healthcare user network for marketing purposes, including paid promotional messages, or "DocAlerts." To ensure that sponsored DocAlerts complied with regulatory guidelines, Epocrates' pharmaceutical customers had to review and approve each message.
- 7. At all times relevant to this lawsuit, Defendant Rosemary A. Crane was the President and Chief Executive Officer of Epocrates and a member of its Board of Directors, while Defendant Patrick D. Spangler was the Company's Chief Financial Officer. Together, Ms. Crane and Mr. Spangler are the "Individual Defendants."
- 8. Lead Plaintiff alleges that before Epocrates' initial public offering of stock on February 1, 2011, Defendants were aware that there were substantial and growing delays in the pharmaceutical customers' approval processes, which in turn delayed the publication of DocAlerts and the time that the Company could record revenue on such DocAlerts. Lead Plaintiff alleges that Defendants determined that these delays had created a significant revenue gap in the first quarter of 2011. In response, Lead Plaintiff alleges, Defendants engaged in a scheme to misrepresent and conceal Epocrates' problems by secretly canceling and reissuing DocAlerts contracts, which allowed the Company to record DocAlerts revenue sooner. Lead Plaintiff further alleges that in the first quarter of 2011, this scheme succeeded, and Defendants misleadingly touted significant revenue growth for that quarter without disclosing that: (i) such growth was achieved through canceling and reissuing contracts; and (ii) pharmaceutical customers' approval delays were materially undermining the Company's ability to record revenue.
- 9. Lead Plaintiff further alleges that Defendants' false and misleading statements materially inflated the price of Epocrates' stock, resulting in damages to Settlement Class Members when the truth was revealed on August 9, 2011, causing the Company's stock price to fall significantly.
- 10. Defendants have vehemently contested, and continue to deny, Lead Plaintiff's allegations or that they engaged in any wrongdoing whatsoever.
- 11. On October 23, 2014, Lead Plaintiff filed its Third Amended Class Action Complaint for Violations of the Federal Securities Laws, the operative complaint in this Litigation (the "Complaint"). Based on the allegations described above, Lead Plaintiff asserted claims under Section 10(b) and 20(a) of the Securities Exchange Act of 1934.
- 12. Defendants then filed a motion to dismiss the Complaint, which was fully briefed by the Settling Parties. On March 13, 2015, the Court issued an order denying the motion to dismiss. On April 27, 2015, Defendants filed their Answer to the Complaint.
- 13. On June 23, 2015, Lead Plaintiff and Defendants participated in an all-day mediation session before Judge Layn Phillips (Ret.) ("Judge Phillips"). Prior to the mediation, the Settling Parties engaged in limited informal document discovery and exchanged initial and reply mediation statements. Although the Settling Parties did not reach an agreement to settle this matter during the June 23, 2015 mediation, they continued to engage in settlement negotiations with the assistance of Judge Phillips.
- 14. On August 14, 2015, the Court set various deadlines for the Litigation, including a discovery deadline of June 17, 2016, and a trial date of March 27, 2017. On August 21, 2015, Lead Plaintiff served its first set of document requests on Defendants, and on August 31, 2015, Defendants served their first set of document requests on Lead Plaintiff.

² "Lead Counsel" means Glancy Prongay & Murray LLP and Scott+Scott, Attorneys at Law, LLP.

15. On September 8, 2015, the Settling Parties reached an agreement-in-principle to settle the Litigation. The Settling Parties then negotiated and, on September 21, 2015, executed a term sheet that outlined and confirmed many of the material terms of the agreement.

WHO IS IN THE SETTLEMENT CLASS

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

- 16. The Court has preliminarily certified a Settlement Class that consists of, subject to certain exceptions identified below, those Persons who purchased or otherwise acquired the common stock of Epocrates between February 1, 2011 through August 9, 2011, inclusive, and who were allegedly damaged thereby.
- 17. PLEASE NOTE THAT RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE A PAYMENT. IF YOU ARE A SETTLEMENT CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT ACCOMPANIES THIS NOTICE POSTMARKED NO LATER THAN MAY 13, 2016.

5. Are there exceptions to being included?

- 18. Even if you fall within the Settlement Class definition, you are not a member of the Settlement Class if you: are one of the Defendants; are a member of the immediate families of the Individual Defendants; were an officer or director of the Company during the Settlement Class Period; are a legal representative, heir, successor, or assign of any of the foregoing excluded Persons; or are or were any entity in which any of the Defendants have or had a controlling interest.
- 19. Also excluded from the Settlement Class is any Person that files a valid and timely request for exclusion in accordance with the requirements set forth in this Notice.

6. I am still not sure whether I am included.

20. If you are still not sure whether you are included, you can ask for help, which will be provided to you at no cost. You can call the Claims Administrator toll free at 1-844-861-5483, or write to the Claims Administrator at the address stated in the answer to question 26 below.

SUMMARY OF THE SETTLEMENT

7. What does the Settlement provide?

- 21. The Settlement provides for Defendants to cause to be paid \$5.1 million in cash into an Escrow Account that will be distributed to eligible Settlement Class Members, after certain deductions described below have been made. If the Settlement is finally approved, the payments will be distributed to Settlement Class Members in accordance with a Court-approved Plan of Allocation described elsewhere in this Notice.
- 22. Further, if the Settlement is approved by the Court, all of the Settlement Class Members will be deemed to have released all of the Released Claims against Defendants and other Released Persons as further described in pages 8 and 9 below. This means, among other things, that, upon the Effective Date, all Settlement Class Members will be permanently barred from asserting any of the claims described in the Stipulation (and this Notice) against Defendants and the other Released Persons. In addition, Defendants will be precluded from suing Lead Plaintiff, other Settlement Class Members, or Lead Counsel in connection with the Litigation.

8. What are Settling Parties' reasons for the Settlement?

- 23. Lead Plaintiff, through Lead Counsel, has conducted an investigation and pursued discovery in connection with the June 23, 2015 mediation relating to the claims and the underlying events and transactions alleged in the Litigation, and researched the applicable law regarding the merits of the claims should the Litigation proceed to trial. In addition, Lead Plaintiff, through Lead Counsel, has retained and consulted with a leading expert on possible damages. This work has provided Lead Plaintiff and Lead Counsel with an informed and detailed basis on which to assess the relative strengths and weaknesses of the Settling Parties' respective positions in the Litigation.
- 24. In negotiating and evaluating the terms of the Settlement, Lead Plaintiff and Lead Counsel considered the significant legal and factual defenses to Lead Plaintiff's claims and the expense, length, and risk of pursuing those claims through trial and appeals. While Lead Plaintiff has asserted that Defendants' conduct constitutes violations of the securities laws, Defendants, in their Answer, have denied those allegations and argued that they are not subject to any liability or damages.
- 25. In light of the risks of continued litigation, the amount of the Settlement and the immediacy of recovery to the Settlement Class, Lead Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Settlement Class. Lead Plaintiff and Lead Counsel believe that the Settlement provides a substantial benefit to the Settlement Class, namely \$5.1 million in cash (less the deductions described in this Notice), as compared to the risk that the claims in the Litigation would produce a smaller, or no recovery after trial and appeals, possibly years in the future.
- 26. Although Defendants believe that the claims asserted against them in the Litigation are without merit, they nevertheless recognize the uncertainties and risks of the outcome of any lawsuit, especially a complex securities lawsuit, and the difficulties and substantial burdens, expense, and length of time necessary to defend the Litigation. To eliminate

the burden and expense of further litigation, Defendants are agreeing to settle and resolve the claims asserted against them in the Litigation. Defendants are entering into the Settlement without admitting any liability to Lead Plaintiff or other Settlement Class Members, and denying that the Settlement Class Members have suffered any recoverable damages relating to their investments in Epocrates common stock.

27. THE COURT HAS NOT FINALLY DETERMINED THE MERITS OF THE CLAIMS MADE BY LEAD PLAINTIFF AGAINST DEFENDANTS AND HAS NOT FINALLY DETERMINED THE MERITS OF ANY OF DEFENDANTS' DEFENSES. 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 LITIGATION WERE NOT SETTLED.

9. What is the potential outcome of the lawsuit absent the Settlement?

- 28. If there were no Settlement and Lead Plaintiff failed to establish any essential legal or factual element of its claims against Defendants, then neither Lead Plaintiff nor other Settlement Class Members would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, the Settlement Class Members likely would recover substantially less than the amount provided in the Settlement, if they recovered anything at all.
- 29. Lead Plaintiff believes that the Settlement must be compared to the risk of no recovery after contested dispositive motions, trial and likely appeals. A trial is a risky proposition. The claims in the Litigation involve numerous complex legal and factual issues, many of which would require expert testimony. The Settling Parties disagree on both liability and damages and do not agree on the average amount of damages per share, if any, that would be recoverable if Lead Plaintiff were to have prevailed on each claim alleged. Among the many key issues about which Plaintiffs and Defendants do not agree are: (i) whether Defendants violated the securities laws or otherwise engaged in any wrongdoing; (ii) the extent (if any) that the alleged misrepresentations and omissions influenced the trading prices of Epocrates common stock during the Settlement Class Period; and (iii) the method for determining whether, and the extent to which (if any), purchasers of Epocrates stock suffered injury and damages that could be recovered at trial.

THE BENEFITS OF THE SETTLEMENT - WHAT YOU GET

10. How much will be distributed to investors?

- 30. The Settlement, if approved, will create a cash settlement fund in the principal amount of \$5.1 million, plus interest accrued thereon (the "Settlement Fund"). If the Settlement is approved by the Court and it becomes effective, after the deduction of various court-approved fees and expenses, the balance of the Settlement Fund will be available for distribution to members of the Settlement Class (the "Net Settlement Fund").
- 31. Your share of the Net Settlement Fund will depend on several factors, including the following: how many Settlement Class Members submit timely and valid Proof of Claim and Release forms; the total Recognized Losses represented by the valid Proof of Claim and Release forms that Settlement Class Members send in; the number of shares of Epocrates common stock that you purchased during the Settlement Class Period; how much you paid for the shares; when you purchased; and if you sold your shares and, if so, for how much.
- 32. By following the instructions below, you can calculate what is called your "Recognized Loss". It is unlikely that you will get a payment for all of your Recognized Loss. After all Settlement Class Members have sent in their Proof of Claim and Release forms, the payment you get will be a part of the Net Settlement Fund equal to your Recognized Loss divided by the total of everyone's Recognized Losses. See pages 6 and 7 for more information on your Recognized Loss.
- 33. Lead Plaintiff and Defendants do not agree on the average amount of damages that would be recoverable if Lead Plaintiff were to prevail at trial on the claims asserted against Defendants. They disagree on, among other things: (a) the amount of inflation, if any, allegedly caused by the alleged misrepresentations and omissions; and (b) the number of shares, if any, that were allegedly damaged.
- 34. Lead Plaintiff's damages expert estimates that approximately 5.36 million shares of Epocrates common stock may have been damaged as a result of the allegedly wrongful conduct. Thus, assuming that the owners of all affected shares elect to participate, the average per share recovery from the combined Settlement Fund would be approximately \$0.95 per damaged share.
- 35. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and, further, that the Settlement has become effective, as set forth in the Stipulation. Generally, this cannot happen until, among other things, the judgment approving the Settlement has become final and any appeals have been resolved.
- 36. Defendants are not entitled to get back any portion of the Settlement Fund once the Court's 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.
- 37. Approval of the Settlement is independent from approval of a plan of allocation, an award of attorneys' fees and reimbursement of litigation expenses to Lead Counsel, or a reimbursement award to Lead Plaintiff. Any determination with respect to those matters will not affect the Settlement, if approved, or the final judgment, if entered.
- 38. Unless the Court otherwise orders, any Settlement Class Member who fails to submit a valid Proof of Claim and Release form postmarked on or before May 13, 2016 shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation, including the terms of any final order and judgment entered and the releases given (which

are described at pages 8 and 9 below). This means that, among other things, each Settlement Class Member will release all of the claims described at pages 8 and 9 below against each and every one of the Persons described at pages 8 and 9 below and will be enjoined and prohibited from filing, prosecuting, or pursuing any of those claims against any of those Persons whether or not such Settlement Class Member submits a Proof of Claim and Release form. This is true even if you do not ever seek or obtain a distribution for the Net Settlement Fund or are not entitled to do so under the Plan of Allocation thereunder.

- 39. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the claim of any Settlement Class Member.
- 40. Each person who submits a Proof of Claim and Release form shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Proof of Claim and Release form.
- 41. Only Settlement Class Members will be eligible to share in the distribution of the Net Settlement Fund. Any Person that is excluded from the Settlement Class by definition, or that validly excludes himself/herself/itself from the Settlement Class, will not be eligible to receive a distribution from the Net Settlement Fund and should not submit a Proof of Claim and Release form.
- 42. Please retain all records of your or transactions in Epocrates common stock during the Settlement Class Period, as they may be needed to document your claims.

THE PROPOSED PLAN OF ALLOCATION

A. Introduction to the Plan of Allocation

- 43. In developing this plan of allocating the net settlement proceeds ("Plan of Allocation"), Lead Counsel conferred with their economic consultants, and the specific formulas for computing the "Recognized Loss" described below reflect the input of these consultants. Defendants dispute that the Settlement Class is entitled to any damages.
- 44. The purpose of the Plan of Allocation is to establish a reasonable and equitable method of distributing the Net Settlement Fund to Settlement Class Members who suffered economic losses during the Settlement Class Period.
- 45. The \$5.1 million Settlement Amount and any interest it earns, as provided for in the Stipulation, is called the "Settlement Fund". The Settlement Fund, after deduction of Court-approved attorneys' fees and expenses, notice and administration expenses, and taxes and tax expenses is the Net Settlement Fund. The Net Settlement Fund will be distributed according to the Plan of Allocation described below to Settlement Class Members who timely submit valid Proof of Claim and Release forms that show Recognized Losses ("Authorized Claimants"), and are entitled to receive a payment from the Net Settlement Fund of no less than ten dollars (\$10.00). Settlement Class Members who do not timely submit a valid Proof of Claim and Release form will not share in the Net Settlement Fund but will otherwise be bound by the terms of the Settlement and all orders and judgments entered in the Litigation and will give up any right to prosecute the Released Claims. The Court may approve the Plan of Allocation or modify it without additional notice to the Settlement Class. Any order modifying the Plan will be posted on the Settlement website at www.epocratessecuritieslitigation.com.
- 46. The Claims Administrator will determine each Authorized Claimant's pro rata share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Loss", as described below. The Plan of Allocation is not intended to estimate the amount a Settlement Class Member might have been able to recover after a trial, nor is it intended to estimate the amount that will be paid to Authorized Claimants. The Plan of Allocation is the basis on which the Net Settlement Fund will be proportionately divided among all the Authorized Claimants. The Court will be asked to approve the Claims Administrator's determinations before the Net Settlement Fund is distributed to Authorized Claimants. No distributions to Authorized Claimants who would receive less than ten dollars (\$10.00) will be made because of the administrative expenses of processing and mailing such checks. Such Authorized Claimant will still be bound by the terms of the Settlement.
- 47. Defendants, Defendants' Counsel and the other Released Persons had no involvement in the Plan of Allocation or the investment of the Settlement Fund, and have no responsibility for or liability whatsoever for the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation, the evaluation of any Proof of Claim and Release form, or the payment of any claim. Lead Plaintiff and Lead Counsel likewise will have no liability for their reasonable efforts to execute, administer, and distribute the Settlement.
- 48. The following Plan of Allocation reflects Lead Plaintiff's allegations that the price of Epocrates common stock during the Settlement Class Period was artificially inflated by reason of Defendants' allegedly false and misleading statements and omissions. Lead Plaintiff alleges that the artificial inflation was eliminated following Defendants' disclosures on August 9, 2011. The Plan of Allocation described below was created with the assistance of a consulting damages expert who analyzed movements in the price of Epocrates common stock after the alleged disclosures on August 9, 2011. It takes into account the portion of the drops in the price of Epocrates common stock Lead Plaintiff believes was attributable to the alleged fraud and the relative strengths and weaknesses of the claims.

B. Calculating Recognized Losses and Payable Claims

- 49. The Net Settlement Fund will be allocated among the Authorized Claimants in accordance with the Plan of Allocation described below. The amount so allocated to each Authorized Claimant is referred to as the Authorized Claimant's "Payable Claim."
- 50. The Payable Claim will be calculated so that each Authorized Claimant shall receive, on a proportionate basis, that share of the Net Settlement Fund that the Authorized Claimant's Recognized Loss (as defined below) bears to

the total Recognized Losses of all Authorized Claimants, subject to the further provisions of this Plan of Allocation set forth below.

51. An Authorized Claimant's Recognized Loss is determined by the date(s) the Authorized Claimant purchased or sold Epocrates common stock during the Settlement Class Period, as set forth below.

For each share of Epocrates common stock purchased between February 1, 2011 and the close of trading on August 9, 2011, inclusive, and:

- i) Sold prior to the close of trading on August 9, 2011, the Recognized Loss is zero (\$0.00).
- ii) Sold at a loss after the close of trading on August 9, 2011 through and including the close of trading on November 7, 2011, the Recognized Loss shall be the lesser of: 1) \$6.20 per share; or 2) the difference between the purchase price per share and the 90-day average price per share³ on the date of sale. (See price table on www.epocratessecuritieslitigation.com)
- iii) Held as of the close of trading on November 7, 2011, the Recognized Loss shall be the lesser of: 1) \$6.20 per share; or 2) the difference between the purchase price per share and \$9.40 per share.⁴
- 52. In processing claims, first in, first out ("FIFO") accounting will be applied throughout the Settlement Class Period for any purchases and sales during the Settlement Class Period. For example, FIFO will be used to match the first Epocrates shares sold against the first Epocrates shares purchased and then on a FIFO basis against any additional purchases of shares of Epocrates common stock on the basis of the assumption that the first Epocrates share purchased was the first Epocrates share sold.
- 53. An Authorized Claimant will be eligible to receive a distribution from the Net Settlement Fund only if a Class Member had a net loss, after all profits from transactions in Epocrates common stock during the Settlement Class Period are subtracted from all losses. For purposes of this calculation, shares of Epocrates common stock held as of August 10, 2011 will be ascribed a holding value of \$9.40 per share (the average closing price of Epocrates common stock between August 10, 2011 and November 7, 2011).
 - 54. The price per share, paid or received, should exclude all commissions, taxes, and fees.
 - 55. The purchase or sale date of any Epocrates common stock is the trade date, not the settlement date.
- 56. If you inherited or received a gift of Epocrates common stock during the Settlement Class Period, that inheritance or gift is not considered a purchase of Epocrates common stock unless your ancestor or donor was the actual purchaser of the Epocrates common stock during the Settlement Class Period. You, as a recipient of a gift or inheritance, and the original purchaser may not both file a claim with regard to the same shares of Epocrates common stock. If both you and the donor (or you and your ancestor's estate) make such a claim, only the claim filed by the recipient (or heir) will be honored.
- 57. The term "Recognized Loss" is used solely for calculating the amount of participation by Authorized Claimants in the Net Settlement Fund. It is not the actual amount an Authorized Claimant can expect to recover.
- 58. Nothing in the Plan of Allocation represents an admission by any of the Defendants that there is liability or damage of any kind as a result of the allegations in the Complaint or that the dollar amounts set forth in the Plan of Allocation reflect actual or potential damages to the Settlement Class.
- 59. Payment in the manner set forth above will be deemed conclusive compliance with the Stipulation as to all Authorized Claimants. All Settlement Class Members who fail to submit a valid and timely Proof of Claim and Release form received by the Claims Administrator will be barred from participating in the distribution of the Net Settlement Fund but otherwise will be bound by all of the terms of the Stipulation, including the terms of any final orders or judgments entered and the releases given to Defendants and others. If you want confirmation that the Claims Administrator received your Proof of Claim and Release Form, you should mail it in a way that allows the United States Postal Service to provide you with delivery confirmation.
- 60. No Authorized Claimant will have any claim against Lead Plaintiff, Lead Counsel, or the Claims Administrator, or any other agent designated by Lead Counsel, based on the distributions made substantially in accordance with the Stipulation, the Plan of Allocation, or further orders of the Court. In addition, in the interest of achieving substantial justice, Lead Counsel will have the right, but not the obligation, to waive what they deem to be formal or technical defects in any Proof of Claim and Release form submitted.

³ Pursuant to the Private Securities Litigation Reform Act of 1995 ("PSLRA"), "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, if the plaintiff sells or repurchases the subject security prior to the expiration of the 90-day period described in paragraph (1), the plaintiff's damages shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the security and the mean trading price of the security during the period beginning immediately after dissemination of information correcting the misstatement or omission and ending on the date on which the plaintiff sells or repurchases the security." 15 U.S.C. § 78u-4(e)(2).

⁴ Pursuant to the PSLRA, "in any private action arising under this chapter 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." 15 U.S.C. § 78u-4(e)(1). The mean (average) closing price of Epocrates common stock during the 90 day period beginning on August 9, 2011, and ending on November 7, 2011 was \$9.40 per share.

HOW TO GET A PAYMENT

11. What do I have to do to receive a share of the Settlement?

61. If you qualify as a Settlement Class Member, to be eligible for a settlement payment from the proceeds of the Settlement approved by the Court, you must send in the Proof of Claim and Release form enclosed with this Notice. You also may get a Proof of Claim and Release form on the Internet at www.epocratessecuritieslitigation.com or by calling the Claims Administrator at 1-844-861-5483. Read the instructions carefully, fill out the form, include all the documents requested, sign the form, and send it by first-class mail postmarked no later than May 13, 2016.

12. When will I receive my payment?

- 62. Lead Plaintiff cannot, at this time, say when it will be able to distribute the proceeds to Settlement Class Members if the Settlement is approved. The payments from the Settlement proceeds are contingent upon the Court approving them. The Court will hold a hearing on May 12, 2016 to decide whether to approve the Settlement. Even if the Court approves the Settlement, there still might be appeals, which can take more than a year to resolve. Further, the administration of the claims will undoubtedly take significant time. Please be patient.
- 63. The Settlement Amount will be kept in an interest-bearing account until it is ready for distribution, and the accrued interest will be added to the principal that will be distributed to the Settlement Class.

13. What am I giving up to get a payment or stay in the Settlement Class?

- 64. If the Settlement is approved, the Court will enter a final order and judgment that will be binding on all Settlement Class Members. Pursuant to the final order and judgment, the Litigation will be dismissed on the merits with prejudice as against Defendants. Upon the "Effective Date," all Settlement Class Members will release all "Released Claims," including "Unknown Claims," against the "Released Persons." These terms are defined below:
 - (a) "Released Claims" means any and all claims, known or unknown, contingent or non-contingent, whether suspected or unsuspected, including any claims arising under federal or state statutory or common law or any other law, rule or regulation, whether foreign or domestic, including Unknown Claims, that have been or could have been asserted against all or any of the Defendants or any of the Released Persons that (i) arise out of or relate to the claims or allegations in the Litigation, including the acts, facts, events, disclosures, or omissions alleged in the Litigation; and (ii) relate to the purchase, sale or ownership of Epocrates securities during the period from and including February 1, 2011, and August 9, 2011; including all aspects of Epocrates' public statements to investors regarding its business, prospects, and operations; and the obligations of any of the Defendants in connection with Epocrates' public statements to investors regarding its business, prospects, and operations.
 - (b) "Unknown Claims" means any Released Claims which Lead Plaintiff or any Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to this Settlement. Unknown Claims include those claims in which some or all of the facts comprising the claim may be suspected, or even undisclosed or hidden. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Lead Plaintiff shall expressly waive, and each of the Settlement Class Members shall be deemed to have, and by operation of the final judgment shall have, expressly waived the provisions, rights, and benefits of California Civil Code § 1542, which provides: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

Lead Plaintiff shall expressly waive, and each of the Settlement Class Members shall be deemed to have, and by operation of the final judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable or equivalent in effect to California Civil Code § 1542. Lead Plaintiff and Settlement Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Lead Plaintiff shall expressly and each Settlement Class Member, upon the Effective Date, shall be deemed to have, and by operation of the final judgment shall have, fully, finally, and forever settled and released any and all Released Claims, known or unknown, 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, reckless, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Lead Plaintiff acknowledges, and the Settlement Class Members shall be deemed by operation of the final judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

(c) "Released Person(s)" means each and all of the Defendants, any other past or present defendants in the Litigation, and any of their respective past, present or future direct or indirect parent entities, affiliates, divisions, subsidiaries or families, and each and all of the foregoing's respective past, present or future officers, directors, stockholders, agents, representatives, employees, attorneys, advisors, consultants, accountants, investment bankers, underwriters, brokers, dealers, lenders, insurers, co-insurers, reinsurers, heirs, executors, principals,

managing directors, managing agents, joint ventures, personal or legal representatives, estates, beneficiaries, predecessors, successors and assigns.

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

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

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement, but you want to keep any right you may have to sue or continue to sue the Defendants and the other Released Persons on your own, concerning the Released Claims, then you must take steps to exclude yourself from the Settlement Class. This is called excluding yourself or "opting out" of the Settlement Class.

14. What if I want to be excluded from the Settlement?

65. To exclude yourself from the Settlement Class, you must send a written request for exclusion by mail to the Claims Administrator saying that you want to be excluded from the Settlement Class in the Epocrates, Inc. Securities Litigation. You must also include: (a) your name, address, telephone number and e-mail address; (b) your Social Security Number or Taxpayer Identification Number; (c) the date(s), price(s) per share, and number(s) of shares of all of your purchases and sales of Epocrates common stock during the Settlement Class Period. Any request for exclusion must also be signed by the Person requesting exclusion. Your exclusion request must be postmarked no later than April 21, 2016. Send your request by first-class mail to:

Epocrates, Inc. Securities Litigation c/o Kurtzman Carson Consultants, LLC Claims Administrator 3301 Kerner Blvd. San Rafael, CA 94901

- 66. You cannot exclude yourself by phone or by email. If you do not follow the above procedures including meeting the deadline for the postmarking of your request and including all of the information described above you will not be excluded from the Settlement Class, and you will be bound by all of the orders and judgments entered by the Court regarding the Settlement. You must exclude yourself even if you already have a pending case against Defendants or any other Released Person based on the Released Claims, if you wish to be able to continue that case.
 - 67. Keep a copy of everything you mail, in case something is late during shipping or processing.
- 68. If you ask to be excluded from the Settlement, you will not be eligible to get any payment from the Settlement, and you cannot object to the Settlement, the Plan of Allocation, Lead Counsel's Fee and Expense Award, or the Lead Plaintiff Cost and Expense Award. If you exclude yourself from the Settlement, you might be able to sue Defendants and certain other Persons in the future.
- 69. Defendants have the right to terminate the Settlement if valid requests for exclusion are received from Persons entitled to be members of the Settlement Class in an amount that exceeds a set amount agreed to by Lead Plaintiff and Defendants.

15. If I don't exclude myself, can I sue Defendants for the same thing later?

70. No. Unless you exclude yourself, you give up any right to sue Defendants for the claims that the Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from this Settlement Class to continue your own lawsuit.

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

71. No. Only Settlement Class Members who do not exclude themselves will be eligible to recover money in the Settlement.

THE LAWYERS AND LEAD PLAINTIFFS REPRESENTING YOU

17. Do I have a lawyer in this case?

- 72. The Court has appointed the law firms Glancy Prongay & Murray LLP and Scott+Scott, Attorneys at Law, LLP, as Lead Counsel to represent Lead Plaintiff and all other Settlement Class Members in the Litigation. If you have any questions about the proposed Settlement, you may contact Joshua L. Crowell, Glancy Prongay & Murray LLP, 1925 Century Park East, Suite 2100 Los Angeles, CA 90067.
- 73. If you want to be represented by your own lawyer, you may hire one 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 their notice of appearance on the lawyers identified later in this Notice.

18. How will the lawyers be paid? Will Lead Plaintiff be paid?

74. Lead Counsel have not yet received any payment for their services in pursuing the claims asserted in this Litigation on behalf of Lead Plaintiff and other Settlement Class Members, nor have Lead Counsel been reimbursed yet for their out-of-pocket expenses. Since the Litigation's inception, Lead Counsel have expended considerable time and

effort in the prosecution of this Litigation on a contingent-fee basis and have advanced expenses in the expectation that if they were successful in obtaining a recovery for investors, they would be paid from such recovery.

- 75. Lead Plaintiff intends to request that the Court award Lead Counsel attorneys' fees of no more than thirty-three and one-third percent (33.33%) of the Settlement Fund as well as reimbursement of up to \$200,000.00 of litigation expenses actually incurred (the "Fee and Expense Award"), plus any interest on such attorneys' fees and expenses at the same rate as earned by the Settlement Fund.
- 76. In addition, Lead Plaintiff intends to ask the Court for a fee to be paid to it for its work in prosecuting the Litigation in the amount of \$10,000.00 (the "Lead Plaintiff Cost and Expense Award"). Lead Plaintiff is also entitled to share in the proceeds of the Net Settlement Fund in the same manner as any other Settlement Class Member.
- 77. You will be not charged directly, and are not liable for, Lead Counsel's Fee and Expense Award or the Lead Plaintiff Cost and Expense Award. Instead, any such payments will be paid out of the Settlement Fund and not by Defendants. The Court will determine whether these awards are warranted and the amount thereof. In this type of litigation, it is customary for counsel to be awarded a percentage of the common fund recovery as their attorneys' fees.
- 78. The Court is to consider and rule upon the fairness, reasonableness, and adequacy of the Settlement independently of any consideration and ruling on Lead Counsel's Fee and Expense Award or the Lead Plaintiff Cost and Expense Award. The Settlement, the Stipulation, and the implementation or effectuation thereof, as well as entry of the final judgment, are not conditioned in any way on any award of attorneys' fees or reimbursement of litigation expenses to Lead Counsel or any award to Lead Plaintiff.
- 79. Defendants take no position on the application for Lead Counsel's Fee and Expense Award or for the Lead Plaintiff Cost and Expense Award, or any objections thereto.

THE HEARING REGARDING THE SETTLEMENT

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

- 80. A hearing has been scheduled on the proposed Settlement for May 12, 2016, at 10:00 a.m., before the Honorable Vince G. Chhabria in the United States District Court for the Northern District of California, San Francisco Courthouse, 450 Golden Gate Avenue, San Francisco, California 94102 (the "Settlement Hearing"). At the Settlement Hearing, the Court will consider whether: (a) to grant final certification of the Settlement Class solely for purposes of the Settlement; (b) the proposed Settlement is fair, reasonable and adequate to the Settlement Class and should be approved by the Court; (c) a judgment finally approving the Settlement should be entered; (d) the Plan of Allocation should be approved; (e) Lead Counsel's request for attorneys' fees and reimbursement of litigation expenses should be granted; and/or (f) the Lead Plaintiff's Cost and Expense Award should be granted. The Court can also consider any other matters that it may wish to address. If there are objections, the Court will consider them. At or after the hearing, the Court will decide the issues identified in (a) through (f) above. We do not know how long these decisions will take.
- 81. Please note that the date of the Settlement Hearing is subject to change without further notice. If you plan to attend the hearing, you should check with Lead Counsel to be sure no change to the date and time of the Settlement Hearing has been made.

20. How do I tell the Court that I don't like the Settlement?

- 82. If you are a Settlement Class Member and you do not exclude yourself, you can object to the Settlement or any part of it, the proposed Plan of Allocation, the application by Lead Counsel for an award of attorneys' fees and expenses, and/or the application by Lead Plaintiff for an award of costs and expenses and give reasons why you think the Court should not approve the Settlement or any of its terms or arrangements. To object, you must file a written objection with the Court saying that you object to the proposed Settlement in the case captioned, *Police and Fire Retirement System of the City of Detroit v. Rosemary A. Crane, Patrick D. Spangler, and Epocrates, Inc.*, Case No. 13-cv-00945-VC.
- 83. Your written objection must be mailed to the following counsel at the following addresses, so that it is postmarked no later than April 21, 2016:

LEAD PLAINTIFF

Joshua L. Crowell GLANCY PRONGAY & MURRAY LLP 1925 Century Park East Suite 2100 Los Angeles, CA 90067

DEFENDANTS

Deborah S. Birnbach GOODWIN PROCTER LLP Exchange Place 53 State Street Boston, MA 02109

AND

84. You must also file your objection with the clerk of the United States District Court for the Northern District of California either in person or by first-class mail at the following address:

Clerk of the Court
U.S. District Court for the Northern District of California
San Francisco Courthouse
450 Golden Gate Avenue
San Francisco, CA 94102

If you file the objection in person, it must be received by the Clerk of the Court no later than April 21, 2016. If you file the objection by first-class mail, it must be postmarked no later than April 21, 2016.

- 85. You may not object to the Settlement or any aspect of it if you are not a Settlement Class Member or if you have excluded yourself from the Settlement Class.
- 86. Any objection must include: (a) the full name, mailing address, daytime phone number and e-mail address of the objecting Settlement Class Member; (b) a list and documentation of all of the Settlement Class Member's transactions involving Epocrates common stock during the Settlement Class Period, including brokerage confirmation receipts or other competent documentary evidence of such transactions, including the amount and date of each purchase or acquisition or sale or disposition and the price paid and/or received; (c) a written statement of all grounds for the objection accompanied by any legal support and evidence for it; (d) copies of any papers, briefs, or other documents upon which the objection is based; (e) a list of all persons who will be called to testify in support of the objection; (f) a statement of whether you intend to appear at the Settlement Hearing; (g) a list of other cases in which you or your counsel have appeared either as settlement objectors or as counsel for objectors in the preceding five years; and (h) the objector's signature, even if represented by counsel. If you intend to appear at the Settlement Hearing through counsel, the objection must also state the identity of all attorneys who will appear on your behalf at the Settlement Hearing.
- 87. If you wish to be heard orally at the Settlement Hearing in opposition to the approval of the Settlement, the Plan of Allocation, Lead Counsel's Fee and Expense Award, or the Lead Plaintiff Cost and Expense Award, and if you have submitted a timely written objection as described above, you also must notify the above counsel no later than April 21, 2016 concerning your intention to appear. You do not need to go to the Settlement Hearing to have your written objection considered by the Court.
- 88. If you submit an objection in the manner stated above to the Settlement, the Plan of Allocation, Lead Counsel's Fee and Expense Award, or the Lead Plaintiff Cost and Expense Award (or otherwise request to be heard at the Settlement Hearing), you are submitting yourself to the jurisdiction of the Court with respect to the subject matter of the Settlement, including, but not limited to, the release that will be contained in the final judgment.
- 89. Any member of the Settlement Class who does not object in the manner provided above will be deemed to have waived all objections to the Settlement, the Plan of Allocation, Lead Counsel's Fee and Expense Award, and the Lead Plaintiff Cost and Expense Award.

21. Do I have to come to the Settlement Hearing?

90. No. Lead Counsel will answer any questions the Court might have. But you are welcome to come at your own expense. If you send an objection, you do not have to come to the Court to talk about it. As long as you mailed your written objection in the manner described in the answer to question 20 above and it was submitted by the deadline, it will be before the Court when the Court considers whether to approve the Settlement. You may also pay your own lawyer to attend the hearing, but attendance is not necessary.

22. May I speak at the Settlement Hearing?

- 91. If you are a Settlement Class Member and you filed an objection as described in the answer to question 20 above, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must submit a letter or other paper called a "Notice of Intention to Appear at Settlement Hearing in Epocrates, Inc. Securities Litigation." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be filed with the Clerk of the Court and postmarked to the counsel listed at page 10 no later than April 21, 2016. You cannot speak at the hearing if you have asked to be excluded from the Settlement Class.
- 92. If you or your attorney plan to attend the Settlement Hearing **and** present evidence at the hearing, your written objections (prepared and submitted in accordance with the answer to question 20 above) must identify any witness or other evidence you or your attorney may seek to introduce.

23. What's the difference between objecting and requesting exclusion?

- 93. Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you are a Settlement Class Member.
- 94. Excluding yourself is telling the Court that you do not want to be a part of the Settlement Class for purposes of the Settlement. If you exclude yourself, you have no basis to object, because the case no longer affects you. If you do not exclude yourself, you will be bound by the Settlement and all orders and judgments entered by the Court regarding the Settlement, regardless of whether the Court accepts or denies your objection.

IF YOU DO NOTHING

24. What happens if I do nothing at all?

95. If you do nothing in response to this Notice, you will remain a member of the Settlement Class and will be bound by the Settlement. You will not be able to start, continue, or be part of any other lawsuit or arbitration against Defendants or any of the Released Persons described at pages 8 and 9 that asserts any of the Released Claims described at pages 8 and 9. And if you do not submit a Proof of Claim and Release form, you will not be eligible to receive a payment from the Settlement.

- 96. UNLESS THE COURT ORDERS OTHERWISE, ANY SETTLEMENT 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, LEAD COUNSEL'S FEE AND EXPENSE AWARD, OR THE LEAD PLAINTIFF COST AND EXPENSE AWARD.
- 97. SETTLEMENT CLASS MEMBERS DO NOT NEED TO APPEAR AT THE SETTLEMENT HEARING OR TAKE ANY OTHER ACTION TO INDICATE THEIR APPROVAL.

GETTING MORE INFORMATION

25. Are there more details about the Settlement?

98. This Notice contains only a summary of the proposed Settlement. The complete Settlement is set out in the Stipulation. You may request a copy of the Stipulation by writing to Epocrates, Inc. Securities Litigation, c/o Kurtzman Carson Consultants, LLC, Claims Administrator, P.O. Box 40007, College Station, TX 77842-4007, or calling 1-844-861-5483. Copies of the Stipulations may be obtained for free at www.epocratessecuritieslitigation.com.

26. How do I get more information?

- 99. You can also call the Claims Administrator toll free at 1-844-861-5483, write to the Claims Administrator at the above address, or visit the website at www.epocratessecuritieslitigation.com, where you will find a copy of the Stipulation, the Complaint, and certain other documents relating to the Litigation and the Settlement. Anyone interested in more detail regarding the Litigation is invited to visit the Office of the Clerk of the United States District Court for the Northern District of California at the San Francisco Courthouse, 450 Golden Gate Ave., San Francisco, CA 94102, during regular business hours, to inspect the papers maintained there in Case No. 13-cv-00945-VC.
- 100. You may also contact representatives of Lead Counsel: Joshua L. Crowell, Glancy Prongay & Murray LLP, 1925 Century Park East, Suite 2100, Los Angeles, CA 90067, (310) 201-9150 (telephone), (310) 432-1495 (facsimile), info@glancylaw.com, www.glancylaw.com.

PLEASE DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE CLERK OF COURT REGARDING THIS NOTICE SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased or otherwise acquired Epocrates common stock during the Settlement Class Period (CUSIP: 29429D 10 3) for the beneficial interest of an individual or organization other than yourself, the Court has directed that, WITHIN TEN (10) CALENDAR DAYS OF YOUR RECEIPT OF THIS NOTICE, you either (a) provide to the Claims Administrator the name and last known address of each Person for whom you purchased such securities during such time period or (b) request additional copies of this Notice and the Proof of Claim and Release form, which will be provided to you free of charge, and within ten (10) calendar days mail the Notice and Proof of Claim and Release form directly to the beneficial owners of the security referred to herein. If you choose to follow alternative procedure (b), upon such mailing, you must send a statement to the Claims Administrator confirming that the mailing was made as directed and retain the names and addresses for any future mailings to Settlement Class Members. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Your reasonable expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

Epocrates, Inc. Securities Litigation c/o Kurtzman Carson Consultants, LLC Claims Administrator P.O. Box 40007 College Station, TX 77842-4007 (1-844-861-5483) www.epocratessecuritieslitigation.com

Dated:

February 10, 2016

BY ORDER OF THE COURT HON. VINCE G. CHHABRIA UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF CALIFORNIA