

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

IN RE ADVANCE AUTO PARTS, INC. SECURITIES  
LITIGATION

Case No. 18-CV-00212-RTD-SRF  
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 ("Action") pending in the United States District Court for the District of Delaware ("Court") if, during the period between November 14, 2016 and August 15, 2017, inclusive ("Class Period"), you purchased or otherwise acquired the common stock of Advance Auto Parts, Inc. ("AAP"), and were damaged thereby.

**NOTICE OF SETTLEMENT:** Please also be advised that the Court-appointed Class Representative the Public Employees' Retirement System of Mississippi ("Class Representative" or "Lead Plaintiff"), on behalf of itself and the Court-certified Class (as defined in ¶ 28 below), and defendants AAP, Thomas R. Greco, and Thomas Okray (collectively, "Defendants") have reached a proposed settlement of the Action for \$49,250,000 in cash that, if approved, will resolve all claims in the Action ("Settlement"). The terms and provisions of the Settlement are contained in the Stipulation and Agreement of Settlement dated December 23, 2021 ("Stipulation").<sup>1</sup>

**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 questions about this Notice, the Settlement, or your eligibility to participate in the Settlement, please DO NOT contact the Court, the Clerk's Office, Defendants, or Defendants' Counsel. All questions should be directed to Class Counsel or the Claims Administrator (see ¶ 70 below).**

- **Description of the Action and the Class:** This Notice relates to the proposed Settlement of claims in a pending securities class action brought by AAP investors. A detailed description of the Action and its procedural history is set forth in ¶¶ 4-22 below. The Settlement, if approved by the Court, will settle the claims of the Class, as defined in ¶ 28 below.

- **Statement of the Class's Recovery:** Subject to Court approval, Class Representative, on behalf of the Class, has agreed to settle the Action in exchange for a cash payment of \$49,250,000 ("Settlement Amount") to be deposited into an escrow account. The Net Settlement Fund (as defined below in ¶ 42) will be distributed to eligible Class Members in accordance with a plan of allocation that is approved by the Court. The plan of allocation being proposed by Class Representative ("Plan of Allocation") is attached hereto as Appendix A.

- **Estimate of Average Amount of Recovery Per Share:** Based on Class Representative's damages expert's estimate of the number of shares of AAP common stock eligible to participate in the Settlement, and assuming that all investors eligible to participate do so, the estimated average recovery (before deduction of any Court-approved fees, expenses, and administration costs) per eligible share of AAP common stock will be approximately \$2.38. **Class Members should note, however, that the foregoing average recovery per eligible share is only an estimate.** Some Class Members may recover more or less than the average amount per share depending on: (i) when and the price at which they purchased/acquired their AAP common stock; (ii) whether they sold their AAP common stock; (iii) the total number and value of valid Claims submitted; (iv) the amount of Notice and Administration Costs; and (v) the amount of attorneys' fees and Litigation Expenses awarded by the Court.

- **Average Amount of Damages Per Share:** The Parties do not agree on the average amount of damages per share of AAP common stock that would be recoverable if Class Representative prevailed in the Action. Among other things, Defendants dispute that they violated the federal securities laws or that, even if liability could be established, any damages were suffered by any members of the Class as a result of their alleged conduct.

- **Attorneys' Fees and Expenses Sought:** Court-appointed Class Counsel, Kessler Topaz Meltzer & Check, LLP, has not received any payment of attorneys' fees for its representation of the Class in the Action and has advanced the funds to pay expenses incurred to prosecute the Action with the expectation that if it was successful in recovering money

<sup>1</sup> All capitalized terms not defined in this Notice have the meanings provided in the Stipulation. The Stipulation can be viewed at [www.AAPSecuritiesLitigation.com](http://www.AAPSecuritiesLitigation.com).

for the Class, it would receive fees and be paid for its expenses from the Settlement Fund, as is customary in this type of litigation. For these efforts, Class Counsel, on behalf of Plaintiffs' Counsel, will apply to the Court for attorneys' fees in an amount not to exceed 25% of the Settlement Fund. In addition, Class Counsel will apply for payment of the Litigation Expenses incurred by Plaintiffs' Counsel in connection with the institution, prosecution, and resolution of the Action, in an amount not to exceed \$2.4 million, plus interest. The foregoing expense amount may also include a request for reimbursement of the reasonable costs and expenses incurred by Class Representative directly related to its representation of the Class in accordance with 15 U.S.C. § 78u-4(a)(4). If the Court approves the maximum amount of the foregoing fees and expenses, the estimated average cost per eligible share of AAP common stock will be \$0.71. **Please note that this amount is only an estimate.**

- **Identification of Attorney Representatives:** Class Representative and the Class are represented by Sharan Nirmul, Esq. of Kessler Topaz Meltzer & Check, LLP, 280 King of Prussia Road, Radnor, PA 19087, (610) 667-7706, info@ktmc.com, [www.ktmc.com](http://www.ktmc.com). Further information regarding the Action, the Settlement, and this Notice may be obtained by contacting Class Counsel. Additional information may also be obtained by contacting the Claims Administrator at: *AAP Securities Litigation Settlement*, c/o KCC Class Action Services, P.O. Box 43034, Providence, RI 02940-3034, 1-866-819-0430, info@AAPSecuritiesLitigation.com, [www.AAPSecuritiesLitigation.com](http://www.AAPSecuritiesLitigation.com). **Please do not contact the Court regarding this Notice.**

- **Reasons for the Settlement:** For Class Representative, the principal reason for the Settlement is the guaranteed, near-term cash benefit for the Class without the risks, delays, and costs inherent in further litigation. Moreover, the cash benefit provided under the Settlement must be considered against the risk that a smaller recovery—or no recovery at all—might be achieved after further litigation, including rulings on several critical motions pending at the time of settlement, including Defendants' motion for reconsideration of the Court's decision on their motion to dismiss the Amended Complaint and Defendants' motion for summary judgment, a trial of the Action, and post-trial appeals. Despite maintaining that they are not liable for the claims asserted herein and that they have good and valid defenses thereto, Defendants have determined to enter into the Settlement, among other reasons, to avoid further expense, inconvenience, and the burden of protracted litigation, to avoid the distraction and diversion of their personnel and resources, to avoid the risk of litigation, and to obtain a full release of all claims and potential claims from the Class. Each of the Defendants denies that they have committed any violations of law or other wrongdoing. Defendants expressly deny that Class Representative has asserted any valid claims as to any of them, and expressly deny any and all allegations of fault, liability, wrongdoing, or damages whatsoever.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT	
<b>SUBMIT A CLAIM FORM POSTMARKED (IF MAILED), OR ONLINE, NO LATER THAN JUNE 9, 2022.</b>	This is the only way to be eligible to receive a payment from the Settlement.
<b>EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN MAY 23, 2022.</b>	Get no payment from the Settlement. This is the <i>only</i> option that may allow you to ever bring or be part of any <i>other</i> lawsuit against Defendants or the other Released Parties about the claims being released by the Settlement.
<b>OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN MAY 23, 2022.</b>	Write to the Court about why you do not like the proposed Settlement, the proposed Plan of Allocation, and/or Class Counsel's request for attorneys' fees and Litigation Expenses. This will not exclude you from the Class.
<b>GO TO A HEARING ON JUNE 13, 2022 AT 10:00 A.M.</b>	Ask to speak in Court at the Settlement Hearing, at the discretion of the Court, about the proposed Settlement, the proposed Plan of Allocation, and/or Class Counsel's request for attorneys' fees and Litigation Expenses.
<b>DO NOTHING.</b>	Get no payment. You will, however, remain a member of the Class, which means that you give up any right you may have 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.

**These rights and options – and the deadlines to exercise them – are further explained in this Notice. Please Note: The date and time of the Settlement Hearing – currently scheduled for June 13, 2022 at 10:00 a.m. – is subject to change without further notice. 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.AAPSecuritiesLitigation.com](http://www.AAPSecuritiesLitigation.com), or with Class Counsel to confirm no change to the date and/or time of the hearing has been made.**

## WHAT THIS NOTICE CONTAINS

What Is The Purpose Of This Notice?	Page 3
What Is This Case About?	Page 3
Why Is This A Class Action?	Page 5
Why Is There A Settlement?	Page 5
What Might Happen If There Were No Settlement?	Page 5
How Do I Know If I Am Affected By The Settlement? Who Is Included In The Class?	Page 5
How Are Class Members Affected By The Action And The Settlement?	Page 6
How Do I Participate In The Settlement? What Do I Need To Do?	Page 7
How Much Will My Payment Be?	Page 8
What Payment Are The Attorneys For The Class Seeking? How Will The Lawyers Be Paid?	Page 8
What If I Do Not Want To Be A Member Of The Class? How Do I Exclude Myself?	Page 9
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 Do Not Like The Settlement?	Page 9
What If I Bought Shares On Someone Else's Behalf?	Page 10
Can I See The Court File? Who Should I Contact If I Have Questions?	Page 11
Proposed Plan of Allocation of Net Settlement Fund Among Authorized Claimants	Appendix A

## WHAT IS THE PURPOSE OF THIS NOTICE?

1. The Court has directed the issuance of this Notice to inform potential Class Members about the proposed Settlement and their options in connection therewith before the Court rules on the proposed Settlement. Additionally, Class Members have the right to understand how this class action lawsuit may generally affect their legal rights.
2. This Notice explains the Action, the Settlement, your legal rights, what benefits are available under the Settlement, who is eligible for the benefits, and how to get them.
3. 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 the Plan of Allocation (or some other plan of allocation), the Claims Administrator selected by Class Representative and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved. Please be patient, as this process can take some time.

## WHAT IS THIS CASE ABOUT?

4. AAP is a leading automotive aftermarket parts provider in North America, serving both professional installers and “do-it-yourself” customers, as well as independently owned operators. AAP’s stores and branches offer a broad selection of brand name, original equipment manufacturer and private label automotive replacement parts, accessories, batteries, and maintenance items for domestic and imported cars, vans, sport utility vehicles, and light and heavy duty trucks. AAP’s common stock trades on the New York Stock Exchange under the ticker symbol “AAP.”

5. In this Action, Class Representative alleged that, during the Class Period, Defendants made misrepresentations and omissions of material fact regarding AAP’s projected 2017 financial performance. Defendants deny any liability or wrongdoing.

6. On February 6, 2018, a putative securities class action complaint, styled *Wigginton v. Advance Auto Parts, Inc., et al.*, No. 1:18-cv-00212, was filed in the Court against AAP and certain of AAP’s executive officers, asserting violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, 15 U.S.C. §§ 78j(b) and 78t(a) (“Exchange Act”), and Rule 10b-5 promulgated thereunder, 17 C.F.R. § 240.10b-5.

7. On November 2, 2018, the Court appointed the Public Employees’ Retirement System of Mississippi as Lead Plaintiff pursuant to the Private Securities Litigation Reform Act of 1995 (“PSLRA”) and appointed Lead Plaintiff’s selection of counsel—Kessler Topaz Meltzer & Check, LLP (“Kessler Topaz”) as Lead Counsel and Rosenthal, Monhait & Goddess, P.A. as Liaison Counsel for the class.

8. On January 25, 2019, Lead Plaintiff filed the Amended Class Action Complaint for Violations of the Federal Securities Laws (“Amended Complaint”) against Defendants AAP, Thomas R. Greco, and Thomas Okray. The Amended Complaint added additional defendants, Starboard Value LP (“Starboard”) and Starboard’s Chief Executive Officer Jeffrey C. Smith (the “Starboard Defendants”).

9. Defendants and the Starboard Defendants filed motions to dismiss the Amended Complaint on April 12, 2019. Class Representative opposed the motions to dismiss on June 14, 2019. Defendants and the Starboard Defendants filed replies in further support of their motions to dismiss on July 19, 2019. The Court, by Order dated February 7, 2020, granted in part and denied in part Defendants’ motion to dismiss (“MTD Ruling”). By the MTD Ruling, the Court also granted the Starboard Defendants’ motion to dismiss, dismissing all claims asserted against the Starboard Defendants without prejudice.

10. On March 18, 2020, Defendants filed their Answer to the Amended Complaint. Thereafter, discovery in the Action commenced.

11. On May 15, 2020, Lead Plaintiff filed a motion for class certification. Defendants opposed Lead Plaintiff’s motion on August 26, 2020, and Lead Plaintiff filed a reply in further support of its motion on October 9, 2020. The Court, by Order dated November 6, 2020 (“Class Certification Order”), granted Lead Plaintiff’s motion, certifying the Class—consisting of all persons and entities who purchased or otherwise acquired the common stock of AAP between November 14, 2016 and August 15, 2017, inclusive, and were damaged thereby. In addition, the Class Certification Order appointed Lead Plaintiff as Class Representative, appointed Kessler Topaz as Class Counsel, and appointed deLeeuw Law as Liaison Counsel.

12. On November 20, 2020, Defendants filed a petition with the Third Circuit Court of Appeals for permission to appeal the Class Certification Order, which Class Representative opposed. The Third Circuit denied Defendants’ petition on January 12, 2021.

13. On February 23, 2021, Defendants filed a motion for reconsideration of the Court’s MTD Ruling. On March 15, 2021, Defendant filed a renewed motion for reconsideration of the Court’s MTD Ruling. On March 29, 2021, Class Representative opposed Defendants’ renewed motion for reconsideration.

14. On May 27, 2021, Class Representative filed a motion to approve the form and manner of notice to the Class. On June 10, 2021, Defendants opposed Class Representative’s motion, and on June 17, 2021, Class Representative filed a reply in further support of its motion.

15. On September 30, 2021, fact and expert discovery concluded. Discovery included voluminous document productions from Defendants, third parties, and Class Representative, 21 merits depositions, the exchange by the Parties of expert reports of two experts retained by Class Representative and three experts retained by Defendants, and depositions of all five experts.

16. On October 1, 2021, this Action was transferred from the Honorable Richard G. Andrews to the Honorable Robert T. Dawson for all further proceedings.

17. On October 15, 2021, Defendants filed a motion for summary judgment. Also on October 15, 2021, the Parties filed motions to exclude in whole or in part the testimony of each other’s experts.

18. While certain motions were pending before the Court, the Parties began discussing the possibility of resolving the Action through settlement, ultimately agreeing to mediate before David Murphy of Phillips ADR. A mediation session with Mr. Murphy was held on September 9, 2021. In advance of the mediation, the Parties exchanged detailed, confidential mediation statements addressing liability and damages issues. The Parties were unable to resolve the Action at the September 2021 mediation, but continued to engage in discussions, through Mr. Murphy.

19. Over the course of the next seven weeks, through negotiations that continued to be facilitated by Mr. Murphy, the Parties reached an agreement to settle the Action pursuant to a mediator’s recommendation issued by Mr. Murphy. The Parties memorialized their agreement in a binding term sheet executed on November 5, 2021.

20. On November 12, 2021, the Court entered the Parties’ Stipulation and Proposed Order to Stay Action in order to allow the Parties to further document the Settlement.

21. After additional negotiations regarding the specific terms of their agreement, the Parties entered into the Stipulation on December 23, 2021. The Stipulation, which sets forth the terms and conditions of the Settlement, can be viewed at [www.AAPSecuritiesLitigation.com](http://www.AAPSecuritiesLitigation.com).

22. On January 11, 2022, the Court preliminarily approved the Settlement, authorized notice of the Settlement to potential Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval of the Settlement.

## WHY IS THIS A CLASS ACTION?

23. In a class action, one or more persons or entities (in this case, Class Representative), sue on behalf of people and entities that have similar claims. Together, these people and entities are a “class,” and each is a “class member.” Bringing a case, such as this one, as a class action allows the adjudication of many individuals’ similar claims that might be too small to bring economically as separate actions. One court resolves the issues for all class members at the same time, except for those who exclude themselves, or “opt out,” of the class.

## WHY IS THERE A SETTLEMENT?

24. Class Representative and Class Counsel believe that the claims against Defendants have merit. They recognize, however, the expense and length of continued proceedings necessary to pursue their claims through trial, as well as the substantial risks they would face. Indeed, at the time the Settlement was reached, Defendants’ motion for reconsideration of the Court’s MTD Ruling had been fully briefed and pending for over six months. Likewise, Class Representative was poised to respond to Defendants’ motion seeking summary judgment of all claims at issue. A decision in Defendants’ favor on either of these critical motions could have ended the Action altogether. Even if Class Representative survived the pending motions, it would have faced substantial challenges to establishing liability and the Class’s full amount of damages at trial. Such risks include the potential challenges associated with proving that there were material misstatements in Defendants’ public statements, that Defendants had actual knowledge of the alleged falsity of the forward-looking statements at issue in the Action, that any investment losses suffered by Class Members were caused by misleading statements made by Defendants, and establishing significant damages under the securities laws.

25. In light of these risks, the amount of the Settlement, and the guaranteed, near-term recovery to the Class, Class Representative and Class Counsel believe that the proposed Settlement is fair, reasonable, adequate, and in the best interests of the Class. Class Representative and Class Counsel believe that the Settlement provides a substantial benefit to the Class, as compared to the risk that the claims in the Action would produce a smaller recovery, or no recovery, after continued and costly litigation, possibly years in the future.

26. Defendants have denied and continue to deny the claims and allegations asserted against them in the Action. Despite maintaining that they are not liable for the claims asserted herein and that they have good and valid defenses thereto, Defendants have agreed to the Settlement solely to avoid further expense, inconvenience, and the burden of protracted litigation, to avoid the distraction and diversion of their personnel and resources, to avoid the risk of litigation, and to obtain a full release of all claims and potential claims from the Class. Each of the Defendants denies that they have committed any violations of law or other wrongdoing. Defendants expressly deny that Class Representative has asserted any valid claims as to any of them, and expressly deny any and all allegations of fault, liability, wrongdoing, or damages whatsoever. Accordingly, the Settlement may not be construed as an admission of any wrongdoing by any Defendant in this or any other action or proceeding.

## WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

27. If there were no Settlement and Class Representative failed to establish any essential legal or factual element of its claims against Defendants, neither Class Representative nor the other members of the Class would recover anything from Defendants. Also, if Defendants were successful on any of their pending motions, at trial, or on appeal, the Class could recover substantially less than the amount provided in the Settlement, or nothing at all.

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

28. If you are a member of the Class, you are subject to the Settlement, unless you timely request to be excluded. The Class, as certified by the Court’s Memorandum Opinion and Order dated November 6, 2020, consists of:

**All persons and entities who purchased or otherwise acquired the common stock of AAP between November 14, 2016 and August 15, 2017, inclusive, and were damaged thereby.**

Excluded from the Class are: (i) the Company; (ii) Starboard Value LP; (iii) Thomas R. Greco, Thomas Okray, and Jeffrey C. Smith (the “Excluded Individuals”); (iv) members of the Immediate Families of the Excluded Individuals; (v) the Company’s and Starboard’s subsidiaries and affiliates; (vi) any person who is or was an officer or director of the Company, Starboard, or any of the Company’s or Starboard’s subsidiaries or affiliates during the Class Period; (vii) any entity in which the Company, Starboard, or any Excluded Individual has a controlling interest; and (viii) the legal representatives, heirs, successors, and assigns of any such excluded person or entity. Also excluded from the Class are any persons and entities who or which submit a request for exclusion from the Class that is accepted by the Court. See “What If I Do Not Want To Be A Member Of The Class? How Do I Exclude Myself,” on page 9 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 a Claim Form along with the required supporting documentation postmarked (if mailed), or online at [www.AAPSecuritiesLitigation.com](http://www.AAPSecuritiesLitigation.com), by no later than June 9, 2022.**

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

29. As a Class Member, you are represented by Class Representative and Class Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense. If you choose to hire your own attorney, such attorney 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 9 below.

30. 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?" on page 9 below.

31. If you are a Class Member and you wish to object to the Settlement, the Plan of Allocation, or Class Counsel's request for attorneys' fees and Litigation Expenses, 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?" on page 9 below.

32. 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 in the Action. If the Settlement is approved, the Court will enter a judgment ("Judgment"). The Judgment will dismiss with prejudice the claims against Defendants and the other Released Parties and will provide that, upon the Effective Date of the Settlement, Class Representative 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, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Class Claim (as defined in ¶ 33 below) against the Released Parties (as defined in ¶ 34 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Class Claims against any of the Released Parties.

33. "Released Class Claims" means any and all claims, debts, actions, causes of action, suits, dues, sums of money, accounts, liabilities, reckonings, bonds, bills, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, awards, extents, executions, and demands whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liability), whether known or Unknown Claims (as defined below), whether arising under federal, state, local, common, statutory, administrative or foreign law, or any other law, rule or regulation, whether at law or in equity, whether class or individual in nature, whether fixed or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, whether matured or unmatured, whether direct, indirect, or consequential, whether suspected or unsuspected, which Lead Plaintiff or any other Class Member, on behalf of themselves, their heirs, executors, representatives, administrators, predecessors, successors, assigns, officers and directors, any and all other persons they represent and any other person or entity claiming (now or in the future) through or on behalf of them, in their individual capacities and in their capacities as purchasers of AAP common stock, ever had, now has, or hereafter can, shall, or may have, whether in their own right or by assignment, transfer or grant from any other person, thing or entity that: (i) have been asserted in this Action by Lead Plaintiff or any other Class Member against any of the Released Parties; or (ii) could have been asserted in any court or forum by Lead Plaintiff or any other Class Member against any of the Released Parties, that arise out of, are based upon or relate to, directly or indirectly, the allegations, transactions, facts, statements, matters or occurrences, representations or omissions involved, set forth, or referred to in the Amended Complaint or that relate to the purchase, sale, and/or other acquisition of AAP common stock during the Class Period. Released Class Claims shall not include: (i) any claims relating to the enforcement of the Settlement; or (ii) any claims of any person or entity who or which submits a request for exclusion from the Class that is accepted by the Court.

34. "Released Party" or "Released Parties" means Defendants and all of their respective past, present, and future (including heirs, successors, and assigns) parents, subsidiaries, affiliates, divisions, departments, joint ventures, subcontractors, agents, advisors, auditors, accountants, attorneys, associates, associations, consultants, shareholders, underwriters, insurers, subrogates, co-insurers and reinsurers, and all of their respective past, present, and future officers, directors, divisions, employees, members, partners (general and/or limited), principals, shareholders, successors, representatives, and owners, and anyone acting in concert with any of them, in their capacities as such.

35. "Unknown Claims" means any Released Class Claims which any Releasing Party 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 Released Party 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 materially 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, Class Representative 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.

Lead Plaintiff, as Class Representative, and Defendants acknowledge that they may discover facts in addition to or different than those that they now know or believe to be true with respect to the subject matter of the Released Class Claims or the Released Defendants' Claims (as defined in ¶ 37 below), but Lead Plaintiff and Defendants shall expressly fully, finally, and forever settle and release, and each of the Releasing Parties (as defined in ¶ 38 below) and each of the Released Parties shall be deemed to have settled and released, and upon the Effective Date and by operation of the Judgment or the Alternative Judgment, if applicable, shall have fully, finally, and forever settled and released, any and all Released Class Claims and Released Defendants' Claims, as applicable, known or unknown, suspected or unsuspected, which now exist or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery or existence of such additional or different facts. Lead Plaintiff and Defendants acknowledge, and each of the Releasing Parties and each of the Released Parties by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Class Claims and Released Defendants' Claims was separately bargained for and is a key element of the Settlement.

36. The Judgment will also provide that, upon the Effective Date of the Settlement, the Released Parties, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Defendants' Claim against the Releasing Parties, and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants' Claims (as defined in ¶ 37 below) against any of the Releasing Parties (as defined in ¶ 38 below). This release shall not apply to any person or entity who or which submits a request for exclusion from the Class that is accepted by the Court.

37. "Released Defendants' Claims" means all claims, demands, losses, rights, and causes of action of every nature and description, whether known or Unknown Claims (as defined above), whether arising under federal, state, local, common, statutory, administrative or foreign law, or any other law, rule or regulation, at law or in equity, whether class or individual in nature, whether accrued or unaccrued, whether liquidated or unliquidated, whether matured or unmatured, whether direct, indirect, or consequential, whether suspected or unsuspected, which arise out of or relate in any way to the institution, prosecution, assertion, settlement, or resolution of the claims asserted in the Action against Defendants. Released Defendants' Claims shall not include any claims relating to the enforcement of the Settlement.

38. "Releasing Party" or "Releasing Parties" means: (i) Class Representative and each of the Class Members, and (ii) each of their respective Immediate Family members, and their respective general partners, limited partners, principals, shareholders, joint venturers, members, officers, directors, managers, managing directors, supervisors, employees, contractors, consultants, auditors, accountants, financial advisors, professional advisors, investment bankers, representatives, insurers, re-insurers, trusts, trustees, trustors, agents, attorneys, professionals, predecessors, subsidiaries, successors, assigns, heirs, estates, executors, beneficiaries, administrators, and any controlling person thereof, in their capacities as such.

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

39. To be eligible for a payment from the Settlement, you must be a member of the Class and you must timely complete and submit a Claim Form with adequate supporting documentation **postmarked (if mailed), or submitted online at [www.AAPSecuritiesLitigation.com](http://www.AAPSecuritiesLitigation.com), by no later than June 9, 2022**. You can obtain a Claim Form at [www.AAPSecuritiesLitigation.com](http://www.AAPSecuritiesLitigation.com). You may also request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-866-819-0430, or by emailing [info@AAPSecuritiesLitigation.com](mailto:info@AAPSecuritiesLitigation.com). Please retain all records of your ownership of and transactions in AAP common stock, as they will be needed to document your Claim. The Parties and the Claims Administrator do not have information about your transactions in AAP common stock.

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

Questions? Visit [www.AAPSecuritiesLitigation.com](http://www.AAPSecuritiesLitigation.com) or call toll free 1-866-819-0430

## HOW MUCH WILL MY PAYMENT BE?

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

42. Pursuant to the Settlement, Defendants shall pay or cause to be paid \$49,250,000 in cash. 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) Taxes; (ii) 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.

43. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and the Plan of Allocation, or another plan of allocation, and that decision is affirmed on appeal (if any) and/or the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise has expired.

44. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

45. Neither Defendants nor any other person or entity (including Defendants' insurance carriers) 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.

46. Unless the Court otherwise orders, any Class Member who fails to submit a Claim Form postmarked or received on or before June 9, 2022 shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the Releases given.

47. Participants in and beneficiaries of any employee retirement and/or benefit plan ("Employee Plan") should NOT include any information relating to AAP common stock purchased through an Employee Plan in any Claim Form they submit in this Action. They should include ONLY AAP common stock purchased/acquired during the Class Period outside of an Employee Plan. Claims based on any Employee Plan(s)' purchases of eligible AAP common stock during the Class Period may be made by the Employee Plan(s)' trustees. To the extent any of the Defendants or any of the other persons or entities excluded from the Class are participants in an Employee Plan(s), such persons or entities shall not receive, either directly or indirectly, any portion of the recovery that may be obtained from the Settlement by such Employee Plan(s).

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

49. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her, or its Claim Form.

50. Only Class Members, *i.e.*, persons who purchased or otherwise acquired AAP common stock during the Class Period and were damaged as a result of such purchases/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 to receive a distribution from the Net Settlement Fund and should not submit Claim Forms.

**51. Appendix A to this Notice sets forth the Plan of Allocation for allocating the Net Settlement Fund among Authorized Claimants, as proposed by Class Representative and Class Counsel. At the Settlement Hearing, Class Counsel 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?

52. Class Counsel has not received any payment for its services in pursuing claims against the Defendants on behalf of the Class, nor have Class Counsel been reimbursed for its out-of-pocket expenses. Before final approval of the Settlement, Class Counsel will apply to the Court, on behalf of Plaintiffs' Counsel, for an award of attorneys' fees in an amount not to exceed 25% of the Settlement Fund. At the same time, Class Counsel will also apply for payment of Plaintiffs' Counsel's Litigation Expenses in an amount not to exceed \$2.4 million, plus interest. Class Counsel's request for Litigation Expenses may include a request for reimbursement of the reasonable costs and expenses incurred by Class Representative directly related to its representation of the Class in accordance with 15. U.S.C. § 78u-7(a)(4). 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.**

Questions? Visit [www.AAPSecuritiesLitigation.com](http://www.AAPSecuritiesLitigation.com) or call toll free 1-866-819-0430



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

53. 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 addressed to: *AAP Securities Litigation Settlement*, c/o KCC Class Action Services, EXCLUSIONS, 150 Royall Street, Suite 101, Canton, MA 02021 that is accepted by the Court. The request for exclusion must be **received no later than May 23, 2022**. You will not be able to exclude yourself from the Class after that date.

54. 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 Advance Auto Parts, Inc. Securities Litigation*, Case No. 18-CV-00212-RTD-SRF (D. Del.)”; (iii) state the number of shares of AAP common stock (A) owned as of the close of trading on November 14, 2016, (B) purchased/acquired and sold from the close of trading on November 14, 2016 through the opening of trading on August 15, 2017, inclusive, and (C) held as of the opening of trading on August 15, 2017, as well as the dates and prices of each such purchase/acquisition and sale; (iv) provide documentation showing such person’s or entity’s trading in AAP common stock through copies of brokerage confirmation slips or monthly brokerage account statements, or an authorized statement from the requester’s broker containing the transactional and holding information found in a broker confirmation slip or account statement; and (v) 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.

55. 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 Class Claim against any of the Released Parties. Excluding yourself from the Class is the only option that may allow you to be part of any other current or future lawsuit against Defendants or any of the other Released Parties concerning the Released Class Claims. Please note, however, if you decide to exclude yourself from the Class, you may be time-barred from asserting the claims covered by the Action by a statute of repose. In addition, Defendants and the other Released Parties will have the right to assert any and all defenses they may have to any claims that you may seek to assert.

56. If you ask to be excluded from the Class, you will not be eligible to receive a payment from the Net Settlement Fund.

57. Defendants have 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 the Parties.

**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 DO NOT LIKE THE SETTLEMENT?**

58. **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.**

59. **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 video or telephone, 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 video or telephone, it is important that you monitor the Court’s docket and the website for the Settlement, [www.AAPSecuritiesLitigation.com](http://www.AAPSecuritiesLitigation.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 [www.AAPSecuritiesLitigation.com](http://www.AAPSecuritiesLitigation.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 videoconference will be posted to [www.AAPSecuritiesLitigation.com](http://www.AAPSecuritiesLitigation.com).**

60. The Settlement Hearing will be held on **June 13, 2022 at 10:00 a.m.**, before the Honorable Robert T. Dawson, United States District Judge, either in person at the J. Caleb Boggs Federal Building, 844 N. King Street, Wilmington, DE 19801, or by telephone or videoconference (at the discretion of the Court). The Court reserves the right to approve the Settlement, the Plan of Allocation, Class Counsel’s request for attorneys’ fees and Litigation Expenses, and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Class.

61. Any Class Member may object to the Settlement, the Plan of Allocation, and/or Class 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, with the Clerk’s Office at the United States District Court for the District of Delaware at the address set forth below as well as serve copies on Class Counsel and Defendants’ Counsel at the addresses set forth below **on or before May 23, 2022**.

Clerk’s Office	Class Counsel	Defendants’ Counsel
United States District Court District of Delaware J. Caleb Boggs Federal Building 844 N. King Street Wilmington, DE 19801	Sharan Nirmul, Esq. Kessler Topaz Meltzer & Check, LLP 280 King of Prussia Road Radnor, PA 19087	Douglas P. Baumstein, Esq. Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. Chrysler Center 666 Third Avenue New York, NY 10017

62. Any objections, filings, and other submissions by the objecting Class Member must: (i) identify the case name and docket number (*In re Advance Auto Parts, Inc. Securities Litigation*, Case No. 18-CV-00212-RTD-SRF (D. Del.)); (ii) state the name, address, and telephone number of the person or entity objecting and be signed by the objector; (iii) 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 (iv) include documents sufficient to prove membership in the Class showing the number of shares of AAP common stock that the objecting Class Member (A) owned as of the close of trading on November 14, 2016, (B) purchased/acquired and sold from the close of trading on November 14, 2016 through the opening of trading on August 15, 2017, inclusive, and (C) held as of the opening of trading on August 15, 2017, as well as the dates, number of shares, and prices of each such purchase/acquisition and sale. The objecting Class Member shall provide such 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.

63. **You may not object to the Settlement, Plan of Allocation, and/or Class 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.**

64. You may submit an objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless (1) you first submit a written objection in accordance with the procedures described above, (2) you first submit your notice of appearance in accordance with the procedures described below, or (3) the Court orders otherwise.

65. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, and/or Class Counsel’s motion for attorneys’ fees and Litigation Expenses, and if you timely submit a written objection as described above, you must also file a notice of appearance with the Clerk’s Office and serve it on Class Counsel and Defendants’ Counsel at the addresses set forth in ¶ 61 above so that it is **received on or before May 23, 2022**. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

66. 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 Class Counsel and Defendants’ Counsel at the addresses set forth in ¶ 61 above so that the notice is **received on or before May 23, 2022**.

67. **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, and/or Class 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?**

68. If you purchased or otherwise acquired AAP common stock between November 14, 2016 and August 15, 2017, inclusive, for the beneficial interest of persons or entities 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 Postcard Notice to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Postcard Notices 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, if available, email addresses of all such beneficial owners to: *AAP Securities Litigation Settlement*, c/o KCC Class Action Services, P.O. Box 43034, Providence, RI 02940-3034. If you choose the second

option, the Claims Administrator will send the Postcard Notice to the beneficial owners you have identified on your list. 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, as well as the Claim Form, may also be obtained from the Settlement Website, [www.AAPSecuritiesLitigation.com](http://www.AAPSecuritiesLitigation.com) by calling the Claims Administrator toll free at 1-866-819-0430, or by emailing the Claims Administrator at [Notifications@kccllc.com](mailto:Notifications@kccllc.com).

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

69. This Notice summarizes the proposed Settlement. For the full terms and conditions of the Settlement, please review the Stipulation at [www.AAPSecuritiesLitigation.com](http://www.AAPSecuritiesLitigation.com). A copy of the Stipulation and additional information regarding the Settlement can also be obtained by contacting Class Counsel at the contact information set forth above, by accessing the Court docket in this case, for a fee, through the Court's PACER system at <https://ecf.ded.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court for the District of Delaware, J. Caleb Boggs Federal Building, 844 N. King Street, Wilmington, DE 19801. Additionally, copies of any related orders entered by the Court and certain other filings in this Action will be posted on [www.AAPSecuritiesLitigation.com](http://www.AAPSecuritiesLitigation.com).

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

*AAP Securities Litigation Settlement*  
c/o KCC Class Action Services  
P.O. Box 43034  
Providence, RI 02940-3034  
1-866-819-0430  
[info@AAPSecuritiesLitigation.com](mailto:info@AAPSecuritiesLitigation.com)  
[www.AAPSecuritiesLitigation.com](http://www.AAPSecuritiesLitigation.com)

and/or

Sharan Nirmul, Esq.  
Kessler Topaz Meltzer & Check, LLP  
280 King of Prussia Road  
Radnor, PA 19087  
(610) 667-7706  
[info@ktmc.com](mailto:info@ktmc.com)  
[www.ktmc.com](http://www.ktmc.com)

**PLEASE DO NOT CALL OR WRITE THE COURT, THE CLERK'S OFFICE,  
DEFENDANTS, OR DEFENDANTS' COUNSEL REGARDING THIS NOTICE.**

DATED: February 9, 2022

BY ORDER OF THE COURT  
United States District Court  
District of Delaware

## APPENDIX A

### Proposed Plan of Allocation of Net Settlement Fund Among Authorized Claimants

The Plan of Allocation set forth herein is the plan that is being proposed to the Court for approval by Class Representative after consultation with its damages expert. The Court may approve the Plan of Allocation with or without modification, or approve another plan of allocation, without further notice to the Class. Any orders regarding a modification of the Plan of Allocation will be posted on the website [www.AAPSecuritiesLitigation.com](http://www.AAPSecuritiesLitigation.com). Defendants have had, and will have, no involvement or responsibility for the terms or application of the Plan of Allocation.

The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among those Class Members who suffered economic losses as a result of the alleged violations of the federal securities laws set forth in the Amended Class Action Complaint for Violations of the Federal Securities Laws, dated January 25, 2019. 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 Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund. These calculations have not in any way been agreed to or conceded by Defendants.

In developing the Plan of Allocation, Class Representative's damages expert calculated the estimated amount of alleged artificial inflation in the per-share price of AAP common stock that was allegedly proximately caused by Defendants' alleged materially false and misleading statements and omissions during the Class Period. In calculating the estimated alleged artificial inflation allegedly caused by those alleged misrepresentations and omissions, Class Representative's damages expert considered price changes in AAP common stock in reaction to certain public disclosures allegedly revealing the relevant truth concerning Defendants' alleged misrepresentations and omissions, adjusting for price changes on those days that were attributable to market or industry forces. The estimated artificial inflation in AAP common stock for each day of the Class Period is provided in **Table 1** below.

In order to have recoverable damages under the federal securities laws, the disclosure of the relevant truth concealed by the allegedly misrepresented or omitted information must be the cause of the decline in the price of the security. Accordingly, to have a "Recognized Loss Amount" pursuant to the Plan of Allocation, AAP common stock must have been purchased or otherwise acquired during the period that AAP's common stock was allegedly inflated (*i.e.*, from after market close on November 14, 2016 to before market open on August 15, 2017, inclusive)<sup>2</sup> and **held through at least one of the alleged corrective disclosures** that removed alleged artificial inflation related to that information. Class Representative's damages expert has identified two dates on which alleged corrective disclosures removed alleged artificial inflation from the price of AAP common stock: May 24, 2017 and August 15, 2017.

#### CALCULATION OF RECOGNIZED LOSS AMOUNTS

1. For purposes of determining whether a Claimant has a "Recognized Claim," purchases, acquisitions, and sales of AAP common stock will first be matched on a First In, First Out ("FIFO") basis as set forth in ¶ 6 below.
2. Any transactions in AAP common stock executed outside of regular trading hours for the U.S. financial markets shall be deemed to have occurred during the next regular trading session, with the following two exceptions: (i) any **purchases** of AAP common stock executed after the close of regular trading hours on May 23, 2017 and prior to the opening of regular trading hours on May 24, 2017 will be treated as occurring on May 23, 2017; and (ii) any **purchases** of AAP common stock executed after the close of regular trading hours on August 14, 2017 and prior to the opening of regular trading hours on August 15, 2017 will be treated as occurring on August 14, 2017. In the calculations below, all purchase, acquisition, and sale prices shall exclude any fees, taxes and commissions.
3. A "Recognized Loss Amount" will be calculated as set forth below for each share of AAP common stock purchased or otherwise acquired between November 15, 2016 and August 14, 2017, inclusive, that is listed in the Claim Form and for which adequate documentation is provided. To the extent that the calculation of a Recognized Loss Amount results in a negative number, that number shall be set to \$0. The sum of a Claimant's Recognized Loss Amounts will be the Claimant's "Recognized Claim."

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<sup>2</sup> The earliest alleged materially false and misleading statements occurred after market close on November 14, 2016. Thus, the alleged artificial inflation in AAP common stock, as set forth in **Table 1** below, begins the next trading day on November 15, 2016, and the Recognized Loss Amount for shares purchased on November 14, 2016 is \$0. The last alleged corrective disclosure that removed the alleged artificial inflation in AAP common stock occurred prior to market open on August 15, 2017. Thus, the alleged artificial inflation in AAP common stock, as set forth in **Table 1** below, ends the prior trading day on August 14, 2017, and the Recognized Loss Amount for shares purchased on or after August 15, 2017 is \$0.

For each share of AAP common stock purchased or otherwise acquired between November 15, 2016 and August 14, 2017, inclusive, and sold on or before November 10, 2017,<sup>3</sup> an “Out of Pocket Loss” will be calculated. Out of Pocket Loss is defined as the per-share purchase/acquisition price *minus* the per-share sale price. As set forth below, the Recognized Loss Amount shall not exceed the Out of Pocket Loss for such shares.

4. A Claimant’s Recognized Loss Amount per share of AAP common stock purchased or otherwise acquired during the Class Period will be calculated as follows:

- A. For each share of AAP common stock purchased or otherwise acquired during the Class Period and sold prior to May 24, 2017 (*i.e.*, the date of the first alleged corrective disclosure), the Recognized Loss Amount is \$0.
- B. For each share of AAP common stock purchased or otherwise acquired during the Class Period and subsequently sold between May 24, 2017 and August 14, 2017, inclusive, the Recognized Loss shall be ***the lesser of:***
  - i. the amount of artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in **Table 1** below ***minus*** the amount of artificial inflation applicable to each such share on the date of sale as set forth in **Table 1** below; or
  - ii. the Out of Pocket Loss.
- C. For each share of AAP common stock purchased or otherwise acquired during the Class Period and subsequently sold between August 15, 2017 and November 10, 2017, inclusive (*i.e.*, sold during the 90-Day Look-Back Period), the Recognized Loss Amount shall be ***the least of:***
  - i. the amount of artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in **Table 1** below;
  - ii. the actual purchase/acquisition price per share ***minus*** the 90-Day Look-Back Value on the date of sale as set forth in **Table 2** below; or
  - iii. the Out of Pocket Loss.
- D. For each share of AAP common stock purchased or otherwise acquired during the Class Period and held as of the close of trading on November 10, 2017, the Recognized Loss Amount shall be ***the lesser of:***
  - i. the amount of artificial inflation applicable to each such share on the date of purchase/acquisition as stated in **Table 1** below; or
  - ii. the actual purchase/acquisition price ***minus*** **\$91.35** (*i.e.*, the average closing price of AAP common stock during the 90-Day Look-Back Period, as shown on the last line of **Table 2** below).

#### **ADDITIONAL PROVISIONS**

5. The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (as defined in ¶ 10 below) is \$10.00 or greater.

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

7. **Purchase/Acquisition and Sale Dates:** Purchases/acquisitions and sales of AAP common stock shall 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 AAP common stock during the Class Period, shall not be deemed

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<sup>3</sup> November 10, 2017 represents the last day of the 90-day period beginning on August 15, 2017, which is the last alleged corrective disclosure date (the “90-Day Look-Back Period”). The PSLRA imposes a statutory limitation on recoverable damages using the 90-Day Look-Back Period. This limitation is incorporated into the calculation of a Class Member’s Recognized Loss Amount. Specifically, a Class Member’s Recognized Loss Amount cannot exceed the difference between the purchase price paid for the AAP common stock and the average price of AAP common stock during the 90-Day Look-Back Period if the share was held through November 10, 2017, the end of this period. Losses on AAP common stock purchased/acquired during the period between November 15, 2016 and August 14, 2017 and sold during the 90-Day Look-Back Period cannot exceed the difference between the purchase price paid for AAP common stock and the average price of AAP common stock during the portion of the 90-Day Look-Back Period elapsed as of the date of sale (the “90-Day Look-Back Value”), as set forth in **Table 2** below.

a purchase, acquisition, or sale of these shares of AAP common stock for the calculation of an Authorized Claimant's Recognized Claim, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of such shares of AAP common stock unless: (i) the donor or decedent purchased or otherwise acquired such shares of AAP common stock during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such shares of AAP common stock; and (iii) it is specifically so provided in the instrument of gift or assignment.

8. **Short Sales:** The date of covering a "short sale" is deemed to be the date of purchase or acquisition of the AAP common stock. The date of a "short sale" is deemed to be the date of sale of AAP common stock. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on "short sales" is \$0. In the event that a Claimant has an opening short position in AAP common stock, the earliest purchases or acquisitions during the Class Period shall be matched against such opening short position and not be entitled to a recovery until that short position is fully covered.

9. **Common Stock Purchased/Sold Through the Exercise of Options:** AAP common stock is the only security eligible for recovery under the Plan of Allocation. Option contracts to purchase or sell AAP common stock are not securities eligible to participate in the Settlement. With respect to AAP common stock purchased or sold through the exercise of an option, the purchase/sale date of the AAP common stock shall be the exercise date of the option and the purchase/sale price shall be the closing price of AAP common stock on the date of the exercise of the option. Any Recognized Loss Amount arising from purchases of AAP common stock acquired during the Class Period through the exercise of an option on AAP common stock<sup>4</sup> shall be computed as provided for other purchases of AAP common stock in the Plan of Allocation.

10. **Determination of Distribution Amount:** The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their losses. Specifically, a "Distribution Amount" will be calculated for each Authorized Claimant, which will be: the Authorized Claimant's Recognized Claim (calculated pursuant to this Plan of Allocation) divided by the total Recognized Claims (calculated pursuant to this Plan of Allocation) of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If any Authorized Claimant's Distribution Amount calculates to less than \$10.00, no distribution will be made to that Authorized Claimant.

11. **Re-Distributions:** 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 by reason of uncashed checks, or otherwise, nine (9) months after the initial distribution, if Class Counsel, in consultation with the Claims Administrator, determines that it is cost-effective to do so, the Claims Administrator will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions may occur thereafter if Class Counsel, in consultation with the Claims Administrator, determines that additional re-distributions, after deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance shall be contributed to non-sectarian, not-for-profit organization(s), to be recommended by Class Counsel and approved by the Court.

12. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against Class Representative, Plaintiffs' Counsel, Class Representative's damages expert, Defendants, Defendants' Counsel, any of the other Releasing Parties or Released Parties, or the Claims Administrator or other agent designated by Class Counsel arising from distributions made substantially in accordance with the Stipulation, the Plan of Allocation, or other plan of allocation approved by the Court, or further orders of the Court. Class Representative, Defendants and their respective counsel, and all other Released Parties, 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; the determination, administration, calculation, or payment of any Claim or nonperformance of the Claims Administrator; the payment or withholding of Taxes owed by the Settlement Fund; or any losses incurred in connection therewith.

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<sup>4</sup> This includes (1) purchases of AAP common stock as the result of the exercise of a call option, and (2) purchases of AAP common stock by the seller of a put option as a result of the buyer of such put option exercising that put option.

**TABLE 1**  
**Estimated Alleged Artificial Inflation in AAP Common Stock**

<b>From</b>	<b>To</b>	<b>Inflation Per Share</b>
November 14, 2016	November 14, 2016	\$0.00
November 15, 2016	May 23, 2017	\$28.37
May 24, 2017	August 14, 2017	\$20.43
August 15, 2017	Thereafter	\$0.00

**TABLE 2**  
**AAP Common Stock 90-Day Look-Back Value by Sale/Disposition Date**

<b>Sale Date</b>	<b>90-Day Look-Back Value</b>
8/15/2017	\$87.08
8/16/2017	\$89.30
8/17/2017	\$90.48
8/18/2017	\$91.18
8/21/2017	\$91.98
8/22/2017	\$92.62
8/23/2017	\$92.75
8/24/2017	\$92.79
8/25/2017	\$93.13
8/28/2017	\$93.28
8/29/2017	\$93.45
8/30/2017	\$93.73
8/31/2017	\$94.05
9/1/2017	\$94.33
9/5/2017	\$94.49
9/6/2017	\$94.56
9/7/2017	\$94.50
9/8/2017	\$94.48
9/11/2017	\$94.47
9/12/2017	\$94.61
9/13/2017	\$94.87
9/14/2017	\$95.11
9/15/2017	\$95.30
9/18/2017	\$95.44
9/19/2017	\$95.41
9/20/2017	\$95.39
9/21/2017	\$95.32
9/22/2017	\$95.33
9/25/2017	\$95.42
9/26/2017	\$95.50
9/27/2017	\$95.62

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9/28/2017	\$95.74
9/29/2017	\$95.84
10/2/2017	\$95.95
10/3/2017	\$96.03
10/4/2017	\$96.00
10/5/2017	\$95.96
10/6/2017	\$95.92
10/9/2017	\$95.79
10/10/2017	\$95.69
10/11/2017	\$95.54
10/12/2017	\$95.33
10/13/2017	\$95.10
10/16/2017	\$94.89
10/17/2017	\$94.74
10/18/2017	\$94.59
10/19/2017	\$94.43
10/20/2017	\$94.27
10/23/2017	\$94.10
10/24/2017	\$93.90
10/25/2017	\$93.69
10/26/2017	\$93.54
10/27/2017	\$93.32
10/30/2017	\$93.11
10/31/2017	\$92.90
11/1/2017	\$92.68
11/2/2017	\$92.49
11/3/2017	\$92.31
11/6/2017	\$92.11
11/7/2017	\$91.90
11/8/2017	\$91.69
11/9/2017	\$91.51
11/10/2017	\$91.35