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[Additional Counsel on Signature Pages]

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION**

IN RE LYFT, INC. DERIVATIVE
LITIGATION

| Lead Case No. 4:20-cv-09257-HSG

This Document Relates to:

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

EXHIBIT C

Hon. Haywood S. Gilliam, Jr.

1 **TO: ALL OWNERS OF THE COMMON STOCK OF LYFT, INC. (“LYFT” OR THE
2 “COMPANY”) CURRENTLY AND AS OF JULY 23, 2024 (“APPLICABLE LYFT
3 SHAREHOLDERS”):**

4 **THIS NOTICE RELATES TO THE PENDENCY AND PROPOSED
5 SETTLEMENT OF SHAREHOLDER DERIVATIVE LITIGATION. PLEASE
6 READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. IF YOU ARE A
7 LYFT SHAREHOLDER, THIS NOTICE CONTAINS IMPORTANT
8 INFORMATION ABOUT YOUR RIGHTS.**

9 **THIS ACTION IS NOT A “CLASS ACTION.” THUS, THERE IS NO COMMON
10 FUND UPON WHICH YOU CAN MAKE A CLAIM FOR A MONETARY
11 PAYMENT.**

12 **YOU ARE HEREBY NOTIFIED**, pursuant to an Order of the U.S. District Court for
13 the Northern District of California (the “Court”), that a proposed settlement has been reached by
14 the parties to the following shareholder derivative actions brought on behalf and for the benefit
15 of Lyft: (i) *In re Lyft Inc. Derivative Litigation*, Case No. 4:20-cv-09257 (N.D. Cal.) (formerly
16 captioned *Chenoy v. Zimmer*, Case No. 4:20-cv-09257 (N.D. Cal.)); (ii) *Mehta v. Green*, Case
17 No. 4:20-cv-09364 (N.D. Cal.); (iii) *Hong Kok v. Green*, Case No. 3:20-cv-09272 (N.D. Cal.);
18 and (iv) *Shuman v. Green*, Case No. 4:21-cv-01263 (N.D. Cal.) (collectively, the “Federal
19 Derivative Actions”).¹

20 As explained below, a hearing will be held on Thursday, February 6, 2025 at 2:00 p.m.
21 PST, before the Honorable Haywood S. Gilliam, Jr., at the U.S. District Court for the Northern
22 District of California, Oakland Courthouse, Courtroom 2, 4th Floor, 1301 Clay Street, Oakland,
23 California 94612 (the “Settlement Hearing”), at which the Court will determine whether to
24 approve the Settlement. You have an opportunity to be heard at this hearing.

25 The Court may, in its discretion, change the date and/or time of the Settlement Hearing
26 without further notice to you. The Court also has reserved the right to hold the Settlement
27 Hearing telephonically or by videoconference without further notice to you. If you intend to

28

29 ¹ All capitalized terms herein have the same meanings as set forth Settling Parties’
30 Stipulation of Settlement dated July 23, 2024 (the “Stipulation”), which is available for
31 viewing on the website of Lyft at <https://investor.lyft.com>.

1 attend the Settlement Hearing, please consult the Court's calendar or Lyft's website,
2 <https://investor.lyft.com>, for any change in the date, time, or format of the Settlement Hearing.

3 The terms of the settlement are set forth in the Stipulation and summarized in this Notice.
4 If approved by the Court, the Settlement will fully resolve the Federal Derivative Actions,
5 including the dismissal of the Federal Derivative Actions with prejudice. For a more detailed
6 statement of the matters involved in the Federal Derivative Actions, the Settlement, and the
7 terms discussed in this Notice, the Stipulation may be inspected at the Clerk of Court's office,
8 U.S. District Court for the Northern District of California, 450 Golden Gate Avenue San
9 Francisco, CA 94102. The Stipulation is also available for viewing on the website of Lyft at
10 <https://investor.lyft.com>. For a fee, all papers filed in the Federal Derivative Actions are
11 available at www.pacer.gov.

12 This Notice is not intended to be an expression of any opinion by the Court with respect
13 to the merits of the claims made in the Federal Derivative Actions, but is merely to advise you of
14 the pendency and proposed settlement of the Federal Derivative Actions.

15 **THERE IS NO CLAIMS PROCEDURE.** This case was brought to protect the
16 interests of Lyft. The Settlement results in changes to the Company's corporate governance, not
17 in payment to individuals, and accordingly, there will be no claims procedure.

18 **I. THE FEDERAL DERIVATIVE ACTIONS**

19 The Federal Derivative Actions are brought by Plaintiffs solely on behalf of and for the
20 benefit of Lyft and against the Individual Defendants. Lyft maintains a peer-to-peer marketplace
21 for on-demand ridesharing, representing one of the largest multimodal transportation networks in
22 the United States and Canada. The derivative claims arise from allegedly false and misleading
23 statements made in connection with Lyft's March 28, 2019 initial public offering.

24 **II. PLAINTIFFS' CLAIMS AND THE BENEFITS OF SETTLEMENT**

25 Plaintiffs believe that the Federal Derivative Actions have substantial merit, and
26 Plaintiffs' entry into the Stipulation and Settlement is not intended to be and shall not be
27 construed as an admission or concession concerning the relative strength or merit of the claims
28 alleged in the Federal Derivative Actions. However, Plaintiffs and Plaintiffs' Counsel recognize

1 and acknowledge the significant risk, expense, and length of continued proceedings necessary to
2 prosecute the Federal Derivative Actions against the Individual Defendants through trial and
3 through possible appeals. Plaintiffs' Counsel also have taken into account the uncertain outcome
4 and the risk of any litigation, especially in complex cases such as the Federal Derivative Actions,
5 as well as the difficulties and delays inherent in such litigation. Plaintiffs' Counsel are also
6 mindful of the inherent problems of establishing standing in derivative litigation, and the
7 possible defenses to the claims alleged in the Federal Derivative Actions.

8 Plaintiffs' Counsel have conducted extensive investigation and analysis, including, inter
9 alia: (i) reviewing Lyft's press releases, public statements, U.S. Securities and Exchange
10 Commission ("SEC") filings, and securities analysts' reports and advisories about the Company
11 and its financial condition; (ii) reviewing related media reports about the Company;
12 (iii) researching applicable law with respect to the claims alleged in the Federal Derivative
13 Actions and potential defenses thereto; (iv) preparing and filing derivative complaints;
14 (v) conducting damages analyses; (vi) reviewing and analyzing relevant documents in the
15 Federal Securities Action and in the State Securities Action; (vii) researching corporate
16 governance best practices; (viii) researching and preparing correspondence related to the
17 settlement demands; and (viii) negotiating this Settlement with Defendants. Based on Plaintiffs'
18 Counsel's thorough review and analysis of the relevant facts, allegations, defenses, and
19 controlling legal principles, Plaintiffs' Counsel believe that the Settlement set forth in the
20 Stipulation is fair, reasonable, and adequate, and confers substantial benefits upon Lyft. Based
21 upon Plaintiffs' Counsel's evaluation, Plaintiffs have determined that the Settlement is in the best
22 interests of Lyft and have agreed to settle the Federal Derivative Actions upon the terms and
23 subject to the conditions set forth herein.

24 **III. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

25 Defendants have denied and continue to deny each and all of the claims and contentions
26 alleged by Plaintiffs in the Federal Derivative Actions. The Individual Defendants have
27 expressly denied and continue to deny all charges of wrongdoing or liability against them arising
28 out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged

1 in the Federal Derivative Actions.

2 Nonetheless, Lyft and the Individual Defendants have concluded that further litigation of
3 the Federal Derivative Actions would be protracted and expensive, and that it is desirable for the
4 Federal Derivative Actions to be fully and finally settled in the matter and upon the terms and
5 conditions set forth in the Stipulation. Defendants have also taken into account the uncertainty
6 and risks inherent in any litigation, especially in complex cases like the Federal Derivative
7 Actions. Defendants have, therefore, determined that it is desirable and beneficial that the
8 Federal Derivative Actions be settled in the manner and upon the terms and conditions set forth
9 in the Stipulation.

10 Neither the Stipulation, nor any of its terms or provisions, nor entry of the Judgment, nor
11 any document or exhibit referred or attached to the Stipulation, nor any action taken to carry out
12 the Stipulation, is, may be construed as, or may be used as evidence of the validity of any of the
13 Released Claims or an admission by or against the Individual Defendants of any fault,
14 wrongdoing, or concession of liability whatsoever.

15 **IV. BOARD APPROVAL**

16 The terms of the Stipulation of Settlement, including exhibits thereto, shall be presented
17 to the Lyft Board of Directors for their review and approval at the next regularly scheduled
18 Board meeting, currently set for August 20, 2024.

19 **V. TERMS OF THE SETTLEMENT**

20 The terms and conditions of the proposed Settlement are set forth in the Stipulation,
21 which has been filed with the Court and is available for viewing on Lyft's website at
22 <https://investor.lyft.com>. The following is only a summary of its terms.

23 As consideration for the Settlement, Lyft has made significant company-wide reforms,
24 and commits to substantively maintaining or expanding upon the following corporate governance
25 reforms set forth in Exhibit A to the Stipulation ("Reforms"). The Reforms shall be maintained
26 by Lyft for a period of not less than three (3) years. Lyft and the Individual Defendants
27 acknowledge that the prosecution and settlement of the Federal Derivative Actions was a
28 substantial and material factor in the Company's decision to adopt, implement, and/or maintain

1 the Reforms, and agree that the Reforms are significant and extensive and confer substantial
2 benefits upon Lyft and its shareholders.

3 The Reforms are specifically designed to improve the functioning of Lyft and convey to
4 investors that they can invest in the Company with confidence. The Reforms provide, among
5 other things, that Lyft will, for a period of not less than three (3) years:

- 6 • make a link to its Compliance and Ethics Hotline publicly available on Lyft's Investor
7 Relations webpage;
- 8 • amendments to its Clawback Policy, effected on October 2, 2023, including robust provisions
9 for providing recoupment in the event of material negative restatements;
- 10 • enhance the membership of the Company's Culture of Ethics and Compliance Committee to
11 include the Company's Vice President, Safety and Customer Care (or future equivalent
12 leader of user safety) as a standing member of the committee;
- 13 • make efforts to share safety features and products with riders and drivers in order to enhance
14 their efficacy, including by, over the next twelve months, making at least one additional post
15 on its blog (<https://www.lyft.com/blog>) highlighting key in-app safety features available to
16 riders and drivers;
- 17 • amendments to its code of business conduct and ethics, effected on October 26, 2021,
18 including further guidance to employees about the seriousness of the provisions stated
19 therein;
- 20 • amendments to the Compensation Committee Charter, effected on July 25, 2023, including
21 enhanced duties of the Compensation Committee as they relate to changes in compensation,
22 the Company's Clawback Policy, and hiring strategies, including diversity and inclusion
23 efforts;
- 24 • amendments to the Company's Corporate Governance Guidelines, effected on October 26,
25 2023, including specifying limitations on executive director board membership, director
26 training, and leadership development.

27 This Notice provides a summary of some, but not all, of the Reforms Lyft has agreed to
28 adopt or adopted as consideration for the Settlement. For a list of all of the Reforms, please see

1 Exhibit A to the Stipulation, which is available for viewing from the Court or on Lyft's website
2 at <https://investor.lyft.com>.

3 **VI. DISMISSAL AND RELEASES**

4 The Settlement is conditioned upon the occurrence of certain events, which include,
5 among other things: (i) approval of the Settlement by Lyft's Board of Directors; (ii) the Court's
6 issuance of an order preliminarily approving the terms and conditions of the Settlement;
7 (iii) Court approval of the method of providing notice to the Applicable Lyft Shareholders;
8 (iv) final approval of the Settlement by the Court following notice to Applicable Lyft
9 Shareholders and the Settlement Hearing contemplated by the Stipulation; (v) Court entry of the
10 Judgment, approving the Settlement and dismissing with prejudice the Consolidated Derivative
11 Action, without awarding costs to any Party, except as provided in the Stipulation; and
12 (vi) payment of the Fee and Expense Amount; (vii) the passing of the date upon which the
13 Judgment becomes Final; and (viii) Court issuance of an order dismissing the Federal Derivative
14 Actions with prejudice (the "Effective Date").

15 Upon the Effective Date, the Releasing Persons shall be deemed to have fully, finally,
16 and forever released, relinquished, and discharged the Released Claims (including Unknown
17 Claims) against the Released Persons and any and all derivative claims arising out of, relating to,
18 or in connection with the defense, settlement, or resolution of the Federal Derivative Actions
19 against the Released Persons. Nothing herein shall in any way impair or restrict the rights of any
20 Settling Party to enforce the terms of the Stipulation.

21 Except as set forth in paragraph 5.3, of the Stipulation, upon the Effective Date, Lyft and
22 each of the Individual Defendants and their Related Persons shall be deemed to have fully,
23 finally, and forever released, relinquished, and discharged Plaintiffs and Plaintiffs' Counsel and
24 their Related Persons from all claims (including claims related to Unknown Claims), arising out
25 of, relating to, or in connection with the institution, prosecution, assertion, settlement, or
26 resolution of the Federal Derivative Actions or the Released Claims. Nothing herein shall in any
27 way impair or restrict the rights of any Settling Party to enforce the terms of the Stipulation.

1 **VII. PLAINTIFFS' ATTORNEYS' FEES AND EXPENSES**

2 After negotiating the substantive terms of the settlement, the Settling Parties discussed a
3 fair and reasonable sum to be paid to Plaintiffs' Counsel for their attorneys' fees and expenses.
4 In recognition of the substantial benefits conferred upon Lyft as a direct result of the prosecution
5 and Settlement of the Federal Derivative Actions, and subject to Court approval, the Individual
6 Defendants shall cause their insurers to pay Plaintiffs' Counsel the agreed-to amount of \$700,000
7 (the "Fee and Expense Amount"). To date, Plaintiffs' Counsel have neither received any
8 payment for their services in conducting the Actions, nor have counsel been reimbursed for their
9 out-of-pocket expenses incurred. The Settling Parties believe that the sum agreed to is within the
10 range of attorneys' fees and expenses approved by courts under similar circumstances in
11 litigation of this type. Lyft's shareholders are not personally liable for the payment of any award
12 of attorneys' fees and expenses.

13 Plaintiffs' Counsel may apply to the Court for service awards of up to \$1,500 for each of
14 the Plaintiffs, only to be paid upon Court approval, and to be paid from the Fee and Expense
15 Amount in recognition of Plaintiffs' participation and effort in the prosecution of the Actions.
16 Neither Lyft nor any of the Individual Defendants shall be liable for any portion of any service
17 awards.

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1 **VIII. THE SETTLEMENT HEARING**

2 The Settlement Hearing will be held before the Honorable Haywood S. Gilliam, Jr. at the
3 U.S. District Court for the Northern District of California, Oakland Courthouse, Courtroom 2,
4 4th Floor, 1301 Clay Street, Oakland, California 94612 (the “Settlement Hearing”), at which the
5 Court will determine: (i) whether the terms of the Stipulation should be approved as fair,
6 reasonable, and adequate; (ii) whether the Notice fully satisfied the requirements of Rule 23.1 of
7 the Federal Rules of Civil Procedure and the requirements of due process; (iii) whether all
8 Released Claims against the Released Persons should be fully and finally released; (iv) whether
9 the agreed-to Fee and Expense Amount should be approved; and (v) such other matters as the
10 Court may deem appropriate. The Settlement Hearing may be continued by the Court at the
11 Settlement Hearing, or at any adjourned session thereof, or it may be held telephonically or by
12 videoconference, without further notice. Any Applicable Lyft Shareholder (or his, her or its
13 counsel) who wishes to appear at the Settlement Hearing should consult the Court’s calendar
14 and/or the Investors page of Lyft’s website for any change in the date, time, or format of the
15 Settlement Hearing.

16 **IX. THE RIGHT TO OBJECT AND/OR BE HEARD AT THE HEARING**

17 Any Applicable Lyft Shareholder may object and/or appear and show cause, if he, she, or
18 it has any concern, why the Settlement should not be approved as fair, reasonable, and adequate,
19 or why the Judgment should not be entered thereon, or why the amount of attorneys’ fees and
20 reimbursement of expenses should not be approved. However, unless otherwise ordered by the
21 Court, you shall only be heard or entitled to contest the approval of the terms and conditions of
22 the Settlement, or, if approved, the Judgment to be entered thereon approving the same, or the
23 amount of attorneys’ fees and reimbursement of expenses to Plaintiffs’ Counsel, unless you
24 have, ***at least twenty-one (21) calendar days prior to the Settlement Hearing***, filed with the
25 Court a written notice of objection containing the following information:

26 1. Your name, legal address, and telephone number;

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1 2. The case name and number (*In re Lyft Inc. Derivative Litigation*, Case
2 No. 4:20-cv-09257);
3 3. Proof of being a Lyft shareholder currently and as of July 23, 2024;
4 4. The date(s) you acquired your Lyft shares;
5 5. A statement of each of each objection being made;
6 6. Notice of whether you intend to appear at the Settlement Hearing (you are
7 not required to appear); and

8 7. Copies of any papers you intend to submit to the Court, along with the
9 names of any witness(es) you intend to call to testify at the Settlement Hearing and the
10 subject(s) of their testimony.

11 If you wish to object to the proposed Settlement, you must file the written objection
12 described above with the Court on or before Monday, January 13, 2025. All written objections
13 and supporting papers must be filed with the Clerk of the Court, U.S. District Court for the
14 Northern District of California, 450 Golden Gate Avenue San Francisco, CA 94102 and served
15 by that date upon each of the following Settling Parties' counsel:

16 *Counsel for Plaintiffs:*

17 Timothy Brown
18 THE BROWN LAW FIRM, P.C.
19 767 Third Avenue, Suite 2501
20 New York, NY 10017

21 and

22 Gregory M. Nespole
23 LEVI & KORSINSKY, LLP
24 33 Whitehall Street, 17th Floor
25 New York, NY 10004

16 *Counsel for Nominal Defendant
17 Lyft, Inc. and Defendants Logan
18 Green, John Zimmer, Brian
19 Roberts, Prashant (Sean)
20 Aggarwal, Jonathan Christodoro,
21 Ben Horowitz, Valerie Jarrett,
22 David Lawee, Hiroshi Mikitani,
23 Ann Miura-Ko, and Mary Agnes
24 (Maggie) Wilderotter:*

25 Andrew B. Clubok
26 LATHAM & WATKINS LLP
27 555 Eleventh Street, NW,
28 Suite 1000
 Washington, D.C. 20004

and

25 Colleen C. Smith
26 LATHAM & WATKINS LLP
27 12670 High Bluff Drive
28 San Diego, CA 92130

1 YOUR WRITTEN OBJECTIONS MUST BE POSTMARKED OR ON FILE WITH
2 THE CLERK OF THE COURT NO LATER THAN MONDAY, JANUARY 13, 2025. Only
3 shareholders who have filed and delivered valid and timely written notices of objection will be
4 entitled to be heard at the Settlement Hearing unless the Court orders otherwise.

5
6 Unless otherwise ordered by the Court, any Applicable Lyft Shareholder who does not
7 make his, her, or its objection in the manner provided herein shall be deemed to have waived
8 such objection and shall forever be barred and foreclosed from making any objection to the
9 fairness, reasonableness, or adequacy of the Settlement, or to otherwise be heard, and shall
10 otherwise be bound by the Judgment to be entered and the releases to be given.

11 **APPLICABLE LYFT SHAREHOLDERS AS OF JULY 23, 2024 WHO HAVE NO
12 OBJECTION TO THE SETTLEMENT DO NOT NEED TO APPEAR AT THE
13 SETTLEMENT HEARING OR TAKE ANY OTHER ACTION.**

14 **X. EXAMINATION OF PAPERS AND INQUIRIES**

15 There is additional information concerning the Settlement available in the Stipulation,
16 which is available for viewing on the Lyft website at <https://investor.lyft.com>. You may also
17 inspect the Stipulation during business hours at the office of the Clerk of the Court, U.S. District
18 Court for the Northern District of California, 450 Golden Gate Avenue San Francisco, CA
19 94102. Or, you can call The Brown Law Firm, P.C., 767 Third Avenue, New York, NY 10017,
20 telephone: (516) 922-5427; Levi & Korsinsky, LLP, 33 Whitehall Street, 17th Floor, New York,
21 NY 10004, telephone: (212) 363-7500, for additional information concerning the settlement.

22 **PLEASE DO NOT CONTACT THE COURT OR LYFT
23 REGARDING THIS NOTICE**

24 Dated: November 4, 2024

25 BY ORDER OF THE UNITED STATES
26 DISTRICT COURT OF THE NORTHERN
27 DISTRICT OF CALIFORNIA