

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF SUFFOLK**

THALER/HOWELL FOUNDATION, individually and on behalf of all
other similarly situated,

Plaintiff,

v.

SUFFOLK BANCORP, JOSEPH A. GAVIOLA, JAMES E. DANOWSKI,
EDGAR F. GOODALE, TERENCE X. MEYER, JOHN D. STARK JR.,
HOWARD C. BLUVER, BRIAN K. FINNERAN, DAVID A. KANDELL,
RAMESH N. SHAH, and PEOPLE'S UNITED FINANCIAL, INC.,

Defendants.

Index No. 609834/2016

CLASS ACTION

**NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED SETTLEMENT OF
CLASS ACTION, SETTLEMENT HEARING, AND RIGHT TO APPEAR**

TO: ALL RECORD HOLDERS AND BENEFICIAL HOLDERS OF SUFFOLK BANCORP ("SUFFOLK") COMMON STOCK AT ANY TIME DURING THE PERIOD BEGINNING ON AND INCLUDING JUNE 26, 2016 THROUGH AND INCLUDING APRIL 1, 2017

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS LAWSUIT. IF THE COURT APPROVES THE PROPOSED SETTLEMENT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS, REASONABLENESS, AND ADEQUACY OF THE PROPOSED SETTLEMENT AND RELATED MATTERS, AND FROM PURSUING THE RELEASED CLAIMS (AS DEFINED HEREIN).

I. PURPOSE OF THIS NOTICE

The purpose of this Notice is to inform you of the proposed settlement (the "Settlement") of the following actions: (a) *Thaler/Howell Foundation v. Suffolk Bancorp et al.*, Index No. 609834/2016 (N.Y. Sup. Ct., Suffolk Cnty.) (the "*Thaler/Howell* Action"); (b) *Robert Levy v. Suffolk Bancorp et al.*, Index No. 610475/2016 (N.Y. Sup. Ct., Suffolk Cnty.) (the "*Levy* Action"); and (c) *Parshall v. Suffolk Bancorp et al.*, Case No. 2:16-cv-04367 (E.D.N.Y.) (the "*Parshall* Action," and together with the *Thaler/Howell* Action and *Levy* Action, the "Actions").

The plaintiffs in the Actions, on behalf of themselves and all others similarly situated, and defendants Suffolk, Joseph A. Gaviola, James E. Danowski, Edgar F. Goodale, Terence X. Meyer, John D. Stark Jr., Howard C. Bluver, Brian K. Finneran, David A. Kandell, Ramesh N. Shah (collectively, the "Suffolk Defendants"), and People's United Financial, Inc. ("PUFI", and collectively with the Suffolk Defendants, the "Defendants"), have entered into the Settlement, subject to Court approval, on the terms and conditions summarized in this Notice.

A hearing (the "Settlement Hearing") will be held on November 13, 2017 at 10:00 a.m., in Courtroom S33 of the Supreme Court of New York, County of Suffolk, 400 Carleton Avenue, Central Islip, New York 11722, to determine: (1) whether the Settlement is fair, reasonable, adequate, and in the best interests of the Class; (2) whether to enter judgment dismissing the *Thaler/Howell* and *Levy* Actions with prejudice and extinguish and release all Released Claims (as defined herein and in the Stipulation) such that no member of the Class could sue on such claims again; (3) whether, for purposes of the Settlement, the Class (as defined herein and in the Stipulation) should be finally certified; (4) if the Court approves the Settlement, whether to grant the application of Plaintiff's counsel for attorneys' fees and expenses; and (5) address any other matters that come before the Court.

This Notice describes the rights you may have under the Settlement and what steps you may, but are not required to, take in relation to the Settlement.

If the Court approves the Settlement, the parties will ask the Court to enter an Order and Final Judgment dismissing the *Thaler/Howell* and *Levy* Actions with prejudice on the merits and extinguishing and releasing all Released Claims.

* * * * *

THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT. IT IS BASED ON STATEMENTS OF THE PARTIES AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE PARTIES.

II. BACKGROUND OF THE LAWSUIT

On June 26, 2016, PUFI entered into a merger agreement ("Merger Agreement") with Suffolk providing that, upon the terms and subject to the conditions set forth in the agreement, PUFI will acquire each share of Suffolk common stock in exchange for 2.225 shares of PUFI common stock (the "Transaction"). On July 22, 2016, PUFI filed a preliminary registration statement on Form S-4 with the Securities and Exchange Commission ("SEC") which described, among other things, the background of the negotiations leading to the Transaction, the fairness opinion issued by Suffolk's financial advisor, Keefe, Bruyette & Woods Inc. ("KBW"), and the financial analyses performed by KBW in support of that opinion.

On July 1, 2016, July 13, 2016 and August 4, 2016, respectively, the *Thaler/Howell*, *Levy* and *Parshall* Actions were filed on behalf of a putative class of Suffolk's shareholders against Suffolk, its current directors and PUFI. An amended complaint in the *Thaler/Howell* Action was filed on July 29, 2016. The complaints in the *Thaler/Howell* and *Levy* Actions collectively allege that Suffolk's board of directors breached its fiduciary duties by agreeing to the Transaction and certain terms of the Merger Agreement, as well as, in the case of the *Thaler/Howell* Action, by issuing a materially deficient registration statement, and that PUFI aided and abetted those

alleged fiduciary breaches. The complaint in the *Parshall* Action alleges violations of federal securities law, specifically Sections 14(a) and 20(a) of the Securities Exchange Act of 1934. The three Actions sought, among other things, to enjoin the Defendants from completing the Transaction on the agreed-upon terms, rescission of the Transaction and/or an award of damages to the extent the Transaction is completed.

On August 12, 2016, Plaintiff Thaler/Howell Foundation entered into a confidentiality agreement with respect to a limited production of documents and, following arms' length negotiations between Plaintiff Thaler/Howell Foundation's counsel and counsel for Defendants, the Suffolk Defendants produced non-public documents to Plaintiff Thaler/Howell Foundation including, among other things, minutes of meetings of the Suffolk Board, financial and valuation analyses and presentations created by KBW and provided to the Board, and other categories of documents related to the Transaction.

On August 17, 2016, PUFU filed amendment No. 1 to the Form S-4 with the SEC, which mooted certain of Plaintiffs' disclosure claims related to the alleged omission of certain financial forecasts prepared by the Suffolk Board and considered by Suffolk's financial advisor in connection with the Transaction (the "Mooting Disclosures"). Suffolk filed with the SEC a Definitive Proxy Statement/Prospectus on Schedule 14A (the "Proxy Statement") on August 29, 2016.

Plaintiffs' counsel reviewed and analyzed the non-public documents produced in discovery along with the preliminary registration statement, Proxy Statement and amendments, consulted with financial experts for the purposes of analyzing and assessing the facts and claims at issue in the Actions (including the fairness of the consideration being offered to Suffolk shareholders pursuant to the Transaction) and identified additional information that allegedly was omitted from the Proxy Statement which they determined was material and necessary for Suffolk shareholders to cast a fully informed vote on the Transaction.

On September 27, 2016, the parties reached an agreement-in-principle to settle the Actions (subject to certain terms and conditions) and entered into the Memorandum of Understanding (the "MOU") pursuant to which, in response to the allegations in the Actions and communications from Plaintiffs' counsel, Suffolk agreed to file a Form 8-K with the SEC that contains certain additional disclosures that were not contained in the preliminary registration statement or the Proxy Statement (the "Supplemental Disclosures"). Pursuant to the terms of the MOU, Suffolk filed with the SEC a Form 8-K with the Supplemental Disclosures on September 28, 2016. Also pursuant to the MOU, plaintiff Paul Parshall voluntarily dismissed the *Parshall* Action on October 7, 2016 without prejudice to any individual or class claims in that action.

Suffolk's shareholders approved the Transaction at Suffolk's October 13, 2016 special shareholder meeting.

On January 19 and 24, 2017, Plaintiffs' counsel conducted depositions of, respectively, a Managing Director at KBW and the President and Chief Executive Officer of Suffolk.

On March 31, 2017, the Transaction closed and on April 1, 2017, the merger went effective.

On May 9, 2017, the Parties executed a Stipulation of Settlement (the "Stipulation"), which is intended to fully and finally compromise, resolve, discharge, and settle the Released Claims (as defined herein).

On August 9, 2017, the Supreme Court of New York, County of Suffolk (the "Court"), entered an order providing for, among other things, the scheduling of the Settlement Hearing, the provisional certification the Class (as defined below), a stay of the *Thaler/Howell* and *Levy* Actions pending the Settlement Hearing, and an injunction against the commencement or prosecution of any action asserting any of the claims subject to the Settlement.

III. CLASS ACTION DETERMINATION

For purposes of the Settlement only, the Court has preliminarily certified a non-opt out class consisting of all persons (other than Defendants, their immediate families, heirs and assigns) who were record and/or beneficial holders of Suffolk common stock at any time during the period from and including June 26, 2016 through and including April 1, 2017, including, to the extent acting as such, any and all of their respective successors in interest, predecessors, representatives, trustees, executors, administrators, heirs, assigns or transferees, immediate and remote, or any person or entity acting for or on behalf of, or claiming under any of them, and each of them (the "Class").

Members of the Class have the right to seek exclusion from the Settlement as to Released Claims relating to a claim for monetary damages; members of the Class, however, cannot opt out with respect to Released Claims relating to a claim for injunctive or other non-monetary equitable relief. If you wish to opt out of the Settlement with respect to a Released Claim related to monetary damages, then you must send a letter saying this. Your letter must also include the following information:

- 1) Your name, address, and telephone number;
- 2) The name of the case (*Thaler/Howell Foundation v. Suffolk Bancorp et al.*, Index No. 609834/2016);
- 3) The number of shares of Suffolk common stock you owned during the period beginning on and including June 26, 2016 through and including April 1, 2017, and the dates on which you acquired those shares;
- 4) Proof of ownership of your shares;
- 5) A statement that you wish to opt out of the Settlement with respect to a Released Claim related to monetary damages; and
- 6) Your signature.

Your letter, along with the proof of ownership for your Suffolk shares, must be mailed and postmarked no later than October 23, 2017 to counsel for the Class shown below:

Shane T. Rowley
Stephanie A. Bartone
LEVI & KORSINSKY, LLP
733 Summer Street, Suite 304
Stamford, CT 06901
Tel: 212-363-7500
Fax: 212-363-7171

IF YOU FAIL TO SEEK EXCLUSION FROM THE CLASS WITH RESPECT TO A CLAIM FOR MONETARY DAMAGES IN THE MANNER DESCRIBED ABOVE, YOU SHALL BE DEEMED TO HAVE WAIVED YOUR RIGHT TO SEEK SUCH EXCLUSION FROM THE CLASS AND YOU WILL BE BARRED FROM ASSERTING ANY SUCH CLAIM.

IV. REASONS FOR THE SETTLEMENT

Named plaintiffs and their counsel represent that they have made a thorough investigation of the facts and circumstances relevant to the Actions, including the review of certain confidential information and deposition testimony disclosed by Defendants, and have determined that the Settlement on the terms reflected in the Stipulation is a fair, reasonable, and adequate resolution of the Actions. While named plaintiffs believe that the claims asserted in their Actions have merit, they also believe that the Settlement provided for herein has already provided substantial benefits to the Class, including through the provision of the Supplemental Disclosures, which, when weighed against the attendant risks of continued litigation, warrant settlement of the Released Claims. In addition to the benefits provided by the Settlement to the Class, the named plaintiffs and their counsel have considered the expense and length of time necessary to prosecute the Actions through trial; the defenses asserted by Defendants; the uncertainties of the outcome of the Actions; and the fact that any resolution of any Actions may be submitted for appellate review, as a consequence of which it could be many years until there is a final adjudication of the Actions.

Although Defendants have denied and continue to deny all claims of wrongdoing made in the complaints in the Actions, Defendants consider it desirable that the Actions and the claims alleged therein be settled in a manner and on the terms and conditions hereinafter set forth, thereby putting to rest the claims that have been or might have been asserted by any party arising out of the matters alleged in the Actions, and thus avoiding the risk, expense, inconvenience, and distraction of continued litigation. The Settlement shall not be construed as an admission by any Defendants or any person or entity affiliated with any of the Defendants of any fault or liability or wrongdoing.

V. RELEASES

Pursuant to the terms of the Settlement, the *Thaler/Howell* and *Levy* Actions shall be dismissed with prejudice, and named plaintiffs in the Actions and all members of the Class shall be deemed to have agreed to the full and complete settlement and release, dismissal with prejudice on the merits, and discharge of, and an injunction barring, any and all claims of every nature and description whatsoever, including unknown claims, against any of the Defendants, and/or any of their families, parent entities, associates, affiliates or subsidiaries, and each and all of their respective past and present officers, directors, shareholders, representatives, employees, attorneys, financial or investment advisors, consultants, accountants, investment bankers, commercial bankers, engineers, advisors, heirs, executors, trustees, general or limited partners or partnerships, personal representatives, estates, administrators or other representatives or agents, and each of their respective predecessors, successors, and assigns (collectively, the "Released Parties"), that have been or could have been asserted in any court, tribunal or proceeding, by or on behalf of Plaintiffs, their successors and assigns, or any or all of the members of the Class (collectively, the "Releasing Parties"), whether arising under state or federal law solely in her, his, or its capacity as a Suffolk shareholder, related to (i) any disclosures (or lack thereof) to Suffolk's shareholders concerning the Transaction, including, but not limited to, any public statements by Defendants, the preliminary and final registration statements and the Proxy Statement, and (ii) the Transaction, the sales process leading to the Transaction, the Merger Agreement, or the Transaction consideration, in any form, including class, derivative, individual, or other claims, including but not limited to claims relating to alleged fraud, breach of any duty, negligence or otherwise (the "Released Claims"); *provided*, however, that the Released Claims shall not include the right of Plaintiffs or any members of the Class to enforce in the Court the terms of the Settlement or this Stipulation.

VI. ATTORNEYS' FEES AND EXPENSES

Plaintiff Thaler/Howell Foundation intends to apply to the Court for an award of reasonable attorneys' fees and expenses not to exceed \$300,000 (the "Fee and Expense Award"). If approved by the Court, the Fee and Expense Award will be paid by Suffolk or its successor and not the members of the Class. To date, counsel to named plaintiffs in the Actions have not received any payment for their services in prosecuting the Actions, nor have they been reimbursed for the litigation expenses incurred.

VII. YOUR RIGHT TO BE HEARD

Prior to deciding whether or not to approve the Settlement, the Court will hold a Settlement Hearing, which the Court may adjourn without further notice other than announcement at such Settlement Hearing or subsequent hearing. The Court may approve the Settlement with or without modifications agreed to by the parties to the Action, and with or without further notice to the members of the Class.

If you believe that you have reason to do so, as a member of the Class who complies with the procedures set forth below for making an appearance (personally or through counsel), you may be heard to the extent allowed by the Court regarding (i) the fairness, reasonableness, and adequacy of the Settlement, (ii) the certification, for purposes of settlement, of the Class, (iii) the adequacy of the representation of the Class, (iv) the Fee and Expense Award (as described above), or (v) any other matters that come before the Court at the Settlement Hearing to be held on November 13, 2017 at 10:00 a.m., in Courtroom S33 of the Supreme Court of New York, County of Suffolk, 400 Carleton Avenue, Central Islip, New York 11722.

You are not required to respond, appear, or retain your own counsel, but if you choose to do so it will be at your own expense. A member of the Class wishing to assert an objection to the Settlement or Plaintiff's application for attorneys' fees and expenses should, no later than October 23, 2017:

1. File with the Clerk of the Court notice of such member's intention to appear, showing proof of ownership of Suffolk shares during the class period, including the number of such shares held and the date(s) of purchase, and providing a statement that indicates the basis for such appearance, the nature of such objection, the identities of any witnesses that such member of the Class plans to call at the Settlement Hearing, and any documentation in support of any objection; and
2. Simultaneously serve copies of such notice, proof, statement, and documentation, together with copies of any other papers or briefs such member of the Class files with the Court, in person or by mail upon each of the following attorneys:

Shane T. Rowley
Stephanie A. Bartone
LEVI & KORSINSKY, LLP
733 Summer Street, Suite 304
Stamford, CT 06901
Tel: 212-363-7500
Fax: 212-363-7171

Paul K. Rowe
WACHTELL, LIPTON, ROSEN & KATZ
51 West 52nd Street
New York, NY 10019
Tel: 212-403-1210
Fax: 212-403-2210

Peter E. Kazanoff
SIMPSON THACHER & BARTLETT LLP
425 Lexington Avenue
New York, NY 10017
Tel: 212-455-3525
Fax: 212-455-2502

Any member of the Class who fails to object in the manner described above will be deemed to have waived the right to object or otherwise request to be heard (including the right to appeal) and will be forever barred from raising such an objection or request to be heard in this or any other action or proceeding.

VIII. FINAL JUDGMENT AND ORDER OF THE COURT

If the Court determines that the Settlement, as provided for in the Stipulation, is fair, reasonable, adequate, and in the best interests of the Class, the parties will ask the Court to enter an Order and Final Judgment, which will, among other things: (1) finally certify the Class, (2) approve the Settlement and adjudge the terms of the Settlement to be fair, reasonable, adequate, and in the best interests of the Class, pursuant to N.Y. C.P.L.R. § 908; (3) authorize and direct the performance of the Settlement in accordance with its terms and conditions and reserve jurisdiction to supervise the consummation of the Settlement provided therein; (4) dismiss the *Thaler/Howell* and *Levy* Actions with prejudice on the merits and release the Released Parties from the Released Claims; and (5) provide that the Order and Final Judgment shall not constitute any evidence or admission by any party that any acts or wrongdoing have been committed by any of the parties and should not be deemed to create any inference that there is any liability therefor.

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

Brokerage firms, banks, and/or other persons or entities who held the shares at any time during the period beginning on and including June 26, 2016 through and including April 1, 2017 for the benefit of others are requested to immediately send this Notice to all of such beneficial owners. If additional copies of the Notice are needed for forwarding to such beneficial owners, any requests for such additional copies or provision of a list of names and mailing addresses of beneficial owners may be made to:

Suffolk Bancorp Settlement
c/o GCG
P.O. Box 9349
Dublin, Ohio 43017-4249

Such brokerage firms, banks, and/or other persons or entities requesting additional copies or providing a list of names and mailing addresses of beneficial owners will be reimbursed by Suffolk or its successor for documented reasonable out-of-pocket expenses incurred in providing such additional copies or providing a list of names and mailing addresses of beneficial owners.

X. SCOPE OF THIS NOTICE

This Notice is not all-inclusive. The references in this Notice to documents submitted in the Actions, the MOU, the Stipulation, the Supplemental Disclosures, and all other papers or proceedings herein are summaries. For the full details of the Actions and the claims and allegations that have been asserted in the Actions, members of the Class are referred to the court files for the Actions. For the full details on the terms and conditions of the Settlement, including a complete copy of the Stipulation and related Orders and proposed forms of Orders, members of the Class are referred to the court files for the *Thaler/Howell* Action. You or your attorney may examine the public court files on the courts' electronic filing systems or during regular business hours of each business day at, with respect to the *Thaler/Howell* and *Levy* Actions, the Suffolk County Clerk's Office, 310 Centre Drive, Riverhead, NY 11901, and, with respect to the *Parshall* Action, the Clerk's Office at the United States District Court for the Eastern District of New York, 225 Cadman Plaza East, Brooklyn, NY 11201.

XI. INQUIRIES

Any questions you or your counsel have concerning this Notice should be directed to Plaintiff's counsel Levi & Korsinsky, LLP.

PLEASE DO NOT CALL OR WRITE THE COURT.

DATED: August 10, 2017

BY ORDER OF THE SUPREME COURT OF THE
STATE OF NEW YORK, COUNTY OF SUFFOLK