

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

YVONNE WILLIAMS, on behalf of herself
and similarly situated Sorrento Therapeutics, Inc.
stockholders and derivatively on behalf of
Sorrento Therapeutics, Inc.,

Plaintiff,

v.

HENRY JI, WILLIAM S. MARTH, KIM D.
JANDA, JAISIM SHAH, DAVID H. DEMING,
DOUGLAS EBERSOLE, GEORGE NG, AND
ERAGON VENTURES, LLC,

Defendants,

and

SORRENTO THERAPEUTICS, INC.,

Nominal Defendants.

C.A. No. 12729-VCMR

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

The Delaware Court of Chancery authorized this Notice. This is not a solicitation from a lawyer.

TO: All holders of Sorrento Therapeutics, Inc. (“Sorrento” or the “Company”) common stock as of December 22, 2017.

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.
YOUR RIGHTS WILL BE AFFECTED BY THIS LITIGATION.**

This Notice relates to the proposed settlement (the “Settlement”) of the above-captioned stockholder class and derivative action (the “Action”) pending in the Court of Chancery of the State of Delaware (the “Court”).¹

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings provided in the Stipulation and Agreement of Settlement dated December 22, 2017 (the “Stipulation”), entered into by and among: (a) Plaintiff Yvonne Williams (“Plaintiff”), on behalf of herself and the Settlement Class, and derivatively on behalf of the Company; (b) Defendants Henry Ji, William S. Marth, Kim D. Janda, Jaisim Shah, David H. Deming, Douglas Ebersole, and George Ng (collectively, the “Individual Defendants”); (c) Defendants Eragon Ventures, LLC (“Eragon,” and together with the Individual Defendants, the “Defendants”); and (d) nominal Defendants Sorrento (together with Plaintiff and Defendants, the “Parties”). The Stipulation is available for review at <http://www.sorrentotherapeutics.com/notices/>.

Plaintiff alleged in the Action that the Individual Defendants breached their fiduciary duties by, among other things, (i) granting to themselves options and warrants in five of Sorrento's subsidiaries (the "Subsidiaries"), either shortly before or shortly after they had caused Sorrento to transfer valuable assets to the Subsidiaries (the "Option and Warrant Grants"), and (ii) entering into an unfair voting agreement that provided the Individual Defendants with the power to vote 2.75% of the Company's stock (the "Voting Agreement").

Plaintiff also asserted an aiding and abetting claim against Defendant Eragon Ventures, LLC ("Eragon"), a company alleged to be controlled by the CEO of Sorrento, Defendant Henry Ji, and his wife that had separately acquired tens of millions of supervoting shares in one Sorrento Subsidiary in return for promissory notes that Eragon had not yet repaid as of the date of the Stipulation (the "Eragon Share Purchases," and with the Option and Warrant Grants and the Voting Agreements, the "Challenged Transactions"). Plaintiff alleged that Defendants did not deploy any procedural safeguards to protect Sorrento stockholders

Defendants denied the allegations of wrongdoing in the Complaint. As consideration for the Settlement, Defendants have agreed to cancel all remaining options, warrants and shares issued in the Subsidiaries to the Individual Defendants; cancel the 2016 sales of stock in a Sorrento Subsidiary to Eragon; for two other stock sales to Eragon in 2015, Eragon will either pay for the stock by December 31, 2017, with interest, or return the stock to the Subsidiary; for any shares in that Subsidiary retained by Eragon, Eragon will no longer have supervoting rights; a committee of disinterested and independent directors with expert advice and independent legal counsel must approve all future related-party transactions and subsidiary equity grants; all future stock plans at the Subsidiaries will be submitted to a vote of the Sorrento stockholders; and the Board will vote the shares subject to the Voting Agreement in the same proportion that all other unaffiliated stockholders vote. The specific terms of the Settlement consideration are set forth in ¶ 12 below.

If you are a nominee that held Sorrento common stock for the benefit of another person or entity, please read the section below entitled "NOTICE TO PERSONS OR ENTITIES HOLDING RECORD OWNERSHIP ON BEHALF OF OTHERS."

PLEASE NOTE: THERE IS NO PROOF OF CLAIM FORM FOR CLASS MEMBERS TO SUBMIT IN CONNECTION WITH THIS SETTLEMENT, AND CLASS MEMBERS ARE NOT REQUIRED TO TAKE ANY ACTION IN RESPONSE TO THIS NOTICE.

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| WHAT IS THE PURPOSE OF THIS NOTICE? |
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1. The purpose of this Notice is to inform Class Members about: (i) the pendency of the Action; (ii) the terms and conditions of the proposed Settlement of the Action; (iii) Class Members' rights with respect to the proposed Settlement and Lead Counsel's application for an award of attorneys' fees and Litigation Expenses to Plaintiff's Counsel and an incentive award to Plaintiff; and (iv) the hearing that the Court will hold on April 3, 2018, at 2:00 p.m., at the Court of Chancery of the State of Delaware, Leonard L. Williams Justice Center, 500 North King St., Wilmington, DE 19801, at which the Court will, among things: (a) determine whether the Settlement should be approved as fair, reasonable and adequate to the Settlement Class and the Company, and should be approved by the Court; (b) determine whether to enter the Judgment (defined in ¶ 15 below) dismissing the Action with prejudice against Defendants pursuant to the

Stipulation; (c) determine whether to approve Lead Counsel's application for an award of attorneys' fees and Litigation Expenses, including the request for an incentive award for Plaintiff; (d) hear and consider any objections to the Settlement or Lead Counsel's application for an award of attorneys' fees and Litigation Expenses, and the request for an incentive award for Plaintiff; and (e) consider any such other matters as the Court deems appropriate.

2. Please note: the Court may approve the proposed Settlement with such modifications as the Parties may agree to, if appropriate, without further notice to the Settlement Class.

WHAT IS THIS CASE ABOUT?

THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT. THE COURT HAS MADE NO FINDINGS WITH RESPECT TO THE FOLLOWING MATTERS AND THESE RECITATIONS 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.

3. On September 8, 2016, Plaintiff filed her Verified Class Action and Derivative Complaint (the "Initial Complaint"), alleging that the Individual Defendants breached their fiduciary duties by granting to themselves a series of options and warrants in Sorrento's Subsidiaries, either shortly before or shortly after they had caused Sorrento to transfer valuable assets to the Subsidiaries. The Complaint also alleged that the Individual Defendants breached their fiduciary duties by entering into an illegal and/or unfair voting agreement that provided the Sorrento board with the power to vote 2.75% of the Company's stock.
4. On October 12, 2016, Individual Defendants filed a motion to dismiss or stay. After full briefing on the motion, the Court heard oral argument on January 26, 2017.
5. On June 28, 2017, the Court denied Individual Defendants' motion to dismiss or stay in its entirety. The Court held that "the options and warrant grants and the voting agreement are subject to entire fairness review, and Individual Defendants have not carried their burden of proving entire fairness at this stage." The Court further held that the motion to stay was moot.
6. From June 28, 2017 through November 16, 2017, the Parties engaged in written and document discovery. Plaintiff separately pursued third-party discovery during this period, serving four non-parties with subpoenas *duces tecum* and *ad testificandum*.
7. On October 25, 2017, after receiving and analyzing documents produced by Defendants and the four non-parties, Plaintiff filed a Verified Supplemental and Amended Class Action and Derivative Complaint (the "Complaint"). The Complaint asserted an aiding and abetting claim against new Defendant Eragon, a company alleged to be controlled by Defendants Henry Ji and his wife, that had separately acquired shares in one Subsidiary in return for promissory notes that Eragon has not yet repaid.

8. On November 16, 2017, Lead Counsel and Defendants' Counsel participated in a full-day mediation session before a nationally-recognized mediator, Jill R. Sperber, Esq. (the "Mediator"). In advance of that session, the Parties submitted and exchanged detailed mediation statements and exhibits. As a result of extensive, arm's-length negotiations at the mediation session, the Parties reached an agreement in principle to settle the Action that was memorialized in a Settlement Term Sheet executed on November 16, 2017 (the "Term Sheet").
9. Prior to executing the Term Sheet, the Parties did not discuss the amount of any potential application by Lead Counsel for attorneys' fees and expenses.
10. On December 22, 2017, the Parties entered into the Stipulation setting forth the final terms and conditions of the Settlement, and on January 3, 2018, the Court entered a Scheduling Order directing that notice of the Settlement be provided to potential Class Members, and scheduling the Settlement Fairness Hearing to consider whether to grant final approval to the Settlement.

HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?

11. If you are a member of the Settlement Class, you are subject to the Settlement. The Settlement Class preliminary certified by the Court for Settlement purposes consists of all holders of Sorrento common stock as of December 22, 2017.

PLEASE NOTE: The Settlement Class was preliminarily certified as a non-"opt-out" class pursuant to Delaware Court of Chancery Rules 23(a), 23(b)(1) and 23(b)(2). Accordingly, if the Settlement is approved by the Court, Class Members will not have the right to exclude themselves from the Settlement Class.

WHAT ARE THE TERMS OF THE SETTLEMENT?

12. In consideration of the settlement of the Released Plaintiff's Claims (defined in ¶ 15 below) against Defendants, Defendants agree to the following:
 - (i) within five (5) days of entry of the Judgment, Defendants shall cancel all of their options, warrants, and any shares (except for any Retained Eragon Shares in LA Cell, Inc. ("LA Cell") that Eragon retains pursuant to and in accordance with subparagraph (c) below) held in Concertis Biosystems, Corp., TNK Therapeutics, Inc., LA Cell, Sorrento Biologics, Inc., and Scintilla Pharmaceuticals, Inc. (the "Subsidiaries"). Defendants will receive back from the Company any monies they paid to exercise their options and obtain shares which the Parties agree is a total of \$37,600.
 - (ii) within five (5) days of entry of the Judgment, Defendants shall cancel the November 2016 Eragon Stock Purchase Agreement between LA Cell and Eragon.

- (iii) by no later than December 31, 2017, Eragon shall either (i) pay on the stated prices per share in the September 2015 Eragon Stock Purchase Agreement and the October 2015 Eragon Stock Purchase Agreement between LA Cell and Eragon for up to all of the Eragon Retained Shares (up to the purchase price of \$3,655,800) in cash, plus interest, in accordance with such stock purchase agreements, or (ii) cancel the Eragon Retained Shares and return the stock (the “2015 Eragon Payment or Cancellation”).
- (iv) by no later than December 31, 2017, each of the Eragon Retained Shares that Eragon pays for pursuant to subparagraph (iii) above shall be cancelled and exchanged for one share of LA Cell Class A common stock, including so that Eragon no longer has any supervoting rights in LA Cell.
- (v) Defendants agree that, if and when the Sorrento Board of Directors exercises any rights under the Voting Agreement, the Board shall publicly disclose in any SEC filing reporting the results of a vote that the Sorrento Board of Directors has done so in the same proportion that all other unaffiliated Sorrento stockholders voted.
- (vi) Sorrento shall create a committee of disinterested and independent Directors, which shall, with the aid of expert advice and independent legal advice, approve all related-party transactions, including any transactions between any entity in which any Sorrento officer or directors owns, directly or indirectly, 5% or more of the equity, or serves as a consultant, employee, officer or director of that entity and Subsidiary equity grants.
- (vii) Defendants shall ensure that all future stock plans at the Subsidiaries will be submitted to a majority vote of all Sorrento stockholders.

WHAT ARE PLAINTIFF’S REASONS FOR THE SETTLEMENT?

- 13. Plaintiff, through Lead Counsel, has conducted an investigation relating to the claims and the underlying events and transactions alleged in the Action. Lead Counsel obtained substantially all of the relief Plaintiff requested without the inherent risks attendant to further litigation and trial. Lead Counsel have analyzed the evidence adduced during their investigation and through discovery, and have also researched the applicable law with respect to the claims asserted in the Action and the potential defenses thereto. Although Plaintiff and Lead Counsel believe that the claims asserted have merit, the Court could have entered judgment for the Defendants, either dismissing Plaintiff’s claims prior to trial or after trial. Plaintiff and Lead Counsel also considered the expense and length of continued proceedings necessary to pursue the claims asserted through trial, as well as the uncertainty of appeals, and the fact that the relief provided for in the Settlement may not have been able to be achieved through judicial resolution.
- 14. As a result of the Settlement reached herein, Plaintiffs have been successful in obtaining the cancellation of Option and Warrant Grants, the cancellation of the shares obtained in the November 2016 Eragon Stock Purchase Agreement between LA Cell and Eragon, the payment of the promissory notes Eragon signed for the shares Eragon obtained in 2015, the termination of all of Eragon’s supervoting rights, the binding modification of the Voting Agreement to require the Board to vote all shares subject to the Voting Agreement in the same proportion as all unaffiliated stockholders, the formation of a committee of disinterested and independent directors with expert

advice and independent legal counsel that must approve all future related-party transactions and subsidiary equity grants, and a commitment that all future stock plans at the Subsidiaries will be submitted to a vote of the Sorrento stockholders.

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| <p style="text-align: center;">WHAT WILL HAPPEN IF THE SETTLEMENT IS APPROVED? WHAT CLAIMS WILL THE SETTLEMENT RELEASE?</p> |
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15. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). Pursuant to the Judgment, upon the Effective Date of the Settlement (as defined in the Stipulation), the Action will be dismissed with prejudice and the following releases will occur:

- (i) **Release of Claims by Plaintiff and the Settlement Class:** Plaintiff 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 will have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Plaintiff’s Claim (as defined below) against the Defendants’ Released Persons (as defined below), and will forever be barred and enjoined from prosecuting any or all of the Released Plaintiff’s Claims against any of the Defendants’ Releases Persons.

“Released Plaintiff’s Claims” means all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under state, local, foreign, federal, statutory, regulatory, common or other law or rule, that Plaintiff asserted or could have asserted in the Complaint on her own behalf or on behalf of the Settlement Class that arise out of the ownership of Sorrento stock and that specifically relate to the Option and Warrant Grants, Eragon Stock Purchase Agreements, and the Voting Agreement that are the subject of the Action; *provided, however*, that the Released Plaintiff’s Claims shall not include: (i) any claims to enforce the Stipulation; or (ii) any claims that arise out of, are based upon, or relate to any conduct of the Defendants after November 16, 2017.

“Defendants’ Released Persons” means Defendants and the Company and any of their heirs, predecessors, successors, representatives and assigns, and with respect to corporate entities each of their respective past or present directors, officers, employees, partnerships and partners, principals, agents, controlling stockholders, attorneys (including Defendants’ Counsel), accountants, auditors, investment banks and investment bankers, underwriters, advisors, financial advisors, personal or legal representatives, analysts, agents, associates, servants, insurers, co-insurers and reinsurers, predecessors, successors, parents, subsidiaries, divisions, assigns, trustees, beneficiaries, joint ventures and joint venturers, spouses, heirs, executors, administrators, related or affiliated entities, members of a Defendant’s family, any entity in which any Defendant and/or any member(s) of that Defendant’s family has or have a controlling interest (directly or indirectly), and any trust of which any Defendant is the settlor or which is for the benefit of any Defendant and/or member(s) of his family. The Defendants’ Released Persons do not include anyone, other than the Individual Defendants, who received Option and Warrant Grants and who have not or are not returning those Option and Warrant Grants.

(ii) **Release of Claims by Defendants and the Company:** Defendants and the Company, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such, will be deemed to have, and by operation of law and of the Judgment will have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Defendants' Claim against Plaintiff, Plaintiff's Counsel, and all other Plaintiff's Released Persons and will forever be enjoined from prosecuting any or all of the Released Defendants' Claims against Plaintiff, Plaintiff's Counsel, and all other Plaintiff's Released Persons.

"Released Defendants' Claims" means all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under state, local, foreign, federal, statutory, regulatory, common or other law or rule, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims asserted in the Action against Defendants. Released Defendants' Claims do not include any claims relating to the enforcement of the Settlement.

"Plaintiff's Released Persons" means Plaintiff, all other Settlement Class Members, and Plaintiff's Counsel, and any of their heirs, predecessors, successors, representatives and assigns, and with respect to corporate entities each of their respective past or present directors, officers, employees, partnerships and partners, principals, agents, controlling stockholders, attorneys, accountants, auditors, investment banks and investment bankers, underwriters, advisors, financial advisors, personal or legal representatives, analysts, agents, associates, servants, insurers, co-insurers and reinsurers, predecessors, successors, parents, subsidiaries, divisions, assigns, trustees, beneficiaries, joint ventures and joint venturers, spouses, heirs, executors, administrators, related or affiliated entities, members of a Plaintiff's family, any entity in which any Plaintiff and/or any member(s) of that Plaintiff's family has or have a controlling interest (directly or indirectly), and any trust of which any Plaintiff is the settlor or which is for the benefit of any Plaintiff and/or member(s) of his family. The Plaintiff's Released Persons do not include anyone who received Option and Warrant Grants and who have not or are not returning those Option and Warrant Grants.

"Unknown Claims" means any Released Plaintiff's Claims which Plaintiff or any other Class Member does not know or suspect to exist in his, her or its favor at the time of the release of such claims, and any Released Defendants' Claims which Defendant or the Company does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which, if known by him, her or it, might have affected his, her or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Plaintiff, Defendants and the Company shall expressly waive, and each of the other Class Members shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

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

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

16. By Order of the Court, (i) all proceedings in the Action, other than proceedings necessary to carry out or enforce the terms and conditions of the Stipulation, have been stayed; and (ii) pending final determination by the Court of whether the Settlement should be approved, Plaintiff and all other Class Members are barred and enjoined from instituting, commencing or prosecuting any and all of the Released Plaintiff's Claims against any and all of the Defendants' Released Persons.

HOW WILL PLAINTIFF'S COUNSEL BE PAID?

17. Plaintiff's Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Company and the Settlement Class, nor have Plaintiff's Counsel been reimbursed for their out-of-pocket expenses. Plaintiffs' Counsel invested their own resources for pursuing the Action on a contingency basis, meaning they would only recover their expenses and be compensated for their time if they created benefits through the Action. In light of the risks undertaken in pursuing the Action on a contingency basis and the benefits created for the Company and the Settlement Class through the Settlement and the prosecution of the claims asserted in the Action against Defendants, Lead Counsel intend to petition the Court for a collective award of attorneys' fees and reimbursement of Litigation Expenses up to \$5 million. Lead Counsel also intend to apply for an incentive award for Plaintiff Yvonne Williams in the amount of \$5,000. The applications for an award of attorneys' fees and expenses to Plaintiffs' Counsel and for an incentive award to Plaintiff are collectively referred to herein as the "Fee and Expense Application."
18. Defendants acknowledge Plaintiff's Counsel's right to an award of certain attorneys' fees and reimbursement of some or all of the Litigation Expenses, but the Parties disagree on the value of the benefits conferred upon the Company and the Settlement Class and the corresponding amount of fees and expenses to be awarded. The Parties each reserve their right to advocate for and against the Fee and Expense Application.
19. The Court will determine the amount of any fee and expense award to Plaintiffs' Counsel (the "Fee and Expense Award") and any incentive award to Plaintiffs ("Incentive Award"). The full amount of any Fee and Expense Award and any Incentive Award shall be paid by Defendants, the Company, or their insurers. Class Members are not personally liable for any such fees or expenses.

**WHEN AND WHERE WILL THE SETTLEMENT FAIRNESS HEARING BE HELD?
DO I HAVE RIGHT TO APPEAR AT THE SETTLEMENT FAIRNESS HEARING?**

20. Class Members do not need to attend the Settlement Fairness Hearing. The Court will consider any submission made in accordance with the provisions below even if a Class Member does not attend the hearing. Please Note: The date and time of the Settlement Fairness Hearing may change without further written notice to the Settlement Class. You should monitor the Court’s docket and the website <http://www.sorrentotherapeutics.com/notices/>, before making plans to attend the Settlement Fairness Hearing. You may also confirm the date and time of the Settlement Fairness Hearing by contacting Lead Counsel as indicated in paragraph 22 below.
21. The Court will consider the Settlement and all matters related to the Settlement at the Settlement Fairness Hearing. The Settlement Fairness Hearing will be held before The Honorable Montgomery-Reeves, Vice Chancellor, at the Court of Chancery of the State of Delaware, Leonard L. Williams Justice Center, 500 North King St., Wilmington, DE 19801. At the Settlement Fairness Hearing, the Court will, among other things: (a) determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to the Settlement Class and the Company, and should be approved by the Court; (b) determine whether the Judgment (as defined above), should be entered dismissing the Action with prejudice against Defendants pursuant to the Stipulation; (c) determine whether the application by Lead Counsel for an award of attorneys’ fees and reimbursement of Litigation Expenses, including the request for an incentive award for Plaintiff, should be approved; (d) hear and consider any objections to the Settlement and/or Lead Counsel’s Fee and Expense Application; and (e) consider any other matters that may properly be brought before the Court in connection with the Settlement.
22. Any Class Member may object to the Settlement or Lead Counsel’s Fee and Expense Application. Objections must be in writing. Class Members must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Register in Chancery at the address set forth below on or before March 5, 2018. Class Members must also serve the papers on Lead Counsel and Defendants’ Counsel (by hand or overnight delivery) at the addresses set forth below so that the papers are *received* on or before March 5, 2018.

Register in Chancery

Court of Chancery
New Castle
County Courthouse
500 N. King St.
Suite 1551
Wilmington, DE 19801

Lead Counsel

Christopher Foulds, Esq.
Friedlander & Gorris, P.A.
1201 N. Market St., Ste. 2200
Wilmington, DE 19801

David Wales, Esq.
Bernstein Litowitz
Berger & Grossmann LLP
1251 Avenue of the Americas
New York, NY 10020

Defendants’ Counsel

J. Clayton Athey, Esq.
Prickett, Jones & Elliott, P.A.
1310 N. King Street
Wilmington, DE 19899

Peter M. Stone, Esq.
Paul Hastings LLP
1117 S. California Avenue
Palo Alto, CA 94304

23. Any objection: (a) must state the name, address and telephone number of the person or entity objecting and, if represented by counsel, the name, address and telephone number of his, her or its counsel; (b) must be signed by the objector; (c) must contain a written, specific statement of the

Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Class Member wishes to bring to the Court's attention; (d) must state the objection is being filed with respect to "*Williams. v. Ji, et al.*, C.A. No. 12729-VCMR"; and (e) must demonstrate that the objector is a Class Member by including documents sufficient to prove that the objector held shares of Sorrento common stock as of December 22, 2017.

24. You may file a written objection without having to appear at the Settlement Fairness Hearing. You may not, however, appear at the Settlement Fairness Hearing to present your objection unless you first filed and served a written objection in accordance with the procedures described above, unless the Court orders otherwise.
25. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement or Lead Counsel's application for an award of attorneys' fees and Litigation Expenses, and if you file and serve a timely written objection as described above, you must also file a notice of appearance with the Register in Chancery and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth above so that it is *received* on or before March 5, 2018. Persons who intend to object and desire to present evidence at the Settlement Fairness 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.
26. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Fairness Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth in ¶ 22 above so that the notice is *received* on or before March 5, 2018.
27. The Settlement Fairness Hearing may be adjourned by the Court without further written notice to the Settlement Class. If you intend to attend the Settlement Fairness Hearing, you should confirm the date and time with Lead Counsel.
28. **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, Lead Counsel's application for an award of attorneys' fees and Litigation Expenses to Plaintiff's Counsel, the application for an incentive award to Plaintiff, or any other matter related to the Settlement, in the Action or in any other action or proceeding. Class Members do not need to appear at the Settlement Fairness Hearing or take any other action to indicate their approval.**

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

29. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in the Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Register in Chancery in the Court of Chancery of the State of Delaware, New Castle County Courthouse, 500 N. King St., Suite 1551, Wilmington, DE 19801. Additionally, copies of the Stipulation and the Complaint will be posted on the following website:

<http://www.sorrentotherapeutics.com/notices/>. If you have questions regarding the Settlement, you may write or call the following Lead Counsel: David Wales, Esq., Bernstein Litowitz Berger & Grossmann LLP, 1251 Avenue of the Americas, New York, NY 10020, 1-800-380-8496, or Christopher Foulds, Esq., Friedlander & Gorris, P.A., 1201 N. Market St., Ste. 2200, Wilmington, DE 19801, 1-302-573-3500.

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

30. Brokerage firms, banks, and other persons or entities holding shares of Sorrento common stock as of December 22, 2017 as record holders for the beneficial interest of persons or entities other than themselves are directed to send this Notice to all such beneficial owners. If additional copies of the Notice are required to forward to such beneficial owners, record holders shall (a) within seven (7) calendar days of receipt of this Notice, request from the Settlement Administrator sufficient copies of this Notice and within seven (7) calendar days of receipt of those Notices forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of this Notice, provide a list of the names and addresses of all such beneficial owners to Sorrento Stockholder Litigation, c/o KCC Class Action Services, P.O. Box 404020, Louisville, KY 40233-4020. If you choose the second option, the Settlement Administrator will send a copy of the Notice to the beneficial owners. Upon full compliance with these directions, such record holders may seek reimbursement of their reasonable expenses actually incurred, by providing the Settlement Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice may also be obtained from the website <http://www.sorrentotherapeutics.com/notices/>, or by calling the Settlement Administrator toll free at 1-866-657-1976 or by emailing SorrentoLitigation@kccllc.com.
31. Banks, and other persons or entities holding shares of Sorrento common stock as of December 22, 2017 as record holders for the beneficial interest of persons or entities other than themselves are directed to immediately send this Notice to all such beneficial owners. If additional copies of the Notice are required to forward to such beneficial owners, record holders may (a) request from the Settlement Administrator sufficient copies of this Notice to forward to all such beneficial owners; or (b) provide a list of the names and addresses of all such beneficial owners to Sorrento Stockholder Litigation, c/o KCC Class Action Services, P.O. Box 404020, Louisville, KY 40233-4020. If you choose the second option, the Settlement Administrator will send a copy of the Notice to the beneficial owners. Upon full compliance with these directions, such record holders may seek reimbursement of their reasonable expenses actually incurred, by providing the Settlement Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice may also be obtained from the website <http://www.sorrentotherapeutics.com/notices/>, or by calling the Settlement Administrator toll free at 1-866-657-1976 or by emailing SorrentoLitigation@kccllc.com.

**DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF
THE REGISTER IN CHANCERY REGARDING THIS NOTICE.**

Dated: January 3, 2018

BY ORDER OF THE
COURT OF CHANCERY
OF THE STATE OF DELAWARE