

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re Pinterest Derivative Litigation

Lead Case No. 3:20-cv-08331-WHA

Honorable William Alsup

**SUMMARY NOTICE OF PENDENCY AND PROPOSED
SETTLEMENT OF DERIVATIVE ACTIONS**

TO: ALL PERSONS AND ENTITIES WHO HELD PINTEREST, INC. COMMON STOCK AS OF NOVEMBER 23, 2021.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. This Notice relates to a proposed settlement (“Settlement”) of the following derivative actions: *Bushansky v. Silbermann*, No. 3:20-cv-08331-WHA (N.D. Cal.), *Employees’ Retirement System of Rhode Island v. Silbermann*, No. 3:20-cv-08438-WHA (N.D. Cal.), *Toronto v. Silberman*, No. 3:20-cv-09390-WHA (N.D. Cal.), and *Petretta v. Silbermann*, No. 3:21-cv-05385-WHA (N.D. Cal.), together consolidated as *In re Pinterest Derivative Litigation*, No. 3:20-cv-08331-WHA (N.D. Cal.) (together, the “Actions”). If the Court approves the proposed Settlement, you, Pinterest, and all Current Pinterest Stockholders will be forever barred from contesting the fairness, adequacy, and reasonableness of the proposed Settlement and from pursuing the Released Plaintiffs Claims.

All capitalized terms used in this Notice that are not otherwise defined herein have the meanings provided in the Stipulation and Agreement of Settlement entered into on November 23, 2021 (“Stipulation”), by and among (1) the Employees’ Retirement System of Rhode Island, Sal Toronto, Stephen Bushansky, and Howard Petretta (together, “Plaintiffs”); (2) current and former officers and/or members of the Board of Directors (“Board”) of Pinterest, Benjamin Silbermann, Evan Sharp, Jeffrey Jordan, Jeremy Levine, Gokul Rajaram, Fredric Reynolds, Michelle Wilson, Leslie Kilgore, Andrea Wishom, and Todd Morgenfeld (together, the “Individual Defendants”); and (3) nominal defendant Pinterest, Inc. (“Pinterest” and, together with the Individual Defendants, “Defendants”). Plaintiffs and Defendants are collectively referred to herein as the “Parties.”

THIS NOTICE PROVIDES ONLY A SUMMARY OF THE MATERIAL TERMS OF THE SETTLEMENT AND RELEASES. You can obtain more information by reviewing the Stipulation as well as the full Notice of Pendency and Proposed Settlement of Derivative Actions (“Notice”), both of which are available on Pinterest’s investor relations website at <https://investor.pinterestinc.com/investor-overview/default.aspx> and on Interim Lead Plaintiffs’ Counsel’s website at <https://www.cohenmilstein.com/case-study/re-pinterest-derivative-litigation>.

This Notice describes the rights you may have in the Actions and pursuant to the Stipulation

and what steps you may take, but are not required to take, in relation to the Settlement.

In consideration of the Settlement and the releases provided therein, and subject to the terms and conditions of the Stipulation, the Parties have agreed to the following Settlement Consideration for Pinterest:

1. The Company will implement and maintain the Agreed Settlement Commitments, including but not limited to the following: (i) the Chief Executive Officer will partner with the Chair of the Talent Development and Compensation Committee (“TDCC”) or the lead independent director to serve as a co-sponsor in DEI work at Pinterest; (ii) the TDCC will oversee coaching of the Executive Team; (iii) Pinterest will not enforce non-disclosure agreements for individuals who made gender or race discrimination claims so long as they only discuss the underlying facts and circumstances of incidents and reporting process; (iv) each member of the Executive Leadership Team will develop DEI people/culture and DEI business initiatives in consultation with the Chief People Officer and the Global Head of Inclusion & Diversity; (v) Pinterest will create accountability for DEI People and Business Goals and annual evaluations will assess managers’ progress in creating an inclusive workplace culture; (vi) Pinterest will require bi-annual audits for pay equity across gender and racial categories and take any steps needed to maintain this equity, with the review examining ratings, promotion, and compensation; (vii) Pinterest will adopt the Inclusive Product Program to promote diverse and inclusive product features and content; (viii) current employees will have electronic access to the Company’s organization chart and to job level information for employees throughout the company and to compensation ranges for all levels within their job family; (ix) the Company’s Acceptable Use Policy shall expressly prohibit doxxing and Pinterest’s response to a possible doxxing incident shall include, where appropriate, utilizing an internal escalation and alert protocol, offering employees targeted by doxxing attacks online presence curation services, and using a specialized third-party vendor to help remove abusive content, where feasible; (x) the Board, or a committee thereof, will oversee any departure by a member of the Executive Leadership Team, including by reviewing the reason for the executive’s departure, any material legal risks implicated by their departure, and any recommendations for changes to Company policy or procedure arising from the executive’s tenure and/or departure; (xi) Internal Audit will evaluate progress on the implementation of measurable DEI reforms, with audit reports presented to the Audit Committee on a periodic basis as the audits progress and summary to the full board on an annual basis; and (xii) Pinterest will publish a diversity report twice a year for two years, and thereafter annually, which will describe at a high level progress made in implementation of DEI goals and pay equity.
2. Such reforms shall be in place throughout the Company for a period of five (5) years from the Effective Date of the Settlement, unless otherwise noted in Exhibit A to the Stipulation.
3. Pinterest’s Board will allocate \$50 million in funding for the creation, implementation, and annual maintenance of the reforms noted herein, to be expended over a period no longer than ten years after final approval of the Settlement.

The Parties *have not* separately negotiated any agreement concerning the amount of any fee and expense award to any counsel for a Plaintiff. Rather, subject to approval of the Court,

counsel for each Plaintiff will seek fees and expenses awards not to exceed two times their lodestar and for reasonable expenses incurred in the litigation. The total request by counsel for all Plaintiffs for fees and expenses will not exceed \$5,380,000. Pinterest shall pay or Defendants shall cause their insurers to pay the full amount of any fee and expense award awarded by the Court. Pinterest Stockholders are not personally liable for any such fees or expenses.

The Court has scheduled a Settlement Hearing, to be held on May 26, 2022, at 8:00 a.m., either in person at the United States District Court for the Northern District of California, San Francisco Courthouse, Courtroom 12 – 19th Floor, 450 Golden Gate Avenue, San Francisco, CA 94102, or by telephone or video conference (in the discretion of the Court), to consider whether the Judgment, substantially in the form of Exhibit E to the Stipulation, should be entered: (i) approving the terms of the Settlement as fair, reasonable, and adequate and in the best interests of Pinterest and Pinterest’s stockholders; (ii) dismissing with prejudice the Actions against Defendants pursuant to the terms of the Stipulation; and (iii) ruling upon any application for any fee and expense award.

Please Note: The date and time of the Settlement Hearing may change without further written notice to Current Pinterest Stockholders. 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 Current Pinterest Stockholders to appear at the hearing by video or telephone, without further written notice. **In order to determine whether the date and time of the Settlement Hearing have changed, or whether Current Pinterest Stockholders must or may participate by telephone or video, it is important that you monitor the Court’s docket 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 that docket. If the Court requires or allows Current Pinterest Stockholders to participate in the Settlement Hearing by telephone or video conference, the information for accessing the telephone or video conference will be posted to the Court’s docket.**

Any Person who owned Pinterest common stock as of November 23, 2021 (“Current Pinterest Stockholder”) and continues to hold the stock as of the date of the Settlement Hearing may appear at the Settlement Hearing to show cause why the proposed Settlement should not be approved; why the Judgment should not be entered thereon; or why any application for any fee and expense award should not be granted; *provided, however*, that any such objections **must** be filed with the Court and served on Plaintiffs’ Counsel and Pinterest’s counsel **no later than April 15, 2022**, in accordance with the instructions set forth in the Notice.

Because the Settlement involves the resolution of derivative actions, which were brought on behalf of and for the benefit of the Company, and not individual or class actions on behalf of Pinterest shareholders, the benefits from the Settlement will go to Pinterest. Individual Pinterest stockholders will not receive any direct payment from the Settlement. **ACCORDINGLY, THERE IS NO PROOF OF CLAIM FORM FOR STOCKHOLDERS TO SUBMIT IN CONNECTION WITH THIS SETTLEMENT.**

STOCKHOLDERS ARE NOT REQUIRED TO TAKE ANY ACTION IN RESPONSE TO THIS NOTICE.

If you have any questions regarding the Summary Notice, the Actions, or the Settlement, you may contact Interim Lead Counsel:

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