

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

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In re LIGHTINTHEBOX HOLDING CO., LTD., : Case No.: 1:13-cv-06016(VEC)
SECURITIES LITIGATION :
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**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION AND SETTLEMENT
FAIRNESS HEARING, AND MOTION FOR ATTORNEYS'
FEES AND REIMBURSEMENT OF EXPENSES**

Your legal rights may be affected - Please read this Notice carefully.

To: All Persons who purchased or otherwise acquired American Depositary Shares (“ADSs”) of LightInTheBox Holding Co., Ltd. (“LITB” or “the Company”) between June 6, 2013 through August 19, 2013, inclusive (collectively, the “Settlement Class”).

If you meet the above definition of the Settlement Class, you could get a payment from a class action settlement.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

The purpose of this Notice is to inform you of a proposed settlement of this class action (the “Action”) for a cash payment of US\$1,550,000.00 (one million five hundred fifty thousand U.S. dollars) (the “Settlement Fund”) and the scheduling of a settlement fairness hearing with respect to the proposed settlement and the motion of the Lead Plaintiff and Plaintiffs’ Counsel for an award of attorneys’ fees of one-third of the Settlement Fund and reimbursement of up to US\$30,000.00 in expenses, and an award to Lead Plaintiff not to exceed US\$4,000.00. Documents related to the proposed settlement are available on the Settlement website established by the Notice and Claims Administrator (the “Claims Administrator”) at www.strategicclaims.net.

This Notice describes important rights you may have and what steps you must take if you wish to participate in the Settlement or wish to be excluded from the Settlement Class.

Deadlines

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

SUBMIT A CLAIM FORM	Deadline: February 25, 2015 (28 days prior to the Settlement Hearing). This is the only way to receive a payment from the Settlement Fund.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS	Deadline: February 25, 2015 (28 days prior to the Settlement Hearing). Receive no payment from the Settlement. If the Court approves the Settlement, this is the only option that allows you ever to participate in any other lawsuit against the Released Parties (defined below) which involves the Released Claims (defined below).
OBJECT	Deadline: February 25, 2015 (28 days prior to the Settlement Hearing). You may write to the Court if you do not like the terms of the Settlement or the amount of the request for an award of attorneys' fees and reimbursement of expenses. You may not object if you have excluded yourself from the Settlement.
GO TO THE SETTLEMENT HEARING	Settlement Hearing Date: March 25, 2015. Whether or not you object to the Settlement, you may ask to speak in Court about the fairness of the Settlement. The Deadline to ask to speak in Court about the Settlement is February 25, 2015 (28 days prior to the Settlement Hearing).
DO NOTHING	You will receive no payment if you do not submit a claim form, but you will release all Released Claims against the Released Parties (defined below).

These rights and options — ***and the deadlines to exercise them*** — are explained in this Notice.

The Court presiding over this case must decide whether to approve the Settlement. Payments will be made only if the Court approves the Settlement, and if there are any appeals, after appeals are resolved, and the Claims Administrator has had an opportunity to process all claim forms. Please be patient.

Your legal rights are affected whether you act or do not act. Please read this Notice carefully.

SPECIAL NOTICE TO NOMINEES OR CUSTODIANS

The Court has ordered that if you acquired LITB ADSs between June 6, 2013 and August 19, 2013, inclusive, as a nominee or custodian, then, within ten (10) days after you receive this Notice, you must, at your option, either (i) send this Notice and Proof of Claim and Release ("Proof of Claim") to the beneficial owner, or (ii) request the Claims Administrator to send you additional copies of this Notice and the Proof of Claim sufficient to deliver to all beneficial owners, and within ten (10) days after receipt thereof make such delivery to all beneficial owners, or (iii) provide a list of the names and addresses or email addresses of all beneficial owners to the Claims Administrator, who will send those Persons a copy of this Notice and the Proof of Claim by first class mail or email. Nominees who elect to themselves deliver the Notice and Proof of Claim to their beneficial owners shall send a statement to the Claims Administrator confirming that the delivery was made as directed, and subject to any confidentiality agreement, statute or regulation that may limit their ability to do so, shall provide the Claims Administrator with a list of the names and addresses of the Persons to whom the Notice and Proof of Claim were delivered.

If you choose to deliver the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the delivery, by submitting a request to:

LightInTheBox (LITB) Securities Litigation
Claims Administrator
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063
Tel: (866) 274-4004
www.strategicclaims.net

Regardless of whether you choose to complete the delivery yourself or elect to have the delivery performed for you, you may obtain reimbursement for reasonable administrative costs actually incurred in connection with forwarding the Notice and Proof of Claim and which would not have been incurred but for the obligation to forward the Notice and Proof of Claim, upon submission of appropriate documentation to the Claims Administrator. The Claims Administrator has also maintained on its website pdf versions of this Notice and the Proof of Claim. Delivery to beneficial owners may be effected through electronic means.

SUMMARY OF NOTICE

Summary of the Proposed Settlement

- The Lead Plaintiff¹ and LITB have entered into a proposed settlement releasing all claims that were asserted or could have been asserted by the Lead Plaintiff in the Action, individually and on behalf of the Settlement Class, against LITB, Individual Defendants² and other Released Parties.³
- According to Lead Plaintiff's allegations in this Action, LITB made misrepresentations and omitted information to investors in connection with its June 6, 2013 initial public

¹ "Lead Plaintiff" means the representative plaintiff in the Action, namely Youhua Zheng.

² Quji (Alan) Guo and Zheng (Richard) Xue.

³ The "Released Parties" consist of (i) LightInTheBox Holding Co., Ltd., its past, present and future, direct or indirect, parent entities, associates, affiliates, and subsidiaries, each and all of their respective past, present, and future directors, officers, partners, alleged partners, stockholders, predecessors, successors and employees, and in their capacity as such, each and all of their underwriters, attorneys, advisors, consultants, trustees, insurers, co-insurers, reinsurers, representatives, and assigns; (ii) each of the Individual Defendants, Quji (Alan) Guo and Zheng (Richard) Xue, and their respective present, past and future spouses, parents, siblings, children, grandparents, and grandchildren, the present, past and future spouses of their respective parents, siblings and children, and the present, past and future parents and siblings of their respective spouses, including step and adoptive relationships; (iii) any and all persons, firms, trusts, corporations, and other entities in which any of the Defendants has a financial interest or was a founder, settler or creator of the entity, and, in their capacity as such, any and all officers, directors, employees, trustees, beneficiaries, settlers, creators, attorneys, consultants, agents, or representatives of any such person, firm, trust, corporation or other entity; and (iv) in their capacity as such, the legal representatives, heirs, executors, administrators, predecessors, successors, predecessors-in-interest, successors-in-interest, and assigns of any of the foregoing.

offering and concerning its financial results for the second quarter of 2013, ended June 30, 2013, and such alleged misrepresentations or omissions deceived the investing public and caused the Settlement Class to purchase LITB ADSs at artificially inflated prices.

- Under the terms of the proposed Settlement, the aggregate amount of US\$1,550,000.00 will be paid into the Settlement Fund. These funds (less Court-approved attorneys' fees and reimbursement of expenses) shall be paid to the Settlement Class pursuant to the Plan of Allocation.

Statement of Settlement Class Members' Recovery

Estimates of the percentage recovery on the potential claims that may be filed vary depending on a number of factors including the class period utilized, the trading model, and the regression model used to estimate damages. The estimates attempt to determine economic losses caused by the alleged violations of the federal securities laws as opposed to losses caused by market or industry factors or company-specific factors unrelated to the alleged violations of law. The estimates were, among other things, based upon a review of publicly available information regarding LITB, a statistical analysis of the price movements of LITB ADSs and the price performance of relevant market and peer indices during the Settlement Class Period.

Lead Plaintiff approximates (assuming that all Settlement Class Members file claims equal in the aggregate to the losses) that Settlement Class Members will receive from the Settlement Fund, before deduction of Court-awarded attorneys' fees and expenses, a recovery of approximately US\$0.20 per share. That recovery, however, could be higher if less than all Settlement Class Members file claims.

Membership in the Settlement Class

The Settlement Class consists of all Persons who purchased or otherwise acquired American Depository Shares (ADSs) of LightInTheBox Holding Co., Ltd. ("LITB" or "the Company") between June 6, 2013 and August 19, 2013, inclusive. Plaintiffs' Counsel, with the assistance of the Claims Administrator, will in the first instance determine, and make recommendations to the Court, as to the identity of investors who file claim forms who are appropriately Settlement Class Members. Determinations as to membership in the Settlement Class will be reviewable by the Court.

Statement of Potential Outcome of Settled Claims

The Settlement must be compared to the risk of no recovery on the relevant claims after contested dispositive motions, trial and likely appeals. The claims being settled involve complex legal and factual issues, many of which would require expert testimony. Among the many key issues about which Lead Plaintiff and LITB do not agree are: (1) whether any of the Defendants violated federal law or otherwise engaged in any wrongdoing; (2) whether any Defendants acted negligently, recklessly, or with intent to defraud; (3) whether the misrepresentations and omissions alleged by Lead Plaintiff were material, false, misleading or otherwise actionable; (4) the extent to which putative class members relied on the alleged misrepresentations and omissions; (5) the method for determining whether, and the extent to which, investors suffered injury and damages that could be recovered at trial. In addition, even if Lead Plaintiff were to obtain a judgment against LITB or Defendants that is affirmed on appeal, complex legal and factual issues may impede Lead Plaintiff's efforts to collect such a judgment on behalf of shareholders.

Reasons for Settlement

Lead Plaintiff and Plaintiffs' Counsel, who have extensive experience in securities and complex shareholder class-action litigation, believe that the Settlement provides the Settlement Class with significant and certain benefits now and eliminates the risk of no recovery following what would be

years of further uncertain litigation, including motions to dismiss, the disposition of a class certification motion, motions for summary judgment, and if summary judgment is not granted to Defendants, a contested trial and likely appeals, with the possibility of no recovery at all. Lead Plaintiff and LITB vigorously disagree on both liability and the amount of money that could have been won if Lead Plaintiff prevailed at trial. The parties disagree about: (1) the amount of alleged damages, if any, that could be recovered at trial; (2) the other causes of the loss in the value of the stock at the end of the Class Period; (3) the proper measure of alleged damages; (4) the extent that various facts alleged by the Lead Plaintiff were materially false and misleading; and (5) whether the facts alleged were material, false, misleading or otherwise actionable under the securities laws.

Lead Plaintiff, in proposing that the Court approve the US\$1,550,000.00 (one million five hundred fifty thousand U.S. dollar) settlement as fair, reasonable and adequate to the Settlement Class, has considered, among other factors, Lead Plaintiff's ability to prevail on the contested factual and legal issues summarized in the Statement of Potential Outcome of Settled Claims (above). There was a significant risk that Lead Plaintiff's claims could have been dismissed or limited prior to or at trial, or on appeal from a jury verdict. In addition, Plaintiffs' Counsel considered the reality that substantially all of Defendants' assets are located in the People's Republic of China. Accordingly, Lead Plaintiff concluded that there is a risk that it would not be able to enforce any judgment that it might obtain in this action.

Lead Plaintiff will file with the Court on or before February 18, 2015 (35 days prior to the Settlement Hearing) a formal motion for approval of the proposed Settlement further discussing the reasons justifying the settlement.

LITB has denied and continues to deny each and all of the claims and contentions alleged in the AC and believes that it has meritorious defenses to those claims and contentions. The Settlement shall in no event be construed as, or deemed to be evidence of, an admission or concession by any of the Defendants or Released Parties with respect to any claim of any fault or liability or wrongdoing or damage to the Lead Plaintiff, the Settlement Class Members, or any Person.

Statement of Attorneys' Fees and Expenses

Plaintiffs' Counsel have not received any payment to date for their work or expenses incurred in investigating the facts, conducting this litigation and negotiating the Settlement on behalf of the Lead Plaintiff and the Settlement Class. Plaintiffs' Counsel will ask the Court to approve payment from the Settlement Fund of attorneys' fees of one-third of the Settlement Fund, for reimbursement of expenses that were advanced by Plaintiffs' Counsel through August 26, 2014 in connection with the litigation up to US\$30,000.00, and for an award to Lead Plaintiff not to exceed US\$4,000.00. The average cost per share for the attorneys' fees and reimbursement of expenses to be sought by Plaintiff's Counsel is US\$0.07.

Dismissal and Releases

If the proposed Settlement is approved, the Court will enter a Final Judgment and Order of Dismissal with Prejudice (the "Final Judgment"). The Final Judgment will dismiss with prejudice the claims asserted in the Action against Defendants. The Final Judgment will also provide that all Settlement Class Members shall be deemed to have released and forever discharged all Released Claims against all Released Parties. The specific terms of the releases, including the meaning of the term "Released Claims," are set forth in the Stipulation of Settlement.

Unless you exclude yourself from the Settlement Class, you will be releasing claims you may have against the Released Parties.

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BASIC INFORMATION

1. Why Did I Receive This Notice Package?

You or someone in your family may have purchased or acquired an American Depository Share of LightInTheBox Holding Co., Ltd. during the period between June 6, 2013 and August 19, 2013, inclusive.

This Notice was sent because you have a right to know about a proposed settlement of a class action lawsuit concerning LITB, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement and after any objections or appeals are resolved, the Claims Administrator appointed by the Court will recommend that payments be made to those Settlement Class Members who timely submit valid claims in the manner described below. Persons who are not Settlement Class Members may have received this Notice. If you seek to obtain a distribution from the Settlement in this Action, it is your responsibility to demonstrate that you are a member of the Settlement Class.

This Notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Southern District of New York, and the case is known as *In re LightInTheBox Holding Co., Ltd., Securities Litigation*, No. 13-cv-6016 (VEC) (S.D.N.Y.).

The Lead Plaintiff in this action – Youhua Zheng – is called the Lead Plaintiff.

Defendants are LightInTheBox Holding Co., Ltd. (“LITB” or “the Company”), and Quji (Alan) Guo and Zheng (Richard) Xue (“Individual Defendants”). All claims against these defendants and other Released Parties will be released if the Settlement is approved.

The Settling Parties are the Lead Plaintiff and LITB.

2. What Is This Lawsuit About?

This lawsuit alleges that the LITB and the Individual Defendants misrepresented or omitted material information regarding the demand for the Company’s products, the size of its customer base, the importance of its apparel division and its expectations of future revenue growth and long-term expense reductions. Further, the lawsuit alleges that the Company did not disclose known “trends” and “uncertainties”: slowing sales growth, the efficacy of its online advertising efforts, the elimination of its branding section, and a “brain drain” of experienced employees. LITB denies the allegations.

3. Why Is This a Class Action?

In a class action, one or more people or entities called class representatives (in this case the Lead Plaintiff) sue on behalf of people who have similar claims. Here, all these people are called a class or class members, and those included in this Settlement are called a Settlement Class or Settlement Class Members. One court resolves the issues for all class members, except for those who timely and validly excluded themselves from the class. United States District Judge, the Honorable Valerie Caproni, is presiding over this class action.

WHO IS IN THE SETTLEMENT

To see if you will receive money from this Settlement, you first have to determine if you are a Settlement Class Member.

4. How Do I Know if I Am Part of the Settlement?

For purposes of the Settlement, the Court has provisionally approved the following definition of the Settlement Class:

All Persons who purchased or otherwise acquired American Depository Shares of LITB between June 6, 2013 and August 19, 2013, inclusive.

5. What Are the Exceptions to Being Included?

The Settlement Class excludes (i) those Persons who timely and validly request exclusion from the Settlement Class through the procedure explained in Question 14 below, and (ii) Defendants and any entity in which Defendants have a controlling interest, and the officers, directors, affiliates, legal representatives, immediate family members, heirs, successors, subsidiaries and/or assigns of any such individual or entity in their capacity as such.

6. I'm Still Not Sure if I Am Included.

If you are still not sure whether you are included, you can ask for free help. You can request additional information from the persons identified in Question 23 below. Or you can fill out and return the claim form described in Question 9, to see if you qualify.

THE SETTLEMENT BENEFITS — WHAT YOU GET

7. What Does the Settlement Provide?

LITB has agreed to cause to be paid US\$1,550,000.00 (one million five hundred fifty thousand U.S. dollars) in cash into the Settlement Fund. The Settlement Fund, after payment of Court-approved attorneys' fees and expenses and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing notice (the "Net Settlement Fund"), will be divided among all eligible Settlement Class Members who send in valid claim forms pursuant to the Plan of Allocation described below.

8. How Much Will My Payment Be?

Your share of the Net Settlement Fund will depend on the size of your net loss compared to the aggregate net loss of principal of all Settlement Class Members who submit valid claim forms.

You can calculate your net loss in accordance with the explanation below in the Plan of Allocation. After the deadline for submitting a Proof of Claim, the payment you receive will reflect your net loss in relation to the net loss of all Settlement Class Members who submit a valid Proof of Claim. The net loss is not the amount of the payment that you can expect, but is used to determine how the Net Settlement Fund will be allocated among all Settlement Class Members who submit valid claims.

HOW YOU OBTAIN A PAYMENT — SUBMITTING A CLAIM FORM

9. How Will I Obtain a Payment?

To qualify for payment, you must be an eligible Settlement Class Member, submit a valid Proof of Claim, and properly document your claim as described in the Proof of Claim. A Proof of Claim form is enclosed with this Notice. You may also get a Proof of Claim form on the internet at www.strategicclaims.net. Read the instructions carefully, fill out the Proof of Claim, include the

documents the form asks for, sign it, and submit it so that it is received by the Administrator no later than February 25, 2015.

Only beneficial owners may file a Proof of Claim with respect to each ADS. Where the record owner of shares is a nominee, custodian, or other Person acting in a materially similar fashion on behalf of one or more beneficial owners, that nominee, custodian or other Person is not a beneficial owner and may not file a Proof of Claim on behalf of any such beneficial owners. However, executors, administrators, guardians, conservators, or other legal representatives may file Proofs of Claim on behalf of beneficial owners.

10. When Will I Receive My Payment?

The Court will hold a hearing on March 25, 2015 to decide whether to approve the Settlement. If Judge Caproni approves the Settlement, there may be appeals. It is always uncertain how these appeals will be resolved, and resolving them can take time, perhaps more than a year. After any approval by Judge Caproni and any appeals are decided favorably, it will take several months for the Claims Administrator to process all of the Proof of Claim forms and to determine and pay the ultimate distribution amounts.

11. What Am I Giving Up to Receive a Payment?

Unless you timely exclude yourself from the Settlement Class by the February 25, 2015 deadline, you are a member of the Settlement Class and will be bound by the release of claims against the Defendants and the Released Parties. This is true whether or not you submit a Proof of Claim form. That means that you cannot sue, continue to sue, or be part of any other lawsuit against LITB, the Individual Defendants or the Released Parties about the Released Claims. The specific terms of the release are included in the Stipulation of Settlement.

THE LAWYERS REPRESENTING YOU

12. Do I Have a Lawyer in This Case?

The Rosen Law Firm, P.A. brought the Action on behalf of the Lead Plaintiff and they represent you and all other Settlement Class Members. These lawyers are called Plaintiffs' Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

13. How Will the Lawyers Be Paid?

Plaintiffs' Counsel will ask the Court for attorneys' fees equal to one-third of the US\$1,550,000.00 Settlement Fund, and for up to US\$30,000.00 expenses that were advanced through August 26, 2014 by Plaintiffs' Counsel in connection with the litigation. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested represent payment to Plaintiffs' Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. Since the case began in 2013, Plaintiffs' Counsel has undertaken extensive work necessary to prepare and litigate the Action. To date, Plaintiffs' Counsel have not been paid for their services in conducting this litigation on behalf of the Lead Plaintiff and the Settlement Class, nor for their expenses. The fee requested will compensate Plaintiffs' Counsel in part for their work and expenses in achieving the Settlement.

Plaintiffs' Counsel shall file a motion with the Court for approval of the Settlement, the Plan of Allocation, and the request for attorneys' fees and reimbursement of expenses by February 18, 2015.

Copies of that motion will be posted on the Claims Administrator's website. The Court determines the amount counsel should receive from the Settlement Fund for fees and expenses separately from its determination of whether the Settlement is fair, reasonable and adequate, and may award less than the amount Plaintiffs' Counsel has requested.

EXCLUDING YOURSELF FROM THE SETTLEMENT

14. How Do I Exclude Myself From the Settlement?

If you want to retain the right to sue or to continue to sue the Released Parties on your own about the claims being released in this Settlement, then you must take steps to exclude yourself from the Settlement. This is referred to as opting out of the Settlement Class, and persons who do so are referred to as "Opt-Outs."

Excluding yourself is not the same as doing nothing in response to this Notice. Each member of the Settlement Class shall be bound by all determinations and judgments in the Action concerning the Settlement, whether favorable or unfavorable, unless such a Person sends to the Claims Administrator a written request for exclusion from the Settlement Class no later than February 25, 2015 addressed to:

LightInTheBox (LITB) Securities Litigation
Claims Administrator
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063
Tel: (866) 274-4004
www.strategicclaims.net

No Person may exclude himself, herself or itself from the Settlement Class after that date. In order to be valid, each request for exclusion by a Person seeking to opt-out must state the name, address and telephone number of the Person seeking exclusion; state that the Person "requests exclusion from the Settlement Class in *In re LightInTheBox Holding Co., Ltd., Securities Litigation*, No. 13-cv-6016 (VEC) (S.D.N.Y.)," and state (i) the dates and amounts of each ADS purchase, and any sale transactions, and (ii) the number of ADSs held by the Person as of August 19, 2013. Each Person seeking to opt-out also must supply documentary proof of each purchase and sale transaction and of the Person's membership in the Settlement Class. Any such request for exclusion must be signed by the Person requesting exclusion.

Requests for exclusion shall not be effective unless the request includes the required information and documentation and is made within the time period stated above, or the exclusion is otherwise accepted by the Court. Only beneficial owners may file a request for exclusion with respect to each ADS. Where the record owner of shares is a nominee, custodian, or other Person acting in a materially similar fashion on behalf of one or more beneficial owners, that nominee, custodian or other Person is not a beneficial owner and may not file a request for exclusion on behalf of any such beneficial owners.

If you ask to be excluded, you will not receive any payment from this Settlement, and you cannot object to the Settlement. You will not be legally bound by anything that happens in the Action with respect to Released Claims and may be able to sue (or continue to sue) the Released Parties in the future.

If the percentage of Opt-Outs exceeds the threshold specified in a separate "Supplemental Agreement" between the Settling Parties, then LITB shall have, in its sole and absolute discretion, the

option to terminate this Settlement and to render it null and void in accordance with the procedures set forth in the Supplemental Agreement.

15. If I Do Not Exclude Myself From the Settlement, Can I Sue the Released Parties For the Same Thing Later?

No. Unless you exclude yourself, you give up any rights to bring a lawsuit or claim in any forum asserting any of the Released Claims against the Released Parties. If you have a pending lawsuit or claim in any forum that you believe concerns the Released Claims or the same matters alleged in this case, speak to your lawyer immediately. You will likely have to exclude yourself from the Settlement Class if you wish to continue your own lawsuit or claim. Remember, the exclusion deadline is February 25, 2015.

16. If I Exclude Myself, Can I Get Money From This Settlement?

No. You will however, retain any right you may have to bring a lawsuit on your own behalf, to continue to pursue an existing lawsuit, or to be part of a different lawsuit asserting a Released Claim against a Released Party.

OBJECTING TO THE SETTLEMENT

17. How Do I Tell the Court that I Do Not Like the Settlement or the Request for Attorneys' Fees and Reimbursement of Expenses?

If you are a Settlement Class Member, you can object to the Settlement if you do not like any part of it, including the Plan of Allocation and the request for attorneys' fees or expenses. You can state the reasons why you think the Court should not approve it, and the Court will consider your views. To object, you must submit a letter saying that you object to the Settlement in *In re LightInTheBox Holding Co., Ltd., Securities Litigation*, No. 13-cv-6016 (VEC) (S.D.N.Y.). To be valid, an objection must indicate the case name and also include the following information: (1) name, address, telephone number of the Class Member; (2) all grounds for the objection, including any legal support known to Class Member or their counsel; (3) the name, address, and telephone number of all counsel who represent the Class Member, including former or current counsel, if any, who may be entitled to compensation in connection with the objection; (4) a statement confirming whether the Class Member or his or her counsel plans to appear at the Settlement Hearing; (5) the name, address, and telephone number of any counsel that will appear at the Settlement Hearing; (6) the number of times a Class Member filed an objection in the previous five years and the nature of each objection to each case in which a Class Member filed an objection in the previous five years, and (7) the identity of any witnesses the Class Member may call to testify and exhibits intending to be introduced into evidence at the Settlement Hearing. Any objection letter must be mailed to **each** of the following no later than February 25, 2015:

Court:

Clerk of the Court
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
Daniel Patrick Moynihan U.S. Courthouse
500 Pearl Street
New York, New York 10007

Plaintiffs' Counsel Designee:

Phillip Kim, Esq.
The Rosen Law Firm, P.A.
275 Madison Avenue, 34th Floor
New York, New York 10016

LITB's Counsel Designee:

James G. Kreissman, Esq.
Simpson Thacher & Bartlett LLP
2475 Hanover Street
Palo Alto, California 94304

18. What is the Difference between Objecting and Requesting Exclusion?

Objecting is simply telling the Court that you do not like something about the proposed Settlement. Objecting *does not* prevent you from participating and recovering money in the Settlement. However, *you can object only if you stay in the Settlement Class*. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the Settlement no longer affects you.

THE COURT'S SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you do not have to in order to receive your share in the Settlement, if you are entitled to any.

19. When and Where Will the Court Decide Whether to Approve the Settlement?

The Court will hold a Settlement Hearing at 11:00 a.m., on March 25, 2015, at the Thurgood Marshall United States Courthouse, 40 Foley Square, New York, New York 10007-1312, Courtroom 443. At this hearing the Court will consider whether the settlement is fair, reasonable and adequate. If there are objections, the Court will consider them. The Court will also consider Plaintiffs' Counsel's application for fees and expenses and whether the Plan of Allocation is fair, reasonable and adequate. The Court may decide these issues at the hearing or take them under consideration for a later decision.

20. Do I Have to Come to the Hearing?

No. Plaintiffs' Counsel will answer questions Judge Caproni may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you submitted your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

21. May I Speak at the Hearing?

You may ask the Court for permission to speak at the Settlement Hearing. To do so, you must submit a letter saying that it is your intention to appear in *In re LightInTheBox Holding Co., Ltd., Securities Litigation*, No. 13-cv-6016 (VEC) (S.D.N.Y.). Be sure to include your name, address, telephone number, your signature, the number and dollar amount of LITB ADSs purchased and/or sold, and to supply documentary proof of the purchase and/or sale of any ADS and of your membership in the Settlement Class, and the reasons you want to speak at the hearing. Your notice of intention to appear must be received no later than February 25, 2015, by the Clerk of the Court, Lead Counsel Designee and the Company's Counsel Designee, at the three addresses listed in question 17.

IF YOU DO NOTHING

22. What Happens If I Do Nothing at All?

If you do nothing, all of your claims against the Released Parties will be released, but you *will not receive any money* from this Settlement, because in order to receive money it is necessary to submit a valid Proof of Claim.

GETTING MORE INFORMATION

23. Are There More Details About the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Stipulation of Settlement dated September 4, 2014. You can obtain a copy of the Stipulation of Settlement or more information about the Settlement by contacting the Claims Administrator.

LightInTheBox (LITB) Securities Litigation
Claims Administrator
c/o Strategic Claims Services
P.O. Box 230
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PLEASE DO NOT CONTACT THE COURT REGARDING THIS NOTICE

PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS

24. What is the objective of the Plan of Allocation?

The objective of the Plan of Allocation is to fairly distribute the Net Settlement Fund among the Class Members.

25. How does the Plan of Allocation calculate Class Members' recognized loss?

The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's Recognized Loss. The Recognized Loss formula is not intended to be an estimate of the amount a Class Member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Loss formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

Your share of the Net Settlement Fund will or may depend on: (i) the number of claims filed; (ii) the dates you purchased and sold LITB ADSs; (iii) the prices of your purchases and sales; (iv) the

amount of administrative costs, including the costs of notice; and (v) the amount awarded by the Court to Lead Counsel for attorneys' fees, costs and expenses and to Lead Plaintiff.

The compensable loss per share ("Recognized Loss") of each Authorized Claimant shall be calculated according to the following formula:

For shares of common stock purchased between June 6, 2013 and August 19, 2013, inclusive:

- A. For shares retained at the end of trading on November 15, 2013,⁴ the Recognized Loss shall be the lesser of:
 - (1) US\$7.56 per share; or
 - (2) the difference between the purchase price per share and US\$10.65 per share.
- B. For shares sold between June 6, 2013 and August 19, 2013, inclusive, the Recognized Loss shall be zero.
- C. For shares sold between August 20, 2013 and November 15, 2013, inclusive, the Recognized Loss shall be the lesser of:
 - (1) US\$7.56 per share; or
 - (2) the difference between the purchase price per share and the average closing stock price as of date of sale provided in Table A below.

Table A

<u>Date</u>	<u>Closing Price</u>	<u>Average Closing Price</u>	<u>Date</u>	<u>Closing Price</u>	<u>Average Closing Price</u>
8/20/2013	US\$11.58	US\$11.58	10/4/2013	US\$12.14	US\$11.29
8/21/2013	US\$11.12	US\$11.35	10/7/2013	US\$12.27	US\$11.32
8/22/2013	US\$9.96	US\$10.89	10/8/2013	US\$11.47	US\$11.32
8/23/2013	US\$9.87	US\$10.63	10/9/2013	US\$11.44	US\$11.33
8/26/2013	US\$10.36	US\$10.58	10/10/2013	US\$11.40	US\$11.33
8/27/2013	US\$10.09	US\$10.50	10/11/2013	US\$11.12	US\$11.32
8/28/2013	US\$10.06	US\$10.43	10/14/2013	US\$10.88	US\$11.31
8/29/2013	US\$10.17	US\$10.40	10/15/2013	US\$11.09	US\$11.31
8/30/2013	US\$9.67	US\$10.32	10/16/2013	US\$10.95	US\$11.30
9/3/2013	US\$9.62	US\$10.25	10/17/2013	US\$11.26	US\$11.30

⁴ Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, "the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated." The mean (average) daily closing trading price of LITB's common stock during the 90-day period beginning on August 20, 2013 and ending on November 15, 2013 was US\$10.65 per share.

9/4/2013	US\$9.91	US\$10.22	10/18/2013	US\$10.97	US\$11.29
9/5/2013	US\$10.14	US\$10.21	10/21/2013	US\$10.92	US\$11.28
9/6/2013	US\$10.42	US\$10.23	10/22/2013	US\$10.37	US\$11.26
9/9/2013	US\$10.77	US\$10.27	10/23/2013	US\$9.96	US\$11.23
9/10/2013	US\$11.84	US\$10.37	10/24/2013	US\$10.02	US\$11.21
9/11/2013	US\$11.89	US\$10.47	10/25/2013	US\$9.94	US\$11.18
9/12/2013	US\$11.69	US\$10.54	10/28/2013	US\$10.03	US\$11.16
9/13/2013	US\$11.65	US\$10.60	10/29/2013	US\$10.00	US\$11.13
9/16/2013	US\$11.59	US\$10.65	10/30/2013	US\$9.34	US\$11.10
9/17/2013	US\$11.87	US\$10.71	10/31/2013	US\$9.23	US\$11.06
9/18/2013	US\$12.48	US\$10.80	11/1/2013	US\$8.56	US\$11.01
9/19/2013	US\$12.01	US\$10.85	11/4/2013	US\$7.93	US\$10.96
9/20/2013	US\$11.98	US\$10.90	11/5/2013	US\$8.15	US\$10.91
9/23/2013	US\$12.19	US\$10.96	11/6/2013	US\$8.19	US\$10.86
9/24/2013	US\$12.02	US\$11.00	11/7/2013	US\$7.84	US\$10.80
9/25/2013	US\$12.24	US\$11.05	11/8/2013	US\$8.10	US\$10.76
9/26/2013	US\$12.51	US\$11.10	11/11/2013	US\$8.05	US\$10.71
9/27/2013	US\$12.13	US\$11.14	11/12/2013	US\$8.75	US\$10.68
9/30/2013	US\$11.85	US\$11.16	11/13/2013	US\$9.28	US\$10.66
10/1/2013	US\$12.04	US\$11.19	11/14/2013	US\$10.41	US\$10.65
10/2/2013	US\$12.49	US\$11.23	11/15/2013	US\$10.74	US\$10.65
10/3/2013	US\$12.19	US\$11.26			

26. What are the additional details of the Plan of Allocation?

To the extent a claimant had a trading gain or “broke even” from his, her or its overall transactions in LITB ADS during the Class Period, the value of the Recognized Loss will be zero and the claimant will not be entitled to a share of the Net Settlement Fund. To the extent that a claimant suffered a trading loss on his, her or its overall transactions in LITB ADSs during the Class Period, but that trading loss was less than the Recognized Loss calculated above, then the Recognized Loss shall be limited to the amount of the claimant’s actual trading loss. A Recognized Loss that calculates to yield a negative number is treated as a Recognized Loss of zero.

The date of purchases or sale is the “contract” or “trade” date as distinguished from the “settlement” date. Therefore, you need to list all your purchases and sales of LITB ADSs during the period June 6, 2013 and November 15, 2013, both dates inclusive.

Each claimant is deemed to have submitted to the jurisdiction of the Court with respect to the claimant’s claim, and the claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to that claimant’s status as a Class Member and the validity and amount of that Class Member’s claim.

The Plan of Allocation is a matter separate and apart from the proposed Settlement, and any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the proposed Settlement. The Plan of Allocation may be modified in connection with, among other things, a ruling by the Court on an objection filed by a Class Member, without further notice to the Class.

Payments will be final and conclusive against all Class Members. All Class Members whose claims are not approved by the Court will be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of the Settlement, including the terms of the Order and Final Judgment to be entered in the Action and will be barred from bringing any Released Claim against any Released Parties, including Unknown Claims (as those terms are defined in the Proof of Claim enclosed with this Notice and in the Stipulation of Settlement, which is available on the Internet at www.strategicclaims.net, or through the mail upon request to the Claims Administrator).

DATED: NOVEMBER 26, 2014

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK