

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

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	: Index No. 653594/2018
	: :
IN RE RENREN, INC.	: Hon. Andrew Borrok
	: :
DERIVATIVE LITIGATION	: Mot. Seq. No. 028
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THIRD AFFIRMATION OF SAMUEL MARTIN PIERCE DAWSON

I, **SAMUEL MARTIN PIERCE DAWSON**, of PO Box 10008, Grand Cayman, KY1-1001, Cayman Islands, hereby affirms the following under the penalty of perjury under the laws of New York, pursuant to CPLR 2106:

1. I have been asked to provide this affirmation as an expert in the law of the Cayman Islands by Reid Collins & Tsai LLP who are the attorneys of the plaintiffs in derivative litigation brought on behalf of Renren, Inc. ("**Renren**") against various defendants (the "**Proceeding**").
2. This is my third affirmation filed in these proceedings. My first affirmation was dated 2 December 2021 (the "**First Dawson Affirmation**") and my second affirmation was dated 25 February 2022 (the "**Second Dawson Affirmation**").
3. There is exhibited to this declaration a paginated bundle of documents which I refer to herein as **Exhibit SD3**.

Instructions

4. I understand that the parties to the Proceedings have filed a "Stipulation of Settlement" and I have been provided a copy of that document (the "**Settlement**"). The Settlement itself makes reference to Cayman Islands law by referring to Renren's register of members and the operation thereof (among other things).

5. I have been instructed to review these references and detail the operation of a Cayman Islands company's register of members to provide additional information to the Supreme Court of the State of New York (the "Court"). These references are made in various places throughout the Settlement however the most pertinent instances are at paragraphs 1.u.) and and 8 and so for convenience I repeat them here:

1(u.) – "Register" means Renren's register of members."

8 – "The portion of the Net Settlement Amount payable to Renren Shareholders who are record shareholders of Renren Class A ordinary shares as of the Record Date shall be paid directly by the Administrator or through third-party payment entities, as directed by the Administrator, from the Settlement Account. Defendants and D&O Releasees who are record shareholders as of the Record Date shall not be entitled to participate in or receive any portion of the Net Settlement Amount or the Settlement Amount, except for any amounts or portions which are subject to return to Defendants or D&O Releasees pursuant to paragraphs 10 or 26. The Register as of the Record Date shall control the Administrator's disbursement of the Net Settlement Amount payable to Renren Shareholders who are record shareholders of Renren Class A ordinary shares (subject to the terms of this Stipulation) except to the extent that any record shareholder provides written notice of any discrepancies or errors to Renren and the Administrator within thirty (30) days of the Notice. If such Renren Shareholder disputes the number of Class A ordinary shares held by it as reflected in the Register, the Administrator shall disburse to that Renren Shareholder its portion of the Net Settlement Amount that is undisputed (if any) and shall hold the remainder until such time that the record shareholder's challenge to the Register is resolved under applicable law. The Administrator shall pay or direct the payment to each of the record shareholders as of the Record Date, excluding Defendants and D&O Releasees, such record shareholder's pro rata portion of the Net Settlement Amount, which shall be not less than the amount of \$0.859701 per share – or \$0.826746, if, as set for below in Section F, Duff & Phelps does not pay the Duff & Phelps Contribution thereby

triggering the modification of the True Up definition as set forth in paragraph 4 – before any reductions for Settlement Fund Expenses."

Summary of statutory provisions

6. The Cayman Islands Companies Act (2022 Revision) (the "Act") governs the operation of Cayman Islands companies. In particular, the relevant provisions governing identification of members are found at Part 3 of the Act – 'Distribution of Capital and Liability of Members of Companies and Associations'. A copy of that part is found at pages 2 to 20 of **Exhibit SD3** and I provide a summary of the key provisions below.
7. The legal term for a shareholder in Part 3 of the Act is a 'member', however elsewhere in the Act and outside the legislation the terms 'member' and 'shareholder' are effectively used interchangeably.
8. Section 38 of the Act defines a member of a Company as follows:

"The subscribers of the memorandum of association of any company shall be deemed to have agreed to become members of the company whose memorandum they have subscribed, and upon the registration of the company shall be entered as members on the register of members hereinafter mentioned, and every other person who has agreed to become a member of the company and whose name is entered on the register of members, shall be deemed to be a member of the company." (emphasis added)

9. Section 40 of the Act establishes the requirement for every company to maintain a register of members and details the required information that should be kept in respect of each member. The Act does not provide a period of time within which the company must give effect to changes in its register. It does, however, at subsection (2) set out the penalties that a company and its directors/ managers will suffer who knowingly and wilfully authorise or permit default of their obligations to keep the register of members up to date.

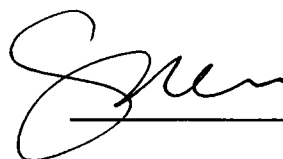
10. Sections 40(1)(b) and 40(1)(c) require a company to enter in the register of members (among other details) the date on which any person was entered into the register of members and likewise the date on which any person ceases to be a member.
11. Section 48 of the Act provides that "*The register of members shall be prima facie evidence of any matters by this Act directed or authorised to be inserted therein.*"
12. Section 46 provides a mechanism for persons to apply to the Court to 'rectify' the register of members if "*the name of any person is, without sufficient cause, entered in or omitted from the register of members of any company, or if default is made or unnecessary delay takes place in entering on the register the fact of any person having ceased to be a member of the company*".

Discussion

13. In accordance with the foregoing provisions of the Act, anyone entered into the register of members of a company is deemed to be a member of that company. Cayman Islands companies are obligated to update their registers of members with various details including (but not limited to) the date upon which a person becomes a member and the date on which they cease to be a member.
14. The requirements in sections 40(1)(b) and 40(1)(c), which identify the date on which persons commence being a member, and cease being a member, will enable identification of the individuals that (i) are no longer shareholders of Renren and (ii) were entered into the register of members after the Record Date (as defined in the Settlement) and in either case are therefore not entitled to any portion of the Net Settlement Amount or the Settlement Amount (each as defined in the Settlement).
15. As set out in section 48 of the Act the register of members is *prima facie* evidence of the members of a Cayman Islands company at any given time and therefore should be relied upon in respect of any matters regarding the status or lack thereof of the members of the Company.

I affirm this 28th day of April 2022, under the penalties of perjury under the laws of New York, which may include a fine or imprisonment, that I am physically located outside the geographic boundaries of the United States, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States, that the foregoing is true, and we understand that this document may be filed in any action or proceeding in a court of law.

Executed at George Town, Cayman Islands on 28 April 2022



SAMUEL MARTIN PIERCE DAWSON