

A G E N D A

VIRTUAL REGULAR MEETING OF THE CITY OF MIAMI FIRE FIGHTERS' & POLICE OFFICERS' RETIREMENT TRUST

DATE: Thursday, January 21, 2021

TIME: 8:30 a.m.

LOCATION: Microsoft Teams Link At: www.miamifipo.org
Or Reach Us By Phone (305) 858-6006

The items on this agenda are for discussion and any recommendations for action to be taken by the Board. Please be advised one or more City of Miami Commissioners may be in attendance.

If a person decides to appeal any decision made by the Board with respect to any matter considered at this meeting or hearing, he/she will need a record of the proceedings and for such purpose he/she may need to insure that a verbatim record of the proceedings is made which record includes the testimony and evidence upon which the appeal is to be made. Source: Section 286.0105 Florida Statutes 1980.

This meeting may be conducted by means of or in conjunction with communications media technology, specifically a telephone conference call. The above location, which is ordinarily open to the public, shall service as an access point. Persons wishing to attend should appear at the access point, where telephonic access to the meeting will be provided.

In accordance with the Americans With Disabilities Act of 1990, persons needing a special accommodation to participate in this proceeding should contact the Fire and Police Pension Office no later than seven (7) days prior to the proceeding for assistance (Telephone 305/ 858-6006); if hearing impaired, telephone the Florida Relay Service for assistance (Telephone 800/955-8771/TDD or 800/955-8770/Voice)

1. INPUT FROM RETIRED/ACTIVE MEMBERS

2. ELECTION OF CHAIRMAN

3. ELECTION OF VICE-CHAIRMAN

4. FOR DISCUSSION / APPROVAL

(Pg. 3 - 6)
(Pg. 7)
(Appendix)
(Attachment)
(Pg. 8)

- a. Minutes Regular Meeting – 12/17/2020
- b. Retirements For The Period
- c. Payments for the Period
- d. Three Year Experience Study
- e. 2021 Meeting Schedule

5. COMMITTEE REPORTS

- a. Audit Review
(Last met 01/23/2020)
M. Fernandez, O. Cotera
- b. COLA Committee
(Last met 12/17/2020)
O. Cotera
- c. Personnel
(Last met 06/19/2020)
O.Cotera,M.Fernandez,T.Gabriel,T.Roell,R.Suarez

6. ATTORNEY'S REPORT

(Pg. 9 – 25)

- a. Securities Litigation – Pluralsight Inc.

7. ADMINISTRATOR'S REPORT

8. CONFERENCES

- a. New Conferences
- b. Report(s) on Conferences Attended

**MINUTES OF THE REGULAR MEETING OF
THE CITY OF MIAMI FIRE FIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

December 17, 2020

Members Present

O. Cotera	-	Appointed by the City Commission
N. Enriquez	-	Elected by the Fire Fighters
M. Fernandez	-	Appointed by the City Commission
T. Gabriel	-	Appointed by the City Commission
S. MacDonald	-	Elected by the Police Officers
T. Roell	-	Appointed by the City Commission
R. Suarez	-	Elected by the Fire Fighters
A. Valdivia	-	Elected by the Police Officers

Also Present

R. Klausner	-	Legal Advisor
G. Bikkesbakker	-	Investment Consultant
A. Lally	-	Investment Consultant
S. Bowen	-	Investment Consultant
H. Merlak	-	Actuary
D. Winegardner	-	Actuary
T. Reyes	-	FOP

Vacant - City Manager Appointee

Chairman O. Cotera called the meeting to order at 8:30 a.m. with a quorum being present.

APPROVAL OF MINUTES

The minutes of the Regular meeting of September 9, 2020 were reviewed. The minutes were approved by a motion from T. Roell, a second from N. Enriquez and a unanimous vote.

The minutes of the Investment Review meeting of November 12, 2020 were reviewed and approved by a motion by T. Roell a second by N. Enriquez and a unanimous vote.

RETIREMENTS FOR THE PERIOD

The Board reviewed the list presented with the retirements for the period. A motion by T. Roell a second by N. Enriquez and a unanimous vote ratified the retirements as presented.

MINUTES OF THE REGULAR MEETING OF THE CITY OF MIAMI FIRE FIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

December 17, 2020

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RATIFICATION OF PAYMENT

Payments for the period were reviewed. The Administrator confirmed that all payments had been made in accordance. A motion was made by T. Roell and seconded by N. Enriquez to ratify payments presented. The motion was approved unanimously.

COLA Table - 2021

The COLA Committee Chair, O. Cotera reported that the Committee had met earlier and reviewed the COLA report prepared by the Actuary. He reported that the Committee voted to maintain the COLA Table at \$1,670. Discussion ensued. The Board accepted the Committee's report and motion.

COLA FUND REVIEW

At the November meeting the Board discussed the potential need for identifying a framework to trigger adjustments to the COLA benefit if reserve levels would fall below a certain level. The Actuaries prepared a report and presented it to the Board. The Actuaries reviewed the COLA basics, described the valuation methodology, summarized historical results and identified the sensitivity of the results. The report was summarized as follows:

- (1) Reserve approach has proved to be effective to ensure sustainability of the COLA during difficult economic times.
- (2) COLA Fund is very sensitive to market returns
- (3) Small adjustments to future COLA amounts can increase the reserve significantly
- (4) Further safeguards could be put into place that adjusts the COLA downward if certain reserve thresholds are hit. Examples may include (1) 0% reserve and (2) under 5% reserve for 2 – 3 consecutive years.

MINUTES OF THE REGULAR MEETING OF THE CITY OF MIAMI FIRE FIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

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COLA FUND REVIEW (continued)

A lengthy discussion followed the presentation. The Board discussed a recommendation to the COLA Committee that if reserves go below 10% for more than 2 consecutive years that the Committee look to small adjustments to future COLA amounts. The Board also discussed recommending that any increase to reserves of above 20% be used to increase the Table. Discussion resumed. A motion was made by T. Gabriel and seconded by N. Enriquez to ask Legal Counsel to prepare appropriate correspondence to the COLA Committee on the Board's recommendations. The motion was approved unanimously.

2021 BOARD MEETING SCHEDULE

Based on Legal Counsel Opinion, it was the consensus of the Board to continue to hold meetings virtually thru June, at which time the issue will be re-evaluated. Administrator presented a proposed schedule of meetings for 2021. Discussion ensued. The Administrator was asked to work with the Trustees individually to finalize the schedule and present at the January meeting.

INVESTMENT ISSUES

G. Bikkesbakker, A. Lally and S. Bowen represented Meketa.

- Securities Lending – The Consultants reviewed with the Board a report reviewing the Trust's Securities Lending program. The report concluded that:
 - The Trust's program framework is consistent with industry norms.
 - Revenues from securities lending have declined over the past five years and are not likely to increase due to (1) decrease in available assets to be loaned out and (2) record low yields/interest rates on high quality fixed income instruments.
 - Comfortable with the Trust's continued participation in securities lending through its custodian bank, Northern Trust with the expectation that the program will have a declining impact in terms of usage and revenue for the reasons previously stated.

MINUTES OF THE REGULAR MEETING OF THE CITY OF MIAMI FIRE FIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

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INVESTMENT ISSUES (continued)

- Manager Structure/Wellington and First Eagle – The Investment Consultants reported that they had been working with the Board's Legal Counsel on the issue of transitioning Wellington and First Eagle to comingled accounts. Legal Counsel reported that he did not see an issue with the transition provided that both Managers executed Side Letters that he would prepare. Discussion ensued. A motion was made by T. Gabriel and seconded by M. Fernandez to approve the transition based on proper execution of Side Letters approved by the Board's Legal Counsel. The motion was approved unanimously.

Being no further business, the meeting was adjourned at 11:20 a.m. by a motion by T. Roell a second by N. Enriquez and a unanimous vote.

Ornel Cotera, Chairman

Attest:

Dania Orta, Administrator

REGULAR MEETING January 21, 2021

<u>Group</u>	<u>Name</u>	<u>Retirement Type</u>	<u>D.O.R.</u>	<u>Option</u>	<u>Pension Gross</u>	<u>Back DROP Lump Sum</u>
Fire	ROBER, Glenn	Forward DROP	12/20/20	4-45%	9,025.76	0.00
Fire	FUENTES, Jose M.	Forward DROP	01/17/21	4-45%	9,989.68	0.00
Fire	ACOSTA, Pedro	Back DROP (7)	01/31/21	6B	9,613.22	910,449.15
Police	GOMEZ, Enrique	Forward DROP	01/31/21	6B	8,772.14	0.00
Fire	JOHNSON, Collin	Forward DROP	01/31/21	3	6,385.01	0.00

CITY OF MIAMI
FIREFIIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST
1895 SW 3rd AVENUE
MIAMI, FL 33129

2021
SCHEDULE OF BOARD MEETINGS

<u>MONTH</u>	<u>DAY</u>	<u>TIME</u>	<u>MEETING</u>
January (deadline 01/07/2021)	21 (Thursday)	8:30 a.m.	Regular
February (deadline 02/05/2021)	18 (Thursday)	8:30 a.m.	Investment Review
March (deadline 03/04/2021)	18 (Thursday)	8:30 a.m.	Regular
April (deadline 03/31/2021)	14 (Wednesday)	8:30 a.m.	Regular
May (deadline 04/29/2021)	13 (Thursday)	8:30 a.m.	Investment Review
June (deadline 06/09/2021)	23 (Wednesday)	8:30 a.m.	Regular
August (deadline 07/29/2021)	12 (Thursday)	8:30 a.m.	Investment Review
September (deadline 09/02/2021)	16 (Thursday)	8:30 a.m.	Regular
November (deadline 11/04/2021)	18 (Thursday)	8:30 a.m.	Investment Review
December (deadline 12/02/2021)	16 (Thursday)	8:30 a.m.	Regular

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP

ATTORNEYS AT LAW

NEW YORK • CALIFORNIA • ILLINOIS • LOUISIANA • DELAWARE

Hannah Ross
(212) 554-1411
Hannah@blbglaw.com

SUBJECT TO ATTORNEY/CLIENT PRIVILEGE

January 15, 2021

VIA EMAIL

Dania L. Orta, Fund Administrator
City of Miami Fire Fighters' and Police Officers' Retirement Trust
1895 SW 3rd Avenue
Miami, Florida 33129-1456

Re: *Stockholder Books and Records Investigation Pluralsight Inc.*

Dear Dania Orta:

This letter is to confirm that the City of Miami Fire Fighters' and Police Officers' Retirement Trust (the "Fund") has retained Bernstein Litowitz Berger & Grossmann LLP, and Klausner Kaufman Jensen & Levinson, LLP (together, the "Firms") to represent the Fund in an investigation of the corporate books and records of Pluralsight Inc. ("Pluralsight" or the "Company"). This letter sets forth the principal terms that will govern our retention in connection with the prosecution of the action.

As explained more fully in the draft demand for books and records (the "220 Demand") to be provided with this retainer, there is reason to believe that the Board or the Company's senior management breached their fiduciary duties in connection with the announced sale of the Company to Vista Equity Partners Management, LLC. To investigate this issue, and relatedly the independence and disinterestedness of the members of the Board and whether to bring a lawsuit or take other action to seek appropriate relief, we recommend the Fund send a request for books and records.

If, following inspection of documents received from the Company in response to the Demand, we believe members of the Board or management have breached their fiduciary duties, we will confer with the Fund regarding our recommendation whether to bring a lawsuit against the members of the Board and management to hold them accountable for their breaches of fiduciary duty or take other action. The Fund will then make an independent determination about whether to pursue such a suit or take action.

1251 AVENUE OF THE AMERICAS • NEW YORK • NY 10020-1104
TELEPHONE: 212-554-1400 • www.blbg⁹law.com • FACSIMILE: 212-554-1444

Dania Orta, Fund Administrator
January 15, 2021
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The Fund owns 30,700 shares of Company common stock. The Fund must continue to hold in escrow at least 100 shares of Pluralsight Inc. stock in account number 2624392 managed by Champlain Small Cap in escrow for the duration of the investigation and any subsequent litigation.

The Firms' representation of the Fund will be on a fully contingent basis. The Firms will also advance all costs associated with its representation of the Fund. The Firms will also cover any costs the Fund incurs in connection with its role as plaintiff.

The Firms will seek their fees and reimbursement of their expenses with respect to this action only if, through the Firms' efforts on behalf of the Fund, we are able to confer a benefit on Pluralsight Inc. and its shareholders. The Fund will have no responsibility for legal fees and expenses.

The Fund and the Firms have agreed that, because of the nature of the case, it would be premature to attempt to devise a fee schedule at this time. At the conclusion of the matter, if we are successful in conferring a benefit on Pluralsight's stockholders, we will confer with the Fund about an appropriate fee before making an application to the Court. Any such fee will comply with Rule 4-1.5 of Florida Rules of Professional Conduct, which governs fees and costs for legal services. The Firms will work together in this matter and will share in the fee award (if any). The Court will ultimately determine if the requested fee is fair, reasonable, and appropriate.

The Fund agrees to take reasonable action to preserve documents that are likely to be produced in the discovery portion of a case. We will confer with you in a timely fashion to identify the actions the Fund should take to comply with their obligations in this regard.

We appreciate your retention of the Firms to represent the Fund in this matter, and we look forward to continuing to represent your interests in this important matter. If the Fund determines to retain the Firms to represent it, please sign and return this letter.

Very truly yours,



Hannah Ross
Bernstein Litowitz Berger & Grossmann LLP

Robert Klausner
Klausner Kaufman Jensen & Levinson

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP

Dania Orta, Fund Administrator

January 15, 2021

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Agreed to by:

Dania L. Orta, Fund Administrator
City of Miami Fire Fighters' and Police Officers' Retirement Trust

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP

ATTORNEYS AT LAW

NEW YORK • CALIFORNIA • ILLINOIS • LOUISIANA • DELAWARE

Mark Lebovitch
(212) 554-1519
MarkL@blbglaw.com

January [•], 2021

VIA FEDERAL EXPRESS

Board of Directors
Pluralsight, Inc.
42 Future Way
Draper, UT 84020

VIA REGISTERED AGENT

Pluralsight, Inc.
c/o Corporation Service Company
251 Little Falls Drive
Wilmington, DE 19808

Attn: Chief Legal Officer Matthew Forkner and Board of Directors

Re: Demand for Inspection of Books and Records of Pluralsight, Inc.

To Mr. Forkner and the Board of Directors:

We represent the City of Miami Fire Fighters' and Police Officers' Retirement Trust (the "Stockholder"), the beneficial owner of 30,700 shares of Pluralsight Inc. ("Pluralsight" or the "Company") common stock. Stockholder has held 30,700 Class A common stock consistently since at least [•]. This letter is Stockholder's demand to inspect certain books and records of Pluralsight (the "Demand") pursuant to 8 *Del. C.* § 220 ("Section 220"). Verified documentary evidence of Stockholder's beneficial ownership of the Pluralsight common stock is attached hereto as **Exhibit 1**, and such documentary evidence is a true and correct copy of what it purports to be. A notarized and sworn power of attorney appointing Bernstein Litowitz Berger & Grossmann LLP to act on behalf of Stockholder is attached hereto as **Exhibit 2**.

The purposes of the Demand are to investigate and assess: (i) possible breaches of fiduciary duty by, among others, members of the Company's board of directors (the "Board") and management in connection with the proposed acquisition (the "Transaction") of Pluralsight by affiliates of Vista Equity Partners Management, LLC ("Vista"); (ii) possible breaches of fiduciary duty in connection with an amendment (the "TRA Amendment") of a tax receivables agreement (the "TRA") that will provide its beneficiaries (the "TRA Beneficiaries") an immediate cash payment of \$127 million; (iii) the independence and disinterestedness of the members of the Board with regard to the above issues; and (iv) whether to bring a lawsuit or take other action to seek appropriate relief.

I. Investigation of Potential Breaches of Fiduciary Duty

A. Background

Headquartered in Draper, Utah, Pluralsight is a cloud-based technology skills development platform. Since its incorporation in Delaware in 2017, the Company has incurred net losses each of its fiscal years. In May 2018, Pluralsight completed its initial public offering (the “IPO”), and its stock trades under the ticker “PS” on NASDAQ.

The Company has an “Up-C” corporate structure. Pluralsight is a holding company with no material assets other than units of Pluralsight Holdings, LLC (“Holdings”). Formed in Delaware in August 2014, Holdings is a subsidiary of Pluralsight and owns, directly or indirectly, all of the material operating and other assets indirectly owned by Pluralsight. Pluralsight is the sole managing member and manager of Holdings, so it has the sole voting interest in Holdings and controls all of its business operations, affairs, and management.

In connection with the IPO, Holdings members were entitled to exchange their Holdings interests for Company stock. Certain Holdings members elected not to exchange their Holdings units for Company stock in connection with the IPO. As of December 28, 2020, Holdings unitholders, other than Pluralsight, held approximately 17.4% of the outstanding Holdings units.

The purpose of the TRA is intriguing, to put it mildly. The TRA’s effect on the Transaction warrants investigation, to put it bluntly. Concurrent with the IPO, Pluralsight entered into the TRA with the TRA Beneficiaries, who were the Holdings members who chose not to exchange their units at the IPO. The TRA provides for payments to the TRA Beneficiaries of approximately 85% of the amount of the calculated tax savings, if any, Pluralsight will realize due to future exchanges of Holdings units for Company common stock.

While it is not entirely clear why the TRA Beneficiaries should receive the benefit of the exchange of membership units for common stock, other than as a form of financial engineering, it appears clear that the real purpose of the TRA is to provide a windfall to the TRA Beneficiaries in the event of any future buyout, such as the Transaction. The TRA provides that, in connection with a change of control of Pluralsight, the TRA Beneficiaries are entitled immediately to receive the present value of the estimated payments that would have been due under the TRA.

In each fiscal year since execution of the TRA, the Company has concluded that “it is more-likely-than-not that its deferred tax assets subject to the TRA will not be realized.” As such, “the Company has not recorded a TRA liability related to the tax savings it may realize from the utilization of deferred tax assets arising from the exchanges that have occurred.” In other words, the Company has not yet made any payments to the TRA Beneficiaries under the TRA.

B. The Transaction Process

On September 17, 2020, Aaron Skonnard (“Skonnard”), Pluralsight’s chief executive officer and Chairman of the Company’s board of directors (the “Board”), met with Monti Saroya (“Saroya”), a senior managing director at Vista. At this meeting, Saroya told Skonnard that Vista

was interested in exploring an acquisition of Pluralsight. Prior to this meeting, Skonnard had met a number of times with Vista representatives. Robert F. Smith (“Smith”), Vista’s Chairman and CEO, agreed to speak at Pluralsight’s virtual user conference in October 2020.

On September 24, 2020, the Board met to discuss Vista’s expression of interest in a potential transaction and invited the Company’s outside counsel, Wilson Sonsini Goodrich & Rosati (“Wilson Sonsini”). At this meeting, the Board established a transaction committee (the “Transaction Committee”), consisting of directors Gary Crittenden (“Crittenden”), Scott Dorsey (“Dorsey”) and Bonita Stewart (“Stewart”). The purpose of the Transaction Committee was “to explore, evaluate, consider, review, negotiate and, as appropriate, make a recommendation to the Pluralsight Board with respect to a potential business combination transaction or similar strategic transaction involving Pluralsight and alternatives thereto.” Entry into any such transaction was not conditioned on the Transaction Committee’s approval, and both Crittenden and Dorsey are TRA Beneficiaries, *i.e.*, they would receive an accelerated payment under the TRA upon a change of control of Pluralsight.

On September 26, 2020, the Company entered into an engagement letter with Qatalyst Partners LP (“Qatalyst”). Between September 28 and 30, 2020, Qatalyst and Company management reached out to 11 potential acquirers (in addition to Vista), and a total of ten non-disclosure agreements (“NDAs”) were executed. Of the ten NDAs, seven included standstill provisions restricting parties from making proposals to acquire the Company without the Company’s prior consent. Two financial sponsors subsequently entered into NDAs, and each also were bound by standstill provisions. It is unclear whether Vista’s NDA included such a standstill.

On September 30, 2020, the Transaction Committee met with Qatalyst and Wilson Sonsini, inviting other members of the Company’s Board and management. At this meeting, among of things, representatives of management reviewed the Company’s financial projections. The Transaction Committee also discussed the TRA and its impact on a sale of Pluralsight. Over the next two weeks, Pluralsight management and Qatalyst presented to ten potential acquirers (including Vista) and engaged in follow-up due diligence.

Following weeks of tangible steps towards what became the Transaction, on October 7, 2020, the Transaction Committee suddenly decided to recommend to the Board that it modify its own composition to include only directors who were not party to the TRA and were independent of management—namely, Stewart and Leah Johnson. The Transaction Committee also decided to recommend that the Board expand its power and authority. The Board accepted these recommendations, and it resolved that the Company would not effectuate a transaction unless it was first approved by the Transaction Committee and approved by holders of a majority of Pluralsight’s voting power not held by TRA Beneficiaries or management.

On October 14, 2020, the Transaction Committee met with Qatalyst and Wilson Sonsini and discussed, among other things, acceleration of payments under the TRA upon a change of control of the Company. The Transaction Committee also purported to “ratify” the prior actions of the Board and the previously constituted – and plainly conflicted – Transaction Committee.

Throughout October 2020, Pluralsight management updated the Company's financial projections. On November 2, 2020, the Transaction Committee met with Qatalyst and Wilson Sonsini and discussed, among other things, what became the TRA Amendment. According to Qatalyst, absent an amendment, over \$400 million would be due to TRA Beneficiaries upon a change of control of the Company. Using the projections that management has first developed in October, Qatalyst calculated that, absent a change of control, TRA Beneficiaries would receive payments under the TRA with a present value of \$112 million to \$144 million. Considering the Company's prior disclosure that it did not believe any payments were likely and the fact it had booked no liability in connection with the TRA, the October projections warrant inquiry.

The Transaction Committee authorized Qatalyst and Wilson Sonsini to initiate discussion with the TRA representative (the "TRA Representative") about the TRA Amendment. The TRA Representative is an affiliate of Insight Venture Management, LLC ("Insight"), where Company director Ryan Hinkle ("Hinkle") is a Managing Director. When they first met, Qatalyst and Wilson Sonsini proposed a TRA amendment that would provide a fixed payment of \$100 million to the TRA Beneficiaries upon any change of control.

On November 4, 2020, the Board held a regular meeting, during which the Transaction Committee provided an update on the sale process. Additionally, for the first time, the Transaction Committee instructed the Board and Company management not to discuss rollover of equity or go-forward economic arrangements with potential acquirers. Two days later, on November 6, 2020, Vista delivered to Pluralsight a written proposal to (i) acquire all of the outstanding shares of Pluralsight for \$16.50 per share and (ii) satisfy the TRA obligations of \$406 million, based on a model provided by Pluralsight management. Vista's proposal indicated that, to the extent a lower amount is required to satisfy Pluralsight's obligations under the TRA, the difference would be applied on a dollar-for-dollar basis to the Transaction consideration. If no payments were due under the TRA, this offer implied a price (the "non-TRA adjusted price") of \$19.02 per share. Considering the overlap between the TRA Beneficiaries and the Company's principal decisionmakers, Vista's offer to satisfy the TRA obligations seems to be a fairly clear inducement to cooperation.

On November 13, 2020, the Transaction Committee provided a counteroffer to Vista at a non-TRA adjusted price of \$23 per share. That same day, the TRA Representative proposed an amendment to the TRA that would reduce Pluralsight's change of control payment obligations to 75% of what would have otherwise been owed (*i.e.*, a 25% reduction). The TRA Representative also requested that the Company indemnify it in connection with any TRA amendment, which Pluralsight later did.

On November 17, 2020, Vista provided its "best and final" non-TRA adjusted price of \$21.05 per share. That day, the Transaction Committee informed the TRA Representative that its "best and final" payment in connection with a change in control was \$127 million. Under the existing terms of the TRA, at a non-TRA adjusted price of \$21.05 per share, \$417 million would have been owed to the TRA Beneficiaries upon a change of control of the Company (implying Transaction consideration of \$18.46 per share). The TRA Representative agreed to this offer for

the TRA Amendment the next day. After taking into account the TRA Amendment and the \$127 million payment, the per-share Transaction consideration for Pluralsight stockholders is \$20.26.

On December 11, 2020, the Transaction Committee and the Board approved the Transaction and the TRA Amendment, and the parties executed the relevant documentation. Additionally, Skonnard and Frederick Onion, a Board member, entered into a voting and support agreement pursuant to which they agreed, among other things, to vote their Company stock in favor of the Transaction. Insight also entered into a support agreement pursuant to which it waived appraisal rights, agreed not to raise certain legal challenges to the Transaction, and agreed to restrictions on its ability to transfer its Pluralsight shares.

On December 13, 2020, Pluralsight and Vista announced the Transaction. The offer price of \$20.26 represents a 9.5% premium to the \$18.50 per share closing price of the Company's stock the last prior trading day. Under the TRA Amendment as TRA Beneficiaries, the following Company insiders are poised to receive side payments in the following amounts:

TRA Beneficiary	TRA Payments
Aaron Skonnard	\$20,696,211
James Budge	\$1,872,514
Nate Walkingshaw	\$739,998
Fritz Onion	\$15,364,348
Tim Maudlin	\$469,873
Gary Crittenden	\$264,226
Arne Duncan	\$552,403
Brad Rencher	\$471,071
Scott Dorsey	\$426,357
Karenann Terrell	\$326,653
TRA Representative	\$60,061,091

C. The Transaction Appears to Be Unfair to Unaffiliated Pluralsight Stockholders

Both the process and the price of the Transaction appear to be unfair to Pluralsight stockholders unaffiliated with TRA beneficiaries and Company management. Potential reasons for unfairness include, but are not limited to, the following:

- Pluralsight (and, in particular, Skonnard) has a long-standing and warm relationship with Vista. Indeed, Smith had agreed to present at the Company's conference (prior to Vista expressing interest in the Transaction), and Vista was the first potential acquirer to approach Pluralsight.
- The Board selected a financial advisor (Qatalyst) and legal counsel (Wilson Sonsini, the Company's standing outside counsel) for the Transaction Committee.

- As initially comprised, two of the three members of the Transaction Committee were interested in the Transaction as TRA Beneficiaries.
- The majority of NDAs executed with potential acquirers included standstill provisions, which had a chilling effect on their ability to make offers.
- Nearly two weeks elapsed between the initial formation of the Transaction Committee and its reconstitution. During this time period, the Company had already met with ten potential acquirers, including Vista.
- Any sale of the Company only was conditioned on the approval of the Transaction Committee after it was reconstituted. Additionally, after the reconstitution, the Transaction Committee merely “ratified” the Board’s and the Transaction Committee’s prior acts (including, apparently, the selection of Qatalyst and Wilson Sonsini as its advisors).
- Qatalyst participated in management’s preparation of the Company’s financial projections.
- The TRA Representative is an affiliate of Insight, where Company director Hinkle is a managing director. Additionally, Insight agreed to a support agreement and the Company agreed to indemnify the TRA Representative.
- The Transaction Committee belatedly instructed members of the Board and Company management not to discuss post-Transaction economic arrangements with potential acquirers.
- The Transaction Committee and the Board agreed to a \$127 million payment under the TRA Amendment, despite no payments having ever been made under the TRA to date. The TRA Beneficiaries include members of management and the Board, as well as Insight.
- The per-share Transaction consideration represents a meager premium to the stock’s closing price the last trading day prior to the announcement of the Transaction.

II. Stockholder’s Demand for Books and Records

Stockholder makes this Demand to investigate and assess: (i) possible breaches of fiduciary duty by, among others, members of the Board and management in connection with the Transaction; (ii) possible breaches of fiduciary duty in connection with the TRA Amendment that will provide the TRA Beneficiaries an immediate cash payment of \$127 million; (iii) the independence and disinterestedness of the members of the Board with regard to the above issues; and (iv) whether to bring a lawsuit or take other action to seek appropriate relief.

The investigation of breaches of fiduciary duty and/or corporate wrongdoing is a proper purpose under Section 220. *See Amalgamated Bank v. Yahoo! Inc.*, 132 A.3d 752, 777 (Del. Ch. 2016) (citing *Seinfeld v. Verizon Commc’ns, Inc.*, 909 A.2d 117, 121 (Del. 2006)); *Elow v. Express Scripts Holding Co.*, 2017 WL 2352151, at *5 (Del. Ch. May 31, 2017) (“A proper purpose... ‘shall mean a purpose reasonably related to [a] person’s interest as a stockholder.’”); *Melzer v.*

CNET Networks, Inc., 934 A.2d 912, 917 (Del. Ch. 2007) (“There is no shortage of proper purposes under Delaware law, but perhaps the most common proper purpose is the desire to investigate potential corporate mismanagement, wrongdoing or waste.”) (internal quotation marks and citations omitted). Delaware law requires only a showing of a “credible basis from which the Court of Chancery can infer” possible mismanagement when seeking books and records. *Yahoo!*, 132 A.3d at 777. “Section 220 entitles a stockholder to inspect all books and records that are necessary to accomplish that stockholder’s proper purpose.” *KT4 Partners LLC v. Palantir Techs. Inc.*, 203 A.3d 738, 742 (Del. 2019).

Moreover, a stockholder may properly seek books and records pertaining to a proposed merger transaction pursuant to Section 220 to evaluate the fairness of the proposed transaction. See *Lavin v. West Corp.*, 2017 WL 6728702, *12-13 (Del. Ch. Dec. 29, 2017) (stockholder “stated a proper purpose to inspect certain documents related to the Merger process” where stockholder presented “some evidence” that the merger price “may have been unfair to the other stockholders.”); *Mudrick Capital Mgmt., L.P. v. Globalstar, Inc.*, 2018 WL 3625680, *9-10 (Del. Ch. July 18, 2018) (finding stockholder entitled to documents regarding merger process which went to the “crux” evaluating the fairness of the merger agreement, and the special committee’s independence). Delaware law also plainly recognizes a stockholder’s interest in valuing its shares as a proper purpose under Section 220. See, e.g., *CM&M Grp., Inc. v. Carroll*, 453 A.2d 788, 792-93 (Del. 1982) (“[T]he valuation of one’s shares is a proper purpose for the inspection of corporate books and records.”).

Stockholder makes this demand for books and records directed to the Company under oath and penalty of perjury of the laws of the United States and of the State of Delaware. Except as otherwise indicated, Stockholder asks to inspect and to make copies or extracts from, to the extent they exist, the following records and documents of the Company for the period beginning August 1, 2020 and continuing until the date of production:

1. Board Materials¹ and Senior Management Materials² relating to or reflecting:

¹ The term “Board Materials” means all documents, regardless of whether they are in hard copy or electronic form, that were prepared, provided, disseminated, or discussed in connection with, in anticipation of, or as a result of any meeting of the Board or any regular or specially created committee thereof (including, without limitation, all meeting minutes, agendas, transcripts, notes, summaries, presentations, Board packages, recordings, memoranda, charts, drafts of meeting minutes where final forms do not exist, exhibits distributed at meetings, or Board resolutions). This term also includes electronic communications—including, without limitation, emails, text messages, or other digital communications—sent to, received by, or copied to any member of the Board in connection with the subjects discussed in this letter.

² The term “Senior Management Materials” means all documents and communications, regardless of whether they were ever provided to any member of the Board, provided to, considered by, discussed by, created by, and/or sent to or by any named executive officer of the Company—including via emails, text messages, or other digital communications methods such as instant messaging platforms.

- a. The negotiations and considerations leading to the Transaction.
 - b. The negotiations considerations leading to the TRA Amendment, including all documents and communications concerning discussions with the TRA Representative.
 - c. Historical and projected payments under the TRA, as well as projected payments under any amendment to the TRA (including the TRA Amendment).
 - d. The TRA Beneficiaries.
 - e. Discussions and negotiations between and among (i) the Company, the Board, the Transaction Committee, and Company officers (including each of their respective financial advisors, consultants, or representatives) and (ii) Vista, since May 1, 2018.
 - f. Discussions and negotiations between and among (i) the Company, the Board, the Transaction Committee, and Company officers (including each of their respective financial advisors, consultants, or representatives) and (ii) Insight.
 - g. All definitive documentation related to the Transaction, including, but not limited to, the Transaction agreement, the TRA, the TRA Amendment, and the voting agreements.
 - h. Any alternative transaction or strategic alternative to the Transaction, including alternatives to the TRA Amendment.
 - i. The Company's business plans, including the October 2020 financial projections that included Qatalyst's input.
 - j. The circumstances behind the selection of, reconstitution of, and powers and authority conveyed to the Transaction Committee.
 - k. The selection and retention of the Company's and the Transaction Committee's respective financial and legal advisors, including any conflict of interest disclosures.
 - l. Any actual or potential conflicts of interest faced by any member of the Board, senior management, and any advisor to the Board, or any committee thereof in relation to the Merger, including conflicts with respect to (i) Vista, (ii) Insight, and (iii) the TRA Representative.
2. Documents concerning actual, potential, historical, or perceived loyalties, ties, or social or business relationships among any members of the Board and the Company's senior management or executives (and their respective families), including, but not limited to documents reflecting any joint investments, co-investments, shared business ventures, jointly-owned assets, profit sharing agreements, joint participation in non-profit organizations, vacations, meetings, favors, and any other financial, business, or personal relationships.

3. Director questionnaires and personnel files for each Board member since 2019 and, for Transaction Committee members, all available director questionnaires.
4. All documents produced to any other stockholder in response to a demand under Section 220 (or any analogous statute) that relates to the above requests or the matters discussed in this Demand, and the associated demand letter(s).
5. A copy of any Section 220 demand served by any other Pluralsight stockholder regarding the matters discussed in this Demand.

For purposes of the foregoing demand, Stockholder requests that the Company provide or otherwise make available all such information up to the most recent practicable date. The Stockholder further requests that the Company provide all additions, changes, and corrections to any of the requested information from the time of this Demand to the time of any inspection.

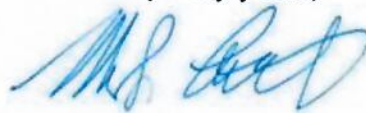
Stockholder agrees to bear all reasonable costs required by Section 220 incurred by the Company in connection with obtaining and furnishing the requested information and other materials. In addition, BLB&G will confer with counsel for the Company on the most efficient means to satisfy this Demand. We believe that this demand letter complies with the provisions of Section 220 in all material respects. If the Company believes this letter is deficient in any respect, we request that you inform the undersigned (Mark Lebovitch; Telephone: 212-554-1519) immediately.

Section 220 requires the Company to respond to this Demand within five (5) business days of the date hereof. To avoid unnecessary delay, we attach to this letter as **Exhibit 3** a standard form of confidentiality agreement. This form of agreement is substantively similar to dozens of forms this firm has entered into in connection with past productions under Section 220, and there should be no basis for further negotiation other than to cause unreasonable delay.

We are prepared to promptly meet and confer and to negotiate in good faith to resolve any areas of disagreement. We agree to treat any documents produced as attorneys' eyes only until the execution of a confidentiality agreement or the entry by the Court of an order setting forth terms of confidentiality with respect to the documents provided pursuant to this Demand. We ask that a person with authority to reach binding agreements must be involved in any meet and confer, and we will reciprocate.

We look forward to your prompt response.

Very truly yours,



Mark Lebovitch

Pluralsight, Inc.
January [•], 2021
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Encl.

cc: Robert Klausner, Esq.

EXHIBIT 1

Unsworn Declaration Under 10 Del C. § 3927

I, the undersigned, hereby state that:

- (a) Dania L. Orta, on behalf of City of Miami Fire Fighters' and Police Officers' Retirement Trust, has read the demand letter made pursuant to 8 *Del. C.* § 220 addressed to Pluralsight Inc., and the statement of purpose and any other statements contained therein are true and correct under penalty of perjury.
- (b) City of Miami Fire Fighters' and Police Officers' Retirement Trust is a beneficial owner of Pluralsight Inc. common stock. Miami Fire Fighters' and Police Officers' Retirement Trust beneficial ownership of these shares is demonstrated by documentary evidence set forth in the exhibit to this Statement. This documentary evidence is true and correct, to the best of our knowledge based on the information provided to us.

Pursuant to the Delaware Supreme Court's Administrative Directive No. 3 dated March 22, 2020, and Administrative Order No. 15, dated December 30, 2020, I declare under penalty of perjury under the laws of Delaware that the foregoing is true and correct.

Executed on the ____ day of January, 2021.

By _____
Dania L. Orta, Fund Administrator
City of Miami Fire Fighters' and Police Officers'
Retirement Trust

EXHIBIT 2

Power of Attorney Pursuant to 10 Del C. § 3927

KNOW ALL PERSONS BY THESE PRESENTS, that City of Miami Fire Fighters' and Police Officers' Retirement Trust being the owner and holder of shares of Pluralsight Inc. does hereby make, constitute and appoint Mark Lebovitch of Bernstein Litowitz Berger & Grossmann LLP and Robert Klausner of Klausner Kaufman Jensen & Levinson, and any person designated by them to act as true and lawful attorney in fact for its, in its name, place and stead, jointly and severally, in all matters regarding the examination of the books and records of Pluralsight Inc. (the "Company"), including, but not limited to: (i) demanding inspection of books and records of the Company on its behalf as a stockholder of the Company as said attorneys deem appropriate, (ii) reviewing and/or copying any documents received in connection with any such books and records demand made on its behalf as a stockholder of the Company, and (iii) giving and granting unto said attorneys full power and attorney to perform all and every act and thing whatsoever requisite, necessary, and proper to be done in and without the premises, as fully, to all intents and purposes as they might or could do, with full power of substitution and revocation, hereby ratifying and confirming all that its attorneys or the substitute shall lawfully do or cause to be done.

The rights, powers, and authority of said attorneys shall remain in full force and effect until I tender a written notice of termination. Pursuant to the Delaware Supreme Court's Administrative Directive No. 3 dated March 22, 2020, and Administrative Order No. 15, dated December 30, 2020, respectively, I declare under penalty of perjury under the laws of Delaware that the foregoing is true and correct.

Executed on the ____ day of January, 2021.

By _____
Dania L. Orta, Fund Administrator
City of Miami Fire Fighters' and Police Officers'
Retirement Trust