

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND
BALTIMORE DIVISION

KIRAN KUMAR NALLAGONDA,

Plaintiff,

vs.

OSIRIS THERAPEUTICS, INC., *et al.*

Defendants.

Case No.: 1:15-cv-03562-PX

NOTICE OF
PENDENCY AND PROPOSED
SETTLEMENT OF CLASS ACTION

IF YOU ACQUIRED SHARES OF OSIRIS THERAPEUTICS, INC. (“Osiris” or the “Company”) BETWEEN MAY 12, 2014 AND NOVEMBER 16, 2015, YOU COULD RECEIVE A PAYMENT FROM A CLASS ACTION SETTLEMENT.

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

- The Court will hold a Settlement Hearing on February 4, 2019 at 10:00 a.m. to decide whether to approve the Settlement. If approved by the Court, the Settlement will provide \$18,500,000 gross (the “Settlement Fund”), plus interest as it accrues, minus attorneys’ fees, costs, and administrative expenses, net of any taxes on interest, to pay claims of investors who purchased Osiris securities during the Class Period.
- The Settlement represents an average recovery of between \$1.78 – \$2.72 per share for the approximately 6.8 – 10.4 million shares of Osiris common stock that Lead Plaintiff alleges were damaged and declined in value as a result of Defendants’ alleged misconduct during the Class Period. A share may have been traded more than once during the Class Period. This estimate solely reflects the average recovery per outstanding share of Osiris stock. This is not an estimate of the actual recovery per share you should expect. As a percentage of the damages estimated with the assistance of a consulting financial expert, Lead Counsel calculates that the recovery is between 36% and 86% of estimated damages, which falls within a range of \$21.3 – \$50.9 million. Your actual recovery will depend on the aggregate losses of all Class Members, the date(s) you purchased and sold Osiris securities, and the total number of claims filed. See the Plan of Allocation on pages 8-11 below for more details.
- To claim your share of the Settlement Fund, you must submit a valid Proof of Claim and Release form within 120 days after the Notice Date, or January 30, 2019.
- Attorneys for Lead Plaintiff (“Lead Counsel”) intend to ask the Court to award them fees of up to 25% of the Settlement Amount (\$4,650,000) plus interest and reimbursement of up to \$250,000 in litigation expenses. Since the Litigation’s inception, Lead Counsel and Liaison Counsel have expended considerable time and effort in this Litigation on a contingent-fee basis and have advanced the expenses of the Litigation in the expectation that if they were successful in obtaining a recovery for the Class, they would be paid from such recovery. Lead Counsel also intends to ask the Court to grant an incentive award to Lead Plaintiff not to exceed \$4,000. If approved by the Court, these amounts will be paid from the Settlement Fund.
- The average recovery, after the deductions set forth in the preceding paragraph, is between \$1.30 and \$2.00 per allegedly damaged share of Osiris common stock. This estimate is based on the assumptions set forth in the preceding paragraph. Your actual recovery, if any, will depend on the aggregate losses of all Class Members, the date(s) you purchased and sold Osiris securities, the purchase and sales prices, and the total number and amount of claims filed.
- The Settlement resolves the Litigation concerning whether Osiris Therapeutics, Inc., Lode Debrabandere, Gregory Law and Philip R. Jacoby, Jr. (collectively “Defendants”) violated federal securities laws by making materially false statements, and deceptively omitting material facts, as a consequence of Defendants’ alleged efforts to artificially inflate the Company’s reported revenues and mislead Osiris’s shareholders and the public as to Osiris’s revenue and revenue growth. On November 2, 2017, Mr. Jacoby entered a plea of guilty (the “Jacoby Plea”) in the criminal action styled *USA v. Jacoby*, No. 1:17-cv-00676 (S.D.N.Y.). With the exception of the Jacoby Plea, Defendants have denied and continue to deny each, any, and all allegations of wrongdoing, fault, liability, or damage whatsoever asserted by Lead Plaintiff. Defendants have also denied, *inter alia*, the allegations that Lead Plaintiff or the Class have suffered damages or that Lead Plaintiff or the Class were harmed by the conduct alleged in the Litigation. Defendants continue to believe the claims asserted against them in the Litigation are without merit.
- The parties disagree on how much money could have been won if the investors won at trial.
- Your legal rights will be affected whether you act or do not act. If you do not act, you may permanently forfeit your right to recover on this claim. Therefore, you should read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM FORM	The only way to get a payment. Proof of Claim and Release forms must be postmarked by January 30, 2019.
EXCLUDE YOURSELF	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against the Defendants or any other Released Parties about the legal claims in this case. Requests for Exclusion must be received by December 3, 2018.
OBJECT	Write to the Court about why you do not like the Settlement, the Plan of Allocation, and/or the request for attorneys' fees, costs, and expenses. You will still be a member of the Class. Objections must be received by Lead Counsel by December 3, 2018.
GO TO THE HEARING	Ask to speak in Court about the fairness of the Settlement. Requests to speak must be received by counsel by December 3, 2018. The Settlement hearing is scheduled for February 4, 2019.
DO NOTHING	Get no payment. Give up your rights.

INQUIRIES

For further information regarding the Litigation or this Notice or to review the Stipulation and Settlement Agreement, dated June 5, 2018 (the "Settlement Agreement"), please visit www.OsirisSecuritiesSettlement.com or contact the Settlement Administrator toll-free at 888-453-9016 or at info@OsirisSecuritiesSettlement.com. You may also contact Lead Counsel at Hagens Berman Sobol Shapiro LLP, 715 Hearst Avenue, Suite 202, Berkeley, CA 94710; 510-725-3000; or www.hbsslw.com. Please do not contact the Court or Defendants regarding this Notice.

BASIC INFORMATION

1. Why Did I Receive This Notice Package?

You or someone in your family may have acquired Osiris Therapeutics, Inc. shares between May 12, 2014, and November 16, 2015, through purchase of such shares or a dividend reinvestment in Osiris.

You received this Notice Package by order of the Court, because you have a right to know about a proposed Settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves it, and after any objections or appeals are resolved, the Settlement Administrator appointed by the Court will make the payments that the Settlement allows.

This package 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 District of Maryland, and the case is known as *Nallagonda v. Osiris Therapeutics, Inc.*, Case No. 1:15-cv-03562-PX. The person who sued is called the Lead Plaintiff, and the company and the individuals they sued, Osiris Therapeutics, Inc., Lode Debrabandere, Gregory Law, and Philip R. Jacoby, Jr. are called the Defendants.

2. What Is This Lawsuit About?

This case was brought as a class action alleging that Defendants made false and misleading statements and omissions regarding the revenue and revenue recognition practices at Osiris during the period between May 12, 2014, and November 16, 2015. The Lead Plaintiff alleges that Defendants made materially false statements, and deceptively omitted material facts, as a consequence of Defendants' alleged efforts to artificially inflate the Company's reported revenues and mislead Osiris's shareholders and the public as to Osiris's revenue and revenue growth. With the exception of the Jacoby Plea, Defendants deny that they did anything wrong and that the Lead Plaintiffs or anyone else may recover alleged damages from any Defendant.

Lead Plaintiff contends that the alleged material misrepresentations and omissions were made in filings with the SEC, including registration statements, prospectuses, and statements of additional information dating from as early as May 12, 2014, as well as in annual, semi-annual, and quarterly reports, written press releases, letters, and other written communications, as well as in oral communications, including communications by Defendants to investors on conference calls and in statements to analysts. Osiris has restated financial results for the year ended December 31, 2014, and the first three quarters of 2015.

3. Why Is This a Class Action?

In a class action, an investor called a class representative (in this case, the Court-appointed Lead Plaintiff, Raffy Mirzayan) sues on behalf of people who have similar claims. All these people are called a Class or Class Members. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class. Judge Paula Xinis of the District of Maryland, in Greenbelt, Maryland, is in charge of this Class Action. Judge Xinis has been asked to certify the Class in this case for settlement purposes. The Class is defined as "All persons other than Defendants who purchased or otherwise acquired Osiris securities between May 12, 2014 and November 16, 2015." Notices of the proposed Settlement were mailed to Class Members and the deadline to be excluded from the Class is December 3, 2018.

4. Why Is There a Settlement?

The Court did not decide in favor of Lead Plaintiff or Defendants. Instead, both sides agreed to a Settlement. The Lead Plaintiff and his attorneys think the Settlement is best for all Class Members.

With the exception of the Jacoby Plea, Defendants have denied and continue to deny each and all of the claims and contentions alleged in the Class Action, and Defendants expressly have denied and continue to deny that they have committed, threatened to commit, aided and abetted in the commission of, or controlled any person or entity with respect to any violations of law or breaches of duty or wrongful acts alleged, or that could have been alleged, in the Class Action, and Defendants expressly maintain that they diligently and scrupulously complied at all times with any and all fiduciary and other legal duties.

Lead Counsel and counsel for Osiris engaged in months of mediation and negotiation to reach a proposed Settlement. The mediation involved a third-party mediator with significant experience in Litigation of this type.

WHO IS IN THE SETTLEMENT

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

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

The Class includes those who purchased or acquired Osiris shares between May 12, 2014 and November 16, 2015.

6. What Are the Exceptions to Being Included?

You are not a Member of a Class if you are a Defendant, a member of the immediate family of one of the Individual Defendants listed in question 1, a current or former director or officer of Osiris, or a legal representative, heir, successor, or assign of any excluded party, or if you timely meet the requirements for opting out of the Class. You are also excluded from the Class if you timely and validly requested exclusion, have arbitrated to final judgment any of the Released Claims, have previously settled any of the Released Claims, or the Settling Parties have agreed to allow you to be excluded from the Class.

If you sold Osiris shares between May 12, 2014 and November 16, 2015, that alone does not make you a Class Member. You are a Class Member only if you acquired Osiris shares between May 12, 2014 and November 16, 2015 (including acquisitions through dividend reinvestments).

7. 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 contact the Settlement Administrator at the toll-free number 888-453-9016 or via email at info@OsirisSecuritiesSettlement.com for more information.

THE SETTLEMENT BENEFITS – WHAT YOU GET

8. What Does the Settlement Provide?

Osiris has agreed to pay \$18.5 million in cash. The balance of this fund after payment of Court-approved attorneys' fees and expenses and the costs of the Litigation and the costs of Settlement administration, including the costs of printing and mailing this Notice (the "Net Settlement Fund") will be divided among all eligible Class Members.

9. How Much Will My Payment Be?

Your share of the Net Settlement Fund will depend on several factors, including: (i) how many Osiris securities you purchased or sold during the Class Period, and the dates and prices of those purchases and sales; (ii) the number of timely and valid claims submitted by other Class Members, and the purchases and sales of Osiris securities represented by those claims; (iii) the amount of administrative costs, including the costs of notice; and (iv) the amount awarded by the Court to Lead Counsel and Liaison Counsel for attorneys' fees, costs, and expenses and to Lead Plaintiff.

The Settlement Administrator will determine each Class Member's *pro rata* share of the Net Settlement Fund based upon each Class Member's valid "Recognized Loss." The Recognized Loss formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Class Members with valid claims ("Authorized Claimants"). The Recognized Loss formula is not intended to be an estimate of the amount that a Class Member might have been able to recover after a trial; it also is not an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. You can calculate your Recognized Loss by following the instructions in the Plan of Allocation on pages 8-11 of this Notice.

It is unlikely that you will get a payment for all of your Recognized Loss. After all Class Members have sent in their Proof of Claim and Release forms, the payment you get will be a part of the Net Settlement Fund equal to your Recognized Loss divided by the total of everyone's Recognized Losses.

HOW YOU OBTAIN A PAYMENT

10. How Will I Obtain a Payment?

To qualify for payment, you must be a Class Member and you must submit a Proof of Claim and Release form. The Settlement Administrator will process your claim and determine whether you are an Authorized Claimant.

A Proof of Claim and Release form is enclosed with this Notice and may also be downloaded at www.OsirisSecuritiesSettlement.com. Read the instructions carefully, fill out the form, include all the documents that the form requests, sign it, and mail it so that it is postmarked no later than January 30, 2019. The claim form may be mailed to:

Osiris Securities Settlement
Settlement Administrator
P.O. Box 4129
Portland, OR 97208-4129

11. When Will I Receive My Payment?

The Court will hold a hearing on February 4, 2019 at 10:00 a.m., to decide whether to approve the Settlement. If Judge Xinis approves the Settlement, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps several years. Please be patient.

THE LAWYERS REPRESENTING YOU

12. Do I Have a Lawyer in This Case?

The Court appointed Hagens Berman Sobol Shapiro LLP to represent you and other Class Members. These lawyers are called Lead Counsel. The Court also appointed Hirschler Fleischer, PC as Liaison 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?

The attorneys' fees and expenses requested will be the only payment to Lead Counsel and Liaison Counsel for their efforts in achieving this settlement and for their risk in undertaking this representation on a wholly contingent basis. To date, Lead Counsel has not been paid for their services in conducting this litigation on behalf of the Lead Plaintiff and the Class, nor for their out-of-pocket expenses. The fee requested will compensate Lead Counsel for their work in achieving the Settlement Fund and is well within the customary range of fees awarded to class counsel under similar circumstances in other cases of this type. The Court may award less than this amount. Lead Counsel will file papers in support of their fee request on or before November 19, 2018 and post copies of such papers on the firm's website (www.hbsslaw.com).

Lead Counsel and Liaison Counsel will ask the Court for attorneys' fees of 25% of the Settlement Fund. They will ask the Court to reimburse them for their out of pocket costs of no more than \$250,000, and an award to Lead Plaintiff not to exceed \$4,000.

RELEASE OF SETTLEMENT

14. Release

Your Settlement check will have a release enclosed with it. A release means you cannot bring another lawsuit involving Osiris shares purchased in the Class Period. The language of the release is attached to this Notice.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from the Settlement, but you want to keep any right you may have to sue or continue to sue Defendants and the Released Parties on your own about the same Released Claims, then you must take steps to get out of the Class. This is called excluding yourself or is sometimes referred to as "opting out" of the Class.

15. How Do I Get Out of the Class?

To exclude yourself from the Class, you must send a letter by mail stating that you want to be excluded from *Nallagonda v. Osiris Therapeutics, Inc. et al.*, Case No. 1:15-cv-03562-PX (U.S.D.C. D. Md.). You must include your name, address, telephone number, the number of shares of Osiris common stock and call options purchased, and/or the number of put options sold between May 12, 2014 and November 16, 2015, inclusive, if any, and the dates of such purchases and sales. You must mail your exclusion request so that it is postmarked no later than December 3, 2018 to:

Osiris Securities Settlement
EXCLUSIONS
P.O. Box 4129
Portland, OR 97208-4129

You cannot exclude yourself on the phone or by email. If you ask to be excluded, you are not eligible to get any Settlement payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

16. How Do I Tell the Court That I Do Not Like the Settlement?

If you are a 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. You can state the reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send a letter saying that you object to the Settlement in

Nallagonda v. Osiris Therapeutics, Inc., et al., Case No. 1:15-cv-03562-PX. Be sure to include your name, address, telephone number, your signature, the number of Osiris shares acquired between May 12, 2014 and November 16, 2015, and the reasons you object. Any objection must be mailed or delivered such that it is received by each of the following no later than December 3, 2018:

Court:
Clerk of the Court
UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND
United States Courthouse
101 West Lombard Street
Baltimore, MD 21201

Counsel for Lead Plaintiff:
Reed Kathrein
HAGENS BERMAN SOBOL & SHAPIRO LLP
715 Hearst Avenue, Suite 202
Berkeley, CA 94710

Counsel for Osiris:
Scott Haiber
Hogan Lovells US LLP
100 International Drive, Suite 2000
Baltimore, MD 21202

You can object **only if** you are a member of the certified class and have not previously requested to be excluded.

THE COURT'S FAIRNESS 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.

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

The Court will hold a fairness hearing at 10:00 a.m., on February 4, 2019, at the United States Courthouse, 6500 Cherrywood Lane, Suite 400, Greenbelt, MD. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Paula Xinis will listen to people who have asked to speak at the hearing. The Court will also consider how much to pay to Lead Counsel and Liaison Counsel. The Court may decide these issues at the hearing or take them under consideration. We do not know how long these decisions will take.

18. Do I Have to Come to the Hearing?

No. Lead Counsel will answer questions Judge Xinis 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 mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

19. May I Speak at the Hearing?

You may ask the Court for permission to speak at the fairness hearing. To do so, you must send a letter saying that it is your intention to appear in *Nallagonda v. Osiris Therapeutics, Inc., et al.*, Case No. 1:15-cv-03562-PX. Be sure to include your name, address, telephone number, your signature, and the number and type of Osiris shares acquired between May 12, 2014, and November 16, 2015. Your notice of intention to appear must be postmarked no later than December 3, 2018, and be sent to the Clerk of the Court, Lead Counsel, and Defendants' counsel, at the three addresses listed in question 16. You cannot speak at the hearing if you have excluded yourself from the certified class of which you would have been a member.

IF YOU DO NOTHING

20. What Happens if I Do Nothing at All?

If you do nothing, you will not receive a payment from the Settlement. However, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants or the Released Parties about the Released Claims (as defined in the Settlement Agreement), ever again.

GETTING MORE INFORMATION

21. Are There More Details About the Settlement?

This Notice summarizes the proposed Settlement. More details are in the June 5, 2018, Stipulation of Settlement. You can obtain a copy of the Stipulation of Settlement by visiting www.OsirisSecuritiesSettlement.com or writing to Reed Kathrein, c/o Hagens Berman Sobol Shapiro LLP, 715 Hearst Ave., Suite 202, Berkeley, CA 94710.

22. How Do I Get More Information?

You can contact the Settlement Administrator by phone at 888-453-9016, by email at info@OsirisSecuritiesSettlement.com, or visit the website at www.OsirisSecuritiesSettlement.com.

PROPOSED PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS

The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among Authorized Claimants based on their respective alleged economic losses as a result of the alleged fraud, as opposed to losses caused by market- or industry-wide factors, or Company-specific factors unrelated to the alleged fraud.

The Settlement Administrator shall determine each Authorized Claimant's share of the Net Settlement Fund based upon the recognized loss formula (the "Recognized Loss") described below. A Recognized Loss will be calculated for each share of Osiris common stock purchased or otherwise acquired during the period from May 12, 2014 through November 16, 2015, inclusive ("Class Period").¹ The calculation of Recognized Loss will depend upon several factors, including when shares of Osiris common stock were purchased or otherwise acquired during the Class Period, and in what amounts, and whether those shares were sold, and if sold, when they were sold, and for what amounts. The Recognized Loss is not intended to estimate the amount a Class Member might have been able to recover after a trial, nor to estimate the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Loss is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants. The Settlement Administrator will use its best efforts to administer and distribute the Net Settlement Fund to the extent that it is equitably and economically feasible.

The Plan of Allocation was created with the assistance of a consulting damages expert, and reflects the assumption that the prices of Osiris common stock were artificially inflated throughout the Class Period. The estimated alleged artificial inflation in the prices of Osiris common stock during the Class Period is reflected in Table 1 below. The computation of the estimated alleged artificial inflation in the prices of Osiris common stock during the Class Period is based on certain misrepresentations alleged by Plaintiffs and the price change in the stock, net of market- and industry-wide factors, in reaction to the public announcements that allegedly corrected the misrepresentations alleged by Plaintiffs.

Federal securities laws allow investors to recover for losses caused by disclosures which corrected the Defendants' alleged previous misleading statements or omissions. Thus, in order to have been damaged by the alleged violations of the federal securities laws, Osiris common stock purchased or otherwise acquired during the Class Period must have been held during a period of time in which its price declined due to the disclosure of information which corrected an allegedly misleading statement or omission. Plaintiffs have alleged that such price declines occurred on the following dates: March 5, 2015; August 5, 2015; October 29, 2015; November 6, 2015; and November 17, 2015 (collectively, the "Corrective Disclosure Dates"). Accordingly, if a share of Osiris common stock was sold before March 5, 2015 (the earliest Corrective Disclosure Date), the Recognized Loss for that share is \$0.00, and any loss suffered is not compensable under the federal securities laws. Likewise, if a share of Osiris common stock was both purchased and subsequently sold between two consecutive corrective disclosures, the Recognized Loss for that share is \$0.00.

¹ During the Class Period, Osiris common stock was listed on the NASDAQ under the ticker symbol "OSIR".

A Class Member will be eligible to receive a distribution from the Net Settlement Fund only if that Class Member had a net loss after all profits from transactions in Osiris common stock during the Class Period are subtracted from all losses. A Class Member's net market loss or gain represents his, her or its out-of-pocket losses (or profit) on Osiris common stock purchased during the Class Period, and is based on the difference between the total amount paid for all Osiris common stock acquired during the Class Period less the total proceeds received from sales or the holding value of such Osiris common stock (for Osiris common stock held as of the end of the Class Period the holding value shall be \$9.10, the average closing price for Osiris common stock during the 90 days following the Class Period). Where sales of common stock during the Class Period have been applied against common stock held at the beginning of the Class Period, the proceeds of such sales will not be used in the calculation of such net market loss. If, during the Class Period, a Class Member had a net market loss in his, her or its trading in Osiris common stock, the Class Member's net Recognized Loss shall be limited to the Class Member's net market loss.

**TABLE 1:
ALLEGED ARTIFICIAL INFLATION IN OSIRIS COMMON STOCK^{2,3}**

From	To	Alleged Per-Share Price Inflation
May 12, 2014	March 4, 2015	\$11.82
March 5, 2015	August 4, 2015	\$10.67
August 5, 2015	October 28, 2015	\$8.55
October 29, 2015	November 5, 2015	\$6.79
November 6, 2015	November 16, 2015	\$3.12
November 17, 2015	Thereafter	\$0.00

The "90-day look back" provision of the Private Securities Litigation Reform Act of 1995 ("PSLRA") is incorporated into the calculation of the Recognized Loss for Osiris common stock. The limitations on the calculation of the Recognized Loss imposed by the PSLRA are applied such that losses on Osiris common stock purchased/acquired during the Class Period and held as of the close of the 90-day period subsequent to the Class Period (the "90-Day Lookback Period") cannot exceed the difference between the purchase price paid for such securities and the average price of the Osiris common stock during the 90-Day Lookback Period. The Recognized Loss on Osiris common stock purchased/acquired during the Class Period and sold during the 90-Day Lookback Period cannot exceed the difference between the purchase price paid for such securities and the rolling average price of the Osiris common stock during the portion of the 90-Day Lookback Period elapsed as of the date of sale. In the calculations below, all purchase and sale prices shall exclude any fees, taxes and commissions. If a Recognized Loss amount is calculated to be a negative number, that Recognized Loss shall be set to zero.

Calculation of Recognized Loss Per Share of Osiris Common Stock

For each share of Osiris common stock purchased or otherwise acquired during the Class Period (i.e., May 12, 2014 through November 16, 2015, inclusive), the Recognized Loss per share shall be calculated as follows:

- i. For each share of Osiris common stock purchased during the Class Period that was sold prior to March 5, 2015, the Recognized Loss per share is \$0.
- ii. For each share of Osiris common stock purchased during the Class Period that was subsequently sold during the period March 5, 2015 through November 16, 2015, inclusive, the Recognized Loss per share is the amount of price inflation per share on the date of purchase as appears in Table 1 above, minus the amount of price inflation per share on the date of sale as appears in Table 1 above.
- iii. For each share of Osiris common stock purchased during the Class Period that was subsequently sold during the period November 17, 2015 through February 12, 2016, inclusive (i.e., the 90-Day Lookback Period), the Recognized Loss per share *is the lesser of*:
 - a. the amount of per-share price inflation on the date of purchase as appears in Table 1 above, minus the amount of per-share price inflation on the date of sale as appears in Table 1 above; or
 - b. the purchase price minus the "90-Day Lookback Value" on the date of sale provided in Table 2 below.

² If the price inflation reflected in Table 1 exceeds the purchase price paid for a share of Osiris common stock, then the price inflation shall be equal to the purchase price paid for such stock, excluding all fees, taxes and commissions.

³ Any transactions in Osiris common stock executed outside of regular trading hours for the U.S. financial markets shall be deemed to have occurred during the next regular trading session.

- iv. For each share of Osiris common stock purchased during the Class Period and still held as of the close of trading on February 12, 2016, the Recognized Loss per share is the lesser of:
- the amount of per-share price inflation on the date of purchase as appears in Table 1 above; or
 - the purchase price minus the average closing price for Osiris common stock during the 90-Day Lookback Period, which is \$9.10.

Sale/Disposition Date	90-Day Lookback Value	Sale/Disposition Date	90-Day Lookback Value	Sale/Disposition Date	90-Day Lookback Value
11/17/2015	\$10.97	12/16/2015	\$10.28	1/15/2016	\$10.11
11/18/2015	\$10.76	12/17/2015	\$10.31	1/19/2016	\$10.04
11/19/2015	\$10.69	12/18/2015	\$10.30	1/20/2016	\$9.98
11/20/2015	\$10.70	12/21/2015	\$10.33	1/21/2016	\$9.91
11/23/2015	\$10.60	12/22/2015	\$10.33	1/22/2016	\$9.86
11/24/2015	\$10.58	12/23/2015	\$10.34	1/25/2016	\$9.80
11/25/2015	\$10.54	12/24/2015	\$10.34	1/26/2016	\$9.75
11/27/2015	\$10.52	12/28/2015	\$10.34	1/27/2016	\$9.70
11/30/2015	\$10.49	12/29/2015	\$10.35	1/28/2016	\$9.65
12/1/2015	\$10.49	12/30/2015	\$10.35	1/29/2016	\$9.60
12/2/2015	\$10.48	12/31/2015	\$10.35	2/1/2016	\$9.55
12/3/2015	\$10.44	1/4/2016	\$10.34	2/2/2016	\$9.51
12/4/2015	\$10.43	1/5/2016	\$10.34	2/3/2016	\$9.46
12/7/2015	\$10.41	1/6/2016	\$10.34	2/4/2016	\$9.40
12/8/2015	\$10.39	1/7/2016	\$10.34	2/5/2016	\$9.34
12/9/2015	\$10.37	1/8/2016	\$10.32	2/8/2016	\$9.29
12/10/2015	\$10.35	1/11/2016	\$10.29	2/9/2016	\$9.23
12/11/2015	\$10.32	1/12/2016	\$10.26	2/10/2016	\$9.19
12/14/2015	\$10.30	1/13/2016	\$10.22	2/11/2016	\$9.15
12/15/2015	\$10.29	1/14/2016	\$10.19	2/12/2016	\$9.10

INSTRUCTIONS APPLICABLE TO ALL CLAIMANTS

The payment you receive will reflect your proportionate share of the Net Settlement Fund. Such payment will depend on the number of eligible securities that participate in the Settlement, and when those securities were purchased and sold. The number of claimants who send in claims varies widely from case to case.

A purchase or sale of Osiris common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date.

Acquisition by Gift, Inheritance, or Operation of Law: If a Class Member acquired Osiris common stock during the Class Period by way of gift, inheritance or operation of law, such a claim will be computed by using the date and price of the original purchase and not the date and price of transfer. To the extent that Osiris common stock was originally purchased prior to commencement of the Class Period, the Recognized Loss for that acquisition shall be deemed to be zero (\$0.00).

Notwithstanding any of the above, receipt of Osiris common stock during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of Osiris common stock.

The first-in-first-out (“FIFO”) basis will be applied to purchases and sales. Sales will be matched in chronological order, by trade date, first against Osiris common stock held as of the close of trading on May 11, 2014 (the last day before the Class Period begins) and then against the purchases of Osiris common stock during the Class Period.

The date of covering a “short sale” is deemed to be the date of purchase of shares. The date of a “short sale” is deemed to be the date of sale of shares. In accordance with the Plan of Allocation, however, the Recognized Loss on “short sales” is zero. In the event that a claimant has an opening short position in Osiris common stock, the earliest Class Period purchases shall be matched against such opening short position and not be entitled to a recovery until that short position is fully covered.

With respect to Osiris common stock purchased or sold through the exercise of an option, the purchase/sale date of the stock shall be the exercise date of the option and the purchase/sale price of the stock shall be the closing price of Osiris common stock on the date of exercise. Any Recognized Loss arising from purchases of Osiris common stock acquired during the Class Period through the exercise of an option on Osiris common stock⁴ shall be computed as provided for other purchases of Osiris common stock in the Plan of Allocation.

Payment according to the Plan of Allocation will be deemed conclusive against all Authorized Claimants. A Recognized Loss will be calculated as defined herein and cannot be less than zero. The Settlement Administrator shall allocate to each Authorized Claimant a *pro rata* share of the Net Settlement Fund based on his, her, or its Recognized Loss as compared to the total Recognized Losses of all Authorized Claimants. No distribution will be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

Class Members who do not submit an acceptable Proof of Claim and Release form will not share in the Settlement proceeds. The Settlement Agreement and the Order and Final Judgment dismissing this Litigation will nevertheless bind Class Members who do not submit a request for exclusion and/or submit an acceptable Proof of Claim and Release form.

Please contact the Settlement Administrator or Lead Counsel if you disagree with any determinations made by the Settlement Administrator regarding your Proof of Claim and Release form. If you are unsatisfied with the determinations, you may ask the Court, which retains jurisdiction over all Class Members and the claims administration process, to decide the issue by submitting a written request.

Defendants, their respective counsel, and all other Released Parties will have no responsibility or liability whatsoever for the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation, or the payment of any claim. Lead Plaintiff, Named Plaintiff, and Plaintiffs’ Counsel likewise will have no liability for their reasonable efforts to execute, administer, and distribute the Settlement.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. If any funds remain in the Net Settlement Fund by reason of uncashed distribution checks or otherwise, then, after the Settlement Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund after at least six (6) months after the initial distribution of such funds will be used in the following fashion: (a) first, to pay any amounts mistakenly omitted from the initial disbursement; (b) second, to pay any additional settlement administration fees, costs, and expenses, including those of Lead Counsel, as may be approved by the Court; and (c) finally, to make a second distribution to claimants who cashed their checks from the initial distribution and who would receive at least \$10.00, after payment of the estimated costs, expenses, or fees to be incurred in administering the Net Settlement Fund and in making this second distribution, if such second distribution is economically feasible. These redistributions shall be repeated, if economically feasible, until the balance remaining in the Net Settlement Fund is *de minimis* and such remaining balance will then be distributed to a non-sectarian, not-for-profit organization identified by Lead Counsel and approved by the Court.

⁴ Including (1) purchases of Osiris common stock as the result of the exercise of a call option, and (2) purchases of Osiris common stock by the seller of a put option as a result of the buyer of such put option exercising that put option.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased Osiris common stock (CUSIP: 68827R108) during the Class Period for the beneficial interest of an individual or organization other than yourself, the Court has directed that, WITHIN TEN (10) DAYS OF YOUR RECEIPT OF THIS NOTICE, you either (a) provide to the Settlement Administrator the name and last known address of each person or organization for whom or which you purchased such securities during such time period or (b) request additional copies of this Notice and the Proof of Claim and Release form, which will be provided to you free of charge, and within ten (10) days mail the Notice and Proof of Claim and Release form directly to the beneficial owners of the securities referred to herein. If you choose to follow alternative procedure (b), upon such mailing, you must send a statement to the Settlement Administrator confirming that the mailing was made as directed and retain the names and addresses for any future mailings to Class Members. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Your reasonable expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Settlement Administrator:

Osiris Securities Settlement
Settlement Administrator
P.O. Box 4129
Portland, OR 97208-4129
www.OsirisSecuritiesSettlement.com

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

DATED: September 4, 2018

HON. PAULA XINIS
UNITED STATES DISTRICT COURT JUDGE