

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

CORY LONGO, individually and on behalf of all others
similarly situated, et al.,

Plaintiffs,

v.

OSI SYSTEMS, INC., et al.,

Defendants.

Case No. 2:17-cv-08841-FMO-SKx

**NOTICE OF (I) PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT; (II) FINAL APPROVAL HEARING;
AND (III) MOTION FOR ATTORNEYS' FEES AND LITIGATION EXPENSES**

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights will be affected by the above-captioned securities class action ("Action") if you purchased or otherwise acquired OSI Systems, Inc. ("OSI") common stock or 1.25% convertible senior notes due 2022 between August 21, 2013 and February 1, 2018, inclusive, and were damaged thereby ("Settlement Class").¹

NOTICE OF SETTLEMENT: Please also be advised that the Court-appointed Lead Plaintiff Arkansas Teacher Retirement System ("Lead Plaintiff"), on behalf of itself, named plaintiff John A. Prokop, and the Settlement Class, and Defendants OSI, Deepak Chopra, Alan Edrick, and Ajay Mehra (collectively, "Defendants") have reached a proposed settlement of the Action for \$12,500,000 in cash ("Settlement"). The Settlement resolves Plaintiffs' claims that Defendants violated the federal securities laws by allegedly making materially false and/or misleading statements and failing to disclose material adverse facts about OSI's business, operations, and prospects. The claims being released by the Settlement are detailed in ¶¶ 4-18 herein.

PLEASE READ THIS NOTICE CAREFULLY.

**This Notice explains important rights you may have, including the possible receipt of a payment from the Settlement.
If you are a member of the Settlement Class, your legal rights will be affected whether or not you act.**

If you have questions about this Notice, the Settlement, or your eligibility to participate in the Settlement, please DO NOT contact the Court, the Clerk's Office, Defendants, or Defendants' Counsel. All questions should be directed to Lead Counsel or the Claims Administrator.

- **Statement of the Settlement Class's Recovery:** Subject to Court approval, Lead Plaintiff, on behalf of the Settlement Class, has agreed to settle the Action in exchange for a cash payment of \$12,500,000 ("Settlement Amount") to be deposited into an escrow account. The Net Settlement Fund (defined below at ¶ 37) will be distributed to eligible Settlement Class Members in accordance with a plan of allocation that is approved by the Court. The plan of allocation being proposed by Lead Plaintiff ("Plan of Allocation") is attached hereto as Appendix A.

- **Estimate of Average Amount of Recovery Per Share/Bond:** Based on Lead Plaintiff's damages consultant's estimate of the number of shares of OSI common stock and the number of OSI 1.25% convertible senior notes due 2022 ("OSI Bonds" and together with OSI common stock, "OSI Securities") eligible to participate in the Settlement, and assuming that all investors eligible to participate do so, the estimated average recovery (before deduction of any Court-approved fees and expenses, such as attorneys' fees and expenses, taxes, and administration costs) per eligible share of OSI common stock will be approximately \$0.72 and per eligible OSI Bond will be approximately \$6.14. **Settlement Class Members should note, however, that the foregoing are only estimates.** Some Settlement Class Members may recover more or less than the average amount per share/Bond depending on: (i) when and the price at which they purchased/acquired their OSI Securities; (ii) whether they sold their OSI Securities; (iii) the total number and value of valid Claims submitted; (iv) the amount of Notice and Administration Costs; and (v) the amount of attorneys' fees and Litigation Expenses awarded by the Court.

- **Average Amount of Damages Per Share/Bond:** The Parties do not agree on the average amount of damages per share of OSI common stock or per OSI Bond that would be recoverable if Plaintiffs prevailed in the Action. Among other things, Defendants do not agree with the assertion that they violated the federal securities laws or that, even if liability could be established, any damages were suffered by any members of the Settlement Class as a result of Defendants' conduct.

¹ All capitalized terms not defined in this Notice have the meanings provided in the Stipulation and Agreement of Settlement, filed with the Court on October 22, 2021 ("Stipulation"). The Stipulation can be viewed at www.OSISystemsSecuritiesSettlement.com.

- **Attorneys’ Fees and Expenses Sought:** Court-appointed Lead Counsel, Kessler Topaz Meltzer & Check, LLP, has prosecuted this Action on a wholly contingent basis and has not received any attorneys’ fees (or reimbursement of expenses) for its representation of the Settlement Class. For its efforts, Lead Counsel, on behalf of Plaintiffs’ Counsel, will apply to the Court for attorneys’ fees in an amount not to exceed 25% of the Settlement Fund. Lead Counsel will also apply for payment of Plaintiffs’ Counsel’s Litigation Expenses incurred in connection with the institution, prosecution, and resolution of the Action, in an amount not to exceed \$200,000. If the Court approves the maximum amount of the foregoing fees and expenses, the estimated average cost per eligible share of OSI common stock will be \$0.19 and the average cost per eligible OSI Bond will be \$1.63. **Please note that these amounts are only estimates.**

- **Identification of Attorney Representatives:** Lead Plaintiff and the Settlement Class are represented by Eli R. Greenstein, Esq. and Stacey M. Kaplan, Esq. of Kessler Topaz Meltzer & Check, LLP, One Sansome Street, Suite 1850, San Francisco, CA 94104, Telephone: (415) 400-3000, Email: info@ktmc.com, Website: www.ktmc.com.

- **Reasons for the Settlement:** For Lead Plaintiff, the principal reason for the Settlement is the guaranteed cash benefit for the Settlement Class without the risk, delays, and increased costs inherent in further litigation. Moreover, the cash benefit provided under the Settlement must be considered against the risk that a smaller recovery – or indeed no recovery at all – might be achieved after full discovery, contested motions, a trial of the Action, and appeals. For Defendants, who deny all allegations of wrongdoing or liability whatsoever and deny that Settlement Class Members were damaged, the principal reason for entering into the Settlement is to eliminate the uncertainty, burden, and expense of further protracted litigation.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT	
SUBMIT A CLAIM FORM POSTMARKED (IF MAILED), OR ONLINE, NO LATER THAN MAY 11, 2022.	This is the only way to be eligible to receive a payment from the Settlement.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN MARCH 28, 2022.	Get no payment from the Settlement. This is the <i>only</i> option that may allow you to ever bring or be part of any <i>other</i> lawsuit against Defendants or the other Released Defendants’ Parties about the claims being released by the Settlement.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN MARCH 28, 2022.	Write to the Court about why you do not like the proposed Settlement, the proposed Plan of Allocation, and/or Lead Counsel’s request for attorneys’ fees and Litigation Expenses. This will not exclude you from the Settlement Class.
GO TO A HEARING ON MAY 12, 2022 AT 10:00 A.M.	Ask to speak in Court at the Final Approval Hearing, at the discretion of the Court, about the proposed Settlement, the proposed Plan of Allocation, and/or Lead Counsel’s request for attorneys’ fees and Litigation Expenses.
DO NOTHING.	Get no payment. You will, however, remain a member of the Settlement Class, which means that you give up any right you may have to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.

These rights and options – and the deadlines to exercise them – are further explained in this Notice. **Please Note:** The date and time of the Final Approval Hearing – currently scheduled for May 12, 2022 at 10:00 a.m. – is subject to change without further notice. It is also within the Court’s discretion to hold the hearing by video or telephonic conference. If you plan to attend the hearing, you should check www.OSISystemsSecuritiesSettlement.com, or with Lead Counsel to confirm that no change to the date and/or time of the hearing has been made.

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WHY DID I GET THIS NOTICE?

1. You or someone in your family, or an investment account for which you serve as a custodian, may have purchased or otherwise acquired OSI common stock or OSI Bonds during the Class Period, and may be a Settlement Class Member. The Court directed that this Notice be sent to you to inform you of the terms of the proposed Settlement and about all of your options before the Court rules on the Settlement at or after the Final Approval Hearing. Additionally, you have the right to understand how this class action lawsuit may affect your legal rights.

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

3. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement and the Plan of Allocation (or some other plan of allocation), the Claims Administrator will make payments pursuant to the Settlement after any objections and appeals are resolved.

WHAT IS THIS CASE ABOUT?

4. OSI is a designer and manufacturer of specialized electronic systems and components for application in homeland security, healthcare, defense and aerospace. In this Action, Plaintiffs allege that, during the Class Period, OSI and certain of its executive officers during that time (*i.e.*, Deepak Chopra, OSI's founder and, at all relevant times, OSI's President, Chief Executive Officer, and Chairman of the Company's Board of Directors; Alan Edrick, OSI's Executive Vice President and Chief Financial Officer at all relevant times; and Ajay Mehra, OSI's Executive Vice President, President of OSI Solutions Business, and a member of OSI's Board of Directors at all relevant times) made materially false and/or misleading statements and failed to disclose material adverse facts about OSI's business, operations, and prospects. More specifically, Plaintiffs allege that Defendants misled investors regarding the success and viability of OSI's "turnkey" business model and its announcement of an approximately \$250 million turnkey contract with the Albanian government. Plaintiffs further allege that the Settlement Class suffered damages when the alleged truth regarding these matters was publicly disclosed.

5. On December 7, 2017, a putative securities class action complaint, styled *Longo v. OSI Systems, Inc.*, Case No. 2:17-cv-08841-FMO-SK, was filed in the Court on behalf of certain purchasers of OSI Securities. Thereafter, three related securities class action complaints were filed. On March 1, 2018, the Court: (i) consolidated the four related actions for all purposes including trial; (ii) appointed Arkansas Teacher Retirement System as Lead Plaintiff; and (iii) approved Lead Plaintiff's selection of Kessler Topaz Meltzer & Check, LLP as Lead Counsel, and Kiesel Law, LLP as liaison counsel, for the proposed class.

6. On May 4, 2018, Lead Plaintiff and named plaintiff John A. Prokop filed the Consolidated Class Action Complaint for Violations of the Federal Securities Laws ("Consolidated Complaint"). The Consolidated Complaint asserted claims against Defendants under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 ("Exchange Act"), and Rule 10b-5 promulgated thereunder.

7. Defendants moved to dismiss the Consolidated Complaint on July 3, 2018. Defendants also submitted a request for judicial notice in support of their motion. Defendants' motion to dismiss and request for judicial notice were fully briefed by the Parties. On April 22, 2019, the Court heard oral argument on Defendants' motion to dismiss and request for judicial notice. On May 7, 2019, the Court granted Defendants' motion, but provided Plaintiffs leave to amend the Consolidated Complaint.

8. On June 13, 2019, Plaintiffs filed the First Amended Consolidated Class Action Complaint for Violations of the Federal Securities Laws ("First Amended Complaint"). The First Amended Complaint asserted claims against Defendants under Sections 10(b) and 20(a) of the Exchange Act, and Rule 10b-5 promulgated thereunder.

9. Defendants moved to dismiss the First Amended Complaint on July 24, 2019. Defendants also submitted a request for judicial notice in support of their motion. Defendants' motion to dismiss and request for judicial notice were fully briefed by the Parties.

10. On October 4, 2019, this Action was transferred from the Honorable Virginia A. Phillips to the Honorable Fernando M. Olguin for all further proceedings.

11. On March 11, 2020, the Court denied Defendants' motion without prejudice for referencing materials outside the pleadings and ordered that Defendants file an Answer to the First Amended Complaint or a Rule 12(b)(6) motion without incorporating any documents by reference or attaching any exhibits.

12. On March 26, 2021, Defendants filed a renewed motion to dismiss the First Amended Complaint. This motion was fully briefed by the Parties. By Order dated March 31, 2021, the Court denied Defendants' renewed motion to dismiss in its entirety.

13. Defendants answered the First Amended Complaint on April 23, 2021.

14. Following the Court's ruling on Defendants' renewed motion to dismiss, the Parties commenced discovery. Plaintiffs, among other things: (i) issued 56 document requests; (ii) served six interrogatories; (iii) served five document subpoenas on relevant third parties; (iv) obtained approximately 46,600 pages of documents; and (v) reviewed Defendants' written discovery responses and production in response thereto. Similarly, Defendants issued 49 document requests to Plaintiffs, and Plaintiffs served extensive responses and objections to these requests.

15. While discovery was ongoing, the Parties began discussing the possibility of resolving the Action through settlement, ultimately agreeing to mediate before the Honorable Layn R. Phillips (Ret.) of Phillips ADR ("Judge Phillips"). A mediation session with Judge Phillips was scheduled for August 26, 2021. In advance of the mediation, the Parties exchanged detailed mediation statements addressing liability and damages issues.

16. Although the Parties were unable to resolve the Action at the August 2021 mediation, they agreed to continue their negotiations. Following additional hard-fought negotiations with the assistance of Judge Phillips, the Parties reached an agreement in principle to settle the Action – each side ultimately accepting a mediator's recommendation by Judge Phillips to resolve the Action for \$12.5 million in cash. The Parties memorialized their agreement in principle to settle the Action in a binding term sheet executed on September 7, 2021.

17. After additional negotiations regarding the specific terms of their agreement, the Parties entered into the Stipulation on October 22, 2021. The Stipulation, which sets forth the terms and conditions of the Settlement, can be viewed at www.OSISystemsSecuritiesSettlement.com.

18. On December 30, 2021, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Settlement Class Members, and scheduled the Final Approval Hearing to consider whether to grant final approval of the Settlement.

WHY IS THIS A CLASS ACTION?

19. In a class action, one or more persons or entities (in this case, Plaintiffs), sue on behalf of people and entities that have similar claims. Together, these people and entities are a "class," and each is a "class member." Bringing a case, such as this one, as a class action allows the adjudication of many individuals' similar claims that might be too small to bring economically as separate actions. One court resolves the issues for all class members at the same time, except for those who exclude themselves, or "opt out," from the class.

WHY IS THERE A SETTLEMENT?

20. Lead Plaintiff and Lead Counsel believe that the claims against Defendants have merit. They recognize, however, the expense and length of continued proceedings necessary to pursue their claims through full discovery, including complex and expensive foreign discovery in Albania, a country that opted out of the pretrial discovery provisions in Article 23 of the Hague Convention of Taking Evidence Abroad in Civil or Commercial Matters, Mar. 18, 1970, 23 U.S.T. 2555, 847 U.N.T.S. 241, a motion for class certification, summary judgment, trial, and post-trial appeals, as well as the very substantial risks they would face in establishing liability and damages. Such risks include the potential challenges associated with proving that there were material misstatements in Defendants' public statements, and establishing significant damages under the securities laws.

21. In light of these risks, the amount of the Settlement, and the immediacy of recovery to the Settlement Class, Lead Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable, adequate, and in the best interests of the Settlement Class. Lead Plaintiff and Lead Counsel believe that the Settlement provides a substantial benefit to the Settlement Class, as compared to the risk that the claims in the Action would produce a smaller recovery, or no recovery, after continued and costly litigation, possibly years in the future.

22. Defendants have denied and continue to deny the claims and allegations asserted against them in the Action, including that: they made materially false and/or misleading statements, they failed to disclose material adverse facts about OSI's business, operations, and prospects, and Lead Plaintiff or the Settlement Class was harmed or suffered any damages as a result of the conduct alleged in the Action. Defendants have agreed to the Settlement solely to eliminate the burden, expense, uncertainty, and risk of continued litigation. Accordingly, the Settlement may not be construed as an admission of any wrongdoing by any Defendant in this or any other action or proceeding.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

23. If there were no Settlement and Plaintiffs failed to establish any essential legal or factual element of their claims against Defendants, neither Plaintiffs nor the other members of the Settlement Class would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, either at class certification, summary judgment, trial, or on appeal, the Settlement Class could recover substantially less than the amount provided in the Settlement, or nothing at all.

HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT? WHO IS INCLUDED IN THE SETTLEMENT CLASS?

24. If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded. The Settlement Class consists of:

All persons and entities who purchased or otherwise acquired OSI common stock or 1.25% convertible senior notes due 2022 between August 21, 2013 and February 1, 2018 inclusive, and were damaged thereby.

Excluded from the Settlement Class are: (a) Defendants; (b) members of the Individual Defendants' immediate families (as defined in 17 C.F.R. § 229.404, Instructions (1)(a)(iii) and (1)(b)(ii)); (c) any person, firm, trust, corporation, officer, director, or other individual or entity in which any Defendant has a controlling interest, or which is related to or affiliated with any of the Defendants; (d) present or former executive officers of OSI and their immediate families (as defined in 17 C.F.R. § 229.404, Instructions (1)(a)(iii) and (1)(b)(ii)); and (e) the legal representatives, agents, affiliates, heirs, successors-in-interest, or assigns of any such excluded party. Also excluded from the Settlement Class are any persons and entities who or which submit a request for exclusion from the Settlement Class that is accepted by the Court. See "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?" on page 7 below.

PLEASE NOTE: Receipt of this Notice does not mean that you are a Settlement Class Member or that you will be entitled to a payment from the Settlement. If you are a Settlement Class Member and you wish to be eligible to receive a payment from the Settlement, you are required to submit the Claim Form that is being distributed with this Notice and the required supporting documentation as set forth in the Claim Form postmarked (if mailed), or online at www.OSISystemsSecuritiesSettlement.com, no later than May 11, 2022.

HOW ARE SETTLEMENT CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?

25. As a Settlement Class Member, you are represented by Lead Plaintiff and Lead Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense.

26. If you are a Settlement Class Member and do not wish to remain a Settlement Class Member, you may exclude yourself from the Settlement Class by following the instructions in the section below entitled, "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?"

27. If you are a Settlement Class Member and you wish to object to the Settlement, the Plan of Allocation, or Lead Counsel's request for attorneys' fees and Litigation Expenses, you may present your objections by following the instructions in the section below entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?"

28. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court in the Action. If the Settlement is approved, the Court will enter a judgment ("Judgment"). The Judgment will dismiss with prejudice the claims against Defendants and the other Released Defendants' Parties and will provide that, upon the Effective Date of the Settlement, Lead Plaintiff, named plaintiff John A. Prokop, and each of the other Settlement Class Members and Release Lead Plaintiff's Parties, on behalf of themselves, and each of their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such, shall be deemed to have, and by operation of law and of the Judgment, or the Alternate Judgment, if applicable, shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged all of Lead Plaintiff's Released Claims (defined in ¶ 29 below) against the Released Defendants' Parties (defined in ¶ 30 below), and shall permanently and forever be barred, enjoined, and estopped from prosecuting, attempting to prosecute, or assisting others in the prosecution of any or all of the Lead Plaintiff's Released Claims against any of the Released Defendants' Parties.

29. "Lead Plaintiff's Released Claims" means all claims and causes of action of every nature and description, whether known or unknown claims, whether arising under federal, state, local, common, statutory, administrative or foreign law, or any other law, rule or regulation, at law or in equity, whether class or individual in nature, whether accrued or unaccrued, whether liquidated or unliquidated, whether matured or unmatured, that Lead Plaintiff, named plaintiff John A. Prokop, or any other member of the Settlement Class: (i) asserted in the Action or (ii) could have asserted in any court or forum that arise out of or are based upon the same allegations, facts, representations, or omissions set forth in the Action and that relate to, or are in connection with, the purchase or acquisition of OSI Securities during the Class Period. Lead Plaintiff's Released Claims shall not include: (i) any claims relating to the enforcement of the Settlement, (ii) any claims asserted in any derivative action, including, without limitation, the claims asserted in *Riley v. Chopra, et al.*, No. 2:18-cv-03371-FMO (Skx) (C.D. Cal.), which has been appealed to the Ninth Circuit, and (iii) any claims of any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

30. “Released Defendants’ Parties” means: Defendants and all of their respective past, present, and future parent companies, subsidiaries, affiliates, divisions, joint ventures, subcontractors, agents, assigns, auditors, accountants, attorneys, and all of their respective past, present, and future officers, directors, fiduciaries, employees, members, partners, principals, shareholders, and owners, in their capacities as such; and each of Defendants’ respective Immediate Family Members, or any trust of which any Individual Defendant is a settlor or which is for the benefit of any Defendant and/or his or her Immediate Family Members, and each of the heirs executors, administrators, predecessors, successors, and assigns of the foregoing, in their capacities as such.

31. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants and Released Defendants’ Parties, on behalf of themselves, and each of their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such, shall be deemed to have, and by operation of law and of the Judgment, or the Alternate Judgment, if applicable, shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged all of Defendants’ Released Claims (defined in ¶ 32 below) against the Released Lead Plaintiff’s Parties (defined in ¶ 33 below), and shall permanently and forever be barred, enjoined, and estopped from prosecuting, attempting to prosecute, or assisting others in the prosecution of any or all of the Defendants’ Released Claims against any of the Released Lead Plaintiff’s Parties.

32. “Defendants’ Released Claims” means all claims and causes of action of every nature and description, whether known or unknown claims, whether arising under federal, state, local, common, statutory, administrative or foreign law, or any other law, rule or regulation, at law or in equity, whether class or individual in nature, whether accrued or unaccrued, whether liquidated or unliquidated, whether matured or unmatured, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims against Defendants. Defendants’ Releases shall not include: (i) any claims relating to the enforcement of the Settlement, (ii) any claims asserted in any derivative action, including, without limitation, the claims asserted in *Riley v. Chopra, et al.*, No. 2:18-cv-03371-FMO (Skx) (C.D. Cal.), which has been appealed to the Ninth Circuit, or (iii) any claims against any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

33. “Released Lead Plaintiff’s Parties” means: (i) Lead Plaintiff, named plaintiff John A. Prokop, all other Settlement Class Members, and Plaintiffs’ Counsel; and (ii) each of their respective Immediate Family Members, and their respective past, present, and future parent companies, subsidiaries, affiliates, divisions, joint ventures, subcontractors, agents, assigns, auditors, accountants, attorneys, and all of their respective past, present, and future officers, directors, fiduciaries, employees, members, partners, principals, shareholders, and owners, in their capacities as such.

HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

34. To be eligible for a payment from the Settlement, you must be a member of the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation ***postmarked (if mailed), or submitted online at www.OSISystemsSecuritiesSettlement.com, no later than May 11, 2022.*** A Claim Form is included with this Notice, or you may obtain one at www.OSISystemsSecuritiesSettlement.com. You may also request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-877-999-1997 or by emailing info@OSISystemsSecuritiesSettlement.com. Please retain all records of your ownership of and transactions in OSI Securities, as they will be needed to document your Claim. The Parties and Claims Administrator do not have information about your transactions in OSI Securities.

35. If you request exclusion from the Settlement Class or do not submit a Claim Form, you will not be eligible to share in the Net Settlement Fund.

HOW MUCH WILL MY PAYMENT BE?

36. At this time, it is not possible to make any determination as to how much any individual Settlement Class Member may receive from the Settlement.

37. Pursuant to the Settlement, Defendants shall pay or cause to be paid \$12,500,000 in cash. The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any interest earned thereon is referred to as the “Settlement Fund.” If the Settlement is approved by the Court and the Effective Date occurs, the “Net Settlement Fund” (that is, the Settlement Fund less: (i) Taxes; (ii) Notice and Administration Costs; (iii) any Litigation Expenses awarded by the Court; (iv) any attorneys’ fees awarded by the Court; and (v) any other costs or fees approved by the Court) will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

38. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

39. Neither Defendants nor any other person or entity that paid any portion of the Settlement Amount on their behalf are entitled to get back any portion of the Settlement Fund once the Court’s order or judgment approving the Settlement becomes Final. Defendants shall not have any liability, obligation, or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund, or the Plan of Allocation.

40. Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form postmarked or received on or before May 11, 2022 shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the Releases given.

41. Participants in and beneficiaries of any employee retirement and/or benefit plan (“Employee Plan”) should NOT include any information relating to OSI Securities purchased/acquired through an Employee Plan in any Claim Form they submit in this Action. They should include ONLY those OSI Securities purchased/acquired during the Class Period outside of an Employee Plan. Claims based on any Employee Plan(s)’ purchases/acquisitions of eligible OSI Securities during the Class Period may be made by the Employee Plan(s)’ trustees. To the extent any of the Defendants or any of the other persons or entities excluded from the Settlement Class are participants in an Employee Plan(s), such persons or entities shall not receive, either directly or indirectly, any portion of the recovery that may be obtained from the Settlement by such Employee Plan(s).

42. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Settlement Class Member.

43. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her, or its Claim Form.

44. Only Settlement Class Members, *i.e.*, persons and entities who purchased or otherwise acquired OSI Securities during the Class Period and were damaged as a result of such purchases or acquisitions, will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities that are excluded from the Settlement Class by definition or that exclude themselves from the Settlement Class pursuant to request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms.

45. **Appendix A to this Notice sets forth the Plan of Allocation for allocating the Net Settlement Fund among Authorized Claimants, as proposed by Lead Plaintiff and Lead Counsel. At the Final Approval Hearing, Lead Counsel will request the Court approve the Plan of Allocation. The Court may modify the Plan of Allocation, or approve a different plan of allocation, without further notice to the Settlement Class.**

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS SEEKING?
HOW WILL THE LAWYERS BE PAID?**

46. Lead Counsel has not received any payment for its services in pursuing claims against Defendants on behalf of the Settlement Class, nor has Lead Counsel been reimbursed for its out-of-pocket expenses. Before final approval of the Settlement, Lead Counsel will apply to the Court, on behalf of Plaintiffs’ Counsel, for an award of attorneys’ fees in an amount not to exceed 25% of the Settlement Fund. At the same time, Lead Counsel also intends to apply for payment of Plaintiffs’ Counsel’s Litigation Expenses in an amount not to exceed \$200,000. The Court will determine the amount of any award of attorneys’ fees or Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. ***Settlement Class Members are not personally liable for any such fees or expenses.***

WHAT IF I DO NOT WANT TO BE A MEMBER OF THE SETTLEMENT CLASS? HOW DO I EXCLUDE MYSELF?

47. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a completed Exclusion Request Form (a copy of which is enclosed with this Notice) or a letter requesting exclusion addressed to: *Longo, et al. v. OSI Systems, Inc., et al.*, EXCLUSIONS, c/o A.B. Data, Ltd., P.O. Box 173001, Milwaukee, WI 53217. The request for exclusion must be **received no later than March 28, 2022**. You will not be able to exclude yourself from the Settlement Class after that date. Each request for exclusion must: (i) state the name, address, and telephone number of the person or entity requesting exclusion, and in the case of entities, the name and telephone number of the appropriate contact person; (ii) state that such person or entity “requests exclusion from the Settlement Class in *Longo, et al. v. OSI Systems, Inc., et al.*, Case No. 2:17-cv-08841-FMO-SKx (C.D. Cal.)”; (iii) state the number of shares of OSI common stock and/or number of OSI Bonds that the person or entity requesting exclusion (A) owned as of the opening of trading on August 21, 2013 and (B) purchased/acquired and/or sold during the Class Period, as well as the dates, number of shares/Bonds, and prices of each such purchase/acquisition and sale; and (iv) be signed by the person or entity requesting exclusion or an authorized representative. A request for exclusion shall not be valid and effective unless it provides all of the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

48. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Lead Plaintiff’s Released Claim against any of the Released Defendants’ Parties. Excluding yourself from the Settlement Class is the only option that may allow you to be part of any other current or future lawsuit against Defendants or any of the other Released Defendants’ Parties concerning the Lead Plaintiff’s Released Claims. Please note, however, if you decide to exclude yourself from the Settlement Class, you may be time-barred from asserting the claims covered by the Action by a statute of repose. In addition, Defendants and the other Released Defendants’ Parties will have the right to assert any and all defenses they may have to any claims that you may seek to assert.

49. If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment out of the Net Settlement Fund.

50. OSI has the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Settlement Class in an amount that exceeds an amount agreed to by the Parties.

WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT? DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DO NOT LIKE THE SETTLEMENT?

51. **Settlement Class Members do not need to attend the Final Approval Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Final Approval Hearing.**

52. **Please Note:** The date and time of the Final Approval Hearing may change without further written notice to the Settlement Class. In addition, the COVID-19 pandemic is a fluid situation that creates the possibility that the Court may decide to conduct the Final Approval Hearing by video or telephonic conference, or otherwise allow Settlement Class Members to appear at the hearing by video or phone, without further written notice to the Settlement Class. **In order to determine whether the date and time of the Final Approval Hearing have changed, or whether Settlement Class Members must or may participate by phone or video, it is important that you monitor the Court's docket and the website, www.OSISystemsSecuritiesSettlement.com, before making any plans to attend the Final Approval Hearing. Any updates regarding the Final Approval Hearing, including any changes to the date or time of the hearing or updates regarding in-person or remote appearances at the hearing, will be posted to www.OSISystemsSecuritiesSettlement.com. If the Court requires or allows Settlement Class Members to participate in the Final Approval Hearing by telephone or video conference, the information for accessing the telephone or video conference will be posted to www.OSISystemsSecuritiesSettlement.com.**

53. The Final Approval Hearing will be held on **May 12, 2022 at 10:00 a.m.**, before the Honorable Fernando M. Olguin, United States District Judge for the Central District of California, either in person at the United States Courthouse, 350 W. 1st Street, 6th Floor, Courtroom 6D, Los Angeles, CA 90012, or by telephone or videoconference (in the discretion of the Court). The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead Counsel's request for attorneys' fees and Litigation Expenses, and/or any other matter related to the Settlement at or after the Final Approval Hearing without further notice to the members of the Settlement Class.

54. Any Settlement Class Member may object to the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel's request for attorneys' fees and Litigation Expenses. You can ask the Court to deny approval by filing an objection. You cannot ask the Court to order a different settlement. The Court can only approve or reject the Settlement. If the Court denies approval of the Settlement, no payments from the Settlement will be sent out and the Action will continue. If that is what you want to happen, then you must object.

55. Any objection to the proposed Settlement must be in writing and submitted only to the Court. If you submit a timely written objection, you may, but are not required to, appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney. All written objections and supporting papers must: (i) clearly identify the case name and number (*Longo, et al. v. OSI Systems, Inc., et al.*, Case No. 2:17-cv-08841-FMO-SKx (C.D. Cal.)); (ii) be submitted to the Court by mailing them to the Clerk of the Court at the United States District Court for the Central District of California, United States Courthouse, 350 W. 1st Street, Los Angeles, CA 90012; and (iii) be **received no later than March 28, 2022**.

56. Additionally, any objection must: (i) identify the name, address, and telephone number of the person or entity objecting and be signed by the objector; (ii) state with specificity the grounds for the Settlement Class Member's objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention and whether the objection applies only to the objector, to a specific subset of the Settlement Class, or to the entire Settlement Class; and (iii) include documents sufficient to prove membership in the Settlement Class, including the number of shares of OSI common stock and/or number of OSI Bonds that the objecting Settlement Class Member (A) owned as of the opening of trading on August 21, 2013 and (B) purchased/acquired and/or sold during the Class Period, as well as the dates, number of shares/Bonds, and prices of each such purchase/acquisition and sale.² **You may not object to the Settlement, Plan of Allocation, or Lead Counsel's request for attorneys' fees and Litigation Expenses if you exclude yourself from the Settlement Class or if you are not a Settlement Class Member.**

57. If you wish to appear and speak about your objection at the Final Approval Hearing, you must state that you intend to appear at the hearing in your objection or send a letter stating that you intend to appear at the Final Approval Hearing in *Longo, et al. v. OSI Systems, Inc., et al.*, Case No. 2:17-cv-08841-FMO-SKx (C.D. Cal.) to the Clerk of Court at the address set forth in ¶ 55 above so that it is **received no later than April 18, 2022**. Persons who intend to object and desire to present evidence at the Final Approval Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and any exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

² Documentation establishing membership in the Settlement Class must consist of copies of brokerage confirmation slips or monthly brokerage account statements, or an authorized statement from the objector's broker containing the transactional and holding information found in a broker confirmation slip or account statement.

58. Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel's request for attorneys' fees and Litigation Expenses. Settlement Class Members do not need to appear at the Final Approval Hearing or take any other action to indicate their approval.

WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

59. If you purchased or otherwise acquired OSI Securities between August 21, 2013 and February 1, 2018, inclusive, for the beneficial interest of persons or entities other than yourself, you must either (i) within seven (7) calendar days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice, Claim Form, and Exclusion Request Form (together, the "Notice Packet") to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notice Packets forward them to all such beneficial owners; or (ii) within seven (7) calendar days of receipt of this Notice, provide a list of the names, addresses, and, if available, email addresses of all such beneficial owners to *Longo, et al. v. OSI Systems, Inc., et al.*, c/o A.B. Data, Ltd., P.O. Box 173136, Milwaukee, WI 53217. If you choose the second option, the Claims Administrator will send a copy of the Notice Packet to the beneficial owners you have identified on your list. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice, as well as the Claim Form and Exclusion Request Form, may also be obtained from the Settlement website, www.OSISystemsSecuritiesSettlement.com, by calling the Claims Administrator toll free at 1-877-999-1997, or by emailing the Claims Administrator at info@OSISystemsSecuritiesSettlement.com.

CAN I SEE THE COURT FILE? WHO SHOULD I CONTACT IF I HAVE QUESTIONS?

60. This Notice summarizes the proposed Settlement. For the full terms and conditions of the Settlement, please review the Stipulation at www.OSISystemsSecuritiesSettlement.com. A copy of the Stipulation and additional information regarding the Settlement can also be obtained by contacting Lead Counsel at the contact information set forth above, by accessing the Court docket in this case, for a fee, through the Court's PACER system at <https://ecf.cacd.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court for the Central District of California, United States Courthouse, 350 W. 1st Street, Los Angeles, CA 90012. Additionally, copies of any related orders entered by the Court and certain other filings in this Action will be posted on the Settlement website, www.OSISystemsSecuritiesSettlement.com.

61. All inquiries concerning this Notice and the Claim Form should be directed to:

Longo, et al. v. OSI Systems, Inc., et al.
c/o A.B. Data, Ltd.
P.O. Box 173136
Milwaukee, WI 53217
1-877-999-1997
info@OSISystemsSecuritiesSettlement.com
www.OSISystemsSecuritiesSettlement.com

and/or

Eli R. Greenstein, Esq.
Stacey M. Kaplan, Esq.
Kessler Topaz Meltzer & Check, LLP
One Sansome Street, Suite 1850
San Francisco, CA 94104
1-415-400-3000
info@ktmc.com
www.ktmc.com

PLEASE DO NOT CALL OR WRITE THE COURT, THE CLERK'S OFFICE, DEFENDANTS, OR DEFENDANTS' COUNSEL REGARDING THIS NOTICE.

DATED: January 18, 2022

BY ORDER OF THE COURT
United States District Court
Central District of California

APPENDIX A

Proposed Plan of Allocation of Net Settlement Fund Among Authorized Claimants

The Plan of Allocation set forth herein is the plan that is being proposed to the Court for approval by Lead Plaintiff after consultation with its damages consultant. The Court may approve the Plan of Allocation with or without modification, or approve another plan of allocation, without further notice to the Settlement Class. Any orders regarding a modification of the Plan of Allocation will be posted on the website www.OSISystemsSecuritiesSettlement.com. Defendants have had, and will have, no involvement or responsibility for the terms or application of the Plan of Allocation.

The objective of the proposed Plan of Allocation is to equitably distribute the Net Settlement Fund among those Settlement Class Members who suffered economic losses as a result of the alleged violations of the federal securities laws set forth in the First Amended Complaint. To that end, Lead Plaintiff's damages consultant calculated the estimated amount of alleged artificial inflation in the per share price of OSI common stock and the estimated amount of alleged artificial inflation in the per bond price of OSI Bonds³ over the course of the Class Period that was allegedly proximately caused by Defendants' alleged materially false and misleading statements and omissions.

Calculations made pursuant to the Plan of Allocation do not represent a formal damages analysis that has been adjudicated in the Action and are not intended to measure the amounts that Settlement Class Members would recover after a trial. Nor are these calculations intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

For losses to be compensable damages under the federal securities laws, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of the security. Accordingly, to have a "Recognized Loss Amount" pursuant to the Plan of Allocation, a person or entity must have purchased or otherwise acquired OSI Securities during the Class Period (*i.e.*, for OSI common stock, the period between August 21, 2013 and February 1, 2018, inclusive, and for OSI Bonds, the period between February 16, 2017, after the OSI Bonds were issued,⁴ and February 1, 2018, inclusive) and ***held such OSI Securities through at least one of the alleged corrective disclosures*** that removed the alleged artificial inflation related to that information. To that end, Lead Plaintiff's damages consultant identified two dates (December 6, 2017 and February 1, 2018) on which alleged corrective disclosures were made that removed alleged artificial inflation from the price of OSI Securities on December 6, 2017 and February 2, 2018.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

1. For purposes of determining whether a Claimant has a "Recognized Claim," the purchases, acquisitions, and sales of OSI common stock will first be matched on a First In, First Out ("FIFO") basis as set forth in ¶ 5 below. Likewise, the purchases, acquisitions, and sales of OSI Bonds will also be matched on a FIFO basis.

2. A "Recognized Loss Amount" will be calculated as set forth below for *each* share of OSI common stock purchased or otherwise acquired between August 21, 2013 and February 1, 2018, inclusive and for *each* OSI Bond purchased or otherwise acquired between February 16, 2017 and February 1, 2018, inclusive, that is listed in the Claim Form and for which adequate documentation is provided. To the extent that the calculation of a Claimant's Recognized Loss Amount results in a negative number, that number shall be set to zero. The sum of a Claimant's Recognized Loss Amounts will be the Claimant's Recognized Claim.

3. A Claimant's Recognized Loss Amount will be calculated as follows:

- a. For each share of OSI common stock and each OSI Bond purchased or otherwise acquired during the Class Period and subsequently sold prior to the opening of trading on December 6, 2017 (*i.e.*, the date of the first alleged corrective disclosure), the Recognized Loss Amount shall be \$0.
- b. For each share of OSI common stock and each OSI Bond purchased or otherwise acquired during the Class Period and sold after the opening of trading on December 6, 2017, and prior to the close of trading on February 1, 2018, the Recognized Loss Amount shall be ***the lesser of:***
 - i. the dollar amount of alleged artificial inflation applicable to each such share of OSI common stock or OSI Bond on the date of purchase/acquisition as set forth in **Table 1** below ***minus*** the dollar amount of alleged

³ All OSI "per Bond" prices are in terms of per \$1,000 par value.

⁴ The OSI Bonds acquired by the Initial Purchasers as described in OSI's February 22, 2017 SEC Form 8-K are not eligible purchases/acquisitions under the Plan of Allocation.

artificial inflation applicable to each such share of OSI common stock or OSI Bond on the date of sale as set forth in **Table 1** below; or

- ii. the Out of Pocket Loss, calculated as the actual purchase/acquisition price per share of OSI common stock or OSI Bond (excluding taxes, commissions, and fees) *minus* the per share or per Bond sale price of each such share of OSI common stock or OSI Bond (excluding taxes, commissions, and fees).⁵
- c. For each share of OSI common stock and each OSI Bond purchased or otherwise acquired during the Class Period and sold after the opening of trading on February 2, 2018, and before the close of trading on May 2, 2018,⁶ the Recognized Loss Amount shall be *the least of*:
 - i. the dollar amount of alleged artificial inflation applicable to each such share of OSI common stock or OSI Bond on the date of purchase/acquisition as set forth in **Table 1** below; or
 - ii. the actual purchase/acquisition price of each share of OSI common stock or OSI Bond (excluding taxes, commissions, and fees) *minus* the respective 90-day Look-Back Value as set forth in **Table 2** below; or
 - iii. the Out of Pocket Loss, calculated as the actual purchase/acquisition price per share of OSI common stock or OSI Bond (excluding taxes, commissions, and fees) *minus* the actual per share or per Bond sale price of each such share of OSI common stock or OSI Bond (excluding taxes, commissions, and fees).
- d. For each share of OSI common stock and each OSI Bond purchased or otherwise acquired during the Class Period and held as of the close of trading on May 2, 2018 (*i.e.*, the last day of the 90-day Look-Back Period), the Recognized Loss Amount shall be *the lesser of*:
 - i. the dollar amount of alleged artificial inflation applicable to each such share of OSI common stock or OSI Bond on the date of purchase/acquisition as set forth in **Table 1** below; or
 - ii. the actual purchase/acquisition price per share of OSI common stock or OSI Bond (excluding taxes, commissions, and fees) *minus* \$64.44 per share of OSI common stock or \$902.00 per OSI Bond (*i.e.*, the average closing prices of the OSI Securities during the 90-day Look-Back Period as shown on the last line in **Table 2** below).

ADDITIONAL PROVISIONS

4. The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined in ¶ 9 below) is \$10.00 or greater.

5. If a Settlement Class Member has more than one purchase/acquisition or sale of OSI Securities during the Class Period, all purchases/acquisitions and sales shall be matched on a FIFO basis for each respective OSI Security. Class Period sales will be matched first against any holdings of the OSI Security at the beginning of the Class Period, and then against purchases/acquisitions of the OSI Security, in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

6. Purchases/acquisitions and sales of OSI Securities shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance or operation of law of OSI Securities during the Class Period shall not be deemed a purchase, acquisition, or sale of the OSI Securities for the calculation of an Authorized Claimant’s Recognized Claim, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of such OSI Security unless (i) the donor or decedent purchased or otherwise acquired such OSI Security during the Class Period; (ii) no Claim Form

⁵ To the extent that the calculation of an Out of Pocket Loss results in a negative number reflecting a gain on the transaction, that number shall be set to zero.

⁶ May 2, 2018 represents the last day of the 90-day period subsequent to the end of the Class Period, *i.e.*, February 1, 2018 (the “90-day Look-Back Period;” the period of February 2, 2018 through May 2, 2018). The PSLRA imposes a statutory limitation on recoverable damages using the 90-day Look-Back Period. This limitation is incorporated into the calculation of a Settlement Class Member’s Recognized Loss Amount. Specifically, a Settlement Class Member’s Recognized Loss Amount cannot exceed the difference between the purchase price paid for the respective OSI Security and the average price of that OSI Security during the 90-day Look-Back Period if the OSI Security was held through May 2, 2018, the end of this period. Losses on OSI Securities purchased/acquired during the period between August 21, 2013 and February 1, 2018, inclusive, and sold during the 90-day Look-Back Period cannot exceed the difference between the purchase price paid for the OSI Security and the average price of the respective OSI Security during the portion of the 90-day Look-Back Period elapsed as of the date of sale (the “OSI Common Stock 90-day Look-Back Value” and the “OSI Bond 90-day Look-Back Value”), as set forth in **Table 2** below.

was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such OSI Security; and (iii) it is specifically so provided in the instrument of gift or assignment.

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

8. OSI common stock and OSI Bonds are the only securities eligible for recovery under the Plan of Allocation. Option contracts to purchase or sell OSI common stock are not securities eligible to participate in the Settlement. With respect to OSI common stock purchased or sold through the exercise of an option, the purchase/sale date of the OSI common stock is the exercise date of the option and the purchase/sale price is the exercise price of the option. Any Recognized Loss Amount arising from purchases of OSI common stock acquired during the Class Period through the exercise of an option on OSI common stock⁷ shall be computed as provided for other purchases of OSI common stock in the Plan of Allocation.

9. The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a “Distribution Amount” will be calculated for each Authorized Claimant, which will be the Authorized Claimant’s Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If any Authorized Claimant’s Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

10. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the Net Settlement Fund by reason of uncashed checks, or otherwise, nine (9) months after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determine that it is cost-effective to do so, the Claims Administrator will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determine that additional re-distributions, after deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance shall be contributed to non-sectarian, not-for-profit organization(s), to be recommended by Lead Counsel and approved by the Court.

11. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against Lead Plaintiff, Plaintiffs’ Counsel, Lead Plaintiff’s damages consultant, Defendants, Defendants’ Counsel, any of the other Released Lead Plaintiff’s Parties or Released Defendants’ Parties, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the Plan of Allocation approved by the Court, or further orders of the Court. Lead Plaintiff, Defendants, and their respective counsel, and all other Released Defendants’ Parties, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund; the Plan of Allocation; the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator; the payment or withholding of Taxes; or any losses incurred in connection therewith.

TABLE 1			
Estimated Alleged Artificial Inflation in OSI Securities			
From	To	OSI Common Stock	OSI Bond
August 21, 2013*	December 5, 2017	\$35.34	\$217.19
December 6, 2017	February 1, 2018	\$10.90	\$54.57

*The OSI Bond was issued February 16, 2017.

⁷ This includes (1) purchases of OSI common stock as the result of the exercise of a call option, and (2) purchases of OSI common stock by the seller of a put option as a result of the buyer of such put option exercising that put option.

TABLE 2

**OSI Common Stock 90-Day Look-Back Value and OSI Bond 90-Day Look-Back Value by Sale/Disposition Date
(February 2, 2018 through May 2, 2018)**

Sale Date	OSI Common Stock Average Closing Price Between February 2, 2018 and Date Shown	OSI Bond Average Closing Price Between February 2, 2018 and Date Shown	Sale Date	OSI Common Stock Average Closing Price Between February 2, 2018 and Date Shown	OSI Bond Average Closing Price Between February 2, 2018 and Date Shown
2/2/2018	\$54.60	\$864.44	3/20/2018	\$63.30	\$888.39
2/5/2018	\$54.90	\$860.46	3/21/2018	\$63.43	\$888.39
2/6/2018	\$56.01	\$860.54	3/22/2018	\$63.48	\$889.67
2/7/2018	\$56.99	\$865.41	3/23/2018	\$63.51	\$889.67
2/8/2018	\$57.13	\$868.66	3/26/2018	\$63.55	\$889.67
2/9/2018	\$57.43	\$867.63	3/27/2018	\$63.55	\$889.67
2/12/2018	\$57.80	\$866.90	3/28/2018	\$63.55	\$889.67
2/13/2018	\$58.05	\$869.47	3/29/2018	\$63.60	\$890.65
2/14/2018	\$58.31	\$871.62	4/2/2018	\$63.56	\$891.36
2/15/2018	\$58.68	\$871.62	4/3/2018	\$63.58	\$892.00
2/16/2018	\$59.08	\$871.62	4/4/2018	\$63.58	\$892.00
2/20/2018	\$59.41	\$874.30	4/5/2018	\$63.60	\$892.63
2/21/2018	\$59.77	\$876.61	4/6/2018	\$63.58	\$893.01
2/22/2018	\$60.03	\$876.61	4/9/2018	\$63.57	\$893.01
2/23/2018	\$60.30	\$878.12	4/10/2018	\$63.59	\$893.41
2/26/2018	\$60.56	\$878.12	4/11/2018	\$63.62	\$894.02
2/27/2018	\$60.78	\$878.12	4/12/2018	\$63.68	\$894.95
2/28/2018	\$60.91	\$878.12	4/13/2018	\$63.74	\$895.48
3/1/2018	\$60.97	\$878.12	4/16/2018	\$63.80	\$896.44
3/2/2018	\$61.09	\$879.60	4/17/2018	\$63.90	\$897.60
3/5/2018	\$61.23	\$880.54	4/18/2018	\$64.00	\$898.40
3/6/2018	\$61.43	\$882.00	4/19/2018	\$64.07	\$898.40
3/7/2018	\$61.67	\$883.85	4/20/2018	\$64.15	\$898.40
3/8/2018	\$61.90	\$883.85	4/23/2018	\$64.22	\$899.29
3/9/2018	\$62.16	\$883.85	4/24/2018	\$64.28	\$899.29
3/12/2018	\$62.39	\$883.85	4/25/2018	\$64.34	\$900.19
3/13/2018	\$62.59	\$883.85	4/26/2018	\$64.40	\$900.89
3/14/2018	\$62.76	\$885.29	4/27/2018	\$64.39	\$900.89
3/15/2018	\$62.89	\$885.29	4/30/2018	\$64.38	\$900.89
3/16/2018	\$63.05	\$886.90	5/1/2018	\$64.41	\$901.39
3/19/2018	\$63.18	\$886.90	5/2/2018	\$64.44	\$902.00