

Exhibit A

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND
BALTIMORE DIVISION

KIRAN KUMAR NALLAGONDA,)	
)	
Plaintiff,)	
vs.)	
	)	Case No.: 1:15-cv-03562-PX
OSIRIS THERAPEUTICS, INC., <i>et. al.</i>)	
	)	STIPULATION AND
	)	SETTLEMENT AGREEMENT
Defendants.)	
)	
)	

This Stipulation and Settlement Agreement dated June 5, 2018 (the “Stipulation” or the “Settlement Agreement”) is made and entered into on June 5, 2018, by and among the following Settling Parties (as defined further in Section IV hereof) to the above-entitled litigation (the “Litigation”): (i) the Lead Plaintiff (on behalf of himself and each of the Class Members), by and through his counsel of record in the Litigation; and (ii) the Defendants, by and through their counsel of record in the Litigation. The Stipulation is intended by the Settling Parties to fully, finally and forever resolve, discharge and settle the Released Claims, and to bar all future claims relating to the subject matter of the Litigation, upon and subject to the terms and conditions hereof.

I. THE LITIGATION

On November 23, 2015, the action entitled *Nallagonda v. Osiris Therapeutics, Inc. et al.*, Case No. 1:15-cv-03562-PX, was filed in the United States District Court for the District of Maryland, Baltimore Division, on behalf of all persons (other than defendants) who purchased or otherwise acquired Osiris Therapeutics, Inc. (“Osiris” or the “Company”) securities between

May 12, 2014 and November 16, 2015, both dates inclusive. The action alleged violations of the federal securities laws and sought remedy under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder. Named as defendants were Osiris, Lode Debrabandere, Gregory Law and Philip R. Jacoby, Jr.

Two days later, on November 25, 2015 the action entitled *Krueger v. Osiris Therapeutics, Inc., et al.*, Case No. 1:15-cv-3290-JGK, was filed in the same court on behalf of a class of investors who purchased securities of Osiris between May 12, 2014 and November 20, 2015. The *Krueger* action named identical defendants and alleged identical claims for violations of federal securities laws. On February 1, 2016, the *Krueger* action was voluntarily dismissed by the plaintiff pursuant to Federal Rule of Civil Procedure 41(a)(1)(A)(i).

Motions asking the Court to appoint Lead Plaintiff and to approve Lead Plaintiff’s selection of lead counsel were filed on January 22, 2016, and a hearing on those motions was held on March 21, 2016 before the Honorable J. Frederick Motz. The Court entered an order granting investor Raffy Mirzayan’s motion and denying the competing motion. Accordingly, on March 21, 2016, Raffy Mirzayan was appointed as the Lead Plaintiff and the Court approved Lead Plaintiff’s selection of Hagens Berman Sobol Shapiro LLP as Lead Counsel and Hirschler Fleischer, P.C. as Liaison Counsel.

On October 24, 2017, the *Nallagonda* case was reassigned from Judge Motz to the Hon. Paula Xinis. Judge Xinis held a status conference on November 1, 2017 at which counsel for the parties sought a delay of proceedings to permit them to engage in mediation with the goal of attempting to resolve this matter. The Court ordered and received several Joint Status reports between November 2017 and March 28, 2018 when counsel for Osiris and Lead Plaintiff informed the Court that after months of arms-length negotiations, a settlement in principal had been achieved.

On April 6, 2018, Lead Plaintiff filed an Amended Complaint for Violations of Federal Securities Laws (“AC”). Lead Plaintiff alleges that Defendants engaged in a variety of improper accounting practices artificially inflating reported revenues that violated federal law, including

violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder.

Lead Plaintiff alleged in the AC, among other things, 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.

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.

II. CLAIMS OF THE LEAD PLAINTIFF AND BENEFITS OF SETTLEMENT

The Lead Plaintiff believes that the claims asserted in the Litigation have merit and that the evidence developed to date supports the claims. However, Lead Plaintiff recognizes and acknowledges the expense and length of continued proceedings necessary to prosecute the Litigation against the Defendants through trial and through appeals. The Lead Plaintiff has also taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as the Litigation, as well as the difficulties and delays inherent in such litigation. The Lead Plaintiff is also mindful of the inherent problems of proof, and possible defenses to the securities law violations asserted in the Litigation. The Lead Plaintiff believes that the settlement set forth in the Stipulation confers substantial benefits upon the Class. Based on their

evaluation, the Lead Plaintiff and Lead Counsel have determined that the settlement set forth in the Stipulation is in the best interests of the Lead Plaintiff and the Class.

III. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY

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 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. Nonetheless, Defendants have concluded that further conduct of the Class Action would be protracted and expensive, and that it is desirable that the Class Action be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation, to limit further expense, inconvenience and distraction, and to dispose of the burden of protracted litigation. Defendants have also taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like these. Defendants have, therefore, determined that it is desirable and beneficial to them that the Class Action be settled in the manner and upon the terms and conditions set forth in this Stipulation, without admitting the validity of any allegation made in the Litigation or any liability with respect thereto.

IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the Lead Plaintiff, for himself and on behalf of members of the Class, and the Defendants, by and

through their respective attorneys of record, that, subject to the approval of the Court, the Litigation and the Released Claims shall be finally and fully compromised, settled and released, and the Litigation shall be dismissed with prejudice, as to all Settling Parties, upon and subject to the terms and conditions of the Stipulation, as follows.

1. Definitions

As used in the Stipulation, the following terms have the meanings specified below:

1.1 “Authorized Claimant” is any Class Member whose claim for recovery has been allowed pursuant to the terms of the Stipulation, the exhibits hereto, and any order of the Court.

1.2 The “Class Action” and the “Litigation” mean all complaints filed in *Nallagonda v. Osiris Therapeutics, Inc., et al.* Case No. 1:15-cv-3562-PX.

1.3 The “Class” consists of:

all persons other than Defendants who purchased or otherwise acquired Osiris securities between May 12, 2014 and November 16, 2015.

The Class excludes any judicial officer hearing the case, Defendants, the officers and directors of Osiris, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest. Also excluded from the Class are those Persons who timely and validly requested exclusion from the Class before the opt-out deadline.

1.4 “Class Member” or “Member of the Class” means a Person who falls within the definition of the Class as set forth in ¶ 1.3 of the Stipulation.

1.5 “Class Period” means the period May 12, 2014, through November 16, 2015, inclusive.

1.6 “Defendants” means Osiris and the Individual Defendants.

1.7 “Effective Date” means the first date by which all of the events and conditions specified in ¶ 8.1 of the Stipulation have been met and have occurred.

1.8 “Escrow Account” means the account maintained by the Escrow Agent, as described in ¶ 3.3, below.

1.9 “Escrow Agent” means the bank of Huntington National Bank or its successor(s).

1.10 “Fee and Expense Application” means the application by Lead Counsel to the Court for payment of attorneys’ fees, expenses or interest from the Net Settlement Fund.

1.11 “Fee and Expense Award” means any order of the Court approving the Fee and Expense Application, in whole or in part, and directing payment of attorney fees to Lead Counsel and Liaison Counsel from the Net Settlement Fund.

1.12 “Final” means when the last of the following with respect to the Judgment approving the Stipulation, in the form of Exhibit B hereto, shall occur: (i) the expiration of the time to file a motion to alter or amend the Judgment under Federal Rule of Civil Procedure 59(e) has passed without any such motion having been filed; (ii) the expiration of the time in which to appeal the Judgment has passed without any appeal having been taken, which date shall be deemed to be thirty (30) days following the entry of the Judgment, unless the date to take such an appeal shall have been extended by Court order or otherwise, or unless the 30th day falls on a weekend or a Court holiday, in which case the date for purposes of this Stipulation shall be deemed to be the next business day after such 30th day; and (iii) if such motion to alter or amend is filed or if an appeal is taken, immediately after the determination of that motion or appeal so that it is no longer subject to any further judicial review or appeal whatsoever, whether by reason of affirmance by a court of last resort, lapse of time, voluntary dismissal of the appeal or otherwise, and in such a manner as to permit the consummation of the settlement in accordance with the terms and conditions of this Stipulation. For purposes of this paragraph, an “appeal”

shall include any petition for a writ of certiorari or other writ that may be filed in connection with approval or disapproval of this settlement, but shall not include any appeal that concerns only the issue of attorneys' fees and reimbursement of costs or the Plan of Allocation of the Settlement Fund.

1.13 "Individual Defendants" means Lode Debrabandere, Gregory I. Law and Philip R. Jacoby, Jr.

1.14 "Judgment" means the judgment to be entered by the Court, in the form attached hereto as Exhibit B.

1.15 "Lead Counsel" means Hagens Berman Sobol Shapiro LLP.

1.16 "Lead Plaintiff" means Dr. Raffy Mirzayan.

1.17 "Liaison Counsel" means Hirschler Fleischer, PC.

1.18 "Person" means a natural person, individual, corporation, partnership, limited partnership, limited liability company, association, joint venture, joint venturer, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and, as applicable, their/its respective spouses, heirs, executors, administrators, predecessors, successors, representatives, or assignees, who own or have owned Osiris securities.

1.19 "Plan of Allocation" means a plan or formula of allocation (as set forth in the Settlement Notice) by which the Net Settlement Fund shall be distributed to Class Members.

1.20 "Preliminary Approval Order" means the proposed order attached as Exhibit A preliminarily approving the Settlement and directing notice thereof to the Class.

1.21 "Related Parties" means each and any of the Settling Parties' respective past, present or future directors, officers, employees, partnerships and partners, principals, agents, shareholders, any entity in which any Settling Party or any member(s) of that Settling Party's

immediate family has or have a controlling interest (directly or indirectly), attorneys, accountants, auditors, investment banks and investment bankers, underwriters, advisors, financial advisors, personal or legal representatives, analysts, agents, associates, servants, insurers, co-insurers and reinsurers, predecessors, successors, parents, subsidiaries, divisions, assigns, joint ventures and joint venturers, spouses, heirs, executors, administrators, related or affiliated entities, members of a Settling Party's immediate family, and any trust of which any Settling Party is the settlor or which is for the benefit of any Settling Party or member(s) of his family, and all other Persons.

1.22 "Released Claims" means any and all claims or causes of action, demands, rights, liabilities, suits, debts, obligations and causes of action of every nature and description whatsoever, direct or class, arbitrable or non-arbitrable, known or unknown (including Unknown Claims as defined in ¶ 1.28 hereof), contingent or absolute, mature or unmature, discoverable or undiscoverable, whether concealed or hidden, asserted or that might have been asserted against the Released Persons based upon, arising out of, or related in any way whatsoever to any of the facts, transactions, events, occurrences, disclosures, statements, acts, omissions or failures to act which were or could have or might have been alleged in or embraced or otherwise referred to or encompassed by the Class Action, or which relate to the subject matter of the Class Action, regardless of upon what legal theory based, whether legal or equitable, including without limitation, claims for negligence, gross negligence, fraud, breach of fiduciary duty, breach of the duty of care or loyalty or violations of the common law, administrative rule or regulation, tort, contract, equity, or otherwise or of any state or federal statutes, rules or regulations. Released Claims do not include any claim arising from the performance or non-performance of the Settlement.

1.23 “Released Persons” means each and all of the Defendants and each and all of their Related Parties.

1.24 “Settlement” means the terms and conditions set forth in the Stipulation.

1.25 “Settlement Administrator” means Epiq Class Action & Claims Solutions, Inc.

1.26 “Settlement Fund” means the principal amount of Eighteen Million Five Hundred Thousand Dollars (\$18,500,000) in cash to be paid to the Escrow Agent pursuant to ¶ 3.1 of this Stipulation, plus all interest earned thereon pursuant to ¶¶ 3.3, 3.4 and 3.7.

1.27 “Settling Parties” means, collectively, each of the Defendants, the Lead Plaintiff, and the other Class Members.

1.28 “Unknown Claims” means any Released Claims that Lead Plaintiff, any other Class Member, or any of their Related Parties does not know or suspect to exist in their favor at the time of the release of the Released Persons which, if known by them, might have affected their Settlement with and release of the Released Persons, or might have affected their decision not to object to this Settlement. With respect to any and all Released Claims against the Released Persons, the Settling Parties stipulate and agree that, upon the Effective Date, the Lead Plaintiff shall expressly waive and relinquish, and the other Class Members and the Related Parties of the Lead Plaintiff and the other Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits conferred by §1542 of the California Civil Code (and any United States law or any law of any state or territory of the United States, or principle of common law, or of international or foreign law, which is similar, comparable or equivalent to §1542 of the California Civil Code), which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT
TO EXIST IN HIS OR HER FAVOR AT THE TIME OF

EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM
OR HER MUST HAVE MATERIALLY AFFECTED HIS OR
HER SETTLEMENT WITH THE DEBTOR.

Lead Plaintiff, the other Class Members, or their Related Parties may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the Released Claims, but the Settling Parties hereby stipulate and agree that upon the Effective Date, the Lead Plaintiff fully, finally, and forever settles and releases, and each other Class Member and the Related Parties of the Lead Plaintiff and the other Class Members shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released the Released Persons from any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts.

2. Releases

2.1 Upon the Effective Date, Lead Plaintiff, all other Class Members, their Related Parties, and anyone claiming through or on behalf of any of them shall be deemed to, and by operation of the Judgment shall, fully, finally, and forever release, relinquish and discharge all Released Claims (including Unknown Claims) against each and all of the Released Persons and shall have covenanted not to sue the Released Persons with respect to all such Released Claims, and shall be forever barred and enjoined from commencing, instituting, prosecuting, or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration tribunal, or administrative forum, asserting any of the Released Claims against any of the Released Persons except to enforce the releases and other terms and conditions contained in this Stipulation or the Judgment entered pursuant thereto. The Settling Parties acknowledge, and the

Class Members and their Related Parties shall be deemed by operation of law to acknowledge, that the foregoing waiver of Unknown Claims, and of the provisions, rights, and benefits of §1542 of the California Civil Code, was bargained for and is a key element of the Settlement of which the release in this paragraph is a part.

2.2 Upon the Effective Date, each of the Released Persons shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished and discharged the Lead Plaintiff, each and all of the Class Members, and Lead Counsel from all claims arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement or resolution of the Released Claims.

2.3 Nothing contained herein shall, however, bar the Releasing Parties from bringing any action or claim to enforce the terms of this Stipulation or the Judgment.

3. The Settlement Fund

a. Payment of the Settlement Consideration

3.1 Osiris shall pay or cause to be paid, on behalf of all Defendants, the amount of \$18,500,000 in cash into the Escrow Account maintained by the Escrow Agent within thirty (30) business days of the Court's issuance of the Preliminary Approval Order.

3.2 The payment described in ¶ 3.1 is the only payment to be made by or on behalf of Defendants in connection with the Settlement of the Released Claims. Under no circumstance will Defendants be required to pay or cause to be paid more than the principal amount set forth in ¶ 3.1. The Individual Defendants and their Related Parties shall have no obligation to pay or cause to be paid any fees, costs, expenses, taxes, interest, awards, or other amounts pursuant to this Stipulation and the Settlement set forth herein (including any amount under ¶ 3.1).

b. The Escrow Agent

3.3 The Escrow Account will be established at Huntington National Bank, with such Bank serving as escrow agent ("Escrow Agent"), subject to escrow instructions mutually acceptable to Plaintiff's Lead Counsel and Defendants, such escrow to be administered under the

Court's continuing supervision and control. The Escrow Agent shall cause the funds deposited pursuant to ¶ 3.1 hereof in the Escrow Account to be invested in short-term instruments backed by the full faith and credit of the United States Government or fully insured in writing by the United States Government, or money market funds rated Aaa and AAA, respectively, by Moody's Investor Services and Standard and Poor's, invested substantially in such instruments, and shall reinvest any income from these instruments and the proceeds of these instruments as they mature in similar instruments at their then-current market rates.

3.4 The Escrow Agent shall not disburse the Settlement Fund except as provided in the Stipulation or by an order of the Court.

3.5 Subject to further order and/or direction as may be made by the Court, the Escrow Agent is authorized to execute such transactions on behalf of the Class Members as are consistent with the terms of the Stipulation.

3.6 All funds held by the Escrow Agent shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

3.7 Within five (5) business days after payment of the Settlement Fund to the Escrow Agent pursuant to ¶ 3.1 hereof, the Escrow Agent may establish a "Class Notice and Administration Fund," and may deposit up to \$250,000 from the Settlement Fund in it. The Class Notice and Administration Fund may be used by Lead Counsel to pay costs and expenses reasonably and actually incurred in connection with providing notice to the Class, locating Class Members, administering and distributing the Settlement Fund to Class Members, and paying escrow fees and costs, if any, and no Defendant or any of their Related Parties shall have any responsibility for or liability to any Class Member or any other Person with respect to any of these costs, expenses, fees, or acts. The Class Notice and Administration Fund may also be invested and earn interest as provided for in ¶ 3.3 of this Stipulation. Defendants or their Related Parties have no responsibility for or liability to any Class Member, their Related Parties, or any

other Person with respect to the Escrow Agent or its actions or the Class Notice and Administration Fund. Any costs or expenses expended for notice or administration in excess of \$250,000 shall be paid from the Settlement Fund, subject to approval of Lead Counsel. After the Effective Date, any balance (including interest) then remaining in the Notice and Administration Fund, less expenses incurred but not yet paid, may be transferred by the Escrow Agent, and deposited and credited as part of, the Settlement Fund.

c. Taxes

3.8 (a) The Settling Parties and the Escrow Agent agree to treat the Settlement Fund as being at all times a “qualified settlement fund” within the meaning of Treas. Reg. § 1.468B-1. In addition, the Escrow Agent shall timely make such elections as necessary or advisable to carry out the provisions of this ¶ 3.8, including the “relation-back election” (as defined in Treas. Reg. § 1.468B-1) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Escrow Agent to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur.

(b) For the purpose of § 1.468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the “administrator” shall be the Escrow Agent. The Escrow Agent shall timely and properly file all informational and other tax returns necessary or advisable with respect to the Settlement Fund (including without limitation the returns described in Treas. Reg. § 1.468B-2(k)). Such returns (as well as the election described in ¶ 3.8(a) hereof) shall be consistent with this ¶ 3.8 and in all events shall reflect that all Taxes (including any estimated Taxes, interest or penalties) on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided in ¶ 3.8(c) hereof.

(c) All (i) Taxes (including any estimated Taxes, interest or penalties) arising with respect to the income earned by the Settlement Fund, including any Taxes or tax detriments that may be imposed upon the Defendants or their Related Parties with respect to any income

earned by the Settlement Fund for any period during which the Settlement Fund does not qualify as a “qualified settlement fund” for federal or state income tax purposes (“Taxes”), and (ii) expenses and costs incurred in connection with the operation and implementation of this ¶ 3.8 (including, without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing (or failing to file) the returns described in this ¶ 3.8) (“Tax Expenses”), shall be paid out of the Settlement Fund; in no event shall the Defendants or their Related Parties have any responsibility for or liability with respect to the Taxes or the Tax Expenses. The Escrow Agent shall indemnify and hold each of the Defendants and their Related Parties harmless for Taxes (including, without limitation, Taxes payable by reason of any such indemnification). Further, Taxes shall be treated as, and considered to be, a cost of administration of the Settlement Fund and shall be timely paid by the Escrow Agent out of the Settlement Fund without prior order from the Court and the Escrow Agent shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to Class Members any funds necessary to pay such amounts including the establishment of adequate reserves for any Taxes (as well as any amounts that may be required to be withheld under Treas. Reg. § 1.468B-2(1)(2)); neither the Defendants nor their Related Parties are responsible therefore nor shall they have any liability with respect thereto. The parties hereto agree to cooperate with the Escrow Agent, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this ¶ 3.8.

(d) For the purpose of this ¶ 3.8, references to the Settlement Fund shall include both the Settlement Fund and the Class Notice and Administration Fund and shall also include any earnings thereon.

d. Termination of Settlement

3.9 In the event that the Settlement is not approved, or is terminated, canceled, or fails to become effective for any reason, the Settlement Fund and the Class Notice and Administration Fund (in each case, including accrued interest), less expenses actually incurred and properly due and owing in connection with the settlement provided for herein, shall be refunded to Osiris.

4. Administration and Calculation of Payments, Distribution of Payments, and Supervision and Distribution of Settlement Fund

4.1 The Settlement Administrator shall administer, calculate, and distribute payments from the Settlement Fund. Within ten (10) days of submission of the Preliminary Approval Order to the Court, the Settlement Administrator, acting on behalf of the Defendants, shall serve the Notice required by 28 U.S.C. §1715 *et. seq.* on the United States Attorney General and the appropriate state officials for all states in which Class Members reside.

4.2 The Settlement Fund shall be applied as follows:

- (a) to pay all the costs and expenses reasonably and actually incurred in connection with providing notice, locating Class Members, administering, calculating, and distributing the Settlement Fund to Class Members, and paying escrow fees and costs, if any;
- (b) to pay the Taxes and Tax Expenses described in ¶ 3.8 hereof;
- (c) to pay Lead Counsel's and Liaison Counsel's attorneys' fees and expenses (the "Fee and Expense Award"), if and to the extent allowed by the Court; and
- (d) after the Effective Date, to distribute the balance of the Settlement Fund (the "Net Settlement Fund") to Class Members as allowed by the Stipulation, the Plan of Allocation, or the Court.

4.3 Within one hundred and twenty (120) days after the mailing of the Notice or such other time as may be set by the Court, each Person claiming to be a Class Member shall be required to submit to the Settlement Administrator a completed Proof of Claim and Release, substantially in the form of Exhibit A-2 hereto, signed under penalty of perjury and supported by such documents as specified in the Proof of Claim and Release and as are reasonably available to the Class member.

4.4 Each check to each Class Member shall be accompanied by a Release in the form attached as Exhibit A-1 and include an endorsement in this form:

By my (our) signature(s) below, I (We) hereby agree to the terms of the Release that accompanied this check, and acknowledge that the Judgment in *Nallagonda v. Osiris Therapeutics, Inc. et al.*, Case No. 15-cv-3562-PX, District of Maryland, independently orders that I (we) have released claims against the same Released Persons who are described in the Release that accompanied this check.

The Class Notice and check will contain this language:

Release

You have received the enclosed check from the Settlement Administrator in *Nallagonda v. Osiris Therapeutics, Inc. et al.*, Case No. 15-cv-3562-PX (District of Maryland) (the “Class Action”), because you have been identified as a member of the class certified by the United States District Court for the District of Maryland. By cashing the enclosed check, you provide an additional release to all “Released Persons” from all “Released Claims,” as described in the enclosed Release, that is in addition to, and independent of, the releases of the Released Persons that are included in, and ordered by Judgment in *Nallagonda v. Osiris Therapeutics, Inc. et al.*

“Released Claims” means any and all claims or causes of action, demands, rights, liabilities, suits, debts, obligations and causes of action of every nature and description whatsoever, direct or class, arbitrable or non-arbitrable, known or unknown (including Unknown Claims as defined below), contingent or absolute, mature or unmature, discoverable or undiscoverable, whether concealed or hidden, asserted or that might have been asserted against the Released Persons based upon, arising out of, or related in any way whatsoever to any of the facts, transactions, events, occurrences, disclosures, statements, acts, omissions or failures to act which were or could have or might have been alleged in or embraced or otherwise referred to or encompassed by the Class Action, or which relate to the subject matter of the Class Action, regardless of upon what legal theory based, whether legal or equitable, including without limitation, claims for negligence, gross negligence, fraud, breach of fiduciary duty, breach of the duty of care or loyalty or violations of the common law, administrative rule or regulation, tort, contract, equity, or otherwise or of any state or federal statutes, rules or regulations. Released Claims do not include any claim arising from the performance or non-performance of the Settlement.

“Unknown Claims” means any Released Claims that Lead Plaintiff, any other Class Member, or any of their Related Parties does not know or suspect to exist in their favor at the time of the release of the Released Persons which, if known by them, might have affected their Settlement with and release of the Released

Persons, or might have affected their decision not to object to this Settlement.

“Released Persons” means each and all of the Defendants and each and all of their Related Parties. “Defendants” means Osiris Therapeutics, Inc. (“Osiris”) and the Individual Defendants, Lode Debrabandere, Gregory I. Law and Philip R. Jacoby.

“Related Parties” means each and any of the Settling Parties’ respective past, present or future directors, officers, employees, partnerships and partners, principals, agents, shareholders, any entity in which any Settling Party or any member(s) of that Settling Party’s immediate family has or have a controlling interest (directly or indirectly), attorneys, accountants, auditors, investment banks and investment bankers, underwriters, advisors, financial advisors, personal or legal representatives, analysts, agents, associates, servants, insurers, co-insurers and reinsurers, predecessors, successors, parents, subsidiaries, divisions, assigns, joint ventures and joint venturers, spouses, heirs, executors, administrators, related or affiliated entities, members of a Settling Party’s immediate family, and any trust of which any Settling Party is the settlor or which is for the benefit of any Settling Party or member(s) of his family, and all other Persons. “Person” means a natural person, individual, corporation, partnership, limited partnership, limited liability company, association, joint venture, joint venturer, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and, as applicable, their/its respective spouses, heirs, executors, administrators, predecessors, successors, representatives, or assignees, who own or have owned Osiris securities.

4.5 Each Class Member shall be deemed to have submitted to the jurisdiction of the Court with respect to the Class Action and the Settlement.

4.6 For purposes of determining the extent, if any, to which a Class Member shall be entitled to be treated as an Authorized Claimant, the following conditions shall apply:

(i) All required Proofs of Claim must be submitted to the Settlement Administrator by the date specified in the Notice unless such period is extended by order of the District Court. Any Class Member who is required to submit a Proof of Claim but fails to submit a Proof of Claim to the Settlement Administrator by the specified date shall be forever barred from receiving any payment pursuant to this Stipulation (unless a later submitted Proof of Claim by such Class Member is approved by order of the District Court), but shall in all other respects be bound by all of the terms of this Stipulation and the Settlement, including the terms of the

Final Judgment entered in the Action and the releases provided for herein, and will be barred from bringing any action against any of the Released Persons concerning the Released Claims. Provided that it is actually received no later than thirty (30) calendar days after the final date for submission of Proofs of Claim, a Proof of Claim shall be deemed to have been submitted when posted, if received with a postmark on the envelope and if mailed first-class postage prepaid and addressed in accordance with the instructions provided in the Proof of Claim. In all other cases, the Proof of Claim shall be deemed to have been submitted when actually received by the Settlement Administrator.

(ii) Each Proof of Claim and dispute form shall be submitted to and reviewed by the Settlement Administrator, under the supervision of Lead Counsel, who shall determine the amount of Recognized Claims in accordance with this Stipulation and the Plan of Allocation and the extent, if any, to which each claim shall be allowed, subject to review by the District Court pursuant to subparagraph (iv) below. Except as needed to fulfill its obligations, the Settlement Administrator shall keep confidential the Class Member and other shareholder information provided to it in connection with the administration of the Settlement.

(iii) The Settlement Administrator may reject any and all Proofs of Claim or dispute forms that do not meet the filing requirements. Prior to rejection of a Proof of Claim or dispute form, the Settlement Administrator shall communicate with the claimant in order to afford such claimant the opportunity to remedy any curable deficiencies in the Proof of Claim or dispute form submitted. The Settlement Administrator, under supervision of Lead Counsel, shall notify, in a timely fashion and in writing, all claimants whose Proofs of Claim or dispute forms they propose to reject in whole or in part, setting forth the reasons therefor, and shall indicate in such notice that the claimant whose claim or dispute is to be rejected has the right to a review by the District Court if the claimant so desires and complies with the requirements of subparagraph (iv) below.

(iv) If any claimant whose Proof of Claim or dispute form has been rejected, in whole or in part, desires to contest such rejection, the claimant must, within twenty (20) calendar

days after the date of mailing of the Notice required in subparagraphs (ii) or (iii) above, serve upon the Settlement Administrator a notice and statement of reasons indicating the claimant's grounds for contesting the rejection, along with any supporting documentation, and requesting a review thereof by the District Court. If a dispute concerning a Proof of Claim or dispute form cannot be otherwise resolved, Class Counsel shall thereafter present the request for review to the District Court for a final determination.

(v) The administrative determinations of the Settlement Administrator accepting and rejecting Proofs of Claim or dispute forms shall be presented to the District Court.

4.7 Payment pursuant to this Stipulation shall be deemed final, complete, and conclusive against all Class Members.

4.8 All Class Members who fail to timely submit a Proof of Claim and Release and/or to cash or endorse a check distributing to them a portion of the Net Settlement Fund within one hundred fifty days (150) of the check's issuance, or such other period as may be ordered by the Court, or otherwise allowed, shall be forever barred from receiving any payments pursuant to the Stipulation and the Settlement, but will in all other respects be subject to and bound by the provisions of the Stipulation, the releases contained herein, and the Judgment.

4.9 The Net Settlement Fund shall be distributed to the Class Members in the manner described in the Notice and approved by the Court. If there is any balance remaining in the Net Settlement Fund after six (6) months from the date of distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed checks or otherwise), Lead Counsel shall, if feasible, reallocate such balance among Class Members in an equitable and economic fashion. Thereafter, any balance which still remains in the Net Settlement Fund shall be donated to an appropriate, non-profit organization to be determined by Lead Counsel in conjunction with input from Lead Plaintiff.

4.10 This is not a claims-made settlement and, if all conditions of the Stipulation are satisfied and the settlement becomes Final, no portion of the Settlement Fund will be returned to the Defendants. The Released Persons shall have no responsibility for, interest in, or liability

whatsoever with respect to the distribution of the Settlement Fund, the Net Settlement Fund, the administration, calculation, or distribution of payments from the Settlement Fund to Class Members or any other Persons, the payment or withholding of Taxes or Tax Expenses, or any losses incurred in connection therewith. The Released Persons shall have no responsibility for, and no liability whatsoever with respect to, any payment to Lead Counsel from the Settlement Fund or the Net Settlement Fund.

4.11 No Person shall have any claim against Lead Counsel, the Settlement Administrator or other entity designated by Lead Counsel based on distributions made substantially in accordance with the Stipulation and the settlement contained herein, or further order(s) of the Court.

5. Preliminary Approval Order and Settlement Hearing

5.1 Promptly after execution of the Stipulation, the Settling Parties shall submit the Stipulation together with its Exhibits to the Court and shall apply for entry of an order (the “Preliminary Approval Order”), in the form of Exhibit A hereto, requesting, *inter alia*, certification of the settlement class, preliminary approval of the Settlement set forth in the Stipulation, and approval for distributing the Notice of Pendency and Proposed Settlement of Class Action (the “Notice”) in the form of Exhibits A-1 and A-3 hereto. The Notice shall include the general terms of the Settlement set forth in the Stipulation, the proposed Plan of Allocation, the general terms of the Fee and Expense Application and the date of the Settlement Hearing.

5.2 Lead Counsel shall request that after notice is given, the Court hold a hearing (the “Settlement Hearing”) and approve the settlement of the Litigation as set forth herein. At or after the Settlement Hearing, Lead Counsel also will request that the Court approve the Plan of Allocation and the Fee and Expense Application.

5.3 At the Settlement Hearing, the Settling Parties shall jointly request entry of a Judgment, in the form attached hereto as Exhibit B:

(a) finally approving the settlement as fair, reasonable, and adequate, within the meaning of Rule 23 of the Federal Rules of Civil Procedure, and directing its consummation pursuant to its terms;

(b) directing that the Litigation be dismissed without costs and with prejudice, and releasing, as against the Released Persons, the Released Claims;

(c) permanently barring and enjoining the institution and prosecution, by Lead Plaintiff, the Class Members, or any of their Related Parties, of any other action against the Released Persons in any court or any other forum or proceeding asserting any Released Claims;

(d) reserving jurisdiction over the Litigation, including all future proceedings concerning the administration, consummation and enforcement of this Stipulation; and

(e) containing such other and further provisions consistent with the terms of this Stipulation to which the Settling Parties expressly consent in writing.

6. Counsels' Attorneys' Fees and Reimbursement of Expenses

6.1 Lead Counsel, Liaison Counsel, and Lead Plaintiff may submit an application or applications (the "Fee and Expense Application") for distributions to them from the Settlement Fund for: (i) an award of attorneys' fees; plus (ii) reimbursement of actual expenses, including the fees of any experts or consultants, incurred in connection with prosecuting the Litigation; (iii) reimbursement to Lead Plaintiff of the costs and expenses incurred directly related to representation of the Class, plus any interest on such attorneys' fees and expenses at the same rate and for the same periods as earned by the Settlement Fund (until paid), as may be awarded by the Court. Lead Counsel reserves the right to make additional applications for fees and expenses incurred. The application must be consistent with and does not amend the Fee Agreement between Lead Counsel and Lead Plaintiff. The Released Persons shall have no

responsibility for, and no liability whatsoever with respect to, any award of fees and expenses that the Court may make, and Defendants take no position with respect to such matters.

6.2 The attorneys' fees and expenses, as awarded by the Court, shall be paid to Lead Counsel and Liaison Counsel from the Settlement Fund, as ordered, immediately after the Court executes an order awarding such fees and expenses. In the event that the Effective Date does not occur, or the Judgment or the order making the Fee and Expense Award is reversed or modified, or the Stipulation is canceled or terminated for any other reason, and in the event that the Fee and Expense Award has been paid to any extent, then Lead Counsel and Liaison Counsel shall be jointly and severally obligated to refund the Escrow Account shall within ten (10) business days from receiving notice from Defendants' counsel or from a court of appropriate jurisdiction, refund to the Settlement Fund the fees and expenses previously paid to them from the Settlement Fund plus interest thereon at the same rate as earned by the Settlement Fund in an amount consistent with such reversal or modification.

6.3 The procedure for and the allowance or disallowance by the Court of any applications by Lead Counsel for attorneys' fees and expenses, including the fees of experts and consultants, to be paid out of the Settlement Fund, are not part of the settlement set forth in the Stipulation, and are to be considered by the Court separately from the Court's consideration of the fairness, reasonableness and adequacy of the settlement set forth in the Stipulation, and any order or proceedings relating to the Fee and Expense Application, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel the Stipulation, or affect or delay the finality of the Judgment approving the Stipulation and the settlement of the Litigation set forth therein (including the releases contained therein).

6.4 Defendants and their Related Parties shall have no responsibility for or liability with respect to any payment of attorneys' fees and expenses to Lead Counsel over and above payment from the Settlement Fund.

7. Class Certification

7.1 In the Judgment, the Class shall be certified for purposes of this Settlement, but in the event that the Judgment does not become Final or the Settlement fails to become effective for any reason, all Settling Parties reserve all their rights on all issues, including class certification. For purposes of this Settlement only, in connection with the Judgment Defendants shall consent to (i) appointment of Lead Plaintiff as the Class representative; (ii) the appointment of Lead Counsel as Class Counsel, and (iii) the certification of the Class pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure.

8. Effective Date of Settlement, Effect of Disapproval, Cancellation or Termination

8.1 The Effective Date of Settlement shall be the first date by which all the following events and conditions shall have occurred or been met:

- (a) execution of the Stipulation;
- (b) entry of the Preliminary Approval Order in the form attached hereto as Exhibit A;
- (c) payment to the Escrow Agent of the Settlement Fund pursuant to ¶3.1 above;
- (d) approval by the Court of the Settlement, following notice to the Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure;
- (e) entry of the Judgment, in the form of Exhibit B attached hereto;
- (f) the Judgment has become Final; and
- (g) Defendants' Counsel or Lead Counsel shall not have given notice of intent to withdraw from the Settlement, pursuant to ¶ 8.3.

8.2 If all of the conditions specified in ¶ 8.1 are not met, then this Stipulation shall be canceled and terminated unless Lead Counsel and Defendants' counsel mutually agree in writing to proceed with the Stipulation. No order of the Court or modification or reversal on appeal of any order of the Court approving or disapproving, in whole or in part, the Plan of Allocation or the amount of any attorneys' fees, costs, expenses and interest awarded by the Court to Lead Counsel or Liaison Counsel, or of any payment to Lead Plaintiff, shall constitute grounds for cancellation or termination of the Stipulation.

8.3 Defendants' counsel or Lead Counsel shall have the right to terminate the Settlement and this Stipulation by providing written notice of their election to do so to all other parties hereto within thirty (30) calendar days after: (a) the Court's refusal to approve this Stipulation or any material part of it; (b) the Court's declining to enter the Judgment in any material respect, other than with respect to the Plan of Allocation or the award of attorneys' fees and expenses to Lead Counsel or Liaison Counsel or to Lead Plaintiff or of any payment to Lead Plaintiff; or (c) the date upon which the Judgment is modified or reversed in any material respect — other than with respect to the Plan of Allocation or the award of attorneys' fees and reimbursement of expenses to Lead Counsel or of any payment to Lead Plaintiff — by the Court of Appeals or the Supreme Court.

8.4 Except as otherwise provided herein, in the event the Settlement is terminated or fails to become effective for any reason, within ten (10) business days after written notification, the Settling Parties shall be deemed to have reverted to their respective positions in the Class Action as of June 5, 2018, and, except as otherwise expressly provided, the parties shall proceed in all respects as if this Stipulation and any related orders had not been entered, including any award of attorneys' fees, expenses, and interest thereupon, and any portion of the Settlement Amount previously paid or caused to be paid by Osiris, together with any interest earned thereon, less any Taxes due with respect to such income, and less costs of administration and notice actually incurred and paid or payable from the Gross Settlement Amount (not to exceed \$250,000 without the prior approval of Osiris or the Court), shall be returned to Osiris.

8.5 If the Effective Date does not occur, or in the event the Settlement is terminated or fails to become effective for any reason, the terms and provisions of the Stipulation shall have no further force and effect with respect to the Settling Parties, with the exception of ¶¶ 1.1 – 1.28, 3.7, 3.8, 3.9, 4.9, 4.10, 6.2, 6.3, 6.4, 8.1, 8.3, 8.4, and 8.5 hereof, and shall not be used in the Litigation or in any other proceeding for any purpose, and any judgment or order entered by the Court in accordance with the terms of this Stipulation shall be vacated as *nunc pro tunc*.

8.6 [Reserved].

9. Other Provisions

9.1 The Settling Parties (a) acknowledge that it is their intent to consummate the Settlement; and (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of the Stipulation and to exercise their reasonable best efforts to accomplish the foregoing terms and conditions of the Stipulation.

9.2 The Settling Parties intend this Settlement to be a final and complete resolution of all disputes between them with respect to the Litigation. The Settlement compromises claims which are contested and shall not be deemed an admission by any Settling Party as to the merits of any claim or defense. The Judgment will contain a statement that during the course of the Litigation, the parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11. While retaining their right to deny liability, the Defendants agree that the amount paid by Osiris to the Settlement Fund and the other terms of the Settlement were negotiated in good faith and reflect a Settlement that was reached voluntarily after consultation with competent legal counsel. The Settling Parties reserve their right to rebut, in a manner that such party determines to be appropriate, any contention made in any court that the Litigation was brought or defended in bad faith or without a reasonable basis.

9.3 Defendants enter into this Stipulation without in any way acknowledging any fault, liability, or wrongdoing of any kind. With the exception of the Jacoby Plea, Defendants continue vigorously to deny each and all of the claims and contentions alleged in the Litigation, and assert that all claims and contentions alleged in the Litigation are completely without merit. Neither this Stipulation, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it (including any orders or judgments entered in connection with this Stipulation or the Settlement) is, or shall be construed as, an admission, presumption or concession by Defendants or their Related Parties, or as evidence, of the truth of any of the allegations in the Litigation, of the validity of any Released Claim, or of any liability, fault, culpability or wrongdoing of any kind and shall not be construed as, or deemed to be evidence of or an admission, presumption or concession that Lead Plaintiff, any Class Members, or any of their Related Parties have suffered any damages, harm, or loss. Neither this Stipulation, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it (including any orders or judgments entered in connection with this Stipulation or the Settlement), shall be referred to, offered as evidence, or received in evidence in any pending or future civil, criminal, or administrative action or proceeding (including, without limitation, the action filed on November 2, 2017, in the United States District Court for the District of Maryland, styled as *SEC v. Jacoby, et. al.*, case number 1:17-cv-03230), except in a proceeding to enforce this Stipulation, to defend against the assertion of the Released Claims, or as otherwise required by law.

9.4 All agreements made and orders entered during the course of the Litigation relating to the confidentiality of information shall survive this Stipulation, pursuant to their terms.

9.5 Osiris may issue a press release regarding the existence and terms of the Settlement. Lead Counsel will post the Settlement Release, if any, on the Hagens Berman

website and may make comments in response to inquiries as to the fairness of the settlement, but shall not otherwise comment on the Settlement, Litigation, or Defendants.

9.6 All of the Exhibits to the Stipulation are material and integral parts hereof and are fully incorporated herein by this reference.

9.7 The Stipulation may be amended or modified only by a written instrument signed by or on behalf of all Settling Parties or their respective successors-in-interest.

9.8 The Stipulation and the Exhibits attached hereto constitute the entire agreement among the parties hereto and no representations, warranties or inducements have been made to any party concerning the Stipulation and its Exhibits, other than the representations, warranties and covenants contained and memorialized in such documents. Except as otherwise provided herein, each party shall bear its own costs.

9.9 Lead Counsel, on behalf of the Class, is expressly authorized by the Lead Plaintiff to take all appropriate action required or permitted to be taken by the Class pursuant to the Stipulation to effectuate its terms and also are expressly authorized to enter into any modifications or amendments to the Stipulation on behalf of the Class which they deem appropriate, provided Lead Counsel consults with Lead Plaintiff and given them an opportunity to object and approve.

9.10 Each counsel or other Person executing the Stipulation or any of its Exhibits on behalf of any party hereto hereby warrants that such Person has the full authority to do so.

9.11 The Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. A complete set of original executed counterparts shall be filed with the Court.

9.12 The Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the parties hereto.

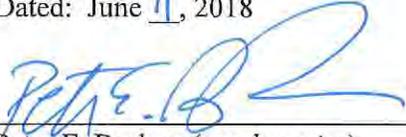
9.13 The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Stipulation, and all parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the settlement embodied in the Stipulation.

9.14 The Stipulation and the Exhibits hereto shall be considered to have been negotiated, executed and delivered, and to be wholly performed, in the State of Maryland, and shall be construed and enforced in accordance with the laws of the State of Maryland without giving effect to that State's choice-of-law principles.

IN WITNESS WHEREOF, the parties hereto have caused the Stipulation to be executed,
by their duly authorized attorneys.

AGREED and entered into on this 11 day of June, 2018.

Dated: June 11, 2018



Peter E. Borkon (*pro hac vice*)
Reed R. Kathrein (*pro hac vice*)
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Respectfully Submitted,

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Counsel for Lode Debrabandere

Philip R. Jacoby, Jr.

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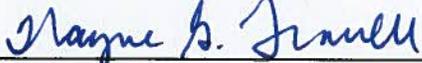
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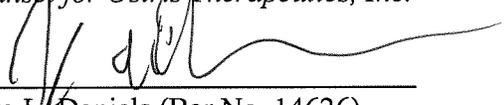
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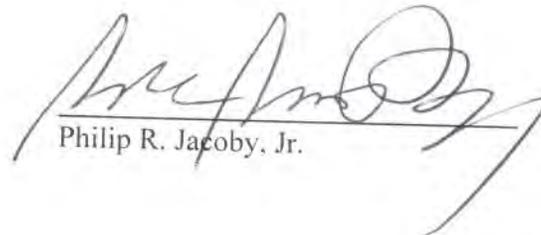
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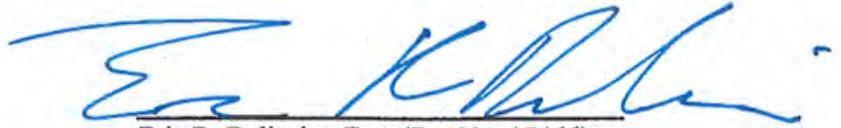
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Counsel for Defendant Gregory I. Law

EXHIBIT A

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND
BALTIMORE DIVISION

KIRAN KUMAR NALLAGONDA,)	
)	
Plaintiff,)	
vs.)	
	)	Case No.: 1:15-cv-03562-PX
OSIRIS THERAPEUTICS, INC., <i>et. al.</i>)	
	)	[PROPOSED] ORDER
	)	PRELIMINARILY APPROVING
Defendants.	)	SETTLEMENT AND PROVIDING
	)	FOR NOTICE
)	
	)	EXHIBIT A

WHEREAS, a securities class action is pending before the Court entitled *Nallagonda v. Osiris Therapeutics, Inc., et al.*, No. 15-cv-03562-PX (the “Litigation”);

WHEREAS, the Court has received the Unopposed Motion for Preliminary Approval of the Settlement and Stipulation of Settlement dated June 5, 2018 (the “Stipulation”), that has been entered into by the Lead Plaintiff and Defendants, and the Court has reviewed the Stipulation and its attached Exhibits;

WHEREAS, Lead Plaintiff having made an Unopposed Motion for Preliminary Approval of the Settlement, pursuant to Federal Rule of Civil Procedure 23(e), for an order preliminarily approving the settlement of this Litigation, in accordance with the Stipulation which, together with the Exhibits annexed thereto sets forth the terms and conditions for a proposed settlement of the Litigation and for dismissal of the Litigation with prejudice upon the terms and conditions set forth therein, and the Court having read and considered the Stipulation and the Exhibits annexed thereto; and

WHEREAS all defined terms contained herein shall have the same meanings as set forth in the Stipulation;

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. The Court does hereby preliminarily approve the Stipulation and the Settlement set forth therein, subject to further consideration at the Settlement Hearing described below.

2. A hearing (the “Settlement Hearing”) shall be held before this Court on _____, 2018, at ___:___ p.m., at the United States Courthouse, 6500 Cherrywood Lane, Suite 400, Greenbelt, MD 20770, to determine whether the proposed settlement of the Litigation on the terms and conditions provided for in the Stipulation is fair, reasonable and adequate to the Class and should be approved by the Court; whether a Judgment as provided in ¶ 1.14 of the Stipulation should be entered herein; whether the proposed Plan of Allocation should be approved; and to determine the amount of fees and expenses that should be awarded to Lead Counsel and Liaison Counsel. The Court may adjourn the Settlement Hearing without further notice to Class Members. Any motion for final approval of the Settlement, and all supporting briefing and exhibits in support of the Plan of Allocation, and Class Counsels’ application for attorneys’ fees and expenses shall be filed and served by Lead Counsel not later than thirty-five (35) days prior to the Settlement Hearing. Any reply papers shall be filed and served no later than fourteen days (14) prior to the Settlement Hearing.

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court certifies the following Class:

All persons other than Defendants who purchased or otherwise acquired Osiris securities between May 12, 2014 and November 16, 2015.

Excluded from the Class are any judicial officer hearing the case, Defendants, the officers and directors of Osiris, at all relevant times, members of their immediate families and their legal

representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest. Also excluded from the Class are those Persons who timely and validly requested exclusion from the Class before the opt-out deadline.

4. The Court finds that the proposed Notice to the Class and its Members meets the requirements of Federal Rule of Civil Procedure 23 and due process, and is the best notice practicable under the circumstances and constitutes due and sufficient notice to all Persons entitled thereto.

5. The Court approves, as to form and content, the Notice of Pendency and Proposed Settlement of Class Action (the “Notice”), Summary Notice for publication and Proof of Claim and Release annexed as Exhibits A-1, A-3 and A-2 hereto, and finds that the mailing and distribution of the Notice and publishing of the Summary Notice meet the requirements of Federal Rule of Civil Procedure 23 and due process, and is the best notice practicable under the circumstances and shall constitute due and sufficient notice to all Persons entitled thereto. In addition, the Settlement Administrator shall email the Notice to those Class Members who have notified Osiris that they wish to receive regulatory filings by e-mail.

6. With respect to this certified Class, this Court finds and concludes that: (a) the members of the Class are so numerous that joinder of all Class members in the class action is impracticable; (b) there are questions of law and fact common to the Class which predominate over any individual question; (c) the claims of the Lead Plaintiffs are typical of the claims of the Class; (d) the Lead Plaintiffs and their counsel have fairly and adequately represented and protected the interests of the Class members; and (e) a class action is superior to other available methods for the fair and efficient adjudication of the controversy

7. Pursuant to Rule 53(c) of the Federal Rules of Civil Procedure, the Court appoints Epiq Class Action & Claims Solutions, Inc. (“Settlement Administrator”) to supervise and

administer the notice procedure as well as the distribution of the Settlement Fund and Net Settlement Fund as more fully set forth below:

(a) Not later than twenty-eight days (28) after entry of this Preliminary Approval Order (the “Notice Date”), Lead Counsel shall cause the Stipulation, this Preliminary Approval Order, and a copy of the Notice to be posted on the following web site:
www.OsirisSecuritiesSettlement.com;

(b) Not later than twenty-eight days (28) after entry of this Preliminary Approval Order (the “Notice Date”), Lead Counsel shall begin mailing copies of the Notice, substantially in the form annexed as Exhibit A-1 hereto, by first class mail to all Class Members who can be identified with reasonable effort;

(c) Not later than twenty-eight (28) days after entry of this Preliminary Approval Order, the Settlement Administrator shall email the Notice to those Class Members who have notified Osiris that they wish to receive regulatory filings by e-mail;

(d) Not later than thirty-five (35) days after entry of this Preliminary Approval Order, Lead Counsel shall cause the Summary Notice, substantially in the form annexed as Exhibit A-3 hereto, to be published once in Investor’s Business Daily, and any other regional newspaper as is deemed appropriate; and

(e) With the mailed or emailed Notice, the Settlement Administrator shall send a Proof of Claim and Release, pursuant to ¶ 4.3 of the Stipulation. Class Members shall submit their Proof of Claim and Release to the Settlement Administrator within one hundred and twenty days (120) after the Notice Date.

(f) On the date that Lead Counsel file their motion for final approval of the Settlement, they shall cause to be served on Defendants’ counsel and filed with the Court proof, by affidavit or declaration, of such mailing and publishing.

8. Nominees who held common stock of Osiris purchased during the period beginning May 12, 2014 through and including November 16, 2015, shall send the Notice and the Proof of Claim to the beneficial owners of such Osiris securities within ten (10) days after receipt thereof, or send a list of the names and addresses of such beneficial owners to the Settlement Administrator within ten (10) days of receipt thereof in which event the Settlement Administrator shall promptly mail the Notice and Proof of Claim to such beneficial owners.

9. Any Member of the Class may appear at the Settlement Hearing and show cause, if he, she or it has any reason why the proposed settlement of the Litigation should or should not

be approved as fair, reasonable and adequate, why a judgment should or should not be entered thereon, or why attorneys' fees and expenses should or should not be awarded to Lead Counsel; provided, however, that no Class Member or any other Person shall be heard or entitled to contest the approval of the terms and conditions of the proposed settlement, or, if approved, the Judgment to be entered thereon approving the same, or the order approving the Plan of Allocation, or the attorneys' fees and expenses to be awarded to Lead Counsel, unless that Person has delivered by hand or sent by first class mail written objections and copies of any papers and briefs such that they are received within sixty (60) days after the Notice Date, by: Hagens Berman Sobol & Shapiro LLP, Peter E. Borkon, 715 Hearst Avenue, Suite 202, Berkeley, California, 94710; and Hogan Lovells US LLP, Scott Haiber, 100 International Drive, Suite 2000, Baltimore, MD 21202, and filed said objections, papers and briefs with the Clerk of the United States District Court for the District of Maryland, within sixty (60) days after the Notice Date. Any Member of the Class who does not make his, her or its objection in the manner provided shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness or adequacy of the proposed settlement as set forth in the Stipulation, to the Plan of Allocation, or to the award of attorneys' fees and expenses to Lead Counsel, unless otherwise ordered by the Court.

10. All funds held by the Escrow Agent shall be deemed and considered to be *in custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

11. Neither the Defendants nor their Related Parties shall have any responsibility for or liability with respect to the Plan of Allocation or any application for attorneys' fees or

reimbursement of expenses submitted by Lead Counsel, and such matters will be considered separately from the fairness, reasonableness and adequacy of the settlement.

12. At or after the Settlement Hearing, the Court shall determine whether Settlement and any application for attorneys' fees or reimbursement of expenses shall be approved.

13. All reasonable expenses incurred in identifying and notifying Class Members, as well as administering the Settlement Fund, shall be paid as set forth in the Stipulation. In the event the Settlement is not approved by the Court, or otherwise fails to become effective, neither the Lead Plaintiff nor Lead Counsel shall have any obligation to repay any amounts actually and properly disbursed from the Class Notice and Administration Fund.

14. Neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it (including this Order or any other orders or judgments entered in connection with the Stipulation or the Settlement) is, or shall be construed as, an admission, presumption or concession by Defendants or their Related Parties, or as evidence, of the truth of any of the allegations in the Litigation, of the validity of any Released Claim, or of any liability, fault, culpability or wrongdoing of any kind and shall not be construed as, or deemed to be evidence of or an admission, presumption or concession that Lead Plaintiff, any Class Members, or any of their Related Parties have suffered any damages, harm, or loss. Neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it (including this Order or any other orders or judgments entered in connection with the Stipulation or the Settlement), shall be referred to, offered as evidence, or received in evidence in any pending or future civil, criminal, or administrative action or proceeding (including, without limitation, the action filed on November 2, 2017, in the United States District Court for the District of Maryland, styled as *SEC v. Jacoby, et. al.*, case number

1:17-cv-03230), except in a proceeding to enforce the Stipulation, to defend against the assertion of the Released Claims, or as otherwise required by law.

15. In the event that the settlement does not become effective in accordance with the terms of the Stipulation or the Effective Date does not occur, or in the event that the Settlement Fund, or any portion thereof, is returned to the Defendants, then this Order shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated and, in such event, all orders entered and releases delivered in connection herewith shall be null and void to the extent provided by and in accordance with the Stipulation.

16. The Court reserves the right to adjourn the date of the Settlement Hearing without further notice to the Members of the Class, and retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement. The Court may approve the settlement, with such modifications as may be agreed to by the Settling Parties, if appropriate, without further notice to the Class.

DATED: _____
THE HONORABLE PAULA XINIS
UNITED STATES DISTRICT JUDGE

EXHIBIT A-1

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 [Month Date], 2018 at [Time] 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 fall 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 page [] 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 [Month Date], 2018.
- 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 or submitted online by [Month Date], 2018
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 [Month Date], 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 [Month Date], 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 [Month Date], 2018. The settlement hearing is scheduled for [Month Date], 2018.
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 <http://www.OsirisSecuritiesSettlement.com> or contact the Settlement Administrator toll-free at (888) 453-9016 or at info@OsirisSecuritiesSettlement.com. You may also contact Plaintiffs’ Counsel at Hagens Berman Sobol Shapiro LLP, 715 Hearst Avenue, Suite 202, Berkeley, CA 94710, (510) 725-3000, <http://www.hbsslaw.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. 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 May 14, 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 [Month Date], 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 met 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: 1-(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 at page [] 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 <http://www.OsirisSecuritiesSettlement.com>. Read the instructions carefully, fill out the form, include all the documents that the form requests, sign it, and mail or submit it online so that it is postmarked or received no later than [Month Date], 2018. The claim form may be submitted online at info@OsirisSecuritiesSettlement.com or mailed to:

Osiris Securities Litigation
c/o Epiq
P.O. Box 4129
Portland, OR 97208-4129

11. When Will I Receive My Payment?

The Court will hold a hearing on [Month Date], 2018, 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 [Month Date], 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. 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 [Month Date], 2018 to:

*Osiris Securities Settlement
EXCLUSIONS
c/o Epiq
P.O. Box 4129
Portland, OR 97208-4129*

You cannot exclude yourself on the phone or by e-mail. 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. 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 [Month Date], 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:
Peter Borkon
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 [TIME] p.m., on [Month Date], 2018, at the United States Courthouse, 6500 Cherrywood Lane, 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. 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 [Month Date], 2018, and be sent to the Clerk of the Court, Lead Counsel, and Defendants' counsel, at the three addresses listed in question 15. 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 <http://OsirisSecuritiesSettlement.com> or writing to Peter Borkon, 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 1-(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

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

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.

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.

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.

- 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*:
- 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
 - the purchase price minus the “90-Day Lookback Value” on the date of sale provided in Table 2 below.
- 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*

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.

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.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased Osiris common stock during the Class Period (CUSIP:68827R108) 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:

Epiq
P.O. Box 4129
Portland, OR 97208-4129
www.OsirisSecuritiesSettlement.com

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

DATED: _____

HON. PAULA XINIS
UNITED STATES DISTRICT COURT JUDGE

EXHIBIT A-2

PROOF OF CLAIM AND RELEASE

A. GENERAL INSTRUCTIONS

1. You are urged to read carefully the accompanying Notice of Pendency and Proposed Settlement of Class Action (the “Notice”).
2. To recover under the Settlement of this Litigation, you must have purchased or otherwise acquired the securities of Osiris Therapeutics, Inc. (“Osiris” or the “Company”) between May 12, 2014, and November 16, 2015, both dates inclusive (the “Class Period”). You must not be a person who is excluded from the Class, as defined in the Notice. You also must not have requested exclusion from the Class.
3. If you are a Class Member and not one of the excluded persons, and wish to participate in the proposed Settlement, you must complete and sign this Proof of Claim and Release (“Proof of Claim”). If you fail to submit a properly addressed and fully completed Proof of Claim, fail to provide required documentation, or are not eligible to recover under the Settlement, your claim may be rejected and you may be precluded from any recovery from the proposed Settlement.
4. You must mail your completed and signed Proof of Claim, postmarked on or before [Month Date], 2018, to the Settlement Administrator at:

Osiris Securities Settlement
c/o Epiq
P.O. Box 4129
Portland, OR 97208-4129
www.OsirisSecuritiesSettlement.com
info@OsirisSecuritiesSettlement.com

5. If you are a member of the Class and did not timely request exclusion, **you will be bound** by any judgment entered in the Action **whether or not you submit a proof of claim.**

B. CLAIMANT IDENTIFICATION INSTRUCTIONS

1. If you purchased Osiris securities and registered the certificate in your name, you are the beneficial owner as well as the record purchaser. If, however, you purchased Osiris securities and the certificate was registered in the name of a third party, such as your stock broker or some other nominee or trustee, you are the beneficial owner even though the third party is the record purchaser listed on Osiris’s records. Proceeds of this Settlement will be distributed to Class members who are beneficial owners of Osiris securities.
2. Use Section D of this form, entitled “Claimant Identification Schedule,” to identify yourself and each owner of record, such as your stock broker, if different from the beneficial owner of Osiris securities that forms the basis of this claim. **THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL OWNER(S), OR THE LEGAL REPRESENTATIVE OF SUCH OWNER(S), OF THE COMMON STOCK UPON WHICH THIS CLAIM IS BASED.**
3. All joint owners must sign this claim. Executors, administrators, guardians, conservators, and trustees must complete and sign this claim on behalf of persons represented by

them and must identify each beneficial owner or owners for whom they are acting; proof of their authority must accompany this claim, and their titles or capacities must be stated.

4. The Social Security (or Taxpayer Identification) number and telephone number of the beneficial owner must be provided.

5. If you fail to provide the foregoing information, your claim may be delayed or rejected.

C. INSTRUCTIONS FOR SCHEDULE OF TRANSACTIONS

1. Use Section E of this form, entitled "Schedule of Transactions," to supply all required details of your transactions (purchases and sales) in Osiris common stock between May 12, 2014 and November 16, 2015, both dates inclusive.

2. On the schedules, provide all of the requested information with respect to all of your purchases and sales of Osiris common stock that took place at any time between May 12, 2014 through and including November 16, 2015, whether such transactions resulted in a profit or a loss. If you need more space, attach separate, numbered sheets giving all of the required information in substantially the same form. Print your name and Social Security or Taxpayer Identification number at the top of each additional sheet.

3. The failure to report all such transactions may result in the rejection of your claim.

4. List each transaction separately and in the order in which they took place, by trade date, beginning with the earliest. You must accurately provide the month, day, and year of each transaction you list, as well as the purchase and/or sales price, excluding commissions, taxes, and other fees. If you do not have this information, your broker may be able to help you find it.

5. Osiris common stock acquired or disposed of for any consideration other than, or in addition to, cash must be reported as having been acquired or disposed of.

6. **COPIES OF BROKER'S CONFIRMATIONS, BROKER'S ACCOUNT STATEMENTS, OR OTHER ACCEPTABLE DOCUMENTATION OF YOUR TRANSACTIONS IN OSIRIS COMMON STOCK MUST BE ATTACHED TO YOUR CLAIM. DO NOT SEND ORIGINAL DOCUMENTS, INCLUDING SHARES OF STOCK.** If you no longer have copies of your broker's confirmations or statements, your broker may be able to get you copies. A complete list of acceptable supporting documentation can be found on the website: www.OsirisSecuritiesSettlement.com.

7. Any claims submitted that contain more than 50 transactions are requested to be filed electronically and to provide all the purchase and sale information required in the Schedule of Transactions. For a copy of instructions and parameters concerning such a submission, contact the Settlement Administrator: (1) at the website address above, and click on OSRIS/FAQ; (2) by phone at (888) 453-9016; or (3) by email at info@OsirisSecuritiesSettlement.com.

D. CLAIMANT IDENTIFICATION SCHEDULE

Claims must be received by the Settlement Administrator postmarked no later than **DATE, 2018**.

5. "Related Parties" means each and any of the Settling Parties' respective past, present or future directors, officers, employees, partnerships and partners, principals, agents, shareholders, any entity in which any Settling Party or any member(s) of that Settling Party's immediate family has or have a controlling interest (directly or indirectly), attorneys, accountants, auditors, investment banks and investment bankers, underwriters, advisors, financial advisors, personal or legal representatives, analysts, agents, associates, servants, insurers, co-insurers and reinsurers, predecessors, successors, parents, subsidiaries, divisions, assigns, joint ventures and joint venturers, spouses, heirs, executors, administrators, related or affiliated entities, members of a Settling Party's immediate family, and any trust of which any Settling Party is the settlor or which is for the benefit of any Settling Party or member(s) of his family, and all other Persons..

6. "Person" means a natural person, individual, corporation, partnership, limited partnership, limited liability company, association, joint venture, joint venturer, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and, as applicable, their/its respective spouses, heirs, executors, administrators, predecessors, successors, representatives, or assignees, who own or have owned Osiris securities.

7. This Release shall be of no force or effect unless the United States District Court approves the Stipulation and unless the Stipulation becomes effective as to the Defendants on the Effective Date (as defined in the Stipulation).

G. CERTIFICATION

By my (our) signature(s) below, I (We) hereby agree to the terms of the Release that accompanied this check, and acknowledge that the Judgment in *Nallagonda v. Osiris Therapeutics, Inc. et al.*, Case No. 15-cv-3562-PX, District of Maryland, independently orders that I (we) have released claims against the same Released Persons who are described in the Release that accompanied this check.

I (We) declare under penalty of perjury under the laws of the United States of America that the foregoing information supplied by the undersigned is true and correct.

Executed this _____ day of _____, in _____, _____.
(Month / Year) (City) (State / Country)

Signature of Claimant

Print Name of Claimant

Date:

--	--

 -

--	--

 -

--	--

M M D D Y Y

Signature of Joint Claimant, if any

Print Name of Joint Claimant

Date: - -
M M D D Y Y

**ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.**

Reminder Checklist:

1. Deadline for submission: [Month Date], 2018
2. Remember to sign the above Release and Certification (or W-8 Certification).
3. Remember to attach only copies of acceptable supporting documentation, a complete list of which can be found on the Settlement Administrator's website. Do not send originals of securities certificates.
4. Keep copies of the completed claim form and documentation for your own records.
5. If you desire an acknowledgment of receipt of your claim form, please send it Certified Mail, Return Receipt Requested, or its equivalent. You will bear all risks of delay or non-delivery of your claim.
6. If your address changes in the future, or if these documents were sent to an old or incorrect address, please send us written notification of your new address.
7. If you have questions or concerns regarding your claim, please contact the Settlement Administrator at:

Osiris Securities Settlement
c/o Epiq
P.O. Box
Portland, OR 97208-
www.OsirisSecuritiesSettlement.com

DO NOT TELEPHONE THE COURT REGARDING THIS CLAIM FORM

EXHIBIT A-3

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND
BALTIMORE DIVISION

_____)	
KIRAN KUMAR NALLAGONDA,)	
)	
Plaintiff,)	
vs.)	
	)	Case No.: 1:15-cv-03562-PX
OSIRIS THERAPEUTICS, INC., <i>et. al.</i>)	
	)	[PROPOSED] SUMMARY
	)	NOTICE OF PENDENCY
	)	AND PROPOSED CLASS
Defendants.	)	ACTION SETTLEMENT
_____)	
	)	EXHIBIT A-3

**SUMMARY NOTICE OF PENDENCY AND PROPOSED CLASS
ACTION SETTLEMENT**

To: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED OSIRIS THERAPEUTICS, INC. SECURITIES FROM MAY 12, 2014 through NOVEMBER 16, 2015, BOTH DATES INCLUDED.

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the District of Maryland, that a hearing will be held on [Month Date], 2018 at [Time] p.m. before the Honorable Paula Xinis, United States District Judge of the District of Maryland, 6500 Cherrywood Lane, Greenbelt, MD 20770 for the purpose of determining: (1) whether the proposed Settlement of the claims in the above-captioned Litigation for consideration including the sum of \$18,500,000 should be approved by the Court as fair, reasonable, and adequate; (2) whether the proposed plan to distribute the Settlement proceeds is fair, reasonable, and adequate; (3) whether the application of Lead Counsel and Liaison Counsel for an award of attorneys' fees of up to twenty five percent plus interest of the Settlement Amount, reimbursement of expenses of not more than \$250,000, and an incentive payment of no more than \$4,000, to Lead Plaintiff,

should be approved; and (4) whether this Litigation should be dismissed with prejudice as set forth in the Stipulation of Settlement dated June 5, 2018 (the “Stipulation” or “Settlement Agreement”).

If you purchased Osiris Therapeutics, Inc. (“Osiris”) securities during the period from May 12, 2014 through November 16, 2015, both dates inclusive (the “Class Period”), your rights may be affected by this Settlement, including the release and extinguishment of claims you may possess relating to your ownership interest in Osiris securities. If you have not received a detailed Notice of Pendency and Proposed Settlement of Class Action (“Notice”) and a copy of the Proof of Claim and Release Form, you may obtain copies by writing to or calling, Epiq by phone at 1-(888) 453-9016 or write to Osiris Securities Settlement, c/o Epiq, P.O. Box 4129, Portland, OR 97208-4129, or going to the website, www.OsirisSecuritiesSettlement.com. If you are a member of the Class, in order to share in the distribution of the Net Settlement Fund, you must submit a Proof of Claim and Release Form postmarked no later than [Month Date], 2018, establishing that you are entitled to recovery. Unless you submit a written exclusion request, you will be bound by any judgment rendered in the Litigation whether or not you make a claim.

If you desire to be excluded from the Class, you must submit to the Settlement Administrator a request for exclusion so that it is received no later than [Month Date], 2018, in the manner and form explained in the Notice. All members of the Class who have not requested exclusion from the Class will be bound by any judgment entered in the Litigation pursuant to the Settlement Agreement.

Any objection to the Settlement, Plan of Allocation, or Lead Counsel and Liaison Counsel’s request for an award of attorneys’ fees and reimbursement of expenses and award to Lead Plaintiff must be in the manner and form explained in the detailed Notice and received no later than [Month Date], 2018, to each of the following:

PLAINTIFF'S COUNSEL	COURT	OSIRIS' COUNSEL
Peter Borkon 712 Hearst Avenue Suite 202 Berkeley, CA 94710	Clerk of the Court United States District Court 6500 Cherrywood Lane Greenbelt, MD 20770	Scott Haiber Hogan Lovells US LLP 100 International Drive Suite 2000 Baltimore, MD 21202

If you have any questions about the Settlement, you may call or write to Lead Counsel:

Peter Borkon
Hagens Berman Sobol Shapiro LLP
715 Hearst Avenue, Suite 202
Berkeley, CA 94710

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE.

DATED: _____, 2018

BY ORDER OF THE UNITED STATES DISTRICT
COURT FOR THE DISTRICT OF MARYLAND

EXHIBIT B

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND
BALTIMORE DIVISION

KIRAN KUMAR NALLAGONDA,)	
)	
Plaintiff,)	
vs.)	
	)	Case No.: 1:15-cv-03562-PX
OSIRIS THERAPEUTICS, INC., <i>et. al.</i>)	
	)	[PROPOSED] FINAL JUDGMENT
	)	AND ORDER OF DISMISSAL WITH
Defendants.	)	PREJUDICE
)	
	)	EXHIBIT B
)	

This matter came before the Court for hearing pursuant to this Court’s [Month Date], 2018 Order Granting Preliminarily Approving Settlement and Providing for Notice (the “Preliminary Approval Order”), on the Unopposed Motion of the Lead Plaintiff for approval of the settlement set forth in the June 5, 2018 Stipulation of Settlement (the “Stipulation”). Due and adequate notice having been given of the settlement as required in the Preliminary Approval Order, and the Court having considered all papers filed and proceedings held herein and otherwise being fully informed in the premises and good cause appearing therefore, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

1. This Judgment incorporates by reference the definitions in the Stipulation, and all terms used herein shall have the same meanings set forth in the Stipulation.
2. This Court has jurisdiction over the subject matter of the Litigation and over all Settling Parties, including all Class Members.
3. The Litigation and all claims contained therein, including all of the Released Claims, are dismissed with prejudice as to the Lead Plaintiff and the other Class Members, and as against each and all of the Released Persons. The Settling Parties are to bear their own costs, except as otherwise provided in the Stipulation.
4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court hereby approves the Settlement set forth in the Stipulation and finds that said Settlement is, in all respects, fair, reasonable and adequate to, and is in the best interests of, the Lead Plaintiff, the Class and each of the Class Members. This Court further finds the Settlement set forth in the Stipulation is the result of arm’s-length negotiations between experienced counsel representing the interests of the Lead Plaintiff, the Class Members and the Defendants. Accordingly, the Settlement embodied in the Stipulation is hereby approved in all respects and shall be consummated in accordance with

its terms and provisions. The Settling Parties are hereby directed to perform the terms of the Stipulation.

5. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court hereby confirms the certification of the Class. Excluded from the Class are any judicial officer hearing the case, Defendants, the officers and directors of Osiris, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest. Also excluded from the Class are those Persons who timely and validly requested exclusion from the Class pursuant to the previous Notice of Pendency of Class Action.

6. Upon the Effective Date, the Lead Plaintiff, all other Class Members, their Related Parties, and anyone claiming through or on behalf of any of them shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished and discharged all Released Claims (including Unknown Claims) against each and all of the Released Persons.

7. Upon the Effective Date, the Lead Plaintiff, all other Class Members, their Related Parties, and anyone claiming through or on behalf of any of them, will be forever barred and enjoined from commencing, instituting, prosecuting, or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration tribunal, or administrative forum, asserting any of the Released Claims against any of the Released Persons.

8. Upon the Effective Date, each of the Defendants shall be deemed to have, and by operation of this Judgment shall have, fully, finally, and forever released, relinquished and discharged the Lead Plaintiff, each and all of the Class Members, and Lead Counsel and Liaison Counsel from all claims arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement or resolution of the Litigation or the Released Claims.

9. The distribution of the Notice of Pendency and Proposed Settlement of Class Action and the publication of the Summary Notice as provided for in the Preliminary Approval Order constituted the best notice practicable under the circumstances, including individual notice to all Class Members who could be identified through reasonable effort. Said Notice provided the best notice practicable under the circumstances of these proceedings and of the matters set forth therein, including the proposed Settlement set forth in the Stipulation, to all Persons entitled to such notice, and said Notice fully satisfied the requirements of Federal Rule of Civil Procedure 23, the requirements of due process, and any other applicable law.

10. Any plan of allocation or distribution submitted by Lead Counsel or any order entered regarding the Fee and Expense Application shall in no way disturb or affect this Judgment and shall be considered separate from this Judgment.

11. Neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it (including this Final Judgment and Order or any other orders or judgments entered in connection with the Stipulation or the Settlement) is, or shall be construed as, an admission, presumption or concession by Defendants or their Related Parties, or as evidence, of the truth of any of the allegations in the Litigation, of the validity of any Released Claim, or of any liability, fault, culpability or wrongdoing of any kind and shall not be construed

as, or deemed to be evidence of or an admission, presumption or concession that Lead Plaintiff, any Class Members, or any of their Related Parties have suffered any damages, harm, or loss. Neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it (including this Final Judgment and Order or any other orders or judgments entered in connection with the Stipulation or the Settlement), shall be referred to, offered as evidence, or received in evidence in any pending or future civil, criminal, or administrative action or proceeding (including, without limitation, the action filed on November 2, 2017, in the United States District Court for the District of Maryland, styled as *SEC v. Jacoby, et. al.*, case number 1:17-cv-03230), except in a proceeding to enforce the Stipulation, to defend against the assertion of the Released Claims, or as otherwise required by law.

12. Without affecting the finality of this Judgment in any way, this Court hereby retains continuing jurisdiction over (a) implementation of this Settlement and any award or distribution of the Settlement Fund, including interest earned thereon; (b) disposition of the Settlement Fund; (c) hearing and determining applications for attorneys' fees and expenses in the Litigation; and (d) all parties hereto for the purpose of construing, enforcing and administering the Stipulation.

13. The Court finds that during the course of the Litigation, the Settling Parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11.

14. If the Effective Date does not occur, or in the event the Settlement is terminated or fails to become effective for any reason, the terms and provisions of the Stipulation shall have no further force and effect with respect to the Settling Parties, with the exception of ¶¶ 1.1-1.28, 3.7, 3.8, 3.9, 4.9, 4.10, 6.2, 6.3, 6.4, 8.1, 8.3, 8.4, and 8.5 of the Stipulation, and shall not be used in the Litigation or in any other proceeding for any purpose, and any judgment or order entered by the Court in accordance with the terms of this Stipulation shall be vacated as *nunc pro tunc*.

IT IS SO ORDERED.

DATED:

HONORABLE PAULA XINIS
UNITED STATES DISTRICT COURT JUDGE