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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SANTA CLARA

STEPHEN BUSHANSKY, Individually and On
Behalf of All Others Similarly Situated,

Plaintiff,

vs.

ALLIANCE FIBER OPTICS PRODUCTS,
INC., PETER C. CHANG, GWONG-YIH LEE,
JAMES C. YEH, RICHARD B. BLACK, RAY
SUN, CORNING INCORPORATED,
APRICOT MERGER COMPANY and DOES
1-25, inclusive,

Defendants.

Case No. 16CV294245

CLASS ACTION

STIPULATION OF SETTLEMENT

Department: 1
Judge: Hon. Brian C. Walsh

RUDY LUCK, Individually and On Behalf of All
Others Similarly Situated,

Plaintiff,

vs.

ALLIANCE FIBER OPTICS PRODUCTS, INC.,
PETER C. CHANG, GWONG-YIH LEE, JAMES
C. YEH, RICHARD B. BLACK, RAY SUN,
CORNING INCORPORATED, APRICOT
MERGER COMPANY and DOES 1-25, inclusive,

Defendants.

Case No. 16CV294418

CLASS ACTION

STIPULATION OF SETTLEMENT

<p>1 RICK DOERR, On Behalf of Himself and All 2 Others Similarly Situated,</p> <p>3 Plaintiff,</p> <p>4 vs.</p> <p>5 PETER C. CHANG, GWONG-YIH LEE, JAMES 6 C. YEH, RICHARD B. BLACK, and RAY SUN,</p> <p>7 Defendants.</p>	<p>Case No. 16CV294681</p> <p>CLASS ACTION</p>
<p>8 BAHMAN KHAKI, Individually and On Behalf of 9 All Others Similarly Situated,</p> <p>10 Plaintiff,</p> <p>11 vs.</p> <p>12 ALLIANCE FIBER OPTICS PRODUCTS, INC., 13 PETER C. CHANG, GWONG-YIH LEE, JAMES 14 C. YEH, RICHARD B. BLACK, RAY SUN, 15 CORNING INCORPORATED, APRICOT 16 MERGER COMPANY and DOES 1-25, inclusive,</p> <p>17 Defendants.</p>	<p>Case No. 16CV294833</p> <p>CLASS ACTION</p>

17 This Stipulation of Settlement dated as of August 28, 2017 (the “Stipulation”), is made
18 and entered into by and among the following Settling Parties (as defined further in Section 1.24
19 hereof) to the above-entitled litigation: (i) Plaintiffs Stephen Bushansky, Rudy Luck, Rick Doerr
20 and Bahman Khaki (on behalf of themselves and the Settlement Class Members), by and through
21 their counsel of record in this litigation and (ii) Defendants (defined below), by and through their
22 counsel. The Stipulation is intended by the Settling Parties to fully, finally and forever resolve,
23 discharge, and settle the Released Claims, upon and subject to the terms and conditions hereof.

24 **I. THE LITIGATION**

25 On April 7, 2016, Corning Incorporated (“Corning”) and Alliance Fiber Optics Products,
26 Inc. (“AFOP”) entered into the Merger Agreement whereby Corning through Apricot Merger
27 Company (“Apricot”) commenced a tender offer (“Tender Offer”) to purchase all of the
28

1 outstanding shares of AFOP at a price of \$18.50 per share, in an all-cash transaction valued at
2 approximately \$305 million (“Proposed Transaction”).

3 Corning launched the Tender Offer on April 7, 2016. On the same day AFOP filed its
4 Schedule 14D-9 Solicitation/Recommendation Statement (“Schedule 14D-9”) and Schedule TO
5 setting forth the terms of the Tender Offer.

6 On April 22, 2016, a complaint captioned *Stephen Bushansky v. Alliance Fiber Optic*
7 *Products, Inc., et al.*, Case No. 16-CV-294245 (“Bushansky Action”) was filed in the Superior
8 Court of California, County of Santa Clara naming as defendants AFOP, the Individual
9 Defendants, Corning and Apricot. On April 27, 2016, a complaint captioned *Rudy Luck v.*
10 *Alliance Fiber Optic Production, Inc., et al.*, Case No. 16-CV-294418 (“Luck Action”) was filed
11 in the Superior Court of California, County of Santa Clara naming as defendants AFOP, the
12 Individual Defendants, Corning and Apricot. On May 3, 2016, a complaint captioned *Rick Doerr*
13 *v. Peter C. Chang, et al.*, Case No. 16-CV-294681 (“Doerr Action”) was filed in the Superior
14 Court of California, County of Santa Clara naming as defendants the Individual Defendants. On
15 May 6, 2016, a complaint captioned *Bahman Khaki v. Alliance Optic Products, et al.*, Case No.
16 16-CV-294833 (“Khaki Action”) was filed in the Superior Court of California, County of Santa
17 Clara naming as defendants AFOP, the Individual Defendants, Corning and Apricot. These
18 actions purport to be class actions brought by shareholders alleging, among other things, that the
19 Individual Defendants breached their fiduciary duties and that AFOP, Corning and Apricot aided
20 and abetted these alleged breaches of fiduciary duty.

21 Plaintiffs sought the production of certain highly relevant confidential and non-public
22 documents regarding the Proposed Transaction in anticipation of moving the Court to enjoin the
23 Tender Offer, engaged Defendants in arm’s length negotiations pertaining to production of same
24 while also negotiating the terms of a Confidentiality Order governing the production of
25 confidential materials.

26 Between May 4, 2016 and May 25, 2016, the Individual Defendants produced certain
27 agreed-upon confidential documents in expedited discovery, including minutes of meetings of the
28 AFOP Board of Directors (“AFOP Board”), presentations given to the AFOP Board by its

1 financial advisor Cowen and Company, LLC (“Cowen”), non-disclosure agreements with
2 prospective bidders, and Cowen’s engagement and reengagement letters to act as AFOP’s
3 financial advisor.

4 Plaintiffs’ Counsel retained a financial and valuation expert for the purpose of evaluating
5 and prosecuting the claims in the Actions, including with respect to discovery obtained from the
6 Individual Defendants.

7 After Plaintiffs and their counsel investigated their claims, evaluated the Company’s
8 public filings and other publicly available information, the confidential documents that
9 Defendants produced on an expedited basis, and consulted with their valuation experts, Plaintiffs
10 engaged in arm’s-length negotiations concerning a possible settlement of the Actions. As a result
11 of good-faith discussions and arm’s-length negotiations, the parties entered into a Memorandum
12 of Understanding (“MOU”), pursuant to which Defendants agreed to (and did) disseminate
13 supplemental disclosures to AFOP stockholders in an amended Schedule 14D-9 in advance of the
14 scheduled expiration of the Tender Offer and AFOP, with the consent of Corning, waived the
15 standstill provision (the “Standstill”) in the Confidentiality Agreement with the party identified in
16 the Schedule 14D-9 as Party B (the true identity of which is known to the Parties), dated October
17 15, 2014 and amended September 9, 2015, to the extent that it prohibits Party B from making any
18 confidential proposal or offer to acquire the Company (“Standstill Waiver”).

19 The settlement set forth herein reflects the results of the parties’ negotiations and the
20 terms of the MOU. An agreement-in-principle was reached only after arm’s-length negotiations
21 between the parties, all of whom were represented by counsel with extensive experience and
22 expertise in stockholder class-action litigation. During the negotiations, all parties had a clear
23 view of the strengths and weaknesses of their respective claims and defenses. Plaintiffs and their
24 counsel believe that the settlement is fair, reasonable and adequate.

25 **II. CLAIMS OF THE PLAINTIFFS AND BENEFITS OF SETTLEMENT**

26 The Plaintiffs believe that the claims asserted in the Actions have had merit at all relevant
27 times. However, Plaintiffs recognize the expense and length of continued proceedings necessary
28 to prosecute the Actions against the Defendants through trial and through appeals. Plaintiffs also

1 have taken into account the uncertain outcome and the risk of any litigation, especially in
2 complex actions such as these Actions, as well as the difficulties and delays inherent in such
3 litigation. Plaintiffs also are mindful of the inherent problems of proof and possible defenses to
4 the claims asserted in the Actions. Plaintiffs believe, and Defendants acknowledge, that the
5 settlement confers substantial benefits on the Settlement Class, including particularly the benefits
6 resulting from the supplemental disclosures issued pursuant to the settlement and the Standstill
7 Waiver. Based on their evaluation, Plaintiffs and their counsel have determined that the
8 settlement set forth in this Stipulation is in the best interests of the Settlement Class.

9 **III. DEFENDANTS' DENIAL OF WRONGDOING AND LIABILITY**

10 The Defendants have vigorously denied, and continue to vigorously deny, any
11 wrongdoing or liability with respect to all claims asserted in the Actions, including that they have
12 committed any violations of law, that they have acted improperly in any way, and that they have
13 any liability or owe any damages of any kind to the Plaintiffs and the Members of the Settlement
14 Class, but Defendants entered into the MOU and are executing this Stipulation solely because
15 they consider it desirable that the Actions be settled and a Judgment entered to: (i) eliminate the
16 burden, inconvenience, expense, risk and distraction of further litigation; and (ii) finally put to
17 rest and terminate all the claims which were or could have been asserted against the Defendants
18 in the Actions.

19 **IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT**

20 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the
21 Plaintiffs (for themselves and the Settlement Class Members) and Defendants, by and through
22 their attorneys of record, that, subject to the approval of the Court, the Actions shall be finally and
23 fully compromised, settled, and released, and Judgement entered, as to all Settling Parties, upon
24 and subject to the terms and conditions of the Stipulation, as follows.

25 1. Definitions

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

- 27 1.1 "Acquisition" means the Merger Agreement and any amendments thereto among
28 Corning and AFOP whereby AFOP would be acquired by Corning in a cash

1 transaction by means of an all-cash tender offer valued at approximately \$305
2 million.

3 1.2 “Actions” means the *Bushansky, Luck, Doerr, and Khaki* actions.

4 1.3 “Attorneys’ Fee Award” means any award of attorneys’ fees, costs, and expenses
5 ordered by the Court in the Actions.

6 1.4 “Defendants” means AFOP, Individual Defendants, Corning Inc., and Apricot
7 Merger Company.

8 1.5 “Defendants’ Affiliates” means any of Defendants’ respective families, parent
9 entities, controlling persons, associates, affiliates or subsidiaries, and each and all
10 of their respective past or present officers, directors, stockholders, principals,
11 representatives, employees, attorneys, financial or investment advisors,
12 consultants, accountants, investment bankers, commercial bankers, entities
13 providing fairness opinions, insurers, underwriters, brokers, dealers, advisors or
14 agents, heirs, executors, trustees, general or limited partners or partnerships,
15 limited liability companies, members, joint ventures, personal or legal
16 representatives, estates, administrators, predecessors, successors, or assigns, and
17 any of their affiliates and their respective control persons, directors, officers,
18 employees, and agents of each and any of them.

19 1.6 “Discovery Material” means all discovery material obtained from, including all
20 documents produced by and/or deposition testimony given by, any of the Released
21 Persons in the Actions.

22 1.7 “Effective Date” means the first date by which all of the events and conditions
23 specified in ¶ 6.1 hereof have been met and have occurred.

24 1.8 “Final” means: (i) the date of final affirmance on an appeal of the Judgment, the
25 expiration of the time for a petition for or a denial of a writ of certiorari to review
26 the Judgment, and, if certiorari is granted, the date of final affirmance of the
27 Judgment following review pursuant to that grant; or (ii) the date of final dismissal
28 of any appeal from the Judgment or the final dismissal of any proceeding on

1 certiorari to review the Judgment; or (iii) if no appeal is filed, the expiration date
2 of the time for the filing or noticing of any appeal from the Court's Judgment
3 approving the Stipulation, substantially in the form of Exhibit C attached hereto.

4 1.9 "Final Approval" means that this Court has entered an order and Judgment in the
5 Actions that is Final, certifies the Settlement Class, and each party to bear its own
6 costs (except for the costs set forth in ¶¶ 5.1-5.2 hereof), and provides for such
7 release language as substantially contained herein; provided, however, that Final
8 Approval shall not include (and the Settlement is expressly not conditioned on) the
9 approval of attorneys' fees, costs, and expenses of Plaintiffs' Counsel as provided
10 in ¶¶ 5.1-5.2 hereof and any appeal related thereto.

11 1.10 "AFOP" means Alliance Fiber Optic Products, Inc. and any of its predecessors,
12 successors, parents, subsidiaries, divisions, or affiliates.

13 1.11 "Individual Defendants" means Peter C. Chang, Gwong-Yih Lee, James C. Yeh,
14 Richard B. Black, and Ray Sun.

15 1.12 "Judgment" means the judgment to be rendered by this Court, substantially in the
16 form attached hereto as Exhibit C.

17 1.13 "Notice Order" means an order, substantially in the form of Exhibit B hereto,
18 requesting, *inter alia*, certification of the non-opt-out Settlement Class pursuant to
19 § 382 of the California Code of Civil Procedure, preliminary approval of the
20 settlement set forth in the Stipulation, and approval for the mailing of a settlement
21 notice, substantially in the form of Exhibit B-1 attached hereto, which shall
22 include the general terms of the settlement set forth in the Stipulation and the date
23 of the Settlement Hearing as defined below.

24 1.14 "Corning" means Corning Incorporated and any of its predecessors, successors,
25 parents, subsidiaries, divisions, or affiliates.

26 1.15 "Apricot" means Apricot Merger Company and any of its predecessors,
27 successors, parents, subsidiaries, divisions, or affiliates.

28 1.16 "Person" means an individual, corporation, partnership, limited partnership,

1 limited liability company or partnership, association, joint stock company, estate,
2 legal representative, trust, unincorporated association, government or any political
3 subdivision or agency thereof, and any business or legal entity and their spouses,
4 heirs, predecessors, successors, representatives, or assignees.

5 1.17 “Plaintiffs” means Stephen Bushansky, Rudy Luck, Rick Doerr, and Bahman
6 Khaki.

7 1.18 “Plaintiffs’ Counsel” means counsel for Plaintiffs Bushansky, Luck, Doerr and
8 Khaki.

9 1.19 “Released Claims” shall collectively mean the full and complete discharge,
10 settlement and release of all claims, demands, rights, actions, causes of action,
11 liabilities, damages, losses, obligations, judgments, duties, suits, costs, expenses,
12 matters, and issues known or unknown, contingent or absolute, suspected or
13 unsuspected, disclosed or undisclosed, liquidated or unliquidated, matured or
14 unmatured, accrued or unaccrued, apparent or unapparent, foreseen or unforeseen,
15 fixed or contingent, including Unknown Claims (defined below), that have been,
16 could have been, or in the future can or might be asserted in any court, tribunal, or
17 proceeding (including but not limited to any claims arising under federal, state,
18 foreign, statutory, regulatory, common law or other law or rule, including the
19 federal securities laws and any state disclosure law), by or on behalf of Plaintiffs
20 or any member of the Settlement Class, whether individual, direct, class,
21 derivative, representative, legal, equitable, or any other type in their capacity as an
22 AFOP stockholder (collectively, the “Releasing Persons”) against any or all of the
23 Released Persons, which the Releasing Persons ever had, now have, or may have,
24 that arise out of any of the allegations, facts, practices, matters, occurrences,
25 statements, representations, events, transactions or acts, that are related, directly or
26 indirectly, to the Actions, or the subject matter thereof, in any court tribunal, forum
27 or proceeding, including, without limitation, any and all claims that are based
28 upon, arise out of, relate in any way to, or involve, directly or indirectly, any of the

1 allegations in the complaints in the Actions, the Actions, the Merger Agreement,
2 the Acquisition, the Schedule 14D-9 and disclosures made in connection therewith
3 (including the adequacy and completeness of such disclosures), the statutory or
4 fiduciary obligations of the Released Persons in connection with the Acquisition,
5 and the fees, expenses or costs incurred with prosecuting, defending or settling the
6 Actions; provided, however, that the Released Claims shall not include: (a) the
7 right of any Member of the Settlement Class to seek appraisal rights pursuant to §
8 262 of the Delaware General Corporation Law, nor (b) the right of any party to
9 enforce in the Court the terms of the Stipulation.

10 1.20 “Released Persons” shall collectively mean Defendants and Defendants’ Affiliates.

11 1.21 “Settlement Class” means Persons who were record or beneficial holders of the
12 common stock of AFOP at any time during the period beginning on and including
13 April 7, 2016 (the date the Acquisition was publicly announced), through and
14 including June 3, 2016 (the effective date of consummation of the Acquisition),
15 including any and all of their respective legal representatives, heirs, successors,
16 successors in interest, predecessors, predecessors in interest, trustees, executors,
17 administrators, transferees, and assigns, and any person or entity acting for or on
18 behalf of, or claiming under, any such foregoing holders, immediate and remote,
19 except for the Defendants.

20 1.22 “Settlement Class Member” or “Member of the Settlement Class” mean a Person
21 who falls within the definition of the Settlement Class as set forth in ¶ 1.21 hereof.

22 1.23 “Settlement Hearing” means the hearing that shall take place after settlement
23 notice is given where Parties will request the Court give Final Approval of the
24 settlement of the Actions as set forth herein.

25 1.24 “Settling Parties” means, collectively, each of the Defendants and the Plaintiffs on
26 behalf of themselves and the Members of the Settlement Class.

27 1.25 “Standstill Waiver” means AFOP’s, with the consent of Corning, waiver of the
28 standstill provision (the “Standstill”) in the Confidentiality Agreement with the

1 party identified in the Schedule 14D-9 as Party B (the true identity of which is
2 known to the Parties), dated October 15, 2014 and amended September 9, 2015, to
3 the extent that it prohibits Party B from making any confidential proposal or offer
4 to acquire AFOP.

5 1.26 “Supplemental Disclosures” means the disclosures supplemental to those
6 contained in the original Schedule 14D-9 which were filed by AFOP electronically
7 with the SEC on a Schedule 14D-9/A (which is appended hereto as Exhibit A) on
8 May 27, 2016.

9 1.27 “Bushansky’s Counsel” means Weisslaw LLP, Joel Elkins, 9107 Wilshire Blvd.,
10 Suite 450, Beverly Hills, CA 90210, and Richard A. Acocelli, 1500 Broadway,
11 16th Floor, New York, NY 10036 and any other counsel who have appeared for
12 plaintiff Stephen Bushansky in the Bushansky action.

13 1.28 “Luck’s Counsel” means Levi & Korsinsky LLP, Adam C. McCall, 445 South
14 Figueroa Street, 31st Floor, Los Angeles, CA 90071, and Donald J. Enright, 1101
15 30th St., NW, Suite 115, Washington, DC 20007, and any other counsel who have
16 appeared for plaintiff Rudy Luck in the Luck action.

17 1.29 “Doerr’s Counsel” means Faruqi & Faruqi, LLP, Barbara A. Rohr, 10866 Wilshire
18 Blvd., Suite 1470, Los Angeles, CA 90024, and James M. Wilson, Jr., 685 Third
19 Ave, 26th Floor, New York, NY 10017, and any other counsel who have appeared
20 for plaintiff Rick Doerr in the Doerr action.

21 1.30 “Khaki’s Counsel” means Brodsky & Smith, LLC, Evan J. Smith, 9595 Wilshire
22 Boulevard, Suite 900, Beverly Hills, CA 90212; and any other counsel who have
23 appeared for plaintiff Bahman Khaki in the Khaki Action.

24 1.31 “Unknown Claims” means any claim, cause of action, damage or harm which the
25 Plaintiffs and/or Settlement Class Members do not know or suspect to exist at the
26 time of the release of the Released Persons which, if known, might have affected
27 the releasing parties’ decision to enter into the release. With respect to any and all
28 Released Claims, the Settling Parties stipulate and agree that, upon the Effective

1 Date, the Plaintiffs shall expressly, and each of the Settlement Class Members
2 shall be deemed to have, and by operation of the Judgment shall have, waived and
3 relinquished, to the extent applicable, and to the fullest extent permitted by law,
4 the provisions, rights, and benefits of California Civil Code § 1542, which
5 provides:

6 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH
7 THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS
8 OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE,
9 WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY
10 AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

11 Upon the Effective Date, the Plaintiffs and each of the Settlement Class Members
12 shall be deemed to have, and by operation of the Judgment shall have, expressly
13 waived any and all provisions, rights, and benefits conferred by any law of any
14 state or territory of the United States, any federal law or regulation, or any
15 principle of common law or international or foreign law, which is similar,
16 comparable or equivalent to California Civil Code § 1542. The Plaintiffs and
17 Settlement Class Members may hereafter discover facts in addition to or different
18 from those which he, she, or it now knows or believes to be true with respect to the
19 subject matter of the Released Claims, but the Plaintiffs shall expressly have and
20 each Settlement Class Member, upon the Effective Date, shall be deemed to have,
21 and by operation of the Judgment shall have, fully, finally, and forever settled and
22 released any and all Released Claims, known or unknown, suspected or
23 unsuspected, contingent or non-contingent, whether or not concealed or hidden,
24 which now exist, or heretofore have existed, upon any theory of law or equity now
25 existing or coming into existence in the future, including, but not limited to,
26 conduct which is negligent, intentional, with or without malice, or a breach of any
27 duty, law, or rule, without regard to the subsequent discovery or existence of such
28 different or additional facts. The Settling Parties acknowledge, and the Settlement
Class Members shall be deemed by operation of the Judgment to have
acknowledged, that the foregoing waiver was separately bargained for and a

1 material element of the settlement of which this release is a part.

2 2. The Settlement

3 2.1 As a direct result of the prosecution of the Actions and the extensive ongoing
4 discussions and arm's-length negotiations between the Settling Parties, a proposed
5 settlement has been reached under the following terms:

6 (a) AFOP made Supplemental Disclosures concerning the Acquisition by
7 filing an amended Schedule 14D-9 with the SEC on or about May 27, 2016. The
8 following Supplemental Disclosures were made in the amended Schedule 14D-9:

9 (i) Information regarding the background of the Acquisition

10 (ii) Information regarding AFOP's financial projections

11 (iii) Information regarding Cowen's Selected Company Analysis and
12 Selected Transaction Analysis,

13 (b) AFOP waived the standstill provision in the confidentiality agreement with
14 the party identified in the April 21, 2016 Schedule 14D-9 as Party B (the true
15 identity of which is known to the Parties), to the extent that it prohibited Party B
16 from making any confidential proposal or offer to acquire AFOP (the "Standstill
17 Waiver").

18 (c) AFOP or its successor shall be responsible for paying all reasonable costs
19 and expenses incurred in providing notice to the Settlement Class.

20 2.2 Plaintiffs intend to petition the Court for an Attorneys' Fee Award not to exceed
21 \$2,000,000 (the "Fee Application"). Defendants intend to oppose such Fee
22 Application. In an effort to resolve this dispute prior to preliminary approval of
23 the settlement, mediation as to an Attorneys' Fee Award has been scheduled for
24 September 26 before Robert A. Meyer, Esq. of JAMS. AFOP has also agreed,
25 subject to the terms of ¶¶ 5.1 and 5.2 hereof, that it (or any successor or insurer
26 thereto) shall pay, or cause to be paid, to Plaintiffs' Counsel any Attorneys' Fee
27 Award granted by this Court. Notwithstanding anything to the contrary in the
28 Stipulation, in no event shall AFOP or its successors be obliged to pay to

1 Plaintiffs, the Settlement Class, or Plaintiffs' Counsel any amount in excess of any
2 Attorneys' Fee Award granted by the Court, for attorneys' fees, costs, and
3 expenses in connection with the Actions (other than those incurred in
4 disseminating the settlement notice pursuant to ¶¶ 3.1 and 3.2 hereof, which notice
5 shall be prepared and mailed at AFOP's expense), and in no event shall any
6 Defendant other than AFOP or its successors be obliged to pay any part of any
7 Attorneys' Fee Award granted by the Court or any of Plaintiffs' attorneys' fees,
8 costs, and expenses. The settlement, however, is not in any way conditioned on
9 the Court granting an Attorneys' Fee Award.

10 2.3 The Settling Parties agree, for purposes of this settlement only, to the certification
11 of a Settlement Class under § 382 of the California Code of Civil Procedure.

12 3. Notice Order and Settlement Hearing

13 3.1 As soon as practicable upon execution of this Stipulation, Bushansky's Counsel
14 shall submit the Stipulation together with its Exhibits to the Court and shall apply
15 for entry of an order (the "Notice Order"), substantially in the form of Exhibit B
16 hereto, requesting, *inter alia*, certification of the non-opt-out Settlement Class
17 pursuant to § 382 of the California Code of Civil Procedure, preliminary approval
18 of the settlement set forth in the Stipulation, and approval for the mailing of a
19 settlement notice, substantially in the form of Exhibit B-1 attached hereto, which
20 shall include the general terms of the settlement set forth in the Stipulation and the
21 date of the Settlement Hearing as defined below.

22 3.2 AFOP or its successor shall undertake the administrative responsibility for giving
23 notice to the Settlement Class by mail, or as otherwise required by this Court, and
24 is authorized to hire a notice agent for purposes of affecting such notice. All costs
25 in providing requisite notice to Settlement Class Members shall be paid by, or
26 caused to be paid by, AFOP or its successor. Prior to the Settlement Hearing,
27 counsel for AFOP shall file with the Court an appropriate affidavit or declaration
28 with respect to preparing and mailing the settlement notice to the Settlement Class.

1 3.3 Bushansky’s Counsel shall request that the Court hold the Settlement Hearing after
2 notice is given and give Final Approval of the settlement of the Actions as set forth
3 herein.

4 4. Releases

5 4.1 Upon the Effective Date, as defined in ¶ 1.7 hereof, the Plaintiffs and each of the
6 Settlement Class Members shall be deemed to have, and by operation of the
7 Judgment shall have, fully, finally, and forever released, relinquished, and
8 discharged all Released Claims (including Unknown Claims) against the Released
9 Persons. By operation of the entry of Judgment, upon the Effective Date,
10 Plaintiffs and the Settlement Class Members agree to waive and shall be deemed to
11 have waived any and all rights and benefits which they now have, or in the future
12 may have by virtue of the provisions of § 1542 of the California Civil Code and
13 any other similar law or provision with respect to the Released Claims, which
14 section provides as follows:

15 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE
16 CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER
17 FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF
18 KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR
19 HER SETTLEMENT WITH THE DEBTOR.

20 4.2 Upon the Effective Date, the Plaintiffs and each of the Settlement Class Members
21 shall be deemed to have, and by operation of the Judgment shall have, expressly
22 waived any and all provisions, rights, and benefits conferred by any law of any
23 state or territory of the United States, or principle of common law or international
24 or foreign law, which is similar to California Civil Code § 1542.

25 4.3 Upon the Effective Date, each of the Released Persons shall be deemed to have,
26 and by operation of the Judgment shall have, fully, finally, and forever released,
27 relinquished, and discharged, Plaintiffs, each and all of the Settlement Class
28 Members, and Plaintiffs’ Counsel from all claims, demands, rights, actions,
sanctions, causes of action, liabilities, damages, losses, obligations, judgments,

1 suits, fees, expenses, costs, matters and issues of any kind or nature whatsoever,
2 whether known or unknown, contingent or absolute, suspected or unsuspected,
3 disclosed or undisclosed, hidden or concealed, matured or unmatured, based upon
4 or arising out of the investigation, institution, prosecution, assertion, settlement or
5 resolution of the Actions or the Released Claims; provided, however, that any
6 Released Person retains the right to enforce the terms of the Stipulation.

7 5. Plaintiffs' Counsel's Attorneys' Fees and Expenses

8 5.1 After agreeing to all of the substantive terms of settlement contained in this
9 Stipulation, the parties sought to negotiate the amount of attorneys' fees and
10 expenses that, subject to Court approval, would be paid to Plaintiffs' Counsel. As
11 of the date of this Stipulation, the parties have not agreed to an amount for
12 attorneys' fee and expenses but have agreed to mediate this dispute on September
13 26, 2017 before Robert A. Meyer, Esq. of JAMS. In the event, the parties are not
14 able to resolve the dispute over fees, Plaintiffs intend to petition the Court for a
15 Fee Award not to exceed \$2,000,000 (the "Fee Application"). Defendants intend
16 to oppose such Fee Application. AFOP (or any successor thereto), on behalf of
17 Defendants, has agreed to pay, or cause to be paid, an Attorneys' Fee Award if
18 such an award is granted by the Court. Notwithstanding anything to the contrary in
19 the Stipulation, in no event shall AFOP or its successors be obliged to pay to
20 Plaintiffs, the Settlement Class or Plaintiffs' Counsel any amount in excess of any
21 Attorney Fee Award granted by this Court for attorneys' fees, costs, and expenses
22 in connection with the Actions (other than those incurred in disseminating the
23 settlement notice pursuant to ¶¶ 3.1 and 3.2 hereof, which notice shall be prepared
24 and mailed at AFOPs' expense), and in no event shall any Defendant other than
25 AFOP or its successors be obliged to pay any part of an Attorneys' Fee Award, in
26 the event one is granted or any of Plaintiffs' attorneys' fees, costs, and expenses.
27 The settlement, however, is not in any way conditioned on the Court granting an
28 Attorneys' Fee Award. Except for an Attorneys' Fee Award and the costs incurred

1 in providing notice to the Settlement Class as provided for in this Stipulation, there
2 shall be no obligation on the part of any Person to pay any fees, costs, or expenses,
3 including attorneys' fees, to Plaintiffs' Counsel or to Plaintiffs or any other
4 Member of the Settlement Class.

5 5.2 In the event the Court grants an Attorneys' Fee Award, it shall be paid, or caused
6 to be paid, by AFOP (or its successors) and its insurers, on behalf of Defendants,
7 to an account designated by Plaintiff's Counsel within thirty (30) calendar days of
8 entry of Judgment in any of the Actions. Any such payments shall be made
9 subject to Plaintiffs' Counsel's respective obligations to make refunds or
10 repayment to AFOP (or any successor entity) if any specified condition to the
11 settlement is not satisfied or, as a result of any appeal and/or further proceedings
12 on remand, or successful collateral attack, any Judgment is reversed or the fee or
13 costs award is reduced or reversed. Payment by or on behalf of AFOP (or any
14 successor entity or issuer) of the attorneys' fees and expenses to Plaintiffs'
15 Counsel will discharge in full any obligation of AFOP or its successors to pay any
16 and all attorneys' fees or expenses for any and all attorneys representing Plaintiffs
17 or the Settlement Class. In the event that (i) the Court awards attorneys' fees and
18 expenses, and (ii) AFOP or its successor, on behalf of Defendants, does not pay, or
19 cause to be paid, such Attorneys' Fee Award in accordance with the terms of this
20 Stipulation, the parties agree that the Court shall retain jurisdiction over the award
21 of attorneys' fees and expenses prior to or following the Effective Date of the
22 settlement, as defined in ¶ 6.1 hereof, and upon motion may issue any orders
23 necessary to enforce any such award of attorneys' fees and expenses.
24 Notwithstanding that the Court shall retain jurisdiction in this regard, the Effective
25 Date of the settlement is not conditioned on the award or payment of any such
26 attorneys' fees or expenses. Plaintiffs' Counsel in the Actions shall allocate any
27 Attorneys' Fee Award amongst themselves, subject to the agreements amongst
28 Plaintiffs' Counsel.

1 5.3 In the event that the Effective Date does not occur, or the Judgment is reversed or
2 modified on appeal, then Plaintiffs' Counsel shall, within ten (10) business days
3 from receiving notice from Defendants' counsel or from a court of appropriate
4 jurisdiction, refund to AFOP any fees and expenses previously paid consistent
5 with such reversal or modification, plus interest earned thereon. Additionally, if
6 the Settlement is terminated or otherwise does not obtain Final Approval for any
7 reason, Plaintiffs' Counsel reserve the right to seek a mootness fee and expense
8 award from the Court in connection with the Supplemental Disclosures and the
9 Standstill Waiver, and Defendants reserve the right to oppose such a mootness fee
10 application.

11 6. Conditions of Settlement and Effect of Disapproval, Cancellation, or Termination

12 6.1 The Effective Date of the settlement shall be conditioned on the occurrence of all
13 of the following events:

- 14 a. the Court has entered the Notice Order, as required by ¶ 3.1 hereof;
- 15 b. Defendants have not exercised their right to terminate the Stipulation
16 pursuant to ¶ 6.3 hereof;
- 17 c. this Court has entered the Judgment, or a judgment substantially in the
18 form of Exhibit C attached hereto; and
- 19 d. the Judgment or a judgment substantially in the form of Exhibit C attached
20 hereto has become Final as defined in ¶ 1.8 hereof.

21 6.2 If all of the conditions specified in ¶ 6.1 hereof are not satisfied, then the
22 Stipulation shall be canceled and terminated subject to ¶ 6.3 hereof, unless
23 Plaintiffs' Counsel and counsel for Defendants mutually agree in writing to
24 proceed with the Stipulation.

25 6.3 Defendants shall have the right to withdraw from the Stipulation in the event that
26 (ii) any Released Claim is commenced or prosecuted against any of the Defendants
27 in any court prior to Final Approval of the settlement, and (following a motion by
28 the Defendants) Judgment is not entered on any such claim. In the event that any

1 such claim is commenced or prosecuted against any of the Defendants, the parties
2 shall cooperate and use best efforts to secure the dismissal with prejudice (or a stay
3 in contemplation of dismissal with prejudice, following the Final Approval of the
4 settlement) thereof.

5 6.4 Subject to an order of this Court, pending final determination of whether the
6 settlement and Stipulation should be approved, all of the Plaintiffs and Settlement
7 Class Members are barred and enjoined from commencing, prosecuting,
8 instigating, or in any way participating in the commencement or prosecution of
9 any action asserting any Released Claims against any of the Released Persons.

10 6.5 In the event that the Stipulation is not approved by the Court or the settlement set
11 forth in the Stipulation is terminated in accordance with its terms, the Settling
12 Parties shall be restored to their respective positions in the Actions as of May 26,
13 2016. In such event, the terms and provisions of the Stipulation (including the
14 recitals set forth above), shall have no further force and effect with respect to the
15 Settling Parties and shall not be used in the Actions or in any other proceeding for
16 any purpose, and any judgment or order entered by the Court in accordance with
17 the terms of the Stipulation shall be treated as vacated, *nunc pro tunc*.

18 7. Miscellaneous Provisions

19 7.1 The Settling Parties: (a) acknowledge that it is their intent to consummate this
20 agreement; and (b) agree to cooperate to the extent reasonably necessary to
21 effectuate and implement all terms and conditions of the Stipulation and to
22 exercise their best efforts to accomplish the foregoing terms and conditions of the
23 Stipulation, including, without limitation, preparing and filing such other
24 documentation as may be necessary to obtain approval of the Stipulation upon and
25 consistent with the terms set forth in the Stipulation.

26 7.2 The Settling Parties intend this settlement to be a final and complete resolution of
27 all disputes between them with respect to the Actions. The settlement
28 compromises claims which are contested and shall not be deemed an admission by

1 any Settling Party as to the merits of any claim or defense. The Settling Parties
2 agree that the settlement was negotiated in good faith by the Settling Parties, and
3 reflects a settlement that was reached voluntarily after consultation with competent
4 legal counsel. The Settling Parties reserve their right to rebut, in a manner that
5 such party determines to be appropriate, any contention made in any public forum
6 that the Actions were brought or defended in bad faith or without a reasonable
7 basis.

8 7.3 Neither the Stipulation nor the settlement contained therein, nor any act performed
9 or document executed pursuant to or in furtherance of the Stipulation or the
10 settlement: (a) is or may be deemed to be or may be used as an admission of, or
11 evidence of, the validity or lack thereof of any Released Claim, or of any
12 wrongdoing or liability of the Defendants or any Released Person; or (b) is or may
13 be deemed to be or may be used as an admission of, or evidence of, any fault or
14 omission of any of the Defendants or any Released Person, in any civil, criminal,
15 or administrative proceeding in any court, administrative agency, or other tribunal.
16 The Released Persons may file the Stipulation and/or the Judgment in any action
17 that may be brought against them to support a defense or counterclaim based on
18 principles of *res judicata*, collateral estoppel, release, good-faith settlement,
19 judgment bar or reduction, or any other theory of claim preclusion or issue
20 preclusion or similar defense or counterclaim. If any Released Claims are asserted
21 against any Released Person in any court prior to final Court approval of the
22 settlement in the Actions, or if any claims are asserted which challenge the
23 settlement set forth in this Stipulation, the Merger Agreement, or any of the
24 transactions contemplated by the Merger Agreement, the parties shall use their
25 best efforts to effect a withdrawal or dismissal of the claims or oppose entry of any
26 interim or final relief in favor of any Member of the Settlement Class.

27 7.4 Upon the Effective Date of the settlement as set forth in ¶ 6.1 hereof, and receipt
28 of a written request from counsel for Defendants, Plaintiffs' Counsel agree that

1 within ten (10) calendar days of receipt of such written request, they will destroy
2 the Discovery Material and so certify in writing; provided, however, that
3 Plaintiffs' Counsel shall be entitled to retain all filings, court papers, transcripts,
4 and attorney work product, subject to the requirement that Plaintiffs' Counsel shall
5 not disclose any information contained or referenced in such materials to any
6 person except pursuant to court order or agreement with Defendants. The parties
7 agree to submit to the Court in the Actions any dispute concerning the destruction
8 of Discovery Material.

9 7.5 All of the Exhibits to this Stipulation are material and integral parts hereof and are
10 fully incorporated herein by this reference.

11 7.6 The Stipulation may be amended or modified only by a written instrument signed
12 by or on behalf of all Settling Parties or their respective successors-in-interest.

13 7.7 The Stipulation and the Exhibits attached hereto constitute the entire agreement
14 among the parties hereto. No representations, warranties or inducements have
15 been made to any party concerning the Stipulation or its Exhibits other than the
16 representations, warranties and covenants contained and memorialized in such
17 documents. Except as otherwise provided herein, each party shall bear its own
18 costs and attorneys' fees incurred in the Actions or in connection with this
19 settlement.

20 7.8 Plaintiffs' Counsel, on behalf of the Settlement Class, are expressly authorized by
21 Plaintiffs to take all appropriate actions required or permitted to be taken by the
22 Settlement Class pursuant to the Stipulation to effectuate its terms, and are
23 expressly authorized to enter into any modifications or amendments to the
24 Stipulation on behalf of the Settlement Class which they deem appropriate.

25 7.9 Each attorney or other Person executing the Stipulation or any of its Exhibits on
26 behalf of any party hereto hereby warrants that such Person has the full authority
27 to do so.

28 7.10 The Stipulation may be executed in one or more counterparts. All executed

1 counterparts shall be deemed to be one and the same instrument.

2 7.11 The Stipulation shall be binding on, and inure to the benefit of, the parties
3 (including Members of the Settlement Class) hereto, and their respective agents,
4 executors, heirs, successors, and assigns; provided, however, that no party shall
5 assign or delegate its rights or responsibilities under this Stipulation without the
6 prior written consent of the other parties hereto. The Defendants' Affiliates are
7 intended third-party beneficiaries under this Stipulation entitled to enforce this
8 Stipulation in accordance with its terms.

9 7.12 The Court shall retain jurisdiction with respect to implementation and enforcement
10 of the terms of the Stipulation, and all parties hereto submit to the jurisdiction of
11 the Court for purposes of implementing and enforcing the settlement embodied in
12 the Stipulation.

13 7.13 The Stipulation and settlement contemplated by it, and all disputes arising out of
14 or relating to them, shall be governed by, and construed in accordance with, the
15 substantive laws of the State of California and the procedural laws of the State of
16 California.

17 7.14 The Settling Parties intend to be bound by this settlement agreement regardless of
18 any intervening change in applicable law.

19 7.15 Plaintiffs represent and warrant that they have been stockholders of AFOP
20 throughout the period covered by the Actions and the settlement and have not
21 assigned, encumbered, or in any manner transferred in whole or in part the claims
22 in the Actions.

23 7.16 All agreements made and orders entered during the course of the Actions relating
24 to the confidentiality of information shall survive this Stipulation.

25 IN WITNESS WHEREOF, the parties hereto have caused the Stipulation to be executed,
26 by their duly authorized attorneys, effective as of August 24, 2017.

1 Dated: August 28, 2017

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Dated: August 28, 2017

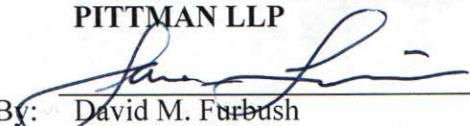
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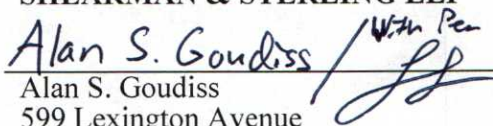
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