

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE GALENA BIOPHARMA, INC.

C.A. No. 2017-0423-JTL

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

TO: ALL GALENA COMMON STOCKHOLDERS WHO WERE ENTITLED TO VOTE AT GALENA'S 2016 ANNUAL MEETING HELD ON JULY 14, 2016; GALENA'S 2016 SPECIAL MEETING HELD ON OCTOBER 21, 2016; AND/OR GALENA'S 2017 SPECIAL MEETING HELD ON JULY 6, 2017.

PLEASE READ ALL OF THIS NOTICE CAREFULLY. YOUR RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS ACTION. THIS NOTICE RELATES TO THE PROPOSED SETTLEMENT OF A CLASS ACTION LAWSUIT AND CONTAINS IMPORTANT INFORMATION. IF THE COURT APPROVES THE PROPOSED SETTLEMENT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS OF THE PROPOSED SETTLEMENT OR PURSUING THE RELEASED PLAINTIFF'S CLAIMS (AS DEFINED BELOW).

IF YOU HELD THE COMMON STOCK OF GALENA FOR THE BENEFIT OF ANOTHER, PLEASE PROMPTLY TRANSMIT THIS DOCUMENT TO SUCH BENEFICIAL OWNER.

**I. THE PURPOSE OF THIS NOTICE**

The purpose of this Notice is to inform you of this lawsuit, a proposed settlement of the lawsuit, and a hearing to be held by the Court of Chancery of the State of Delaware. The hearing will be held at the Court of Chancery of the State of Delaware, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801, on March 15, 2018, at 2:00 p.m. (the "Settlement Hearing").

At the Settlement Hearing, the Court will be asked to:

- a. determine whether to certify the above-captioned action (the "Action") as a non-opt-out class action on behalf of the Class and appoint Plaintiff as Class Representative and Plaintiff's Counsel as counsel for the Class;
- b. determine whether the Settlement (as defined below), as provided for in the Stipulation and Agreement of Compromise and Settlement dated December 6, 2017 (the "Stipulation"), is fair, reasonable, adequate, and in the best interests of the Class, and should be approved by the Court;
- c. determine whether the requirements of the rules of the Court and due process have been satisfied in connection with this Notice;
- d. determine whether an Order and Final Judgment should be entered dismissing the Action and releasing the Released Plaintiff's Claims and Released Defendants' Claims;
- e. hear and rule on any objections to the Settlement;
- f. consider the application of Plaintiff's counsel for an award of attorneys' fees and reimbursement of expenses, and any objections thereto; and
- g. consider any other matters that may properly be brought before the Court in connection with the Stipulation.

This Notice describes the rights that Class Members have under the Settlement and what steps Class Members may, but are not required to, take in relation to the Settlement. If the Court approves the Settlement, the Parties will ask the Court at the Settlement Hearing to enter an Order and Final Judgment dismissing the Action with prejudice on the merits. If you are a Class Member, you will be bound by any judgment entered in the Action, whether or not you actually receive this Notice. You may not opt out of the Class.

**II. BACKGROUND OF THE ACTION**

**THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT. IT IS BASED ON STATEMENTS OF THE PARTIES AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE PARTIES.**

On May 31, 2011, Galena issued its definitive proxy statement for the 2011 annual meeting.

The proxy statement for the 2011 annual meeting identified a number of proposals to be voted on, including Proposal 4: "Approval of Amendment to Amended and Restated Certificate of Incorporation" to increase the number of authorized shares of Galena common stock.

The proxy statement for the 2011 annual meeting further disclosed that nominees/brokers would not be permitted to vote on Proposal 4 without instruction from beneficial owners.

At the 2011 annual meeting, votes cast by nominees/brokers on Proposal 4 without instruction from the beneficial owners of certain of the Company's outstanding shares were counted on Proposal 4.

On July 19, 2011, the Company disclosed on Form 8-K that Proposal 4 at the 2011 annual meeting was approved by a majority of the shares outstanding and entitled to vote at the meeting.

On July 26, 2011, the Company filed a certificate of amendment with the Secretary of State of the State of Delaware (the "Secretary of State") implementing the increase in the number of authorized shares of Galena common stock.

On April 29, 2013, Galena issued its definitive proxy statement for the 2013 annual meeting.

The proxy statement for the 2013 annual meeting identified a number of proposals to be voted on, including Proposal 2: “Approval of Amendment to Amended and Restated Certificate of Incorporation” to increase the number of authorized shares of Galena common stock.

The proxy statement for the 2013 annual meeting further disclosed that nominees/brokers would not be permitted to vote on Proposal 2 without instruction from beneficial owners.

At the 2013 annual meeting, votes cast by nominees/brokers on Proposal 2 without instruction from the beneficial owners of certain of the Company’s outstanding shares were counted on Proposal 2.

On June 28, 2013, the Company filed a certificate of amendment with the Secretary of State implementing the increase in the number of authorized shares of Galena common stock.

On July 3, 2013, the Company disclosed on Form 8-K that Proposal 2 at the 2013 annual meeting was approved by a majority of the shares outstanding and entitled to vote at the meeting.

On April 30, 2015, Galena issued its definitive proxy statement for the 2015 annual meeting.

The proxy statement for the 2015 annual meeting identified a number of proposals to be voted on, including Proposal 2: “Approval of Amendment to Amended and Restated Certificate of Incorporation” to increase the number of authorized shares of Galena common stock.

The proxy statement for the 2015 annual meeting further disclosed that nominees/brokers would not be permitted to vote on Proposal 2 without instruction from beneficial owners.

At the 2015 annual meeting, votes cast by nominees/brokers on Proposal 2 without instruction from the beneficial owners of certain of the Company’s outstanding shares were counted on Proposal 2.

On June 19, 2015, the Company filed a certificate of amendment with the Secretary of State implementing the increase in the number of authorized shares of Galena common stock.

On June 24, 2015, the Company disclosed on Form 8-K that Proposal 2 at the 2015 annual meeting was approved by a majority of the shares outstanding and entitled to vote at the meeting.

On June 3, 2016, Galena issued its definitive proxy statement for the 2016 annual meeting (the “2016 Annual Meeting”).

The proxy statement for the 2016 Annual Meeting identified a number of proposals to be voted on, including Proposal 2: “Approval of Amendment to Amended and Restated Certificate of Incorporation” to increase the number of authorized shares of Galena common stock.

The proxy statement for the 2016 Annual Meeting further disclosed that nominees/brokers would not be permitted to vote on Proposal 2 without instruction from beneficial owners.

At the 2016 Annual Meeting, votes cast by nominees/brokers on Proposal 2 without instruction from the beneficial owners of certain of the Company’s outstanding shares were counted on Proposal 2.

On July 18, 2016, the Company disclosed on Form 8-K that Proposal 2 at the 2016 Annual Meeting was approved by a majority of the shares outstanding and entitled to vote at the meeting.

On September 21, 2016, Galena issued its definitive proxy statement for an October 21, 2016 special meeting (the “2016 Special Meeting”).

The proxy statement for the 2016 Special Meeting listed a number of proposals for stockholders to vote on, including Proposal 1, to approve an amendment to the Company’s Amended and Restated Certificate of Incorporation to effect a reverse stock split of the outstanding shares of the Company’s common stock.

The proxy statement for the 2016 Special Meeting further disclosed that nominees/brokers would not be permitted to vote on Proposal 1 without instruction from beneficial owners.

On October 17, 2016, the Company filed a certificate of amendment with the Secretary of State implementing the increase in the number of authorized shares of Galena common stock approved at the 2016 Annual Meeting.

On October 21, 2016, at the 2016 Special Meeting, votes cast by nominees/brokers on Proposal 1 without instruction from the beneficial owners of certain of the Company’s outstanding shares were counted on Proposal 1.

On October 26, 2016, the Company disclosed on Form 8-K that the reverse stock split was approved by a majority of the shares outstanding and entitled to vote at the meeting.

The certificate amendment providing for the reverse stock split was signed on November 1, 2016, and filed with the Secretary of State on November 2, 2016.

On April 27, 2017, Plaintiff, a Galena stockholder, filed a Verified Stockholder Class Action Complaint in *Patel v. Galena Biopharma, Inc., C.A. No. 2017-0325-JTL*, challenging, among other things, the results of the votes on Proposal 2 at the 2016 Annual Meeting and Proposal 1 at the 2016 Special Meeting.

On June 2, 2017, Plaintiff filed a Verified Stockholder Class Action Amended and Supplemented Complaint and a motion for expedited proceedings in C.A. No. 2017-0325-JTL.

On June 5, 2017, the Company filed a Verified Petition for Relief Pursuant to 8 *Del. C.* § 205 and a motion for expedited proceedings in *In re Galena Biopharma, Inc.*, C.A. No. 2017-0423-JTL.

On June 8, 2017, the Court denied Plaintiff's request to schedule a hearing on a motion for preliminary injunction in C.A. No. 2017-0325-JTL, but ordered a prompt trial to be held to resolve the claims asserted in C.A. No. 2017-0325-JTL and C.A. No. 2017-0423-JTL.

On June 8, 2017, Galena issued its definitive proxy statement for a 2017 special meeting (the "2017 Special Meeting").

The proxy statement for the 2017 Special Meeting listed a number of proposals to be voted on, including ratification of the filing and effectiveness of the certificates of amendment to Galena's certificate of incorporation filed with the Secretary of State on July 26, 2011; June 28, 2013; June 19, 2015; October 17, 2016; and November 2, 2016.

On June 20, 2017, the Court consolidated C.A. No. 2017-0325-JTL and C.A. No. 2017-0423-JTL.

On July 6, 2017, a special meeting of stockholders of the Company was held.

At the 2017 Special Meeting, pursuant to 8 *Del. C.* § 204, a majority of the Company's shares outstanding voted to ratify the filing and effectiveness of the certificates of amendment to Galena's certificate of incorporation filed with the Secretary of State on July 26, 2011; June 28, 2013; June 19, 2015; October 17, 2016; and November 2, 2016.

On July 10, 2017, the Court granted a Stipulation and Order Governing Case Schedule, which scheduled, among other things, a three-day trial for August 28, 30, and 31, 2017.

Between May 12, 2017, and July 20, 2017, the Company produced over 36,000 pages of documents to Plaintiff. Plaintiff's Counsel also reviewed documents produced by four third parties. Plaintiff also produced 1,402 pages of documents to Defendants.

On July 24, 2017, the Parties executed a term sheet concerning the agreement to fully and finally settle the claims asserted in the Action (the "Term Sheet"). The Term Sheet contemplated that the Parties would negotiate and execute definitive settlement documents with customary terms for settlements before this Court.

During negotiation of the Term Sheet, Plaintiff was unaware of negotiations of a business transaction between SELLAS Life Sciences Group Ltd. and Galena (the "Sellas Merger") and Galena's consideration of a 1-for-30 reverse split of Galena common stock (the "Reverse Split") that were announced on August 7, 2017.

On November 30, 2017, the Court entered an order finding that the Parties' Term Sheet was a binding and enforceable contract, requiring Plaintiff to exercise his best efforts to consummate the Settlement, and requiring the Parties to submit the Stipulation and its Exhibits by December 7, 2017.

On December 8, 2017, the Court entered a scheduling order providing for, among other things, a Settlement Hearing and the dissemination of this Notice to the Class.

On December 8, 2017, pursuant to the terms of the Stipulation, Galena filed an unopposed motion for entry of an order declaring valid Galena's (a) certificate of amendment to its certificate of incorporation filed with the Secretary of State on July 26, 2011; (b) certificate of amendment to its certificate of incorporation filed with the Secretary of State on June 28, 2013; (c) certificate of amendment to its certificate of incorporation filed with the Secretary of State on June 19, 2015; (d) certificate of amendment to its certificate of incorporation filed with the Secretary of State on October 17, 2016; and (e) certificate of amendment to its certificate of incorporation filed with the Secretary of State on November 2, 2016 (the "Validity Order").

On December 11, 2017, the Court entered the Validity Order.

THE SETTLEMENT OF THIS ACTION, IF APPROVED BY THE COURT ON THE TERMS AND CONDITIONS SET FORTH IN THE STIPULATION, WILL INCLUDE, BUT NOT BE LIMITED TO, A RELEASE OF ALL CLAIMS ASSERTED IN OR RELATED TO THE ACTION. THE COURT HAS NOT FINALLY DETERMINED THE MERITS OF THE CLAIMS MADE BY PLAINTIFF AGAINST, OR THE DEFENSES OF, THE DEFENDANTS. THIS NOTICE DOES NOT IMPLY THAT THERE HAS BEEN OR WOULD BE ANY FINDING OF VIOLATION OF THE LAW OR THAT RELIEF IN ANY FORM OR RECOVERY IN ANY AMOUNT COULD BE HAD IF THE ACTION WAS NOT SETTLED.

### III. THE SETTLEMENT CONSIDERATION

In consideration for the full and final release, settlement and discharge of any and all Released Plaintiff's Claims against the Released Defendant Persons, the Defendants agreed (a) to pay and/or cause their D&O insurers to pay \$50,000 in cash and (b) to pay \$1,250,000 of unrestricted Galena Common Stock, as follows:

- a. Within ten business days after execution of the Stipulation, the Defendants paid and/or caused their D&O insurers to pay an amount in cash equal to the Claims Administrator's estimate for the cost of notice of the Settlement (the "Notice Cost")—but in no event more than \$50,000—into the Settlement Fund. If the Court does not approve the Settlement or the Judgment does not become Final for any reason, the Released Plaintiff Persons shall not be responsible for repaying any Notice Costs to Defendants.

- b. Within ten business days after the Court enters the Judgment, the Defendants shall pay and/or cause their D&O insurers to pay into the Settlement Fund cash equal to the difference (if any) between \$50,000 and the Notice Cost previously paid.
- c. Within ten business days after the Court enters the Judgment, the Defendants shall transfer the Settlement Stock to the Settlement Fund.
- d. The number of shares constituting the Settlement Stock shall be determined and transferred as follows:
  - i. The valuation of the Settlement Stock will be based on the volume-weighted average closing price (“VWAP”) for the 20 trading days immediately preceding the day before the Settlement Stock is transferred to the Settlement Fund.
  - ii. Should Plaintiff’s Counsel decide after the transfer of the Settlement Stock into the Settlement Fund to sell any of the Settlement Stock, the Class will limit daily trading of Settlement Stock to 10% of the daily volume as averaged over the previous 10 trading days.
  - iii. The Settlement Stock shall be duly and validly issued, uncertificated, fully paid, non-assessable and free from all liens and encumbrances, and the Parties stipulate the Settlement Stock has been issued under an exemption from registration provided by Section 3(a)(10). Galena shall issue the Settlement Stock without any restrictive legend, and the Settlement Stock shall be freely and publicly tradeable without the need to obtain any opinions of counsel or permission of Galena that the stock is unrestricted. Further, Galena shall obtain a no-action letter from the Staff of the Securities and Exchange Commission where the Staff confirms that it will take no action if Galena relies on Section 3(a)(10) to exempt the registration of the Settlement Stock. Defendants will advise the Court that Galena will rely on the Section 3(a)(10) exemption based on the Court’s approval of the Settlement.

Following the Effective Date, the Net Settlement Amount will be disbursed by the Claims Administrator according to the Plan of Allocation, provided it is approved by the Court. Pursuant to the Plan of Allocation, the Settlement Stock will be sold in a manner that complies with the Stipulation. After the Settlement Stock is sold and administrative costs and attorneys’ fees are paid, the net cash proceeds in the Settlement Fund will be paid to Galena common stockholders, excluding Defendants, who held stock on the record date for Galena’s 2016 Special Meeting based on the number of shares they held on the record date for Galena’s 2016 Special Meeting. For more information on the Plan of Allocation, please see Exhibit C to the Stipulation.

Defendants shall not object to the Plan of Allocation and shall have no input, responsibility or liability for any claims, payments or determinations by the Claims Administrator in respect of Class Member claims for payment under this Settlement, or any other use of the Settlement Fund, including for Taxes, Tax Expenses, and the Fee and Expense Awards. Thereafter, any balance which still remains in the Net Settlement Fund shall escheat to the State of Delaware. Defendants shall provide information to Plaintiff concerning the number of shares held by Released Defendant Persons and where and how the shares were held to ensure no Released Defendant Person is paid any of the Settlement Amount.

The Notice Cost will be borne by the Class and funded out of the Settlement Fund. Galena shall cooperate with Plaintiff in providing the Notice, including, but not limited to, providing contact and shareholding information of Class members to the extent available to Galena.

Expenses of the Claims Administrator, and any other cost of administration and distribution of the Settlement Amount (including the costs, if any, associated with escheat) shall be paid out of the Settlement Fund.

#### **IV. DISMISSAL AND RELEASES**

Subject to final approval of the Settlement by the Court, pursuant to Chancery Court Rule 23, the Released Plaintiff’s Claims (as defined below) will be finally and fully compromised, settled, released, discharged, and dismissed with prejudice as against the Released Defendant Persons (as defined below), and the Released Defendants’ Claims (as defined below) will be finally and fully compromised, settled, released, discharged, and dismissed with prejudice as against the Released Plaintiff Persons (as defined below).

“Claims” mean any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, diminutions in value, costs, debts, expenses, interest, penalties, fines, sanctions, fees, attorneys’ fees, expert or consulting fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of any kind, nature or description whatsoever, whether disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, which now exist, or heretofore or previously existed, whether direct, derivative, individual, class, representative, legal, equitable or of any other type, or in any other capacity.

“Released Defendants’ Claims” means any Claims that could have been asserted in the Action by the Individual Defendants or Galena against any of the Released Plaintiff Persons, which arise out of the institution, prosecution, settlement or dismissal of the Action, provided, however, that (i) the Released Defendants’ Claims shall not include claims to enforce the Settlement and (ii) nothing herein shall release or otherwise affect any rights between or among Defendants and/or their insurance carriers, including indemnification and contribution.

“Released Plaintiff’s Claims” means any Claims arising from or in any way relating to the matters or occurrences that were alleged in the Action or the structure of the Settlement, including the use of Company funds or Settlement Stock to pay the Settlement Amount. Released Plaintiff’s Claims include any claim that shares of Galena common stock are invalid on the grounds that the certificates of amendment to Galena’s certificate of incorporation filed with the Secretary of State on July 26, 2011; June 28, 2013; June 19, 2015; October 17, 2016; and November 2, 2016, were invalid or otherwise did not comply with Delaware law. For the avoidance of doubt, Released Plaintiff’s Claims shall not include any current or future claims under federal law, including the claims asserted in *Miller v. Galena Biopharma, Inc.*, Docket No. 2:17-cv-00929 (D.N.J. Feb. 13, 2017); *Katuah v Galena Biopharma, Inc.*, Docket No. 2:17-cv-01039 (D.N.J. Feb. 15, 2017); *Keller v. Ashton*, Docket No. 2:17-cv-01777 (D.N.J. Mar. 16, 2017); and *Jacob v. Schwartz*, Case No. C17-01222 (CA Super. Ct. Contra Costa County July 3, 2017). Released Plaintiff’s Claims shall not include claims to enforce the Settlement.

“Released Defendant Persons” means Defendants and all entities owned or controlled by them, their parents, subsidiaries, divisions, joint ventures, all current and former Galena directors, officers and employees, and each of their and Defendants’ respective employees, members, insurers, Defendants’ Counsel, successors, heirs, assigns, executors, personal representatives, marital communities and Immediate Families, or any trust of which any Defendant is the settlor or which is for the benefit of any Defendant or member(s) of his or her Immediate Family, and such other persons that are specifically identified in the Settlement.

“Released Plaintiff Persons” means Plaintiff and the Class and their heirs, estates, executors, trustees, successors and assigns, and Plaintiff’s Counsel.

## V. REASONS FOR THE SETTLEMENT

Plaintiff’s Counsel investigated and pursued discovery relating to the claims and the underlying events alleged in the Action. Plaintiff’s Counsel have analyzed the evidence adduced during their investigation and through discovery, and have researched the applicable law with respect to Plaintiff and the Class. In negotiating and evaluating the terms of this Stipulation, Plaintiff’s Counsel considered the significant legal and factual defenses to Plaintiff’s claims, including Defendants’ intention to rely on 8 *Del. C.* §§ 204 and 205 to ratify certain actions. Plaintiff’s Counsel have received sufficient information to evaluate the merits of this Settlement. Based on their evaluation, Plaintiff’s Counsel believed in executing the Term Sheet that the provisions in the Term Sheet that were subsequently incorporated into the Stipulation were fair, reasonable and adequate and in the best interests of all Class Members and that they conferred substantial benefits upon Class Members. Plaintiff’s Counsel were not aware of the Sellas Merger and Reverse Split until after the transactions were announced on August 7, 2017. These transactions may affect the timing and amount of cash available for distribution to the Class after sale of the Settlement Stock. At the Settlement Hearing, the Court will determine whether the Settlement should be approved as fair, reasonable and adequate.

The Defendants deny any and all allegations of wrongdoing, fault, liability or damage whatsoever; deny that they engaged in, committed or aided or abetted the commission of any breach of duty, wrongdoing or violation of law; deny that Plaintiff or any of the other Class Members suffered any damage whatsoever; deny that they acted improperly in any way; believe that they acted properly at all times; maintain that the Individual Defendants complied with their fiduciary duties; maintain that they have complied with federal and state laws; and maintain that they have committed no disclosure violations or any other breach of duty or wrongdoing whatsoever. The Defendants entered into the Stipulation solely because they consider it desirable that the Action be settled and dismissed with prejudice in order to, among other things, eliminate the uncertainties, burden and expense of further litigation and finally put to rest and terminate all of the claims which were or could have been asserted against the Parties in the Action. Nothing in this Stipulation shall be construed as any admission by the Defendants of wrongdoing, fault, liability, or damages whatsoever.

## VI. THE SETTLEMENT HEARING

The Court has scheduled a Settlement Hearing, which will be held on March 15, 2018, at 2:00 p.m., at the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801, to review the proposed Settlement and consider the entry of an Order and Final Judgment proposed by the Parties. At the hearing, the Court will, among other things, (a) determine whether to certify the Action as a non-opt-out class action on behalf of the Class and appoint Plaintiff as Class Representative and Plaintiff’s Counsel as counsel for the Class; (b) determine whether the Settlement, as provided for in the Stipulation, is fair, reasonable, adequate, and in the best interests of the Class, and should be approved by the Court; (c) determine whether the requirements of the rules of the Court and due process have been satisfied in connection with this Notice; (d) determine whether an Order and Final Judgment should be entered dismissing the Action and releasing the Released Plaintiff’s Claims and Released Defendants’ Claims; (e) hear and rule on any objections to the Settlement; (f) consider the application of Plaintiff’s Counsel for an award of attorneys’ fees and reimbursement of expenses, and any objections thereto; and (g) consider any other matters that may properly be brought before the Court in connection with the Stipulation.

The Court reserves the right to adjourn the Settlement Hearing or any adjournment thereof, including the consideration of the application for attorneys’ fees and reimbursement of expenses, without further notice of any kind other than oral announcement at the Settlement Hearing or any adjournment thereof.

The Court reserves the right to approve the Settlement at or after the Settlement Hearing with such modification(s) as may be consented to by the Parties to the Stipulation and without further notice to the Class.

## VII. RIGHT TO APPEAR AND OBJECT AT SETTLEMENT HEARING

Any Class Member who objects to the class action determination, the proposed Settlement, the Judgment to be entered in the Action and/or Plaintiff’s Counsel’s application for an award of attorneys’ fees and reimbursement of litigation expenses, or otherwise wishes to be heard, may appear personally or by counsel at the Settlement Hearing and present evidence or argument that may be proper and relevant; provided, however, that no Class Member may be heard and no briefs, pleadings, or other documents submitted by or on behalf of any Class Member shall be considered by the Court, except by Order of the Court for good cause shown, unless not later than 21 calendar days before the Settlement Hearing, copies of (a) a written notice of intention to appear, identifying the name, address, and telephone number of the objector and, if represented, the objector’s counsel; (b) proof of membership in the Class; (c) a written statement of such objector’s objections and the reasons for such objector’s desiring to appear and be heard; and (d) all documents and writings such objector desires the Court to consider, shall be filed with the Court of Chancery and, on or before such filing, served electronically via File & Serve*Xpress*, by hand or overnight by mail upon the following counsel:

### Counsel for Plaintiff

Ronald A. Brown, Jr., Esquire  
Kevin H. Davenport, Esquire  
Eric J. Juray, Esquire  
Prickett, Jones & Elliott, P.A.  
1310 North King Street  
Wilmington, Delaware 19801

### Counsel for Defendants

Blake Rohrbacher, Esquire  
Kevin M. Gallagher, Esquire  
Richards, Layton & Finger, P.A.  
One Rodney Square  
920 North King Street  
Wilmington, Delaware 19801

Unless the Court orders otherwise, no Class Member shall be entitled to object to the Settlement, the Judgment to be entered herein, the award of attorneys' fees and reimbursement of litigation expenses to Plaintiff's Counsel, or otherwise to be heard, except by serving and filing written objections as prescribed in the foregoing Paragraph. Any person who fails to object in the manner provided above shall be deemed to have waived the right to object (including any right of appeal) and shall be forever barred from raising such objection in this Action or in any other action or proceeding.

#### VIII. APPLICATION FOR ATTORNEYS' FEES AND EXPENSES

Plaintiff's Counsel will apply (the "205 Fee Application") for an award of attorneys' fees and expenses (the "205 Fee Award") of no of more than \$250,000.00 for any benefit the Court finds was conferred by the Action concerning 8 Del. C. §§ 204 and 205. Defendants may oppose the 205 Fee Application but agree to pay and/or cause to be paid by their D&O carriers any amount awarded by the Court in cash to Plaintiff's Counsel, in addition to the Settlement Amount, five business days after the Effective Date.

If the Settlement is vacated, or any 205 Fee Award is vacated or reduced on appeal, Plaintiffs' Counsel will refund the Settlement Amount (subject to the terms of the Stipulation) or the 205 Fee Award (or any overpayment of the 205 Fee Award), as appropriate, to Galena within five business days of such judgment.

Plaintiff's Counsel may also petition the Court (the "Class Fee Application" and, together with the 205 Fee Application, the "Fee Applications") for an award of attorneys' fees and expenses (the "Class Fee Award") to Plaintiff's Counsel for the benefit to the Class of the Settlement Fund, which Class Fee Award shall be paid solely from the Settlement Fund no earlier than 15 days after entry by the Court of the Judgment and approval of the Class Fee Award, notwithstanding any appeals. Plaintiff's Counsel will not seek a fee of more than 15% of the net cash proceeds from the Settlement Stock sales and may seek a compensatory award for Plaintiff of up to \$13,000, which would be paid out of any amount the Court awards as the Class Fee Award. Defendants may oppose the Class Fee Award and any compensatory award for Plaintiff.

The disposition of the Fee Applications is not a material term of the Stipulation, and it is not a condition of the Stipulation or the Settlement that such applications be granted. The Fee Applications may be considered separately from the proposed Settlement. Any disapproval or modification of the Fee Applications by the Court or on appeal shall not affect or delay the enforceability of this Stipulation, provide any of the Parties with the right to terminate the Settlement, or affect or delay the binding effect or finality of the Judgment and the release of the Released Plaintiff's Claims. Final resolution of the Fee Applications shall not be a condition to the dismissal, with prejudice, of the Action or effectiveness of the releases of the Released Plaintiff's Claims. The payment of any Fee and Expense Awards shall be made without waiver of the right of any Defendant to pursue claims against insurance carriers for such sum.

#### IX. SCOPE OF THIS NOTICE AND FURTHER INFORMATION

The foregoing description of the Settlement Hearing, the Action, the terms of the proposed Settlement, and other matters described herein do not purport to be comprehensive. Accordingly, Class Members are referred to the documents filed with the Court in the Action, including the Stipulation, which are available for inspection at the Office of the Register in Chancery in the Court of Chancery of the State of Delaware, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801, during regular business hours of each business day.

Inquiries or comments about the Settlement, other than requests for additional copies of this Notice, may be directed to the attention of Plaintiff's Counsel as follows:

Ronald A. Brown, Jr., Esquire  
Kevin H. Davenport, Esquire  
Eric J. Juray, Esquire  
Prickett, Jones & Elliott, P.A.  
1310 North King Street  
Wilmington, Delaware 19801

#### X. NOTICE TO PERSONS OR ENTITIES HOLDING RECORD OWNERSHIP ON BEHALF OF OTHERS

Brokerage firms, banks, and/or other persons or entities that held shares of the common stock of Galena on behalf of a Class Member are requested to promptly send this Notice to all of their respective beneficial owners. If additional copies of the Notice are needed for forwarding to such beneficial owners, any requests for such copies may be made to:

Galena Biopharma Stockholder Settlement  
c/o GCG  
P.O. Box 35100  
Seattle WA. 98124-1100  
[www.GalenaBiopharmaStockholderSettlement.com](http://www.GalenaBiopharmaStockholderSettlement.com)

**DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE REGISTER IN CHANCERY REGARDING THIS NOTICE.**

Dated: December 8, 2017

**CERTIFIED  
AS A TRUE COPY:  
ATTEST:**

**REGISTER IN CHANCERY**

By Thorne A. Kerr  
11/5/2018

BY ORDER OF THE COURT  
Register in Chancery

Karlee Johnson