



**GRANTED WITH MODIFICATIONS**

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Case No. 2017-0423-JTL



**EXHIBIT**

**IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE**

IN RE GALENA BIOPHARMA, INC.     )  
                                                          ) C.A. No. 2017-0423-JTL  
                                                          )

**SCHEDULING ORDER**

WHEREAS, a stockholder class action is pending in this Court styled *In re Galena Biopharma, Inc.*, C.A. No. 2017-0423-JTL (the “Action”);

WHEREAS, (i) Suhas Patel (“Plaintiff”), on behalf of himself and all other members of the Class, and (ii) Defendants Galena Biopharma, Inc. (“Galena” or the “Company”), William L. Ashton, Rudolph Nisi, Richard Chin, Irving Einhorn, Stephen Galliker, Sanford Hillsberg, Mary Ann Gray, Mark W. Schwartz and Stephen F. Ghiglieri (collectively, the “Defendants” and together with Plaintiff, the “Parties”) have entered into a Stipulation and Agreement of Compromise and Settlement, dated December 6, 2017 (the “Stipulation”);

WHEREAS, the Stipulation provides for a settlement reached between Plaintiff and Defendants (the “Settlement”);

WHEREAS, the Court has read and considered the Stipulation and the exhibits attached thereto and all Parties have consented to the entry of this Scheduling Order.

NOW THEREFORE, IT IS HEREBY ORDERED, this \_\_\_\_ day of \_\_\_\_\_, 2017, as follows:

1. Unless otherwise defined herein, the capitalized terms used herein shall have the same meanings as they have in the Stipulation.

2. The Court will hold a Settlement Hearing (the “Settlement Hearing”) on \_\_\_\_\_, 2018, at \_\_:\_\_ .m., at the Court of Chancery of the State of Delaware, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801, for the following purposes:

(a) to determine whether to finally 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) to 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) to finally confirm that the form and content of the Notice and mailing and distribution of the Notice met the requirements of Chancery Court Rule 23 and due process;

(d) to determine whether a Judgment substantially in the form attached as Exhibit D to the Stipulation should be entered dismissing the Action with prejudice and releasing the Released Plaintiff’s Claims and Released Defendants’ Claims;

(e) hear and rule on any objections to the Settlement;

(f) to determine whether the application by Plaintiff's Counsel for an award of attorneys' fees and reimbursement of litigation expenses should be approved; and

(g) to consider any other matters that may properly be brought before the Court in connection with the Stipulation.

3. The Court may adjourn the Settlement Hearing and approve the proposed Settlement with such modifications as the Parties may agree to pursuant to the terms of the Stipulation, if appropriate, without further notice to the Class.

4. Plaintiff is authorized to retain the Claims Administrator to provide notice to the Class and administer the proposed Settlement, including the distribution of the Settlement Fund.

5. Notice of the Settlement and the Settlement Hearing shall be given as follows:

(a) Within five days of the date of entry of this Order, Galena shall provide or cause to be provided to the Claims Administrator and Plaintiff's Counsel stockholder information from Galena, Galena's transfer agent and/or the Depository Trust Company as appropriate, for providing notice to the Class, which shall include a list of all Galena common stockholders who were entitled to vote at Galena's 2016 and 2017 Special Meetings;

(b) At least 60 days before the Settlement Hearing (the “Notice Date”), the Claims Administrator shall cause a copy of the Notice, substantially in the form attached to the Stipulation as Exhibit B, to be mailed by first-class mail to potential Class Members at the addresses set forth in the records provided by Galena or who otherwise may be identified through further reasonable effort; and

(c) not later than five days before the Settlement Hearing, Plaintiff’s Counsel shall serve on Defendants’ Counsel and file with the Court proof, by affidavit or declaration, of such mailing and publication.

6. The Court approves, in form and content, the Notice, attached to the Stipulation as Exhibit B, and finds that dissemination of the Notice substantially in the manner and form set forth in this Order meets the requirements of Chancery Court Rule 23 and due process, is the best notice practicable under the circumstances and shall constitute due and sufficient notice to all persons entitled thereto.

7. All record holders who were not also the beneficial owners of the shares of the Galena common stock held by them of record shall be requested to forward the Notice to the beneficial owners of those shares. The Claims Administrator shall use reasonable efforts to give notice to such beneficial owners by (i) making additional copies of the Notice available to any record holder who,

before the Settlement Hearing, requests the same for distribution to beneficial owners, or (ii) mailing additional copies of the Notice to beneficial owners as reasonably requested by record holders who provide names and addresses for such beneficial holders.

8. Within five days of the entry of this Order, Galena shall provide or cause to be provided to Plaintiff's Counsel stockholder information from Galena, Galena's transfer agent and/or the Depository Trust Company as appropriate, for issuing payments to members of the Class, which shall include a list containing (a) the names of members of the Class and the number of shares that each Class Member held as of the record date applicable to Galena's 2016 Special Meeting; (b) a list identifying where and how the Released Defendant Persons' shares of Galena common stock were held and (c) any additional information reasonably required by the Claims Administrator to issue payments to members of the Class.

9. 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 14 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 & ServeXpress, 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

10. 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.

11. Unless otherwise ordered by the Court, until entry of the Judgment, all proceedings in the Action other than for proceedings related to the Validity Order and proceedings necessary to carry out or enforce the terms and conditions of the Stipulation shall be stayed and the Court bars and enjoins Plaintiff, and all other Class Members, from commencing, prosecuting or in any way instigating or participating in the commencement or prosecution of any Released Plaintiff's Claims either directly, representatively, derivatively or in any other capacity against any Released Defendant Persons.

12. If the Effective Date does not occur, or if the Stipulation is disapproved, canceled or terminated pursuant to its terms, or the Settlement otherwise does not become Final for any reason, (a) the Parties shall be deemed to have reverted to their respective litigation status immediately prior to July 24, 2017 (except that the Validity Order shall remain in effect), they shall negotiate a new trial schedule on Plaintiff's fiduciary duty claims in good faith and they shall proceed on Plaintiff's fiduciary duty claims as if the Stipulation had not been executed and this Order had not been entered; (b) all of their respective claims and defenses as to Plaintiff's fiduciary duty claims shall be preserved without prejudice in any way; (c) the statements made in connection with the negotiations of the

Stipulation (x) shall not be deemed to prejudice in any way the positions of any of the Parties with respect to the Action, or to constitute an admission of fact of wrongdoing by any Party, and (y) shall not be used or entitle any Party to recover any fees, costs, or expenses incurred in connection with the Action; and (d) neither the existence of this Order, the Stipulation nor its contents nor any statements made in connection with its negotiation or any settlement communications shall be admissible in evidence or shall be referred to for any purpose in the Action, or in any other litigation or judicial proceeding.

13. Plaintiff's Counsel shall file and serve the opening papers concerning the Stipulation and Plaintiff's Counsel's application for an award of attorneys' fees and reimbursement of litigation expenses no later than 28 calendar days before the Settlement Hearing. Any opposition to the application for an award of attorneys' fees and reimbursement of litigation expenses shall be filed and served no later than 14 days before the Settlement Hearing. If reply papers are necessary, they are to be filed and served no later than seven calendar days before the Settlement Hearing. The papers contemplated by this paragraph shall be governed by Chancery Court Rule 171(f)(1)(A).

14. The Court retains jurisdiction to consider all further applications arising out of or connected with the Stipulation.

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Vice Chancellor J. Travis Laster

This document constitutes a ruling of the court and should be treated as such.

**Court:** DE Court of Chancery Civil Action

**Judge:** J Travis Laster

**File & Serve**

**Transaction ID:** 61435598

**Current Date:** Dec 08, 2017

**Case Number:** 2017-0423-JTL

**Case Name:** CONS W/ 2017-0325-JTL - CONF ORD - In re Galena Biopharma, Inc.

**Court Authorizer:** Laster, J Travis

**Court Authorizer**

**Comments:**

The Court will hold a Settlement Hearing on Thursday, March 15, 2018, at 2:00 p.m.

/s/ **Judge Laster, J Travis**