

Exhibit 1

EXECUTION VERSION

**CHIMICLES SCHWARTZ KRINER
& DONALDSON-SMITH LLP**

Nicholas E. Chimicles, Pa. Id. No. 17928
Kimberly Donaldson Smith, Pa. Id. No. 84116
Timothy N. Mathews, Pa. Id. No. 91430
One Haverford Centre
361 West Lancaster Avenue
Haverford, PA 19041
Phone (610) 642-8500
Fax (610) 649-3633

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF PENNSYLVANIA**

SOUTHEASTERN PENNSYLVANIA
TRANSPORTATION AUTHORITY, on behalf
of itself and all others similarly situated,

Plaintiff,

v.

ORRSTOWN FINANCIAL SERVICES, INC.,
ORRSTOWN BANK, ANTHONY F. CEDDIA,
JEFFREY W. COY, MARK K. KELLER,
ANDREA PUGH, THOMAS R. QUINN, JR.,
GREGORY A. ROSENBERRY, KENNETH R.
SHOEMAKER, GLENN W. SNOKE, JOHN S.
WARD, BRADLEY S. EVERLY, JOEL R.
ZULLINGER, JEFFREY W. EMBLY, SMITH
ELLIOTT KEARNS & COMPANY, LLC,
SANDLER O'NEILL & PARTNERS L.P., and
JANNEY MONTGOMERY SCOTT LLC,

Defendants.

Civil Action No. 1:12-cv-00993

CLASS ACTION

**STIPULATION AND AGREEMENT OF
SETTLEMENT**

EXECUTION VERSION

This Stipulation and Agreement of Settlement, dated as of December 7, 2022 (“Stipulation”)¹, is entered into by and among the following parties to this putative class action (“Action” or “Litigation,” as further defined herein), by and through their counsel: (i) Plaintiff Southeastern Pennsylvania Transportation Authority (“SEPTA” or “Plaintiff”); (ii) Orrstown Financial Services, Inc. and Orrstown Bank (collectively, “Orrstown”); (iii) Anthony F. Ceddia, Jeffrey W. Coy,² Mark K. Keller, Andrea Pugh, Thomas R. Quinn, Jr., Gregory A. Rosenberry,³ Kenneth R. Shoemaker, Glenn W. Snoke, John S. Ward, Bradley S. Everly, Joel R. Zullinger, and Jeffrey W. Embly (collectively, “Individual Defendants”); (iv) Smith Elliott Kearns & Company, LLC (“SEK”); and, (v) Piper Sandler & Co.⁴ and Janney Montgomery Scott LLC (collectively, the “Underwriters”). Orrstown, Individual Defendants, SEK and Underwriters are collectively referred to herein as “Defendants.”

This Stipulation memorializes the terms on which Plaintiff and Defendants (together, “Parties”) have agreed to resolve this Litigation (“Settlement”), and is intended to fully, finally, and forever resolve, discharge, and settle the Released Claims, subject to approval of the Court and the terms and conditions in this Stipulation.

I. SUMMARY OF THE LITIGATION

On May 25, 2012, SEPTA, a purchaser of Orrstown Financial Services, Inc. common stock, commenced this Action by filing a Class Action Complaint for Violations of Federal Securities Laws (“Initial Complaint”, Dkt. No. 1) in the United States District Court for the Middle District of Pennsylvania (“Court”), on behalf of itself and a proposed class of purchasers of Orrstown

¹ All capitalized terms used herein are defined herein.

² Deceased.

³ Deceased.

⁴ Piper Sandler & Co. is the successor by merger to Sandler O’Neill + Partners L.P.

EXECUTION VERSION

Financial Services, Inc. common stock from March 24, 2010 to October 27, 2011. The Initial Complaint asserted claims against Orrstown and certain Individual Defendants under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (“Exchange Act”) and United States Securities and Exchange Commission (“SEC”) Rule 10b-5 (collectively, the “Exchange Act Claims”), and under Sections 11, 12(a)(2), and 15 of the Securities Act of 1933, as amended (“Securities Act” and “Securities Act Claims”).

As set forth in the Initial Complaint, the Exchange Act Claims and Securities Act Claims generally involved allegations that Orrstown’s filings with the SEC, which include filings by Orrstown in March 2010 for a \$45 million public offering of 1.7 million shares of its common stock at \$27 per share (the “March 2010 Offering” and “Offering Documents”) and Orrstown’s periodic, quarterly, and annual SEC reports beginning with Orrstown’s Form 10-K annual report for the fiscal year ended 2009 (the “Reports”): contained materially false and misleading statements about Orrstown’s loan portfolio, its financial condition, and whether Orrstown had taken adequate reserves to cover loan losses; concealed Orrstown’s failures of internal controls over financial reporting; and, included false and misleading audit opinions. As of April 27, 2012, Orrstown’s stock was trading at \$7.94 per share.

On August 20, 2012 the Court appointed SEPTA as Lead Plaintiff and approved Chimicles Schwartz Kriner & Donaldson-Smith LLP⁵ as Lead Counsel pursuant to applicable provisions of the Private Securities Litigation Reform Act of 1995 (“PSLRA”). (Dkt. No. 33).

Subsequently, and prior to Plaintiff filing its amended complaint in March 2013, the Parties engaged in substantive discussions about the Action, Plaintiff’s claims, and Defendants’ defenses

⁵ Effective January 2019, Plaintiff’s Counsel, which was known for 25 years as Chimicles & Tikellis LLP, changed its name to Chimicles Schwartz Kriner & Donaldson-Smith LLP, reflecting the retirement of former name partner Pamela Tikellis.

EXECUTION VERSION

thereto, and discussed whether resolution of the Action at that time was possible.

The Parties, however, did not reach a resolution, and on March 4, 2013, Plaintiff filed its First Amended Complaint (“FAC”, Dkt. No. 40). In addition to the claims and allegations in the Initial Complaint, the FAC asserted Exchange Act Claims and Securities Act Claims, named as additional defendants SEK and the Underwriters, and extended the claims to Persons who purchased Orrstown Financial Services, Inc. common stock between March 15, 2010 and April 5, 2012, inclusive.

Each group of Defendants moved to dismiss the FAC, which motion the Court granted on June 22, 2015. (Dkt. Nos. 92-93). SEPTA filed a motion for leave to amend, which the Court granted, and on February 6, 2016, SEPTA’s Second Amended Complaint (“SAC”) was deemed filed (Dkt. No. 101). Each group of Defendants moved to dismiss the SAC in March 2016.

On December 7, 2016, the Court granted in part and denied in part Defendants’ motions to dismiss the SAC. (Dkt. Nos. 126-127). The Court upheld certain of the Exchange Act Claims against Orrstown and certain Individual Defendants, and dismissed the Securities Act Claims in full, the Exchange Act Claims as against SEK, and all Exchange Act Claims for Reports filed prior to the second quarter of 2010. *Id.*

With the motions to dismiss resolved, the PSLRA-imposed stay of discovery was lifted, and the Parties commenced discovery in or around March 2017. Plaintiff received and reviewed over a million pages of documents from Defendants and over two dozen other third-parties (including borrowers and Bank consultants), and deposed one representative from SEK and one of the Bank’s consultants. Plaintiff also sought, and engaged in telephonic and written conferrals and ultimately motion practice regarding, the production of documents that had been withheld by certain Defendants and certain third parties based on an asserted confidential supervisory

EXECUTION VERSION

information (“CSI”) privilege.

In December 2017 and January 2018, Plaintiff and certain Defendants exchanged opening and rebuttal expert reports addressing whether the Action could be certified under Fed. R. Civ. P. 23 as a class action.

On April 11, 2019, Plaintiff sought leave to file the Third Amended Complaint (“TAC”) (Dkt. No. 182), which incorporated evidence and facts Plaintiff secured in discovery and reasserted the previously dismissed claims which included the Securities Act Claims against all Defendants and the Exchange Act Claims as against SEK, and expanded the class period to assert claims on behalf of Persons who purchased Orrstown Financial Services, Inc. common stock from March 15, 2010 through April 26, 2012, inclusive (“Class Period”). On February 14, 2020 the Court granted Plaintiff leave to file the TAC. (Dkt. Nos. 197-198).

In March 2020, Defendants moved the Court to certify for immediate interlocutory appeal the issue of whether the statutes of repose barred certain previously dismissed claims that were reasserted in the TAC.

In April 2020, Defendants moved to dismiss the TAC in its entirety.

On July 17, 2020, the Court ruled on Defendants’ motion for interlocutory appeal, finding that there existed substantial ground for difference of opinion on the issue of whether the reasserted claims were barred by the statute of repose, and certified the issue for interlocutory appeal (Dkt. Nos. 229- 230).

On July 27, 2020, Defendants filed a petition to appeal pursuant to 28 U.S.C. §1292 in the United States Circuit Court for the Third Circuit, which SEPTA opposed on August 5, 2020. The Third Circuit granted the petition on August 13, 2020. The Parties filed their principal appeal briefs in November and December 2020, filed supplemental briefs in January 2021, and appeared

EXECUTION VERSION

for argument on February 10, 2021 before the Third Circuit Court of Appeals. On September 2, 2021, in a unanimous, precedential opinion, the Third Circuit affirmed the Court's ruling, holding that SEPTA could reassert the previously dismissed claims in the TAC. *SEPTA v. Orrstown Fin. Servs.*, 12 F.4th 337 (3d Cir. 2021).

Soon thereafter, while the motions to dismiss the TAC and motion to compel production of CSI were pending, the Parties agreed to engage the services of Robert Meyer, Esquire, an experienced and nationally recognized mediator with JAMS. After exchanging mediation briefs, the Parties participated in an all-day mediation with Mr. Meyer on January 19, 2022, but were unsuccessful in reaching a resolution. The Parties so informed the Court, and the Court rescheduled to July 13, 2022 the previously-continued December 9, 2021 hearing and oral argument on Defendants' motions to dismiss the TAC.

On August 18, 2022, the Court issued its order denying in part and granting in part Defendants' motions to dismiss the TAC (Dkt. Nos. 276-277) (the "MTD Order"). The August MTD Order, *inter alia*, upheld certain of the Securities Act Claims asserted in the TAC against SEK, the Underwriters, Orrstown, and certain Individual Defendants, and upheld certain of the Exchange Act Claims against SEK, Orrstown, and certain Individual Defendants. The August MTD Order granted Defendants' motions to dismiss certain of Plaintiff's Securities Act Claims and Exchange Act Claims that were based on certain statements in the Offering Documents and Reports.

On August 18, 2022, the Court also issued an order (Dkt. Nos. 278-279) granting SEPTA's motion to compel production of the withheld CSI, consisting of approximately 3,000 documents, which certain Defendants produced and Plaintiff reviewed.

On October 3, 2022, Defendants filed their answers to the TAC.

EXECUTION VERSION

During an October 5, 2022 Court-scheduled status conference, the Parties informed the Court that they were re-engaging in settlement discussions with the aid of Mr. Meyer; and, conferring regarding a proposed case schedule to set deadlines for key events through the date of trial.

In the following weeks, the Parties separately engaged with Mr. Meyer to discuss their respective positions, and on October 28, 2022 the Parties participated in a scheduled all-day mediation session with Mr. Meyer. The October 28, 2022 mediation concluded without a settlement-in-principle, but the Parties agreed to continue discussing a potential resolution with Mr. Meyer's assistance.

In early November 2022, Mr. Meyer presented the Parties with a mediator's proposal to assist them in forging an agreement-in-principle to resolve the Action.

The parties accepted the mediator's proposal, and on November 7, 2022 the Parties executed a memorandum of understanding, which set forth their agreement-in-principle to resolve and settle the Action in exchange for a total payment of \$15 million to the Class, inclusive of fees and costs.

The Parties then negotiated the terms of this Stipulation.

II. PLAINTIFF'S CLAIMS AND THE BENEFITS OF SETTLEMENT

Plaintiff believes the claims asserted in the Litigation have merit and that evidence exists to support them. However, Plaintiff and its counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Action through trial and appeals. They have also taken into account the uncertainty and risk of continued litigation through expert discovery, summary judgment and trial, including the difficulties and delays inherent in complicated securities class actions and claims arising under the PSLRA, and have taken into

EXECUTION VERSION

account the availability to Defendants of defenses to the securities law violations asserted in the Action. Accordingly, based on their evaluation, Plaintiff and Lead Counsel believe that the Settlement confers substantial benefits on the Class while eliminating the risk and uncertainty of continued litigation, including the possibility that Defendants might prevail, in whole or in part. Thus, Plaintiff and its counsel have concluded, after due investigation and carefully considering the relevant circumstances, including, without limitation, the claims asserted in the Action, the legal and factual defenses thereto, and the applicable law, that (i) it is in the best interests of the Class to enter into this Stipulation in order to avoid the uncertainties of litigation and to ensure that the benefits reflected herein are obtained for the Class and (ii) the terms and conditions of this Stipulation are fair, reasonable, and adequate, and in the best interests of the Class Members.

III. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY

Defendants have denied and continue to deny every claim alleged and all charges of wrongdoing or liability arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Litigation, that Plaintiff or the Class have suffered any damage, and that the price of Orrstown securities was artificially inflated by alleged misrepresentations, nondisclosures or otherwise by the conduct alleged in the Litigation. Defendants maintain that they have meritorious defenses to all claims alleged in the Litigation. Nonetheless, Defendants have concluded that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation in order to avoid the cost, risks, and distraction of continued litigation. Each of the Defendants denies any liability or wrongdoing, and this Stipulation shall in no event be construed or deemed to be evidence of, or an admission or concession on the part of any Defendant with respect to any claim or allegation of, any fault, liability, wrongdoing, or damage whatsoever or any infirmity in the defenses that Defendants have,

EXECUTION VERSION

or could have, asserted. Defendants expressly deny that Plaintiff has asserted any valid claims and expressly deny any and all allegations of fault, liability, wrongdoing, and damages.

IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among Plaintiff (for itself and Class Members) and Defendants, by and through their respective counsel, that, subject to 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.

1. Definitions

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

1.1 “Authorized Claimant” means any Class Member whose claim for recovery has been allowed pursuant to the terms of the Stipulation.

1.2 “Claims Administrator” means Kroll Settlement Administration, LLC.

1.3 “Class” means all Persons who purchased or otherwise acquired the common stock of Orrstown Financial Services, Inc. during the Class Period. Excluded from the Class are Defendants and their families, officers, affiliates, entities in which they have or had a controlling interest, and the legal representatives, heirs, successors-in-interest or assigns of any such excluded party. Also excluded from the Class are any Persons who timely and validly request exclusion from the Class, as approved by the Court.

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

1.5 “Class Period” means the period from March 15, 2010 through April 26, 2012, inclusive.

EXECUTION VERSION

1.6 “Defendants” means the defendants named in the TAC, consisting of (i) Orrstown Financial Services, Inc. and Orrstown Bank (collectively, “Orrstown”); (ii) Anthony F. Ceddia, Jeffrey W. Coy, Mark K. Keller, Andrea Pugh, Thomas R. Quinn, Jr., Gregory A. Rosenberry, Kenneth R. Shoemaker, Glenn W. Snoke, John S. Ward, Bradley S. Everly, Joel R. Zullinger, and Jeffrey W. Embly (collectively, “Individual Defendants”); (iii) Smith Elliott Kearns & Company, LLC (“SEK”); and, (iv) Piper Sandler & Co. and Janney Montgomery Scott LLC (collectively, the “Underwriters”).

1.7 “Defendants’ Counsel” means the law firms of White and Williams, LLP, Goldberg Segalla LLP, Wachtell, Lipton, Rosen & Katz, and Cozen O’Connor.

1.8 “Defendants’ Released Parties” means (i) Defendants; (ii) each and all of their respective current and former parents, affiliates, subsidiaries, beneficial owners, successors, predecessors, assigns, and assignees; (iii) the current and former officers, directors, employees, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, attorneys, agents, affiliates, insurers (including but not limited to Liberty International Underwriters and Liberty Insurance Underwriters, Inc.), reinsurers, predecessors, successors, assigns, and advisors of each and all of the Persons or entities listed in (i) and (ii); and (iv) any entity in which a Defendants’ Released Party has a direct or indirect controlling interest or which has a direct or indirect controlling interest in a Defendants’ Released Party.

1.9 “Effective Date,” or the date upon which this Settlement becomes “effective,” is the date by which all of the events and conditions specified in ¶7.1 herein have been met and have occurred.

1.9A “Escrow Account” means the account that is established, maintained, and controlled by the Escrow Agent into which Defendants shall deposit or cause to be deposited the

EXECUTION VERSION

Settlement Amount for the benefit of the Class pursuant to this Stipulation and subject to the jurisdiction of the Court.

1.10 “Escrow Agent” means Huntington National Bank.

1.11 “Escrow Agreement” means the agreement between Lead Counsel and Escrow Agent setting forth the terms under which the Escrow Agent shall maintain the Escrow Account.

1.11A “Fee and Expense Application” means the application or applications that Lead Counsel will submit for (a) an award of attorneys’ fees; plus (b) expenses or charges in connection with prosecuting the Litigation; plus (c) 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, to be paid from the Settlement Fund. Lead Counsel reserves the right to make additional applications for payment of fees and expenses from the Settlement Fund, as may be appropriate.

1.12 “Final,” with respect to the Judgment or any other court order, means: (i) if no appeal is filed, the expiration date of the time provided for filing or noticing any appeal under the Federal Rules of Appellate Procedure, *i.e.*, thirty (30) days after entry of the judgment or order; or (ii) if there is an appeal from the judgment or order, (a) the date of final dismissal of all such appeals, or the final dismissal of any proceeding on certiorari or otherwise, or (b) the date the judgment or order is finally affirmed on an appeal, the expiration of the time to file a petition for a writ of certiorari or other form of review, or the denial of a writ of certiorari or other form of review, and, if certiorari or other form of review is granted, the date of final affirmance following review pursuant to that grant. However, any appeal or proceeding seeking subsequent judicial review concerning only the issue of attorneys’ fees, costs, or expenses, the Plan of Allocation (as submitted or subsequently modified), or the procedures for determining Authorized Claimants’

EXECUTION VERSION

recognized claims shall not in any way delay or preclude a judgment from becoming Final.

1.13 “Judgment” means the final judgment to be entered by the Court approving the Settlement, substantially in the form attached hereto as Exhibit B.

1.14 “Lead Counsel” means Chimicles Schwartz Kriner & Donaldson-Smith LLP.

1.15 “Litigation” or “Action” means this action, captioned *Southeastern Pennsylvania Transportation Authority, et al., v. Orrstown Financial Services, et al*, Civil Action No. 1:12-cv-00993 (M.D. Pa.). “Dkt. No” citations are to the docket in this Action.

1.16 “Net Settlement Fund” means the Settlement Fund less: (i) all Court-awarded attorneys’ fees, expenses, and interest, and any award to Plaintiff; (ii) Notice and Administration Expenses; (iii) Taxes and Tax Expenses; and (iv) any other Court-approved fees, expenses or deductions.

1.17 “Notice” means the long-form notice of pendency and proposed settlement of class action, substantially in the form of Exhibit A-1 attached hereto.

1.18 “Notice and Administration Expenses” means all costs, fees, and expenses incurred in connection with providing notice to the Class and the administration of the Settlement, including but not limited to: (i) providing notice of the proposed Settlement by mail, publication, and other means to Class Members; (ii) receiving and reviewing claims; (iii) applying the Plan of Allocation; (iv) communicating with Persons regarding the proposed Settlement and claims administration process; (v) distributing the proceeds of the Settlement; and (vi) fees related to the Escrow Account and investment of the Settlement Fund.

1.19 “Person” means an individual, corporation, limited liability corporation, professional corporation, partnership, limited partnership, limited liability partnership, limited liability company, joint venture, association, joint stock company, estate, legal representative,

EXECUTION VERSION

trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and their spouses, heirs, predecessors, successors, representatives, or assignees.

1.20 “Plaintiff” or “Lead Plaintiff” or “Class Representative” mean SEPTA.

1.21 “Plaintiff’s Released Parties” means (i) Plaintiff, Lead Counsel, and all other Class Members; (ii) the current and former parents, affiliates, subsidiaries, successors, predecessors, assigns, and assignees of each of the foregoing in (i); and, (iii) the current and former officers, directors, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, agents, affiliates, insurers, reinsurers, predecessors, successors, assigns, and advisors of each of the Persons or entities listed in (i) and (ii), in their capacities as such and who has the right, ability, standing, or capacity to assert or maintain any of the Released Claims.

1.22 “Plan of Allocation” means the proposed plan, to be approved by the Court, whereby the Net Settlement Fund shall be allocated to Authorized Claimants.

1.23 “Preliminary Approval Order” means the order, substantially in the form of Exhibit A attached hereto, to be entered by the Court preliminarily approving the Settlement, approving and directing the mailing of the Notice and publication of the Summary Notice, setting deadlines by which Class Members must object to the Settlement and exclude themselves from the Class, and approving the certification of this Action under Fed. R. Civ. P. 23 for settlement purposes only.

1.24 “Proof of Claim and Release” and “Claim Form” mean the Proof of Claim and Release form for submitting a claim, which, subject to approval of the Court, shall be substantially in the form attached hereto as Exhibit A-2.

1.25 “Released Claims” means all Released Defendants’ Claims and all Released

EXECUTION VERSION

Plaintiff's Claims.

1.26 "Released Defendants' Claims" means all claims, demands, rights, liabilities and causes of action of every nature and description, whether known or Unknown Claims, whether arising under federal, state, common or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims against Defendants, except for (i) claims relating to the enforcement of the Settlement; and (ii) claims for contractual indemnity as between Defendants.

1.27 "Released Plaintiff's Claims" means all claims, demands, rights, liabilities, and causes of action of every nature and description, whether known or Unknown Claims, accrued or unaccrued, in law or in equity, whether arising under federal, state, common or foreign law, whether direct, indirect, or derivative, that Lead Plaintiff or any other member of the Class (i) asserted in the TAC, or (ii) could have asserted in any forum that arise out of, relate to, or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions, set forth in the TAC and relate to or arise from the purchase or acquisition of Orrstown common stock during the Class Period. Released Plaintiff's Claims do not include: (i) any claims relating to the enforcement of the Settlement; and (ii) any claims of any person or entity who or which submits a request for exclusion that is accepted by the Court.

1.28 "Releasee(s)" or "Released Parties" mean each and any of the Defendants' Released Parties and each and any of the Plaintiff's Released Parties.

1.29 "Releases" means the releases set forth in ¶4 of this Stipulation.

1.30 "Settlement" means the resolution of the Action in accordance with the terms and provisions of this Stipulation.

1.31 "Settlement Amount" means Fifteen Million Dollars (\$15,000,000.00) in cash to

EXECUTION VERSION

be paid by wire transfer(s) to the Escrow Agent pursuant to ¶2.1-2.2 of this Stipulation.

1.32 “Settlement Fund” means the Settlement Amount plus all interest and accretions thereto, and which may be reduced by payments or deductions as provided for herein and approved by Court order.

1.33 “Settlement Hearing” means the hearing to be held by the Court to consider, *inter alia*, whether the proposed Settlement is fair, reasonable, and adequate and should be approved, and whether to approve the proposed Plan of Allocation and Plaintiff’s Fee and Expense Application.

1.34 “Settling Parties” means Defendants and Plaintiff, on behalf of itself and the Class.

1.35 “Summary Notice” means a summary form of the Notice for publication substantially in the form attached as Exhibit A-3 hereto, to be published as set forth in the Preliminary Approval Order.

1.36 “Tax” or “Taxes” mean any and all taxes, fees, levies, duties, tariffs, imposts, and other charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any governmental authority.

1.37 “Tax Expenses” means expenses and costs incurred in connection with the operation and implementation of ¶2.6-¶2.8 (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 ¶2.8).

1.38 “Unknown Claims” means any Released Plaintiff’s Claims which the Plaintiff or Class Member does not know or suspect to exist in their favor at the time of the release of such claims, and any Released Defendants’ Claims which Defendants do not know or suspect to exist in their favor at the time of the release of such claims, which, if known by them, might have

EXECUTION VERSION

affected their decision with respect to this Settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date of the Settlement, Plaintiff and Defendants shall expressly waive, and each of the other Class Members shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Plaintiff and Defendants acknowledge, and the Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a part.

2. The Settlement

A. The Settlement Amount

2.1 Defendants shall pay into the Escrow Account the Settlement Amount of fifteen million dollars (\$15,000,000) as follows:

a. Orrstown, on behalf of Orrstown, the Individual Defendants and the Underwriters, shall pay or cause to be paid thirteen million (\$13,000,000) of the Settlement Amount within thirty (30) calendar days after the entry of the Preliminary Approval Order, by wire transfer in accordance with instructions to be provided by Lead Counsel

b. SEK, on behalf of itself, shall pay or cause to be paid two million (\$2,000,000) of the Settlement Amount within ten (10) calendar days after the later to occur of (i) receipt from Lead Counsel of the information necessary to effectuate a transfer of

EXECUTION VERSION

funds to the Escrow Account by check, including the account name and “payable to” information, and a signed W-9 reflecting a valid taxpayer identification number for the qualified settlement fund in which the Settlement Amount is to be deposited, and (ii) the entry of the Judgment granting final approval of the Settlement.

If either payment due date falls on a weekend or federal holiday, the payment due date will be on the next business day. Orrstown and SEK are each only responsible for payment of that portion of the Settlement Amount set forth above as their respective portion of the Settlement Amount.

2.2 If the entire Settlement Amount is not timely paid into the Escrow Account, Lead Counsel may terminate the Settlement but only if (i) Lead Counsel has notified Defendants’ Counsel in writing via e-mail of Lead Counsel’s intention to terminate the Settlement, and (ii) the entire Settlement Amount is not transferred into the Escrow Account within three (3) calendar days after Lead Counsel has provided such written notice (with the same provision above if the payment date lands on a weekend or federal holiday).

2.3 The Settlement Fund shall be applied as follows

- (a) to pay all Notice and Administration Expenses;
- (b) to pay the Taxes and Tax Expenses described in ¶2.8 hereof;
- (c) to pay attorneys’ fees and expenses of counsel for Plaintiff (“Fee and Expense Award”), if and to the extent allowed by the Court; and,
- (d) after the Effective Date, to distribute the Net Settlement Fund to Authorized Claimants as allowed by the Stipulation, the Plan of Allocation, or the Court.

2.4 The obligations incurred pursuant to this Stipulation shall be in full and final

EXECUTION VERSION

disposition and settlement of all Released Claims. The Settlement Amount paid by Defendants or on behalf of Defendants is the sole monetary responsibility of the Released Parties under this Stipulation.

2.5 The Released Parties are not responsible for payment of Notice and Administration Expenses, other than out of the Settlement Fund, as provided herein.

B. The Escrow Agent

2.6 The Escrow Agent shall invest the Settlement Amount deposited pursuant to ¶2.1 - 2.2 hereof in United States Agency or Treasury Securities or other instruments backed by the Full Faith & Credit of the United States Government or an Agency thereof, or fully insured by the United States Government or an Agency thereof and shall reinvest the proceeds of these instruments as they mature in similar instruments at their then-current market rates. All risks related to the investment of the Settlement Fund in accordance with the investment guidelines set forth in this paragraph shall be borne by the Settlement Fund and the Released Parties shall have no responsibility for, interest in, or liability whatsoever with respect to investment decisions or the actions of the Escrow Agent, or any transactions executed by the Escrow Agent. The Escrow Agent shall not disburse the Settlement Fund except as provided in the Stipulation, by an order of the Court, or with the written agreement of Counsel for the Parties.

2.7 Subject to further order(s) and/or directions as may be made by the Court, or as provided in the Stipulation, the Escrow Agent is authorized to execute such transactions as are consistent with the terms of the Stipulation. The Released Parties shall have no responsibility for, interest in, or liability whatsoever with respect to the actions of the Escrow Agent, or any transaction executed by the Escrow Agent. 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

EXECUTION VERSION

the Court, until such time as such funds shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

C. Taxes

2.8 (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 ¶2.8, 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. The Escrow Agent is responsible for timely and properly preparing and delivering the necessary documentation for signature by all necessary parties, and thereafter causing 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 Claims Administrator. The Claims Administrator 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 ¶2.8(a) hereof) shall be consistent with this ¶2.8 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 ¶2.8(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 Released Parties or their counsel with respect to any income earned by the Settlement Fund for any period, after the deposit of the Settlement Amount, during which the

EXECUTION VERSION

Settlement Fund does not qualify as a “qualified settlement fund” for federal or state income tax purposes, and (ii) Tax Expenses, shall be paid out of the Settlement Fund; in all events the Released Parties and their counsel shall have no liability or responsibility for the Taxes or the Tax Expenses. Further, Taxes and Tax Expenses 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 authorized (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized Claimants any funds necessary to pay such amounts, including the establishment of adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be required to be withheld under Treas. Reg. §1.468B-2(1)(2)); neither the Released Parties nor their counsel are responsible nor shall they have any liability for any Taxes or Tax Expenses. The Settling Parties 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 ¶2.8.

D. Class Certification

2.9 Solely for purposes of the Settlement, Defendants stipulate and agree to (a) certification of the Litigation as a class action pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure on behalf of the Class; (b) certification of Plaintiff as the Class representative for the Class; and (c) appointment of Lead Counsel as Class counsel for the Class pursuant to Rule 23(g) of the Federal Rules of Civil Procedure. If the Settlement does not become effective for any reason, the stipulations provided for in this paragraph shall be null and void and shall not be referred to or used in any way in this Action or in any litigation, and the position of the Parties with respect to class action certification will be restored to that set forth in Section IV.7.

E. Termination of Settlement

EXECUTION VERSION

2.10 In the event that the Stipulation is not approved or the Stipulation is terminated, canceled, or fails to become effective for any reason, the Settlement Fund less Notice and Administration Expenses, Taxes and Tax Expenses paid, incurred, or due and owing in connection with the Settlement, shall be refunded pursuant to written instructions from Defendants' Counsel in accordance with Section IV.7 herein.

3. Preliminary Approval Order and Settlement Hearing

3.1 Upon execution of this Stipulation, Lead Counsel shall promptly submit the Stipulation and related materials to the Court, file an unopposed motion for preliminary approval of the Settlement as set forth in the Stipulation, and apply for entry of the Preliminary Approval Order, substantially in the form of Exhibit A attached hereto, requesting, *inter alia*, preliminary approval of the Settlement, approval for mailing of the Notice and publication of a Summary Notice (substantially in the forms of Exhibits A-1 and A-3 attached hereto), and certification of the Class for settlement purposes. The Notice shall include, *inter alia*, 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 a request to set a date for the Court to hold the Settlement Hearing.

4. Releases

4.1 The obligations incurred pursuant to this Stipulation are (a) subject to approval by the Court and entry of the Judgment, reflecting such approval becoming Final; and, (b) in full and final disposition of the Action with respect to the Released Parties and Released Claims.

4.2 Upon the Effective Date of the Settlement, by operation of the Judgment, Plaintiff, on behalf of itself and the Plaintiff's Released Parties, and the Class Members shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived and discharged

EXECUTION VERSION

each and every Released Plaintiff's Claim against Defendants' Released Parties, and shall forever be barred and enjoined from commencing, instituting, prosecuting, or maintaining any and all of the Released Claims against any of the Defendants' Released Parties in any jurisdiction.

4.3 Upon the Effective Date of the Settlement, by operation of the Judgment, Defendants shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Defendants' Claim against Plaintiff's Released Parties, and against each other, and shall forever be barred and enjoined from commencing, instituting, prosecuting, or maintaining any and all of the Released Claims against any of the Plaintiff's Released Parties and against each other in any jurisdiction.

4.4 Notwithstanding ¶¶ 4.2-4.3 above, nothing in the Judgment shall bar any action by any of the Settling Parties to enforce or effectuate the terms of this Stipulation or the Judgment.

5. Notice, Claims Administration, Calculation of Claims and Supervision and Distribution of the Settlement Fund

5.1 Except as otherwise provided herein, the Net Settlement Fund shall be held in the Escrow Account until the Effective Date.

5.2 Pursuant to the Class Action Fairness Act ("CAFA"), 28 U.S.C. § 1715, no later than ten (10) days after the Stipulation is filed with the Court, Defendants will serve proper notice of the proposed Settlement upon the appropriate representatives and, within three (3) business days thereafter, will provide written notification to Lead Counsel and the Court that they have done so. Defendants shall be responsible for all costs and expenses related to such notification.

5.3 Within ten (10) calendar days after the entry of the Preliminary Approval Order, at no cost to Plaintiff or the Class, Defendants shall provide Plaintiff with Orrstown's transfer agent's lists or records in electronic searchable form (such as Excel) of the names and addresses of Persons who were record holders of Orrstown common stock during the Class Period ("Orrstown Notice

EXECUTION VERSION

List”) , to the extent such records are retrievable by the transfer agent(s).

5.4 Within twenty-one (21) calendar days after the entry of the Preliminary Approval Order, the Claims Administrator will mail the Notice and Claim Form to all members of the Class who can be identified with reasonable effort utilizing the Orrstown Notice List and proprietary lists maintained by the Claims Administrator of banks, brokers and other nominees. In the Notice, the nominees will be directed to provide names and addresses to the Claims Administrator or will request copies of the Notice/Claim Form that they will mail to their customers. Within twenty-eight (28) calendar days after the entry of the Preliminary Approval Order, the Claims Administrator will cause the publication or dissemination of the Summary Notice once each in Investors’ Business Daily and over PRNewswire.

5.5 Lead Counsel shall cause to be provided to Defendants’ Counsel copies of all requests for exclusion, and any written revocation of requests for exclusion, as expeditiously as possible, and within the sooner of three (3) calendar days of Lead Counsel’s receipt or fourteen (14) calendar days prior to the Settlement Hearing.

5.6 Prior to the Effective Date, and after the Court enters the Preliminary Approval Order, without further approval from Defendants or further order of the Court, Lead Counsel may pay from the Settlement Fund reasonable Notice and Administration Expenses incurred of up to \$125,000. Additional amounts may be paid before the Effective Date upon approval from Defendants or order of the Court. Taxes may be paid as incurred without further order of the Court or approval of Defendants. In the event the Effective Date of the Settlement does not occur, such payments shall be made from the Settlement Fund without recourse to Plaintiff or Lead Counsel.

5.7 After the Effective Date of the Settlement, without further approval of Defendants or further order of the Court, Notice and Administration Expenses may be paid as incurred.

EXECUTION VERSION

Defendants shall have no responsibility for, and no liability whatsoever with respect to, notice to the Class or any Notice and Administrative Expenses, except that Defendants shall be responsible for providing any required notice under CAFA at their own expense, as provided for herein.

5.8 Within 120 calendar days after the mailing of the Notice or such other time as may be set by the Court, each Person claiming to be an Authorized Claimant shall be required to submit to the Claims Administrator a completed Claim Form, substantially in the form of Exhibit A-2 attached hereto, signed under penalty of perjury and supported by such documents as are specified therein. Any Person who files a Claim Form shall reasonably cooperate with the Claims Administrator, including by promptly responding to any inquiry made by the Claims Administrator.

5.9 After the Effective Date, and in accordance with the terms of the Stipulation, the Plan of Allocation, or such further approval and further order(s) of the Court as may be necessary or as circumstances may require, the Net Settlement Fund shall be distributed to Authorized Claimants, subject to and in accordance with the following provisions in this Section IV.5.

5.10 The Claims Administrator, subject to such supervision and direction of the Court as may be necessary or as circumstances may require, shall administer and calculate the claims submitted by Class Members and shall oversee distribution of the Net Settlement Fund to Authorized Claimants in accordance with the terms of this Stipulation and the Court-approved Plan of Allocation.

5.11 All Members of the Class (except Persons who have timely and validly requested exclusion from the Class) shall be bound by all determinations and judgments in the Litigation concerning the Settlement, including, but not limited to, the releases provided for therein, whether favorable or unfavorable to the Class, regardless of whether such Persons seek or obtain by any

EXECUTION VERSION

means, including, without limitation, by submitting a Proof of Claim and Release form or any similar document, any distribution from the Settlement Fund or the Net Settlement Fund.

5.12 Except as otherwise ordered by the Court, all Class Members who fail to timely submit a valid Proof of Claim and Release or a request for exclusion within the 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, and will be barred from bringing any action against the Released Parties concerning the Released Claims. Notwithstanding the foregoing, Lead Counsel shall have the discretion (but not an obligation) to accept late-submitted claims for processing by the Claims Administrator so long as distribution of the Net Settlement Fund to Authorized Claimants is not materially delayed thereby.

5.13 After the Effective Date, and in accordance with the terms of the Stipulation, the Plan of Allocation, or such further approval and further order(s) of the Court as may be necessary or circumstances require, the Net Settlement Fund shall be distributed to the Authorized Claimants whose recognized claim computes to \$10.00 or more.

5.14 If there is any balance remaining in the Net Settlement Fund after a reasonable period of time after the date of the initial distribution of the Net Settlement Fund, Lead Counsel shall, if feasible, reallocate (which reallocation may occur on multiple occasions) such balance among Authorized Claimants in an equitable and economic fashion. Thereafter, any de minimis balance which still remains in the Net Settlement Fund shall be donated to MidPenn Legal Services, or a non-profit and non-sectarian organization(s) chosen by the Court.

5.15 Lead Counsel shall be responsible for supervising the administration of the Settlement and disbursement of the Net Settlement Fund by the Claims Administrator. Lead

EXECUTION VERSION

Counsel shall have the discretion, but not the obligation, to advise the Claims Administrator to waive what Lead Counsel deem to be de minimis or formal or technical defects in any Proof of Claim submitted, or to accept untimely claims if distribution of the Net Settlement Fund will not be materially delayed thereby. Lead Counsel shall bear no responsibility for the exercise or non-exercise of this discretion.

5.16 Defendants shall have no responsibility for, interest in, or liability whatsoever with respect to the distribution of the Net Settlement Fund, the Plan of Allocation, the determination, administration, or calculation of claims, the payment or withholding of Taxes or Tax Expenses, or any losses incurred in connection therewith, subject to Court approval.

5.17 No Person shall have any claim of any kind against the Defendants with respect to the matters set forth in ¶¶5.6-5.15 and Plaintiff's Released Parties release the Defendants' Released Parties from any and all liability and claims arising from or with respect to the administration, investment or distribution of the Settlement Fund.

5.18 No Person shall have any claim of any kind against Defendants, Plaintiff, Lead Counsel, Defendants' Counsel, or the Claims Administrator, based on determinations or distributions made substantially in accordance with the Stipulation and the Settlement contained herein, the Plan of Allocation, or further order(s) of the Court.

5.19 It is understood and agreed by the Settling Parties that any proposed Plan of Allocation of the Net Settlement Fund, including, but not limited to, any adjustments to an Authorized Claimant's claim set forth therein, is not a part of the Stipulation and is 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 proceeding relating to the Plan of Allocation shall not operate to terminate or cancel the Stipulation or affect the finality of

EXECUTION VERSION

the Court's Judgment approving the Stipulation and the Settlement.

6. Plaintiff's Attorneys' Fees and Expenses

6.1 Lead Counsel will submit to the Court a Fee and Expense Application, for an award from the Settlement Fund of attorneys' fees and payment of expenses incurred in prosecuting the Action, including any earnings on such amounts at the same rate and for the same periods as earned by the Settlement Fund. Lead Counsel reserves the right to make additional applications for fees and expenses incurred. Defendants take no position on Lead Counsel's Fee and Expense Application.

6.2 Any attorneys' fees and expenses, as awarded by the Court, shall be paid to Lead Counsel from the Settlement Fund, as ordered, immediately after the Court executes the Judgment and an order awarding such fees and expenses, notwithstanding the existence of any timely filed objections thereto or to the Settlement, or potential for appeal therefrom, or collateral attack on Fee and Expense Application, the Settlement or any part thereof.

6.3 If 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 such reversal, modification, cancellation or termination becomes Final and not subject to review, and if the Fee and Expense Award has been paid to any extent, then Lead Counsel shall make the appropriate refund or repayment to the Settlement Fund no later than thirty (30) calendar days after receiving notice of the termination of the Settlement pursuant to this Stipulation, or notice from a court of appropriate jurisdiction of the disapproval of the Settlement by a Final non-appealable court order, or notice of any reduction or reversal of the award of attorneys' fees and/or expenses by Final non-appealable court order.

6.4 The procedure for and allowance or disallowance by the Court of Lead Counsel's

EXECUTION VERSION

Fee and Expense Application, to be paid out of the Settlement Fund, 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 shall have no effect on the terms of the Stipulation or on the validity or enforceability of the Settlement. The approval of the Settlement, and it becoming Final, shall not be contingent on any fee or expense award to Lead Counsel, or any appeals from such awards. Any order or proceeding 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.

6.5 Any fees and/or expenses awarded by the Court shall be paid solely from the Settlement Fund.

7. Conditions of Settlement, Effect of Disapproval, Cancellation or Termination

7.1 The Effective Date of the Stipulation shall be conditioned on the occurrence of all of the following events

- (a) the Settlement Amount has been deposited into the Escrow Account;
- (b) the Court has entered the Preliminary Approval Order, substantially in the form set forth in Exhibit A attached hereto;
- (c) the Court has granted final approval to the Settlement as described herein, following notice to the Class and a hearing, as required by Rule 23 of the Federal Rules of Civil Procedure, and entered the Judgment, substantially in the form of Exhibit B attached hereto;
- (d) Defendants have not exercised their option to terminate the Stipulation pursuant to ¶7.3 hereof; and

EXECUTION VERSION

(e) the Judgment has become Final.

7.2 Upon the Effective Date, any and all remaining interest or right of Defendants in or to the Settlement Fund, if any, shall be absolutely and forever extinguished and the Releases herein shall be effective. If the conditions specified in ¶7.1 hereof are not met, then the Stipulation shall be canceled and terminated subject to ¶7.4 hereof unless Lead Counsel and Defendants' Counsel mutually agree in writing to proceed with the Stipulation.

7.3 Defendants shall have the option to terminate the Settlement if Class Members who in the aggregate purchased more than a certain number of shares of Orrstown Financial Services, Inc. common stock during the Class Period, timely and validly exclude themselves from the Class in accordance with and in the manner set forth in the Notice, as set forth in a confidential separate agreement (the "Supplemental Agreement") to be executed between Plaintiff and Defendants, by and through their counsel, concurrently with this Stipulation. The terms of the Supplemental Agreement shall not be disclosed in any other manner other than the statements herein and in the Notice, or as otherwise provided in the Supplemental Agreement unless and until the Court otherwise directs or a dispute arises between Plaintiff and Defendants concerning its interpretation or application. If submission of the Supplemental Agreement to the Court is required for resolution of a dispute or is otherwise ordered by the Court, the Parties will undertake to have the Court review the Supplemental Agreement *in camera* without filing it on the docket. If the Court requires that the Supplemental Agreement be filed, the Parties shall request that it be filed under seal or with the percentage redacted.

7.4 Plaintiff and Defendants each shall have the right to terminate the Settlement and this Stipulation by providing written notice of their election to do so ("Termination Notice") to all other parties hereto within thirty (30) calendar days only if one or more of the following occurs:

EXECUTION VERSION

- (a) the Court's refusal to enter the Preliminary Approval Order substantially in the form set forth in Exhibit A attached hereto;
- (b) the Court's refusal to approve this Stipulation;
- (c) the Court's refusal to enter the Judgment, or a judgment substantially in the form of Exhibit B attached hereto;
- (d) the date upon which the Judgment is reversed or vacated or altered following any appeal taken therefrom, or is successfully collaterally attacked; or
- (e) the failure of the Effective Date to occur for any reason.

For avoidance of doubt, no order of the Court or modification or reversal on appeal of any order of the Court concerning the Plan of Allocation, Fee and Expense Application, or the amount of any attorneys' fees, expenses, and interest awarded by the Court to Lead Counsel or any amount awarded to Plaintiff shall operate to terminate or cancel this Stipulation or constitute grounds for cancellation or termination of the Stipulation.

7.5 Unless otherwise ordered by the Court, if the Stipulation shall terminate, or be canceled, or shall not become effective for any reason, within five (5) business days after written notification of such event is sent by counsel for the terminating Settling Party to the other Settling Parties and the Escrow Agent, the Settlement Fund (including accrued interest), *less expenses* which have either been disbursed or are chargeable to the Settlement Fund pursuant to ¶¶ 2.8, 2.10, 5.4, 5.6 hereof, shall be refunded from the Escrow Account pursuant to written instructions from Defendants' Counsel. The Escrow Agent or its designee shall apply for any tax refund owed on the Settlement Amount and pay the proceeds, after deduction of any fees or expenses incurred in connection with such application(s) for refund, pursuant to written instructions from Defendants'

EXECUTION VERSION

Counsel.

7.6 If the Stipulation is not approved by the Court or the Settlement set forth in the Stipulation is terminated or fails to become effective in accordance with its terms, the Settling Parties shall be restored to their respective positions in the Litigation as of November 1, 2022. In such event, the terms and provisions of the Stipulation, with the exception of Section VI.1, and ¶¶ 2.6-2.8, 6.3, 7.5-7.7, and 9.5 hereof, shall have no further force and effect with respect to the Settling Parties and shall not be used in this Litigation or in any other proceeding for any purpose, and any judgment or order entered by the Court in accordance with the terms of the Stipulation shall be treated as vacated, *nunc pro tunc*. No order of the Court or modification or reversal on appeal of any order of the Court or modification or reversal on appeal of any order of the Court concerning the Plan of Allocation, Fee and Expense Application, or the amount of any attorneys' fees, costs, expenses, and interest awarded by the Court to Lead Counsel shall operate to terminate or cancel this Stipulation or constitute grounds for cancellation or termination of the Stipulation.

7.7 If the Effective Date does not occur, or if the Stipulation is terminated pursuant to its terms, neither Plaintiff nor Lead Counsel shall have any obligation to repay any amounts disbursed pursuant to ¶¶ 2.8, 2.10, 5.4, 5.6. In addition, any expenses already incurred pursuant to ¶¶ 2.8, 2.10, 5.4, 5.6 hereof at the time of such termination or cancellation but which have not been paid, shall be paid by the Escrow Agent in accordance with the terms of the Stipulation prior to the balance being refunded in accordance with ¶7.5 hereof.

7.8 In the event of a final order of a court of competent jurisdiction, not subject to any further proceedings, determining the transfer of the Settlement Fund, or any portion thereof, by or on behalf of Defendants to be a voidable preference, voidable transfer, fraudulent transfer, or similar transaction under Title 11 of the United States Code (Bankruptcy), or applicable state law,

EXECUTION VERSION

and any portion thereof is required to be refunded and such amount is not promptly deposited in the Settlement Fund by or on behalf of any Defendant, then, at the election of Plaintiff, as to Defendants, the Settlement may be terminated and the Judgment entered in favor of Defendants pursuant to the Settlement shall be null and void and the Settlement Fund shall be promptly returned. Alternatively, at the election of Plaintiff, the Settling Parties shall jointly move the Court to vacate and set aside the release given and the Judgment entered in favor of the Defendants and that the Defendants and Plaintiff and the Members of the Class shall be restored to their litigation positions as of November 1, 2022, and the Settlement Fund shall be promptly returned.

8. No Admission of Wrongdoing or Concession by any Settling Party

8.1 The Settlement, this Stipulation (whether or not consummated) and the Exhibits hereto, including the contents thereof, the negotiations leading to the execution of this Stipulation and the Settlement, any proceedings taken pursuant to or in connection with this Stipulation, and/or approval of the Settlement (including any arguments proffered in connection therewith), and any communication relating thereto, are not evidence, nor an admission or concession by any Settling Party or its counsel, of any fault, liability or wrongdoing whatsoever, as to any facts or claims alleged or asserted in the Action, or any other actions or proceedings, or as to the validity or merit of any of the claims or defenses alleged or asserted in any such action or proceeding.

8.2 Neither the Settlement, this Stipulation (whether or not consummated) and the Exhibits hereto, including the contents thereof, the negotiations leading to the execution of this Stipulation and the Settlement, nor any proceedings taken pursuant to or in connection with this Stipulation, and/or approval of the Settlement (including any arguments proffered in connection therewith) shall be (a) offered or received against any Settling Party as evidence of or construed as or deemed to be evidence of any presumption, concession, or admission by any Settling Party

EXECUTION VERSION

of the truth of any allegations by Plaintiff, or the validity of any claim or defense that has been or could have been asserted in the Litigation, or the validity or deficiency of any defense that has been or could have been asserted in the Litigation or in any other litigation, including, but not limited to, litigation of the Released Claims, or that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial or in any proceeding other than this Settlement; or, (b) offered or received against any Settling Party as evidence of a presumption, concession, or admission of any fault, misrepresentations, or omission, the absence of any fault, misrepresentation, or omission, with respect to any statement or written document approved or made by any Defendant, or against Plaintiff or any Member of the Class as evidence of any infirmity in the claims of Plaintiff and the Class; provided, however, that if this Stipulation is approved by the Court, the Settling Parties may refer to it to effectuate the releases granted them hereunder.

8.4 Settling Parties may file this Stipulation and/or Judgment from this Action in any other action that may be brought against them in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any theory of claim preclusion or issue preclusion or similar defense or counterclaim.

9. Miscellaneous Provisions

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

EXECUTION VERSION

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, and, based upon the publicly available information at the time, this Action was filed in good faith, and was not frivolous. The Settling Parties agree that the Settlement Amount and the other terms of the Settlement were negotiated in good faith by the Settling Parties, and reflect a settlement that was reached voluntarily after consultation with competent legal counsel.

9.3 Plaintiff and its counsel and Defendants and their counsel shall not make any accusations of wrongful or actionable conduct by any party concerning the prosecution, defense, and resolution of the Action, and shall not otherwise suggest that the Settlement embodied in this Stipulation constitutes an admission of any claim or defense alleged. The Settling Parties reserve their right to rebut, in a manner that such party determines to be appropriate (while protecting from disclosure confidential communications made in furtherance of settlement), any contention made in any public forum regarding the Litigation, including that the Litigation was brought without a reasonable basis.

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

9.5 Whether or not this Stipulation is approved by the Court and whether or not the Settlement embodied in this Stipulation is consummated, the Settling Parties and their counsel shall use their best efforts to keep all negotiations, discussions, acts performed, agreements, drafts, documents signed and proceedings had in connection with this Stipulation confidential. Notwithstanding the foregoing, the Settling Parties agree that this Stipulation, when signed by or on behalf of the Settling Parties, will be made public and may be filed publicly as part of any motion for preliminary or final approval of the Settlement.

EXECUTION VERSION

9.6 All of the Exhibits to the Stipulation are material and integral parts hereof and are fully incorporated herein by this reference. Notwithstanding the foregoing, if there is a conflict or inconsistency between the terms of this Stipulation and any exhibit attached thereto, the terms of this Stipulation shall prevail.

9.7 Defendants shall determine the form of notice to be provided for the purpose of satisfying the requirements of the Class Action Fairness Act and will identify those who are entitled to receive notice as provided for therein. Defendants shall be responsible for providing such notice within ten (10) calendar days after this Stipulation is filed with the Court, as provided for in 28 U.S.C. §1715(b) and for all expenses and costs related thereto.

9.8 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.

9.9 The waiver by any Party of any breach of this Stipulation by any other Party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

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

9.11 Lead Counsel, on behalf of the Class, is expressly authorized by Plaintiff to take all appropriate action required or permitted to be taken by the Class pursuant to the Stipulation to effectuate its terms and is expressly authorized to enter into any modifications or amendments to the Stipulation on behalf of the Class which it deems appropriate.

9.12 Each counsel or other Person executing the Stipulation or any of its Exhibits on

EXECUTION VERSION

behalf of any party hereto hereby warrants that such Person has the full authority to do so.

9.13 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 executed counterparts shall be filed with the Court. Signatures sent by facsimile or pdf via e-mail shall be deemed originals.

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

9.15 The Court shall retain jurisdiction with respect to implementing and enforcing the terms of the Stipulation, and all Settling Parties submit to the Court's jurisdiction for purposes of implementing and enforcing the Settlement embodied in the Stipulation and matters related to it. Any such actions, motions, or disputes arising under or to enforce this Stipulation or any portion thereof shall be commenced and maintained only in this Court.

9.16 Plaintiff and Defendants agree to suspend all activity in this Litigation except as necessary to present the Settlement to the Court and to cooperate in seeking the Court's approval of the Preliminary Approval Order, which provides that all activity in this Litigation shall be stayed, and all Class Members shall be barred and enjoined from prosecuting any of the Released Claims against any of the Released Parties, pending final approval of the Settlement.

9.17 Nothing in the Stipulation, or the negotiations relating thereto, is intended to or shall be deemed to constitute a waiver of any applicable privilege or immunity, including, without limitation, attorney-client privilege, joint defense privilege, or work product protection.

9.18 Without further order of the Court, the Parties may agree to reasonable extensions of time to carry out any of the provisions of this Stipulation.

9.19 This Stipulation and the Exhibits hereto shall be considered to have been

EXECUTION VERSION

negotiated, executed and delivered, and to be wholly performed, in the Commonwealth of Pennsylvania, and the rights and obligations of the Parties to the Stipulation shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of the Commonwealth of Pennsylvania without giving effect to Pennsylvania's choice-of-law principles. This Stipulation shall not be construed more strictly against one party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Parties, it being recognized that it is the result of arm's-length negotiations between all Parties and that all Parties have contributed substantially and materially to the preparation of this Stipulation.

9.20 Within ten (10) calendar days of entry of Final Judgment by the Court, each party receiving CSI shall certify to Orrstown's counsel that all such CSI has been destroyed, or deleted if electronically stored. The Parties understand and agree that such certifications may be provided to those entities who have asserted that documents, information or things were protected by the CSI privilege.

IN WITNESS WHEREOF, the Parties have caused this Stipulation to be executed, by their duly authorized attorneys, as of December 7, 2022.



Nicholas E. Chimicles
Kimberly Donaldson-Smith
Timothy N. Mathews
**CHIMICLES SCHWARTZ KRINER
& DONALDSON-SMITH LLP**
One Haverford Centre
361 West Lancaster Avenue
Haverford, PA 19041
Telephone: (610) 642-8500
Fax: (610) 649-3633
nick@chimicles.com
kimdonaldsonsmith@chimicles.com
tnm@chimicles.com

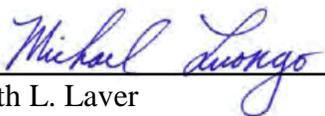


David J. Creagan
David E. Edwards
Farzana Islam
WHITE AND WILLIAMS, LLP
1650 Market Street
One Liberty Place, Suite 1800
Philadelphia, PA 19103
215-864-7032
Email: creagand@whiteandwilliams.com
edwardsd@whiteandwilliams.com
islamf@whiteandwilliams.com

Counsel for Orrstown Defendants

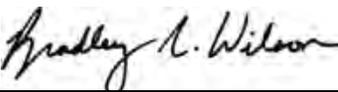
EXECUTION VERSION

*Counsel for Plaintiff Southeastern
Pennsylvania Transportation Authority*

/s/ 

Seth L. Laver
Michael P. Luongo
GOLDBERG SEGALLA LLP
1700 Market Street
Suite 1418
Philadelphia, PA 19103
267-519-6820
Fax: 267-519-6801
Email: slaver@goldbergsegalla.com

*Counsel for Defendant Smith Elliott Kearns
& Company, LLC*

/s/ 

Bradley R. Wilson
Emily R. Barreca
**WACHTELL, LIPTON, ROSEN
& KATZ**
51 West 52nd Street
New York, NY 10019
(212) 403-1000
Email: BRWilson@wlrk.com

*Counsel for Defendants Piper Sandler & Co.
and Janney Montgomery Scott LLC*

Exhibit A

**CHIMICLES SCHWARTZ KRINER
& DONALDSON-SMITH LLP**

Nicholas E. Chimicles, Pa. Id. No. 17928
Kimberly Donaldson Smith, Pa. Id. No. 84116
Timothy N. Mathews, Pa. Id. No. 91430
One Haverford Centre
361 West Lancaster Avenue
Haverford, PA 19041
Phone (610) 642-8500
Fax (610) 649-3633

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF PENNSYLVANIA**

SOUTHEASTERN PENNSYLVANIA
TRANSPORTATION AUTHORITY, on
behalf of itself and all others similarly
situated,

Plaintiff,

v.

ORRSTOWN FINANCIAL SERVICES,
INC., ORRSTOWN BANK, ANTHONY
F. CEDDIA, JEFFREY W. COY, MARK
K. KELLER, ANDREA PUGH,
THOMAS R. QUINN, JR., GREGORY A.
ROSENBERY, KENNETH R.
SHOEMAKER, GLENN W. SNOKE,
JOHN S. WARD, BRADLEY S.
EVERLY, JOEL R. ZULLINGER,
JEFFREY W. EMBLY, SMITH
ELLIOTT KEARNS & COMPANY,
LLC, SANDLER O'NEILL &
PARTNERS L.P., and JANNEY
MONTGOMERY SCOTT LLC,

Defendants.

Civil Action No. 1:12-cv-00993

CLASS ACTION

**[PROPOSED] ORDER
PRELIMINARILY APPROVING
SETTLEMENT AND PROVIDING
FOR NOTICE**

**EXHIBIT A TO STIPULATION
AND AGREEMENT OF
SETTLEMENT**

WHEREAS, an action is pending before this Court entitled *Southeastern Pennsylvania Transportation Authority, et al., v. Orrstown Financial Services, et al*, Civil Action No. 1:12-cv-00993 (M.D. Pa.). (“Litigation”);

WHEREAS, Plaintiff has made application, pursuant to Federal Rule of Civil Procedure 23(e), for an order preliminarily approving the Settlement of this Litigation, in accordance with a Stipulation and Agreement of Settlement dated as of December 7, 2022 (“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, unless otherwise defined, all terms used herein have the same meanings as set forth in the Stipulation.

WHEREAS, the Court preliminarily finds that the proposed Settlement should be approved as:

- (i) the result of informed, serious, extensive arm’s-length and non-collusive negotiations between experienced counsel following mediation under the direction of an experienced mediator;
- (ii) eliminating the risks to the Settling Parties of continued litigation;

- (iii) has no obvious deficiencies;
- (iv) it does not provide undue preferential treatment to the Class Representative or segments of the Class; and
- (v) it appears to fall within the range of possible approval and is therefore sufficiently fair, reasonable, and adequate to warrant providing notice of the proposed Settlement to Class Members and further consideration of the Settlement at the Settlement Hearing described below.

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. The Court has reviewed the Stipulation and preliminarily approves the Settlement set forth therein as fair, reasonable, and adequate to the Class, subject to further consideration at the Settlement Hearing described below.

2. Pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure, and for purposes of this Settlement only, the Court preliminarily certifies the following Class: All Persons who purchased or otherwise acquired the common stock of Orrstown Financial Services, Inc. during the Class Period, which is defined as the period from March 15, 2010 through April 26, 2012, inclusive. Excluded from the Class are:

- a. Defendants and their families, officers, affiliates, entities in which they have or had a controlling interest, and the legal representatives, heirs,

successors-in-interest or assigns of any such excluded party.

- b. Any Persons who timely and validly request exclusion from the Class, pursuant to the requirements described below and in the Notice of Pendency and Proposed Settlement of Class Action (“Notice”) to be sent to Class Members pursuant to this Order. The Notice is Exhibit A-1 to the Stipulation.
3. The Court finds, for the purposes of the Settlement only, that the prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (a) the Class is so numerous that joinder of all Class Members is impracticable; (b) there are questions of law and fact common to the Class; (c) Plaintiff’s claims are typical of those of the Class; (d) Plaintiff and Lead Counsel have fairly and adequately represented the Class’s interests and will continue to do so; (e) questions of law and fact common to Class Members predominate over any questions affecting only individual Class Members; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.
4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, Plaintiff is preliminarily certified as Class Representative and Lead Counsel Chimicles Schwartz Kriner & Donaldson-Smith LLP is preliminarily certified as Class Counsel.

Settlement Hearing

5. A hearing (“Settlement Hearing”) shall be held before this Court on _____, 2023 [a date approximately 100 calendar days from the date of this Order], at the United States District Court for the Middle District of Pennsylvania, Ronald Reagan Federal Building and United States Courthouse, 228 Walnut Street, Harrisburg, PA 17101, to determine: whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to the Class and should be approved; whether the proposed Final Judgment and Order of Dismissal with Prejudice, as provided under the Stipulation, should be entered; whether the proposed Plan of Allocation is fair, reasonable, and adequate and should be approved; whether the Class should be finally certified for purposes of the Settlement only; whether Plaintiff and Lead Counsel should be finally appointed as Class Representative and Class Counsel, respectively, for purposes of the Settlement only; the amount of fees and litigation expenses that should be awarded to Lead Counsel; and, such other matters relating to this Settlement as may properly be before the Court.

6. The Court may hold the Settlement Hearing by telephone or other means, including by using videoconferencing technology, and may adjourn the Settlement Hearing without further notice to Class Members, provided that the time or the date of the Settlement Hearing shall not be set at a time or date earlier than the

time and date set forth in ¶5 and any new date / time will be promptly posted on the Claims Administrator's website upon being ordered.

7. The Court reserves the right to adjourn the date of the Settlement Hearing without further notice to Class Members and retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement.

8. 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.

Notice and Claims Administration

9. Pursuant to Fed. R. Civ. P. 23(c), the firm of Kroll Settlement Administration, LLC ("Claims Administrator") is hereby appointed to supervise and administer the notice procedure as well as the processing of claims as more fully set forth below.

10. Not later than twenty-one (21) calendar days after the Court signs and enters this Order (the "Notice Date"), the Claims Administrator shall commence mailing the Notice and Proof of Claim and Release form, substantially in the forms annexed to the Stipulation, by First-Class Mail to all Class Members who can be identified with reasonable effort, utilizing the Orrstown Notice List (to the extent such records are retrievable by the transfer agent(s)) and proprietary lists maintained by the Claims Administrator of banks, brokers and other nominees. In the Notice, the nominees will be directed to provide names and addresses to the Claims

Administrator or will request copies of the Notice/Claim Form that they will mail to their customers.

11. Not later than twenty-one (21) calendar days after the Court signs and enters this Order, the Claims Administrator shall cause the Notice and Proof of Claim and Release form to be posted on a website created for this Settlement located at www.orrstownsecuritiessettlement.com.

12. Not later than twenty-eight (28) calendar days after the Court signs and enters this Order, the Claims Administrator shall cause the publication of the Summary Notice in Investor's Business Daily and disseminate the Summary Notice using PRNewswire, a national newswire service.

13. At least seven (7) calendar days prior to the Settlement Hearing, Lead Counsel shall serve on Defendants' Counsel and file with the Court proof, by affidavit or declaration, of such mailing and publishing.

14. Brokers and other nominees who purchased or otherwise acquired Orrstown Financial Services, Inc. common stock for the beneficial ownership of Class Members during the Class Period shall be requested to send the Notice and the Proof of Claim and Release form to all such beneficial owners within ten (10) calendar days after receipt thereof, or send a list of the names and addresses of such beneficial owners to the Claims Administrator within ten (10) calendar days of receipt thereof, in which event the Claims Administrator shall promptly mail the

Notice and Proof of Claim and Release form to such beneficial owners. Additional copies of the Notice and Proof of Claim and Release form shall be made available to any nominee requesting same for the purpose of distribution to beneficial owners. The Claims Administrator shall, if requested, reimburse out of the Settlement Fund nominees' administrative costs actually incurred in connection with forwarding the Notice and which costs would not have been incurred but for the obligation to forward the Notice, in an amount up to \$0.20 per record plus postage (if applicable), and only upon submission of appropriate documentation to the Claims Administrator, and subject to further order of this Court with respect to any dispute concerning such reimbursement.

15. The form and content of the notice program, and the methods for notifying the Class of the Settlement and its terms and conditions, the Fee and Expense Application, and the Plan of Allocation, described herein in ¶¶ 9-14 of this Order:

- a. meet the requirements of the Federal Rules of Civil Procedure (including Rules 23(c)-(e)), the United States Constitution (including the Due Process Clause), Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. §78u-4(a)(7), as added by the Private Securities Litigation Reform Act of 1995, and the Rules of this Court;
- b. constitute the best notice to Class Members practicable under the

circumstances;

- c. are reasonably calculated, under the circumstances, to apprise the Class Members of (i) the proposed Settlement of this Litigation; (ii) their right to exclude themselves from the Class; (iii) their right to object to any aspect of the proposed Settlement; (iv) their right to appear at the Settlement Hearing, either on their own or through counsel hired at their own expense, if they did not exclude themselves from the Settlement Class; and (v) the binding effect of the proceedings, rulings, orders and judgments in this Litigation, whether favorable or unfavorable, on all persons not excluded from the Class; and,
- d. are reasonable and constitute due, adequate and sufficient notice to all Persons entitled thereto.

Effect of Final Judgment

16. All Class Members (which excludes Persons who timely and validly request exclusion pursuant to ¶21 below) shall be bound by all determinations and judgments in the Litigation concerning the Settlement, including, but not limited to, the releases provided for therein, whether favorable or unfavorable to the Class regardless of whether such Persons seek or obtain by any means, including, without limitation, by submitting a Proof of Claim form or any similar document, any distribution from the Settlement Fund or the Net Settlement Fund.

Proof of Claim and Release

17. Class Members who wish to participate in the Settlement shall complete and submit a Proof of Claim and Release form in accordance with the instructions contained therein. Unless the Court orders otherwise, all Proofs of Claim must be postmarked or submitted electronically no later than one-hundred twenty (120) calendar days from the Notice Date. Any Class Member who files a Proof of Claim shall reasonably cooperate with the Claims Administrator, including by promptly responding to any inquiry made by the Claims Administrator. Any Class Member who does not timely submit a Proof of Claim within the time provided for, shall be barred from sharing in the distribution of the proceeds of the Settlement Fund but shall nonetheless be bound by entry of the final Judgment by the Court. Notwithstanding the foregoing, Lead Counsel may, in its discretion, accept late-submitted claims for processing by the Claims Administrator so long as distribution of the Net Settlement Fund to Authorized Claimants is not materially delayed thereby, but shall not incur any liability for declining to do so.

18. The Proof of Claim submitted by each Class Member must satisfy the following conditions, unless otherwise ordered by the Court: (i) it must be properly completed, signed and submitted in a timely manner; (ii) it must be accompanied by adequate supporting documentation for the transactions in Orrstown Financial Services, Inc. common stock reported therein, in the form of broker confirmation

slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by Lead Counsel or the Claims Administrator; (iii) if the person executing the Proof of Claim is acting in a representative capacity, a certification of his, her, or its current authority to act on behalf of the Class Member must be included therein; (iv) it must be complete and contain no material deletions or modifications of any of the printed matter contained therein; and (v) it must be signed under penalty of perjury.

19. Once the Claims Administrator has considered a timely submitted Proof of Claim, it shall determine whether such claim is valid, deficient, or rejected. For each claim determined to be either deficient or rejected, the Claims Administrator shall send a deficiency letter or rejection letter, as appropriate, describing the basis on which the claim was so determined. If any claimant whose claim has been rejected in whole or in part wishes to contest such rejection, the claimant must, within twenty (20) calendar days after the date of mailing of the notice of rejection, serve upon the Claims Administrator a notice and statement of reasons indicating the claimant's ground for contesting the rejection along with any supporting documentation. If an issue concerning a claim cannot be otherwise resolved, the claimant may thereafter present the request for review to the Court.

20. As part of the Proof of Claim, each Settlement Class Member shall

submit to the jurisdiction of the Court with respect to the claim submitted, and shall, upon the Effective Date, release all Released Claims as provided in the Stipulation. No discovery shall be allowed on the merits of the Action or the Settlement in connection with processing any Proof of Claim.

Request for Exclusion

21. Any Person falling within the definition of the Class may, upon request, be excluded or “opt out” from the Class.

- a. Any such Person must submit to the Claims Administrator a request for exclusion (“Request for Exclusion”), by First-Class Mail such that it is postmarked no later than twenty-one (21) calendar days before the Settlement Hearing. A Request for Exclusion must be signed and state:
 - (a) the name, address, and telephone number of the Person requesting exclusion;
 - (b) information on the Person’s purchases, acquisitions and sales of Orrstown Financial Services, Inc. common stock during the Class Period; and
 - (c) that the Person wishes to be excluded from the Class. A Person submitting a Request for Exclusion shall provide supporting documentation for the Person’s transactions in Orrstown Financial Services, Inc. common stock reported therein, such as broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a

broker confirmation slip, or such other documentation as is deemed adequate by Lead Counsel. The Request for Exclusion shall not be effective unless it provides the required information and is made within the time stated above, or the exclusion is otherwise accepted by the Court.

- b. All Persons who submit valid and timely Requests for Exclusion in the manner set forth in this paragraph shall have no rights under the Stipulation, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Stipulation or any final judgment. The Claims Administrator shall promptly send any and all Requests for Exclusion to Lead Counsel, who will promptly send the Requests for Exclusion to Defendants' Counsel.
- c. Any Person who is excluded from the Class by virtue of having submitted a valid and timely Request for Exclusion may, at any point up to five (5) calendar days before the Settlement Hearing, submit a written revocation of Request for Exclusion following the same instructions in ¶21a.

Commenting on or Objecting to the Settlement

22. Any Class Member may enter an appearance in the Litigation, at their own expense, individually or through counsel of their own choice. If they do not

enter an appearance, they will be represented by Lead Counsel.

23. Any Class Member who does not timely and validly request exclusion may appear and show cause 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, why the Plan of Allocation should or should not be approved, or why attorneys' fees and expenses should or should not be awarded; *provided, however*, that as to any objection,

- a. no Class Member or any other Person shall be heard or entitled to object to such matters unless that Person has (i) delivered by hand or sent by First-Class Mail written objections, including copies of any papers and briefs in support of such objections, such that they are received (not just postmarked) on or before a date twenty-one (21) calendar days before the Settlement Hearing to: Lead Counsel Chimicles Schwartz Kriner & Donaldson-Smith LLP, 361 West Lancaster Avenue, Haverford, Pennsylvania 19041, and, on behalf of Defendants, White and Williams, LLP, 1650 Market Street, Suite 1800 Philadelphia, PA 19103, who will promptly deliver any such objections to all Defendants' Counsel; and (ii) filed any such objections, papers, and briefs with the Clerk of the United States District Court for the Middle District of Pennsylvania, Ronald Reagan Federal Building and

United States Courthouse, 228 Walnut Street, Harrisburg, PA 17101, on or before a date twenty-one (21) calendar days before the Settlement Hearing.

- b. any objection must: (i) state the name, address, and telephone number of the objector submitting the objection and must be signed by the objector (even if the objector is represented by counsel); (ii) state whether the objector is a Class Member; (iii) include documents sufficient to prove the objector's membership in the Class, such as documents sufficient to show the number of Orrstown Financial Services, Inc. common shares purchased or acquired during the Class Period, as well as the dates and prices of each such purchase or acquisition; (iv) state what the objector is objecting to, such as the proposed Settlement, the Plan of Allocation, or Plaintiff's Fee and Expense Application; (v) state the objection(s) and the specific reasons for each objection, including legal and evidentiary support the objector wishes to bring to the Court's attention; (vi) state with specificity whether the objection applies only to the objector, to a specific subset of the Class, or to the entire Class; (vii) state whether the objector is represented by counsel; and (viii) identify any other class actions to which either the objector or their counsel has previously objected

within the preceding five years.

- c. The Court will consider a Class Member's objection only if the Class Member has complied with the above requirements.
- d. Any Class Member who does not make their 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, unless otherwise ordered by the Court.
- e. Attendance at the Settlement Hearing is not necessary. Persons wishing to be heard orally in opposition to the approval of the Settlement, the Plan of Allocation, and/or the Plaintiff's Fees and Expense Allocation, must file a written objection and indicate in the written objection their intention to appear at the Settlement Hearing.
- f. Any Class Member who decides to hire an attorney to represent him/her/it, will do so at their own expense, and that attorney must file a notice of appearance with the Clerk's Office and serve it on Counsel in the manner set forth in ¶23a.

Escrow Account

24. All funds held by the Escrow Agent in the Escrow Account 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.

Filings in Support of the Settlement

25. All opening briefs and supporting documents in support of the Settlement, the Plan of Allocation, and Plaintiff's Fee and Expense Application, shall be filed and served by a date thirty-five (35) calendar days before the Settlement Hearing. Replies to any objections shall be filed and served a date seven (7) calendar days before the Settlement Hearing.

26. Neither Defendants and their Related Parties nor Defendants' Counsel shall have any responsibility for the Plan of Allocation, and the Plan of Allocation and any request for attorneys' fees or expenses by Plaintiff's Counsel, and such matters will be considered separately from the fairness, reasonableness, and adequacy of the Settlement.

27. At or after the Settlement Hearing, the Court shall determine whether the Plan of Allocation proposed by Lead Counsel, and Plaintiff's Fee and Expense Application shall be approved.

Notice and Claims Administration Expenses

28. 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. If the Settlement is not approved by the Court or otherwise fails to become effective, neither Plaintiff nor its counsel shall have any obligation to repay any amounts incurred and properly disbursed pursuant to ¶¶2.8, 2.10, 5.4, 5.6 of the Stipulation.

No Admissions

29. Neither this Order, the Stipulation, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, shall be construed an admission or concession by any Settling Party or its counsel, of any fault, liability or wrongdoing whatsoever, as to any facts or claims alleged or asserted in the Action, or any other actions or proceedings, or as to the validity or merit of any of the claims or defenses alleged or asserted in any such action or proceeding.

30. Neither this Order, the Stipulation, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, shall be used by any person in the Litigation, or in any other action or proceeding, whether civil, criminal, or administrative, in any court, administrative agency, or other tribunal, except in connection with any proceeding to enforce the terms of the Stipulation. The Released Parties and each of their counsel may file the Stipulation and/or the Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of claim

preclusion or issue preclusion or similar defense or counterclaim.

Additional Matters

31. If the Stipulation and the Settlement set forth therein is not approved or consummated for any reason whatsoever, the Stipulation and Settlement and all proceedings had in connection therewith shall be without prejudice to the rights of the Settling Parties *status quo ante* as set forth in ¶7.6 of the Stipulation.

32. Until otherwise ordered by the Court, the Court shall stay all proceedings in the Litigation other than proceedings necessary to carry out or enforce the terms and conditions of the Stipulation. Pending final determination of whether the proposed Settlement should be approved, neither Plaintiff nor any Class Member, directly or indirectly, representatively, or in any other capacity, shall commence or prosecute against any Defendant, any action or proceeding in any court or tribunal asserting any of the Released Claims.

33. The Court retains exclusive jurisdiction over the Litigation to consider all further matters arising out of or connected with the Settlement.

IT IS SO ORDERED.

DATED: _____

THE HONORABLE YVETTE KANE
UNITED STATES DISTRICT JUDGE

Exhibit A-1

EXECUTION VERSION

Exhibit A-1 to the Stipulation

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF PENNSYLVANIA**

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION
AUTHORITY, on behalf of itself and all others similarly situated,
Plaintiff,
v.
ORRSTOWN FINANCIAL SERVICES, INC., et al,
Defendants.

Civil Action No. 1:12-cv-00993

CLASS ACTION

**NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT,
MOTION FOR ATTORNEYS' FEES, AND SETTLEMENT HEARING**

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by the proceedings in this Action¹ if you purchased or acquired the common stock of Orrstown Financial Services, Inc. (NASDAQ: ORRF) from March 15, 2010 through, and including, April 26, 2012 (“Class Period”).

NOTICE OF SETTLEMENT: Please note that the Court-appointed Lead Plaintiff Southeastern Pennsylvania Transportation Authority (“Plaintiff”) has reached a proposed settlement in the amount of \$15,000,000 in cash, on behalf of itself and the Class (“Settlement”), that, if approved, will resolve all claims in the Action (the “Settlement”) against the Released Parties (as defined below).

PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including that you may be entitled to share in the proceeds of the Settlement and that **to claim your share of the Settlement Fund you must submit a valid and timely Proof of Claim and Release Form (“Claim Form”) postmarked or submitted online on or before _____, 2023.**

Description of the Action and the Class: This Notice relates to a proposed Settlement of claims in a pending securities class action lawsuit brought by an Orrstown shareholder alleging, among other things, that Defendants violated the federal securities law by failing to make required disclosures to shareholders regarding Orrstown’s operations and financial performance. The proposed Settlement, if approved by the Court, will settle claims of all Persons who purchased or otherwise acquired the common stock of Orrstown from March 15, 2010 through, and including, April 26, 2012 (the “Class”).

Statement of the Class’s Recovery: Subject to Court approval, Plaintiff, on behalf of itself and the proposed Class, has agreed to settle all claims in the Action in exchange for a payment of \$15,000,000 in cash (“Settlement Amount”) to be deposited into an interest-bearing escrow account (the “Settlement Fund”). The Net Settlement Fund (which is the Settlement Fund less taxes, tax expenses, notice and administration costs, and attorneys’ fees and litigation expenses awarded to Lead Counsel) will be distributed in accordance with a plan of allocation (“Plan of Allocation”) to be approved by the Court. The proposed Plan of Allocation is set forth in this Notice.

Estimate of Average Amount of Recovery Per Share: Based on Plaintiff’s damages expert’s estimates, the conduct at issue in the Action affected approximately 7 million shares of Orrstown common stock purchased during the Class Period.² Assuming that all eligible Class Members elect to participate in the Settlement and valid claims are timely submitted for every eligible Orrstown common share (which is unlikely), the estimated average recovery from the Settlement Fund is approximately \$2.14 per share, before deducting fees, expenses or other awards that the Court may approve. **This is only an estimate.** Class Members will receive more or less than the estimated amount per share depending on various factors, including: (1) the number of valid claims filed; and (2) when and at what prices they purchased, acquired and/or sold their Orrstown shares.

Average Amount of Damages Per Share: The Settling Parties do not agree on whether Plaintiff would have prevailed on its claims against Defendants. Nor do they agree on the average amount of damages that Class Members could have recovered if Plaintiff prevailed on its claims on behalf of the Class.

Statement of Attorneys’ Fees and Litigation Expenses Sought: Lead Counsel has been prosecuting this Action on a wholly contingent basis since its inception, which means that Lead Counsel has not received any payment of attorneys’ fees for their representation of the Class and has advanced the funds to pay expenses necessarily incurred to prosecute the Action. Lead Counsel

¹ All capitalized terms used in this Notice shall have the meanings provided in the Stipulation and Agreement of Settlement dated December 7, 2022 (“Stipulation”), which is available at www.OrrstownSecuritiesSettlement.com.

² An affected share might have been traded more than once during the Class Period, and this average recovery would be the total for all purchasers of that share.

EXECUTION VERSION

Exhibit A-1 to the Stipulation

will apply to the Court for an award of attorneys' fees from the Settlement Fund in an amount up to thirty-five percent (35%) of the Settlement Amount plus an award of litigation expenses incurred in connection with prosecuting and resolving the Action, in an amount not to exceed \$800,000, plus interest on both amounts from the date of the funding of (and at the same rate as earned by) the Settlement Fund. Other than receipt of its share of the Net Settlement Fund pursuant to the Plan of Allocation on an equal, per share basis to other Class Members, the Plaintiff is not applying for an additional monetary award for its service to the Class. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses. If the maximum amount of fees and expenses are requested and the Court approves Lead Counsel's fee and expense application, the estimated average amount of fees and expenses, assuming claims are filed for all affected shares, will be approximately \$0.86 per share. The Court will determine the fairness and reasonableness of the fee and of the allowance of expenses.

Identification of Attorneys for Plaintiff and the Class: Plaintiff and the Class are represented by Court-appointed Lead Counsel: Nicholas E. Chemicles, Kimberly M. Donaldson-Smith and Timothy N. Mathews, Chemicles Schwartz Kriner & Donaldson-Smith LLP, 361 W. Lancaster Avenue, Haverford, Pennsylvania 19041, Telephone: 610/642-8500.

Reasons for the Settlement: Lead Plaintiff's principal reason for entering into the Settlement is the immediate benefit of a substantial cash recovery for the Class. This benefit must be compared to the risk that no recovery or a smaller recovery might be achieved after contested motions, a trial and the likely appeals that would follow. For Defendants, the principal reason for the Settlement is to eliminate the burden, expense, and uncertainty of further litigation. The proposed Settlement eliminates the risks and uncertainties associated with this Action for both Plaintiff and Defendants and provides Class Members with the certainty of a monetary recovery regardless of Plaintiff's ability to prove these claims, or Defendants' ability to defeat these claims, at trial.

The Court in charge of the Action still has to decide whether to approve the Settlement. Cash payments will be made to Authorized Claimants eligible to receive payment if the Court approves the Settlement and after any appeals are resolved, which may be a lengthy process. **Please be patient.**

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:	
ACTIONS YOU MAY PURSUE	EFFECT OF TAKING THIS ACTION
SUBMIT A PROOF OF CLAIM FORM <u>ONLINE OR POSTMARKED</u> NO LATER THAN _____, 2023.	This is the only way to be potentially eligible to receive a payment from the Net Settlement Fund. If you are a Class Member and you remain in the Class, you will be bound by the Settlement as approved by the Court and you will give up the Released Claims (defined below) that you have against Released Parties (defined below), so it is in your interest to submit a Claim Form.
EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION THAT IS <u>POSTMARKED</u> NO LATER THAN _____, 2023.	If you exclude yourself from the Class, you will get no payment from the Settlement Fund. This is the only option that allows you to ever be part of any other lawsuit against Released Parties for the Released Claims. If you are considering excluding yourself from the Class, please note that there is a risk that any new claims asserted against Defendants would be time-barred. You should talk to a lawyer before you request exclusion from the Class if it is for the purpose of bringing a separate lawsuit.
COMMENT ON OR OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS <u>RECEIVED</u> NO LATER THAN _____, 2023.	Writing to the Court and counsel identified herein to comment on the Settlement or to explain why you do not like the Settlement, the proposed Plan of Allocation, and/or the request for attorneys' fees and litigation expenses. In order to object, you must remain a Class Member, therefore, you cannot request to exclude yourself from the Class and object to the Settlement.
GO TO THE SETTLEMENT HEARING ON _____, 2023 AT : .M., AND FILE A NOTICE OF INTENTION TO APPEAR AT THE SETTLEMENT HEARING SO THAT IT IS <u>RECEIVED</u> NO LATER THAN _____, 2023.	Filing a written objection plus a notice of intention to appear allows you to speak in Court at the discretion of the Court about the fairness of the Settlement, the proposed Plan of Allocation, and/or the request for attorneys' fees and litigation expenses. If you submit a written objection, you may, but do not have to, attend the hearing and, at the discretion of the Court, speak to the Court about your objection.
DO NOTHING.	If you are a member of the Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement. You will, however, remain a member of the Class, which means that you will give up your right to sue about the claims that are resolved by the Settlement, and you will still be bound by the Settlement and any judgments or orders entered by the Court in the Action.

WHAT THIS NOTICE CONTAINS	PAGE
1. Why did I get this Notice?	
2. What is this lawsuit about and what has happened so far?	
3. What are the reasons for the Settlement?	
4. How do I know if I am part of the Settlement? Are there exceptions to being included?	
5. What does the Settlement provide?	
6. What am I giving up by staying in the Class?	
7. How and when can I get a payment?	
8. How much will my payment be? What is the Plan of Allocation?	
9. How do I “opt out” (exclude myself) from the Class and proposed Settlement?	
10. If I do not exclude myself, can I sue Defendants and other Released Parties for the same thing later?	
11. Do I have a lawyer in this case?	
12. How will Plaintiff’s lawyers be paid?	
13. How do I tell the Court that I do not like something about the proposed Settlement?	
14. When and where will the Court decide whether to approve the proposed Settlement?	
15. Do I have to come to the Settlement Hearing, and may I speak if I do?	
16. What happens if I do nothing at all?	
17. Are there more details about the proposed Settlement and the lawsuit?	
18. What if I bought the common stock on someone else’s behalf?	

1. Why did I get this Notice?

The Court directed that this Notice be sent to you because you, someone in your family, or an investment account for which you serve as a custodian, may have purchased or otherwise acquired Orrstown common stock during the Class Period. The Court directed that this Notice be sent to you because, as a potential Class Member, you have the right to know about the proposed Settlement, about all of your options, and how the lawsuit and Settlement may generally affect your legal rights, before the Court decides whether to approve the Settlement. If the Court approves the Settlement, the Settlement will end all of the Class’s and Class Members’ claims against the Defendants (discussed in Section 6, below).

The Court will consider whether to approve the Settlement at a Settlement Hearing on _____ 2023, at : __m. If the Court approves the Settlement, and after any appeals are resolved and the Settlement administration is completed, the Claims Administrator appointed by the Court will make the payments that the Settlement allows.

2. What is this lawsuit about and what has happened so far?

The entity who filed the lawsuit is called a “Plaintiff” and the entities and others sued are called “Defendants.”³ On May 25, 2012, the Plaintiff, a purchaser of Orrstown Financial Services, Inc. common stock, commenced this Action by filing a complaint with the Court, on behalf of itself and a proposed class of purchasers of Orrstown Financial Services, Inc. common stock.

Plaintiff’s claims in the Action are set forth in the Third Amended Complaint (“TAC”) filed as of February 14, 2020. The TAC alleges that Defendants violated the federal securities laws, specifically, Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (“Exchange Act”) and United States Securities and Exchange Commission (“SEC”) Rule 10b-5 (collectively, the “Exchange Act Claims”), and under Sections 11, 12(a)(2), and 15 of the Securities Act of 1933, as amended (“Securities Act” and “Securities Act Claims”). Generally, the Action alleges that Orrstown Financial Services, Inc.’s (the “Company”) filings with the SEC, which include filings in March 2010 for its \$45 million public offering of 1.7 million shares of its common stock at \$27 per share (“Offering Documents”), and the Company’s periodic, quarterly, and annual SEC reports beginning with the Company’s Form 10-K annual report for the fiscal year 2009 (the “Reports”): (a) contained materially false and misleading statements about the Company’s loan portfolio, its financial condition, and whether it had taken adequate reserves to cover loan losses; (b) concealed the

³ The “Plaintiff” is Southeastern Pennsylvania Transportation Authority (“SEPTA”). The “Defendants” are (i) Orrstown Financial Services, Inc. and Orrstown Bank (collectively, “Orrstown”); (ii) Anthony F. Ceddia, Jeffrey W. Coy, Mark K. Keller, Andrea Pugh, Thomas R. Quinn, Jr., Gregory A. Rosenberry, Kenneth R. Shoemaker, Glenn W. Snoke, John S. Ward, Bradley S. Everly, Joel R. Zullinger, and Jeffrey W. Embly (collectively, “Individual Defendants”); (iii) Smith Elliott Kearns & Company, LLC (“SEK”); and, (iv) Piper Sandler & Co. and Janney Montgomery Scott LLC (collectively, the “Underwriters”).

Company's failures of internal controls over financial reporting; and, (c) included false and misleading audit opinions.

In August 2012 the Court appointed SEPTA as Lead Plaintiff and approved Chimicles Schwartz Kriner & Donaldson-Smith LLP as Lead Counsel pursuant to applicable provisions of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). On March 4, 2013, Plaintiff filed its first amended complaint, which, among other things, named SEK and the Underwriters as additional defendants. Each group of Defendants moved to dismiss the Action, which motion the Court granted on June 22, 2015.

On February 6, 2016, Plaintiff filed a second amended complaint, and in March 2016, each group of Defendants moved to dismiss the Action. On December 7, 2016, the Court granted in part and denied in part Defendants' motions to dismiss, upholding certain of the Exchange Act Claims, but dismissing in full the Securities Act Claims, the Exchange Act Claims as against outside auditor SEK, and all Exchange Act Claims that were based on Company Reports filed prior to the second quarter of 2010.

With the motions to dismiss resolved, in or around March 2017, the Parties commenced fact and expert discovery. Plaintiff received and reviewed over a million pages of documents from Defendants and over two dozen third-parties, began to take depositions, and sought the production of documents being withheld on an asserted confidential supervisory information ("CSI") privilege applicable to certain communication between the Company and its banking regulators. During this time, in December 2017 and January 2018, Plaintiff and certain Defendants exchanged opening and rebuttal expert reports on whether the Action could be certified under Fed. R. Civ. P. 23 as a class action.

In April 2019, Plaintiff sought leave, which the Court granted in February 2020, to file the TAC, which incorporated evidence and facts Plaintiff secured in discovery and reasserted the previously dismissed claims, including the Securities Act Claims and the Exchange Act Claims as against SEK, and expanded the class period to assert claims on behalf of Persons who purchased Orrstown Financial Services, Inc. common stock from March 15, 2010 through April 26, 2012, inclusive ("Class Period").

In March 2020, Defendants moved the Court to certify for immediate interlocutory appeal the issue of whether the statutes of repose barred certain previously dismissed claims that were re-asserted in the TAC, and in April 2020, Defendants moved to dismiss the TAC in its entirety. In July 2020, after the Court granted Defendants' motion for interlocutory appeal, Defendants filed a petition to appeal pursuant to 28 U.S.C. §1292 in the United States Circuit Court for the Third Circuit, which was granted in August 2020. After briefing and argument, on September 2, 2021, in a unanimous, precedential opinion, the Third Circuit affirmed the Court's ruling, holding that SEPTA could reassert the previously dismissed claims in the TAC.

Soon thereafter, while the motions to dismiss the TAC and motion to compel production of CSI were pending, the Parties agreed to engage the services of Robert Meyer, Esquire, an experienced and nationally recognized mediator with JAMS. After exchanging mediation briefs, the Parties participated in an all-day mediation with Mr. Meyer in January 2022 but were unsuccessful in reaching a resolution. The Parties so informed the Court, and the Court rescheduled to July 13, 2022 the previously-continued December 9, 2021 hearing and oral argument on Defendants' motions to dismiss the TAC.

On August 18, 2022, the Court issued two rulings. It ruled on Defendants' motions to dismiss the TAC, upholding certain of the Securities Act Claims and certain of the Exchange Act Claims against SEK, Orrstown, and certain Individual Defendants but, dismissing claims that were based on certain statements in the Offering Documents and Reports. It also granted SEPTA's motion to compel production of the withheld CSI, which certain Defendants produced and Plaintiff reviewed. On October 3, 2022, Defendants filed their answers to the TAC.

During an October 5, 2022 Court-scheduled status conference, the Parties informed the Court that they were re-engaging in settlement discussions with the aid of Mr. Meyer; and, conferring regarding a proposed case schedule to set deadlines for key events through the date of trial. The Parties then separately engaged with Mr. Meyer to discuss their respective positions, and on October 28, 2022 the Parties participated in a scheduled all-day mediation session with Mr. Meyer, which concluded without a settlement-in-principle, but the Parties agreed to continue discussing a potential resolution with Mr. Meyer's assistance. In early November 2022, Mr. Meyer presented the Parties with a mediator's proposal to assist them in forging an agreement-in-principle to resolve the Action. The parties accepted the mediator's proposal, and on November 7, 2022 the Parties executed a memorandum of understanding, which set forth their agreement-in-principle to resolve and settle the Action in exchange for a total payment of \$15 million to the Class, inclusive of fees and costs. The Parties then negotiated the terms of the Settlement and Stipulation.

3. What are the reasons for the Settlement?

Lead Plaintiff and Lead Counsel believe that the claims asserted in the Action against Defendants have merit, having prevailed in defeating Defendants' efforts to dismiss the Action and having conducted extensive discovery on the claims. Lead Plaintiff and Lead Counsel recognize, however, the expense and length of continued proceedings necessary to pursue the claims against Defendants through trial and appeals, as well as the risks they would face in establishing liability and damages. The proposed Settlement eliminates risks and uncertainties, and provides Class Members with the certainty of a substantial monetary recovery.

Defendants deny that they have engaged in any wrongdoing, deny that they have any liability for any of the claims alleged in the Action, and deny that the Company's stock price or value was artificially inflated by misstatements and omissions alleged by Plaintiff. Defendants maintain that they have meritorious defenses to all claims alleged in the Litigation. Nonetheless, Defendants recognize the cost, risks, and distraction of continued litigation, trial and any appeals. The Settlement is not and may not be construed

EXECUTION VERSION

Exhibit A-1 to the Stipulation

as an admission of any wrongdoing by Defendants.

In light of the above, the amount of the Settlement and the immediacy of recovery to the Class, Lead Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable and adequate and in the best interests of the Class. Lead Plaintiff and Lead Counsel believe that the Settlement provides a substantial benefit to the Class, namely \$15,000,000 in cash (less the various deductions described in this Notice), as compared to the risks described above.

4. How do I know if I am part of the Settlement? Are there Exceptions to being included?

The Court has issued an Order, for the purposes of the Settlement only, that everyone who fits the following description, and is not excluded by definition from the Class, is a member of the Class, or a "Class Member," unless they take steps to opt out and exclude themselves:

All Persons who purchased or otherwise acquired the common stock of Orrstown Financial Services, Inc. from March 15, 2010 through April 26, 2012, inclusive.

There are some people who are excluded from the Class. Those people are: (a) Defendants and their families, officers, affiliates, entities in which they have or had a controlling interest, and the legal representatives, heirs, successors-in-interest or assigns of any such excluded party; and, (b) Any Persons who timely and validly request and submit exclusion from the Class, pursuant to the requirements described below in Section 9.

RECEIPT OF THIS NOTICE DOES NOT MEAN YOU ARE A CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. If you are a Class Member and you wish to be eligible to participate in the distribution of proceeds from the Settlement, you are required to submit the Claim Form that is being sent with this Notice and the required supporting documentation as set forth therein *postmarked no later than* _____, 2023. Please check your records or contact your broker to see if you acquired eligible Orrstown common stock. If you are not sure whether you are included in the Class, please write to Orrstown Securities Settlement, Claims Administrator, c/o Kroll, [_____]; Call XXX-XXX-XXXX; or visit www.OrrstownSecuritiesSettlement.com. Or you can fill out and return or submit the Proof of Claim Form to see if you qualify.

5. What does the Settlement provide?

In the Settlement, Defendants have agreed to pay and/or cause to be paid \$15 million in cash, which will be deposited in the Settlement Fund, which is an interest-bearing escrow account for the benefit of the Class (the "Settlement Fund"). If the Settlement is approved by the Court and the Effective Date occurs (defined in Section 6), after the deduction from the Settlement Fund of (i) all Court-awarded attorneys' fees, litigation expenses, and any interest thereon; (ii) Notice and Claims Administration Expenses; (iii) Taxes and Tax Expenses; and (iv) any other Court-approved fees, expenses or deductions, the Net Settlement Fund will be divided among all Class Members who timely submit valid Proofs of Claim that are accepted for payment and pursuant to the terms of the Stipulation and Plan of Allocation ("Authorized Claimants"), which is discussed in Section 8 of this Notice.

6. What am I giving up by staying in the Class?

Unless you submit a valid and timely request for exclusion, you will stay in the Class, which means that if the Settlement becomes effective under the terms of the Stipulation (the "Effective Date", defined below), you and your "Plaintiff's Released Parties"⁴ shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Plaintiff's Claim including Unknown Claims (defined below) against Defendants' Released Parties (defined below), and shall forever be barred and enjoined from commencing, instituting, prosecuting, or maintaining any and all of the Released Claims against any of the Defendants' Released Parties in any jurisdiction. **This means that You and your Plaintiff's Released Parties will not in the future be able to bring a case asserting any Released Claim against any Released Party.** In turn, the Stipulation also provides that upon the Effective Date, Defendants shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Defendants' Claim including Unknown Claims against Plaintiff's Released Parties, and against each other, and shall forever be barred and enjoined from commencing, instituting, prosecuting, or maintaining any and all of the Released Claims against any of the Plaintiff's Released Parties and against each other in any jurisdiction.

(a) "Defendants' Released Parties" means (i) Defendants; (ii) each and all of their respective current and former parents, affiliates, subsidiaries, beneficial owners, successors, predecessors, assigns, and assignees; (iii) the current and former

⁴ "Plaintiff's Released Parties" means (i) Plaintiff, Lead Counsel, and all other Class Members; (ii) the current and former parents, affiliates, subsidiaries, successors, predecessors, assigns, and assignees of each of the foregoing in (i); and, (iii) the current and former officers, directors, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, agents, affiliates, insurers, reinsurers, predecessors, successors, assigns, and advisors of each of the Persons or entities listed in (i) and (ii), in their capacities as such and who has the right, ability, standing, or capacity to assert or maintain any of the Released Claims.

officers, directors, employees, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, attorneys, agents, affiliates, insurers (including but not limited to Liberty International Underwriters and Liberty Insurance Underwriters, Inc.), reinsurers, predecessors, successors, assigns, and advisors of each and all of the Persons or entities listed in (i) and (ii); and (iv) any entity in which a Defendants' Released Party has a direct or indirect controlling interest or which has a direct or indirect controlling interest in a Defendants' Released Party.

(b) "Released Claims" means all Released Defendants' Claims and all Released Plaintiff's Claims.

(c) "Released Defendants' Claims" means all claims demands, rights, liabilities and causes of action of every nature and description, whether known or Unknown Claims, whether arising under federal, state, common or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims against Defendants, except for (i) claims relating to the enforcement of the Settlement; and (ii) claims for contractual indemnity as between Defendants.

(d) "Released Plaintiff's Claims" means all claims demands, rights, liabilities and causes of action of every nature and description, whether known or Unknown Claims, accrued or unaccrued, in law or in equity, whether arising under federal, state, common or foreign law, whether direct, indirect, or derivative, that Lead Plaintiff or any other member of the Class (i) asserted in the TAC, or (ii) could have asserted in any forum that arise out of, relate to, or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions, set forth in the TAC and relate to or arise from the purchase or acquisition of Orrstown common stock during the Class Period. Released Plaintiff's Claims do not include: (i) any claims relating to the enforcement of the Settlement; and (ii) any claims of any person or entity who or which submits a request for exclusion that is accepted by the Court.

(e) "Releasee(s)" or "Released Parties" mean each and any of the Defendants' Released Parties and each and any of the Plaintiff's Released Parties.

(f) "Unknown Claims" means any Released Plaintiff's Claims which the Plaintiff or Class Member does not know or suspect to exist in their favor at the time of the release of such claims, and any Released Defendants' Claims which Defendants do not know or suspect to exist in their favor at the time of the release of such claims, which, if known by them, might have affected their decision with respect to this Settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date of the Settlement, Plaintiff and Defendants shall expressly waive, and each of the other Class Members shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Plaintiff and Defendants acknowledge, and the Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a part.

(g) "Effective Date," or the date upon which this Settlement becomes "effective," is the date by which all of these events and conditions, as specified in the Stipulation, have been met and have occurred: (a) the Settlement Amount has been deposited into the Escrow Account; (b) the Court has entered the Preliminary Approval Order, substantially in the form set forth in Exhibit A attached hereto; (c) the Court has granted final approval to the Settlement, following notice to the Class and a hearing, as required by Rule 23 of the Federal Rules of Civil Procedure, and entered the Judgment; (d) Defendants have not exercised their option to terminate the Settlement under the terms provided for in Section IV.7 of the Stipulation; and I the Judgment has become Final.

7. How and when can I get a payment?

To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Class and timely complete and return a valid Proof of Claim with adequate supporting documents **submitted online or postmarked on or before no later _____, 2023**. A Proof of Claim Form is enclosed with this Notice and is also available at www.OrrstownSecuritiesSettlement.com. The Claims Administrator needs all of the information requested in the Proof of Claim in order to determine if you are eligible to receive a distribution from the Net Settlement Fund. After all Proofs of Claim are submitted, the Claims Administrator will determine the eligibility and validity of the claims and may request further information which is a lengthy process.

Any Class Member who fails to submit a Proof of Claim by the date identified above shall be barred from receiving any distribution from the Net Settlement Fund or payment pursuant to this Settlement unless, by order of the Court or the discretion of Lead Counsel, late-filed Proofs of Claim are accepted, but shall in all other respects be bound by all terms of the Stipulation and Settlement, including the terms of the Judgment and all releases provided for herein and therein, and will be permanently barred and enjoined from bringing any action, claim or other proceeding of any kind against any Released Party concerning the Released Claims.

The Court will hold the Settlement Hearing to decide whether to approve the Settlement and Plan of Allocation, and no payment

will be made unless the Court approves the Settlement and the Effective Date occurs (as defined in Section 6). Even if the Court approves the Settlement, there may still be appeals which would delay payment.

8. How much will my payment be? What is the Plan of Allocation?

At this time, it is not possible to make any determination as to how much any individual Class Member may receive from the Settlement. The Plan of Allocation explains how the Net Settlement Fund will be allocated among purchasers and/or acquirers of Orrstown Financial Services, Inc. common stock ("Orrstown Stock") and how Authorized Claimants' "Recognized Claims" will be calculated. Your share of the Net Settlement Fund will depend on several factors, including when you bought and sold your Orrstown Stock and how much you paid. It is unlikely that you will receive payment for your entire Recognized Claim, given the number of potential Class Members. After all Class Members have sent in their Proofs of Claim, the payment any Authorized Claimant will get will be their *pro rata share* of the Net Settlement Fund based on the Plan of Allocation approved by the Court.

PROPOSED PLAN OF ALLOCATION

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 misstatements and omissions, as opposed to losses caused by market- or industry-wide factors, or company-specific factors unrelated to the alleged misstatements and omissions. If the Settlement is approved by the Court and the Effective Date occurs, the Net Settlement Fund will be distributed to Class Members who have submitted a valid and timely Proof of Claim pursuant to the following proposed Plan of Allocation. The Court may approve the Plan of Allocation as proposed or it may modify it without further notice to the Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the settlement website, www.OrrstownSecuritiesSettlement.com.

The Plan of Allocation was created with the assistance of work performed by Plaintiff's consulting damages expert and reflects a reasonable allocation of the Net Settlement Fund based on their evaluation of the trading price of Orrstown Stock in relation to the alleged revelation of previously concealed information alleged in the TAC and Action. The Plan of Allocation takes into account the dates on which the public disclosure of relevant information occurred and the market's reaction to this information.

A "**Recognized Claim**" is the sum of the Recognized Loss amounts for Eligible Shares (defined in Section A. below), as determined in accordance with Section B, below. The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the size of their Recognized Claim relative to the aggregate amount of Recognized Claims submitted. If any Authorized Claimant's Distribution Amount is less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant. Also, if any Authorized Claimant has a Market Gain (described below) with respect to its transactions in Orrstown Stock during the Class Period, the value of the Recognized Claim shall be zero. If you suffered an overall Market Loss (described below) with respect to overall transactions in Orrstown Stock during the Relevant Period, but that market loss was less than the total Recognized Claim calculated below, then the Recognized Claim for that security shall be limited to the amount of your actual Market Loss (in other words, your Recognized Claim cannot exceed your Market Loss).

A. **Eligible Shares:** Publicly tradable common shares of Orrstown Financial Services, Inc., that were purchased on or between March 15, 2010, through, and including, April 26, 2012, are potentially eligible for damages under the Securities Act and the Exchange Act. All such shares are deemed "Eligible Shares."

B. **Recognized Loss Calculation:**

(1) **No Recognized Loss for Sales of Eligible Shares that took place on or before July 14, 2011.** No losses shall be included as a Recognized Loss on any sales of Eligible Shares that occurred on or before July 14, 2011, because such sales of Orrstown Stock occurred before the date of the first public disclosure of relevant information alleged in the TAC. The U.S. securities laws allow investors to seek to recover losses, and give defendants an affirmative defense to limit losses to only those, caused by disclosures that correct misleading statements and omissions. Lead Plaintiff identified that the market reacted to corrective disclosures made on July 15 and 18, 2011, October 27, 2011, January 26, 2012 and April 27, 2012. (Defendants deny such assertions.) Therefore, in order for a Class Member to have a Recognized Loss under the Plan of Allocation, the Orrstown Stock purchased/acquired during the Class Period must not have been sold on or before July 14, 2011.

(2) **Calculation of Recognized Losses on Eligible Shares.** For each Eligible Share, the Recognized Loss for each such share shall be the inflation per share on the date of purchase minus the inflation per share on the date of sale (unless a lower Recognized Loss amount would result by applying the loss limitation and eligibility rules set forth in B(3)(i)-(iv) below, in which case the lower amount will apply). The Plan of Allocation and dates in Table I reflect the dates on which the public disclosure of relevant information occurred and the market's reaction to this information. Defendants deny such assertions.

For each Eligible Share that was sold on or after July 15, 2011 through the close of trading on April 26, 2012, the Recognized Loss is the lesser of:

- a. The amount of per-share price inflation on the date of purchase as appears in Table 1 below *minus* the amount of per-share price inflation on the date of sale as appears in Table 1 below; or,
- b. The purchase price *minus* the sale price.

For each Eligible Share that was sold during the period April 27, 2012 and July 26, 2012 (*i.e.* the 90-Day Lookback Period⁵), the Recognized Loss is the lesser of:

- The amount of per-share price inflation on the date of purchase as appears in Table I; or
- The purchase price *minus* the sale price; or
- The purchase price *minus* the 90-Day Lookback Value on the date of sale, as provided in Table II below.

For each Eligible Share that was sold or held after July 26, 2012 (*i.e.* the last day of the 90-Day Lookback Period), the Recognized Loss is the lesser of:

- The amount of per-share price inflation on the date of purchase as appears in Table I; or
- The purchase price *minus* the 90-Day Lookback Value on July 26, 2012, which is \$7.88.

Table I: Inflation per Eligible Shares Based on Date of Purchase and Sale

Period	Beginning Date for Purchase or Sale	Ending Date for Purchase or Sale	Inflation per Share
1	March 15, 2010	July 14, 2011	\$11.09
2	July 15, 2011	July 18, 2011	\$8.35
3	July 19, 2011	October 27, 2011	\$6.15
4	October 28, 2011	January 26, 2012	\$1.43
5	January 27, 2012	April 26, 2012	\$0.56
6	April 27, 2012	Thereafter	\$0.00

Table II: 90-Day Lookback Value by Sale/Disposition Date

Sale /Disposition Date	90-Day Lookback Value	Sale /Disposition Date	90-Day Lookback Value	Sale /Disposition Date	90-Day Lookback Value
4/27/2012	\$7.94	5/29/2012	\$7.65	6/27/2012	\$7.67
4/30/2012	\$7.84	5/30/2012	\$7.65	6/28/2012	\$7.68
5/1/2012	\$7.78	5/31/2012	\$7.65	6/29/2012	\$7.68
5/2/2012	\$7.73	6/1/2012	\$7.64	7/2/2012	\$7.69
5/3/2012	\$7.69	6/4/2012	\$7.64	7/3/2012	\$7.70
5/4/2012	\$7.66	6/5/2012	\$7.64	7/5/2012	\$7.72
5/7/2012	\$7.66	6/6/2012	\$7.64	7/6/2012	\$7.74
5/8/2012	\$7.64	6/7/2012	\$7.64	7/9/2012	\$7.75
5/9/2012	\$7.66	6/8/2012	\$7.65	7/10/2012	\$7.76
5/10/2012	\$7.67	6/11/2012	\$7.65	7/11/2012	\$7.78
5/11/2012	\$7.68	6/12/2012	\$7.65	7/12/2012	\$7.80
5/14/2012	\$7.67	6/13/2012	\$7.65	7/13/2012	\$7.81
5/15/2012	\$7.66	6/14/2012	\$7.65	7/16/2012	\$7.83
5/16/2012	\$7.65	6/15/2012	\$7.64	7/17/2012	\$7.84
5/17/2012	\$7.64	6/18/2012	\$7.64	7/18/2012	\$7.85
5/18/2012	\$7.64	6/19/2012	\$7.64	7/19/2012	\$7.86
5/21/2012	\$7.65	6/20/2012	\$7.64	7/20/2012	\$7.86
5/22/2012	\$7.65	6/21/2012	\$7.64	7/23/2012	\$7.87
5/23/2012	\$7.65	6/22/2012	\$7.64	7/24/2012	\$7.87
5/24/2012	\$7.65	6/25/2012	\$7.66	7/25/2012	\$7.88
5/25/2012	\$7.66	6/26/2012	\$7.67	7/26/2012	\$7.88

⁵ The “90-Day Lookback” provision of the PSLRA is incorporated into the calculation of the Recognized Loss. The limitations on the calculation of the Recognized Loss imposed by the PSLRA are applied such that: (a) Recognized Loss on Eligible Shares of Orrstown Stock purchased during the Class Period and sold during 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 shares and the rolling average closing price of Orrstown Stock during the portion of the 90-Day Lookback Period that elapsed as of the date of the sale (the “90-Day Lookback Value”); and, (b) Recognized Losses on Eligible Shares of Orrstown Stock purchased during the Class Period and held as of the close of the 90-Day Lookback Period cannot exceed the difference between the purchase price paid for such shares and the average closing price of Orrstown Stock during the 90-Day Lookback Period.

(3) Additional Provisions Applicable to the Calculation of Recognized Losses

(i) **FIFO Matching**: For Class Members who made more than one purchase/acquisition or sale of Eligible Shares, all such purchases/acquisitions and sales shall be matched on a First-In, First-Out (“FIFO”) basis. Sales made during the Class Period will be matched first against any holdings at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

(ii) **“Purchase/Sale” Dates**: The date of purchase or date of sale is the “contract” or “trade” date as distinguished from the “settlement” date. The receipt or grant by gift, devise, inheritance, or operation of law of Orrstown Stock during the Class Period shall not be deemed a purchase, acquisition, or sale of such Orrstown Stock for the calculation of a claimant’s Recognized Loss, nor shall such receipt or grant be deemed an assignment of any claim relating to the purchase of such Orrstown Stock unless (i) the donor or decedent purchased or otherwise acquired such Orrstown Stock during the Class Period; (ii) the instrument of gift or assignment specifically provides that it is intended to transfer such rights; and (iii) not Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such Orrstown Stock.

(iii) **Fees, Taxes and Commissions Excluded**: All purchase, acquisition, and sale prices shall exclude any fees and commissions.

(iv) **Short Sales and Options**: For short sales, the date of covering a “short sale” is deemed to be the date of purchase of Eligible Shares. The date of a “short sale” is deemed to be the date of sale of the Eligible Shares. Option contracts are not eligible to participate in the Settlement. With respect to Eligible Shares purchased or sold through the exercise of an option, the purchase/sale date of such shares is the exercise date of the option and the purchase/sale price is the exercise price of the option.

(v) **Market Gains and Losses**: With respect to all Orrstown Stock purchased or acquired during the Class Period, the Claims Administrator will determine if the claimant had a Market Gain or a Market Loss with respect to his, her or its overall transactions in Orrstown Stock during the Class Period. For purposes of making this calculation, the Claims Administrator shall determine the difference between (i) the claimant’s Total Purchase Amount⁶ and (ii) the sum of the claimant’s Sales Proceeds⁷ and the claimant’s Holding Value⁸. If the claimant’s Total Purchase Amount *minus* the sum of the claimant’s Sales Proceeds and the Holding Value is a positive number, that number will be the claimant’s Market Loss; if the number is a negative number or zero, that number will be the claimant’s Market Gain. If the claimant had a Market Gain with respect to his, her or its overall transactions in Orrstown Stock during the Class Period, the value of the claimant’s Recognized Claim will be zero, and the claimant will in any event be bound by the Settlement. If a claimant suffered an overall Market Loss with respect to his, her or its overall transactions in Orrstown Stock during the Class Period, but that Market Loss was less than the claimant’s Recognized Claim, as calculated above, then the claimant’s Recognized Claim will be limited to the amount of the Market Loss.

(vi) **Determination of the Distribution Amount**: If the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive this, her or its *pro rata* share of the Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant’s Recognized Claim divided by the total of Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If the Net Settlement Fund exceeds the sum total amount of the Recognized Claims of all Authorized Claimants entitled to receive payment out of the Net Settlement Fund, the excess amount in the Net Settlement Fund shall be distributed *pro rata* to all Authorized Claimants entitled to receive payment. The Net Settlement Fund will be allocated among all Authorized Claimants whose prorated payment is \$10.00 or greater. If the prorated payment to any Authorized Claimant calculates to less than \$10.00, it will not be included in the calculation (*i.e.*, the Recognized Claim will be deemed to be zero) and no distribution will be made to that Authorized Claimant. Any prorated amounts of less than \$10.00 will be included in the pool distributed to those whose prorated payments are \$10.00 or greater.

(vii) **Contesting Claim Determination**: Once the Claims Administrator has considered a timely submitted Proof of Claim, it shall determine whether such claim is valid, deficient, or rejected. For each claim determined to be either deficient or rejected, the Claims Administrator shall send a deficiency letter or rejection letter, as appropriate, describing the basis on which the claim was so determined. If any claimant whose claim has been rejected in whole or in part wishes to contest such rejection, the claimant must, within twenty (20) calendar days after the date of mailing of the notice of rejection, serve

⁶ The “Total Purchase Amount” is the total amount the claimant paid (excluding all fees, taxes and commissions) for all Orrstown Stock purchased or acquired during the Class Period.

⁷ The Claims Administrator shall match any sales of Orrstown Stock during the Class Period first against the claimant’s opening position in Orrstown Stock (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received for sales of Orrstown Stock sold during the Class Period and Lookback Period is the “Sales Proceeds.”

⁸ For each share of Orrstown Stock purchased or acquired during the Class Period that was still held as of the close of trading on July 26, 2012, the Claims Administrator shall ascribe a “Holding Value” of \$7.88.

upon the Claims Administrator a notice and statement of reasons indicating the claimant's ground for contesting the rejection along with any supporting documentation. If an issue concerning a claim cannot be otherwise resolved, the claimant may thereafter present the request for review to the Court.

(viii) **Re-Distribution:** After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the Net Settlement Fund six (6) months after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determines that it is cost-effective to do so, the Claims Administrator will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determine that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance shall be contributed to non-sectarian, not-for-profit organization(s), to be recommended by Lead Counsel and approved by the Court.

(ix) **Jurisdiction:** Each Authorized Claimant will be deemed to have submitted to the jurisdiction of the Court with respect to their Proof of Claim. The Court has reserved jurisdiction to hear an appeal of any determination regarding a Class Member's claim and to allow, disallow, or adjust the claim of any Class Member on equitable grounds.

Payment pursuant to the Plan of Allocation is conclusive against all Authorized Claimants. Defendants 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 calculation or payment of any claim. No Person shall have any claim against Defendants and their counsel, Plaintiff, Lead Counsel, or the Claims Administrator, based on determinations or distributions made substantially in accordance with the Stipulation and the Settlement contained herein, the Plan of Allocation, or further order(s) of the Court.

9. How do I "opt out" (exclude myself) from the Class and proposed Settlement?

To "opt out" (exclude yourself) from the Class, you must deliver or mail a written and signed request for exclusion ("Request for Exclusion") by First-Class Mail stating that you: "request exclusion from the Class in *Southeastern Pennsylvania Transportation Authority, et al., v. Orrstown Financial Services, et al*, Civil Action No. 1:12-cv-00993 (M.D. Pa.)." Your Request for Exclusion must also state (a) the name, address, and telephone number of the Person requesting exclusion; and (b) information on the Person's purchases, acquisitions and sales of Orrstown common stock during the Class Period, with supporting documentation for the Person's transactions in Orrstown common stock reported therein, such as broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by Lead Counsel. This information is needed to determine whether you are a Class Member.

You must submit your Request for Exclusion addressed to Orrstown Securities Settlement, Claims Administrator, c/o Kroll, [P.O. Box _____]. The Request for Exclusion **must be postmarked on or before _____, 2023**. You cannot exclude yourself after that date and cannot exclude yourself or opt out by telephone or by email.

The Request for Exclusion shall not be effective and valid unless it provides the required information and is made within the time stated above, or the exclusion is otherwise accepted by the Court. Your request for exclusion must comply with these requirements in order to be valid. **If you are excluded, you will not be eligible to get any payment from the Settlement proceeds and you cannot object to the Settlement, the proposed Plan of Allocation or the application for attorneys' fees and expenses.** Any Person who submits a valid and timely Request for Exclusion may, at any point up to five (5) calendar days before the Settlement Hearing, submit a written revocation of their Request for Exclusion following the same instructions as above. Defendants have the right to terminate the Settlement if timely and valid Requests for Exclusion are received from Class Members in an amount that exceeds an amount agreed to by the Lead Plaintiff and Defendants.

10. If I do not exclude myself, can I sue Defendants and other Released Parties for the same thing later?

No. Unless you exclude yourself, you give up any rights you or the Releasing Plaintiff Parties may have to sue Defendants and other Released Parties for all Released Claims, and you will be bound by all determinations and judgments in this Action, whether favorable or unfavorable.

11. Do I have a lawyer in this case?

The Court appointed the law firm of Chemicles Schwartz Kriner & Donaldson-Smith LLP as Lead Counsel to represent all Class Members. You will not be separately charged for the services of these lawyers. The Court will determine the amount of Lead Counsel's fees and expenses, and any such fees and expenses awarded by the Court will be paid from the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

12. How will Plaintiff's lawyers be paid?

Lead Counsel have not received any payment for their services, nor have they been paid or reimbursed at this point for any of their Litigation expenses. Lead Counsel will ask the Court to award them, from the Settlement Fund, attorneys' fees of up to thirty-five percent (35%) of the Settlement Amount, plus Litigation expenses they have incurred in an amount not to exceed \$800,000, plus interest on both amounts from the date of funding at the same rate earned by the Settlement Fund. The Court will determine the amount of any award of attorneys' fees or reimbursement of litigation expenses, and such sums as may be approved by the Court will be paid from the Settlement Fund.

13. How do I tell the Court that I do not like something about the proposed Settlement?

If you are a Class Member and do not exclude yourself ("opt out"), you can object to any part of the Settlement, the Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation expenses. **Unless the Court orders otherwise, any Class Member who does not object in the manner described in this Section 13 will be deemed to have waived any objection and shall forever be foreclosed from making any objection to the Settlement, Plan of Allocation or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation expenses.**

The objection must be in writing and must: (i) state the name, address, and telephone number of the objector and must be signed by the objector (even if the objector is represented by counsel); (ii) state whether the objector is a Class Member; (iii) include documents sufficient to prove the objector's membership in the Class, such as documents sufficient to show the number of Orrstown Financial Services, Inc. common shares purchased or acquired during the Class Period, as well as the dates and prices of each such purchase or acquisition; (iv) state what the objector is objecting to, such as the proposed Settlement, the Plan of Allocation, or Plaintiff's Fee and Expense Application; (v) state the objection(s) and the specific reasons for each objection, including legal and evidentiary support the objector wishes to bring to the Court's attention; (vi) state with specificity whether the objection applies only to the objector, to a specific subset of the Class, or to the entire Class; (vii) state whether the objector is represented by counsel; and (viii) identify any other class actions to which either the objector or their counsel has previously objected within the preceding five years.

Your written objection, including copies of any papers and briefs in support of such objections, must be both: (i) filed with the Court by hand or by mail such that it is *received (not just postmarked) on or before* _____, 2023 by the Clerk's Office at the address below; and, (ii) served on Lead Counsel and Orrstown's Counsel at the below addresses, so that the papers are *received (not just postmarked) on or before* _____, 2023.

Clerk's Office

Clerk of the United States District Court
Middle District of Pennsylvania
Ronald Reagan Federal Building
and United States Courthouse
228 Walnut Street
Harrisburg, PA 17101

Lead Counsel

Nicholas E. Chimicles
Kimberly M. Donaldson-Smith
Timothy N. Mathews
**Chimicles Schwartz Kriner &
Donaldson-Smith LLP**
361 West Lancaster Avenue
Haverford, Pennsylvania 19041
610-642-8500

**Orrstown's Counsel on Behalf of
Defendants**

David J. Creagan
David E. Edwards
Farzana Islam
White and Williams, LLP
1650 Market Street, Suite 1800
Philadelphia, Pennsylvania 19103

14. When and where will the Court decide whether to approve the proposed Settlement?

The Court will hold a Settlement Hearing at _____ m., on _____, 2023, before the Honorable Yvette Kane, United States District Judge, at the United States District Court for the Middle District of Pennsylvania, Ronald Reagan Federal Building and United States Courthouse, 228 Walnut Street, Harrisburg, PA 17101, to determine whether to approve the Settlement, the proposed Plan of Allocation, and Lead Counsel's request for attorneys' fees and expenses. The Court will also consider written objections filed in accordance with the instructions set out above. We do not know how long it will take the Court to make these decisions. The Court may change the date and time of the Settlement Hearing without further notice to Class Members. If you want to attend the hearing, please check with Lead Counsel, review the docket, or review the Settlement website to be sure that the date or time has not changed.

15. Do I have to come to the Settlement Hearing, and may I speak if I do?

You do not have to attend the Settlement Hearing. Lead Counsel will answer any questions the Court may have.

But, you are welcome to come at your own expense. If you validly submit an objection, you do not have to come to Court to talk about your objection. However, if you wish to speak at the Settlement Hearing about your objection, you may ask the Court for permission to do so by including with your objection a statement that it is your "notice of intention to appear in *Southeastern Pennsylvania Transportation Authority, et al., v. Orrstown Financial Services, et al.*, Civil Action No. 1:12-cv-00993 (M.D. Pa.)."

You also are not required to hire an attorney to represent you, but if you decide to hire an attorney, it will be at your own expense,

EXECUTION VERSION

Exhibit A-1 to the Stipulation

and that attorney must file a notice of appearance with the Clerk's Office and serve it on Counsel at the addresses set forth in Section 13 above so that such notice is *received* (not just postmarked) on or before _____, 2023.

16. What happens if I do nothing at all?

If you do nothing, you will get no money from this Settlement and you and your Releasing Plaintiff Parties will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants and their Related Parties about the Released Claims in this case.

17. Are there more details about the proposed Settlement and the lawsuit?

This Notice summarizes the proposed Settlement. You can contact the Claims Administrator at xxx-xxx-xxxx, or Lead Counsel (information in Section 13, above), or visit the Settlement website at www.OrrstownSecuritiesSettlement.com. The Settlement website has a copy of the Stipulation and other documents concerning the Settlement. All documents filed in the Action can be accessed during business hours at the Office of the Clerk of the Court, Ronald Reagan Federal Building and United States Courthouse, 228 Walnut Street, Harrisburg, PA 17101, or through the Court's Public Access to Court Electronic Records (PACER) system at <https://pacer.uscourts.gov/>. **Please do not call the Court, the Clerk's Office, Defendants, or Defendants' Counsel with questions about the Settlement.**

18. What if I bought the common stock on someone else's behalf?

If you purchased or otherwise acquired Orrstown common stock during the Class Period for the beneficial interest of another, you must either (1) within ten (10) calendar days after receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and the Claim Forms to forward to all such beneficial owners and within ten (10) calendar days after receipt of these Notices and Claim Forms forward them to all such beneficial owners; or (2) within ten (10) calendar days after receipt of this Notice, provide a list of the names, last known addresses and, if possible, email addresses of all such beneficial owners to the Claims Administrator at info@OrrstownSecuritiesSettlement.com or Orrstown Securities Settlement, Claims Administrator c/o [][Address]. If you choose the second option, the Claims Administrator will send a copy of the Notice and Claim Form to the beneficial owners you have identified on your list, either by physically mailing or by electronic means.

Additional copies of the Notice and Claim Form shall be made available to any nominee requesting same for the purpose of distribution to beneficial owners and can be obtained from the Settlement website at www.OrrstownSecuritiesSettlement.com. Regardless of whether you choose to complete the physical or electronic mailing yourself or elect to have such mailing performed for you, if requested, you may obtain reimbursement out of the Settlement Fund solely for administrative costs actually incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice up to \$0.20 per record plus postage (if applicable), upon submission of appropriate documentation to the Claims Administrator, and subject to further order of this Court with respect to any dispute concerning such reimbursement.

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION OR QUESTIONS ABOUT THE TERMS OF THE SETTLEMENT. INSTEAD, PLEASE DIRECT ALL QUESTIONS TO LEAD COUNSEL AND/OR THE CLAIMS ADMINISTRATOR, AS DIRECTED ABOVE.

DATED: _____, 2023

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF PENNSYLVANIA

Exhibit A-2

**Orrstown Securities Litigation Settlement
c/o Kroll Settlement Administration, LLC**

**P.O. Box []
[]
xxx-xxx-xxxx**

www.OrrstownSecuritiesSettlement.com

Email: info@OrrstownSecuritiesSettlement.com

PROOF OF CLAIM AND RELEASE FORM

To be eligible to receive a share of the Net Settlement Fund in connection with the Settlement of this Action, you must be a Settlement Class Member and complete and sign this Proof of Claim and Release Form (“Claim Form”) and either submit it online at www.OrrstownSecuritiesLitigation.com or mail it by First-Class Mail to the above address. Your Claim Form must be **submitted online or postmarked no later than _____, 2023.**

Failure to submit your Claim Form by the date specified will subject your claim to rejection and may preclude you from being eligible to recover any money in connection with the Settlement.

Do not mail or deliver your Claim Form to the Court, the Settling Parties or their counsel. Submit your Claim Form only to the Claims Administrator at the address set forth above.

PART I – CLAIMANT INFORMATION

(Please read General Instructions below before completing this page.)

The Claims Administrator will use this information for all communications regarding this Claim Form. Please also note that, if eligible for payment, the check will be issued according to the information listed below. If this information changes, you **MUST** notify the Claims Administrator in writing at the address above.

Beneficial Owner’s Name

Beneficial Owner’s Name Line 2

Beneficial Owner’s Name Line 3

Address1 (street name and number)

Address2 (apartment, unit or box number)

City

State

Zip Code

<input type="text"/>	<input type="text"/>	<input type="text"/>
----------------------	----------------------	----------------------

Foreign Country (only if not USA)

Last four digits of Social Security Number or Taxpayer Identification Number

Telephone Number (home)

Telephone Number (work)

<input type="text"/>	<input type="text"/>
----------------------	----------------------

Email address (Email address is not required, but if you provide it you authorize the Claims Administrator to use it in providing you with information relevant to this claim.):

Account Number¹ (account(s) through which the securities were traded):

PART II – GENERAL INSTRUCTIONS

1. It is important that you completely read and understand the Notice of Pendency of Class Action and Proposed Settlement, Motion for Attorneys' Fees, and Settlement Hearing (the "Notice") that accompanies this Claim Form, including the Plan of Allocation of the Net Settlement Fund set forth in the Notice. The Notice describes the proposed Settlement, how Settlement Class Members are affected by the Settlement, and the manner in which the Net Settlement Fund will be distributed if the Settlement and Plan of Allocation are approved by the Court. The Notice also contains the definitions of many of the defined terms (which are indicated by initial capital letters) used in this Claim Form. By signing and submitting this Claim Form, you will be certifying that you have read and that you understand the Settlement Notice, including the terms of the releases described therein and provided for herein.

2. This Claim Form is directed to all persons who and entities that purchased or otherwise acquired the common stock of Orrstown Financial Services, Inc. from March 15, 2010 through April 26, 2012, inclusive (the "Class Period"). All persons who and entities that are members of the Class are referred to as "Class Members."

3. Excluded from the Class are (a) Defendants and their families, officers, affiliates, entities in which they have or had a controlling interest, and the legal representatives, heirs, successors-in-interest or assigns of any such excluded party; and, (b) Any Persons who timely and validly request and submit exclusion from the Class, pursuant to the requirements described in Section 9 in the Notice, that is accepted by the Court.

4. If you are not a Class Member do not submit a Claim Form. **YOU MAY NOT, DIRECTLY OR INDIRECTLY, PARTICIPATE IN THE SETTLEMENT IF YOU ARE NOT A CLASS MEMBER. THUS, IF YOU ARE EXCLUDED FROM THE SETTLEMENT CLASS (AS SET FORTH IN PARAGRAPH 3 ABOVE), ANY CLAIM FORM THAT YOU SUBMIT, OR THAT MAY BE SUBMITTED ON YOUR BEHALF, WILL NOT BE ACCEPTED.**

5. If you are a Class Member, you will be bound by the terms of any judgments or orders entered in the Action **WHETHER OR NOT YOU SUBMIT A CLAIM FORM**, unless you submit a valid and timely request for exclusion from the Class. Thus, if you are a Class Member, the Judgment will release, and you will be 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 each and every Released Plaintiff's Claim (including Unknown Claims) against Defendants' Released Parties.

6. You are eligible to participate in the distribution of the Net Settlement Fund only if you are a member of the Class and if you complete and return this form as specified below. If you fail to submit a timely, properly addressed, and completed Claim Form with the required documentation, your claim may be rejected and you may be precluded from receiving any distribution from the Net Settlement Fund.

7. Submission of this Claim Form does not guarantee that you will share in the proceeds of the Settlement. The distribution of the Net Settlement Fund will be governed by the Plan of Allocation set forth in the Settlement Notice, if it is approved by the Court, or by such other plan of allocation approved by the Court.

8. Any Class Member who files a Claim Form shall reasonably cooperate with the Claims Administrator, including by promptly responding to any inquiry made by the Claims Administrator.

9. Use the Schedule of Transactions in Section III of this Claim Form to supply all required details of your transaction(s) (including free transfers) in and holdings of Orrstown Stock. On the Schedule of Transactions, please provide all of the requested information with respect to your holdings, purchases, acquisitions, and sales of Orrstown Stock, whether such transactions resulted in a profit or a loss. Failure to report all transaction and holding information during the requested time periods may result in the rejection of your claim.

10. Please note: Only Orrstown Common Stock purchased or acquired during the Class Period is eligible under the Settlement. However, because the PSLRA provides for a "90-day look back period" (described in the Plan of Allocation set forth in the Notice), you must provide documentation related to your purchases and sales of Orrstown Stock during the period from April 27, 2012 through and including July 26, 2012 (*i.e.*, the 90-day look back period) in order for the Claims Administrator to calculate your Recognized Loss amount under the Plan of Allocation and process your claim.

11. You are required to submit genuine and adequate documentation for all of your transactions and holdings in Orrstown Stock that are set forth in the Schedule of Transactions in this Claim Form. Documentation may consist of copies of broker confirmation slips, broker account statements, or an authorized statement from the broker containing the transactional and holding information found in a broker confirmation slip and or account statement. The Parties and the Claims Administrator do not independently have information about your investments in Orrstown Stock. **IF SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN COPIES OR EQUIVALENT CONTEMPORANEOUS DOCUMENTS FROM YOUR BROKER. FAILURE TO SUPPLY THIS DOCUMENTATION MAY RESULT IN THE REJECTION OF YOUR CLAIM. DO NOT SEND ORIGINAL DOCUMENTS. Please keep a copy of all documents that you send to the Claims Administrator. Also, please do not highlight any portion of the Claim Form or any supporting**

¹ If the account number is unknown, you may leave this blank. If the same legal entity traded through more than one account you may write "multiple." Please *see* paragraph 12 of the General Instructions for more information on when to file separate Claim Forms for multiple accounts, *i.e.*, when you are filing on behalf of distinct legal entities.

documents.

12. Separate Claim Forms should be submitted for each separate legal entity (e.g., a claim from joint owners should not include separate transactions through an account that is in the name of just one of the joint owners, and an individual should not combine his or her IRA transactions with transactions made through an account in the individual's name). Conversely, a single Claim Form should be submitted on behalf of one legal entity, including all transactions made by that entity on one Claim Form, no matter how many separate accounts that entity has (e.g., a corporation with multiple brokerage accounts should include all transactions made in all accounts on one Claim Form).

13. All joint beneficial owners must sign this Claim Form. If you purchased or otherwise acquired Orrstown Stock during the Class Period and held the Orrstown Stock in your name, you are the beneficial owner as well as the record owner and you must sign this Claim Form to participate in the Settlement. If, however, you purchased or otherwise acquired Orrstown Stock during the Class Period and the Orrstown Stock was registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial owner of these securities, but the third party is the record owner. The beneficial owner, not the record owner, must sign this Claim Form.

14. Agents, executors, administrators, guardians, and trustees must complete and sign the Claim Form on behalf of persons represented by them, and they must:

(a) expressly state the capacity in which they are acting;

(b) identify the name, account number, Social Security Number (or Taxpayer Identification Number), address and telephone number of the beneficial owner of (or other person or entity on whose behalf they are acting with respect to) the Orrstown Stock; and,

(c) furnish herewith evidence of their authority to bind to the Claim Form the person or entity on whose behalf they are acting. (Authority to complete and sign a Claim Form cannot be established by stockbrokers demonstrating only that they have discretionary authority to trade stock in another person's accounts.)

15. By submitting a signed Claim Form, you will be swearing that you:

(a) own(ed) the Orrstown Stock you have listed in the Claim Form; or

(b) are expressly authorized to act on behalf of the owner thereof.

16. If the Court approves the Settlement, payments to eligible Authorized Claimants pursuant to the Plan of Allocation (or such other plan of allocation as the Court approves) will be made after the completion of all claims processing. This could take substantial time. Please be patient.

17. PLEASE NOTE: As set forth in the Plan of Allocation, each Authorized Claimant shall receive his, her or its *pro rata share* of the Net Settlement Fund. **If the prorated payment to any Authorized Claimant, however, calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.**

18. By submitting a signed Claim Form, you will be swearing to the truth of the statements contained therein and the genuineness of the documents attached thereto, subject to penalties of perjury under the laws of the United States of America. The making of false statements, or the submission of forged or fraudulent documentation, will result in the rejection of your claim and may subject you to civil liability or criminal prosecution.

19. If you have questions concerning the Claim Form, or need additional copies of the Claim Form or the Settlement Notice, you may contact the Claims Administrator, Kroll Settlement Administration, LLC, at P.O. Box [____], [____], or by email at info@OrrstownSecuritiesSettlement.com, or by toll-free telephone at xxx-xxx-xxxx, or you may download the documents from the Settlement website, www.OrrstownSecuritiesSettlement.com.

20. NOTICE REGARDING ELECTRONIC FILES: Certain Claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. To obtain the mandatory electronic filing requirements and file layout, you may visit the Settlement website at www.OrrstownSecuritiesSettlement.com or you may email the Claims Administrator's electronic filing department at xxx@xxxxxx.com. Any file not in accordance with the required electronic filing format will be subject to rejection. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues an email to that effect after processing your file with your claim numbers and respective account information. Do not assume that your file has been received or processed until you receive this email. If you do not receive such an email within 10 days of your submission, you should contact the electronic filing department at xxx@xxxxxx.com to inquire about your file and confirm it was received and acceptable.

IMPORTANT: PLEASE NOTE

FOR MAILED CLAIMS, YOU WILL RECEIVE AN ACKNOWLEDGEMENT POSTCARD. THE CLAIMS ADMINISTRATOR WILL ACKNOWLEDGE RECEIPT OF YOUR CLAIM FORM BY MAIL WITHIN 60 DAYS. IF YOU DO NOT RECEIVE AN ACKNOWLEDGEMENT POSTCARD WITHIN 60 DAYS, PLEASE CALL THE CLAIMS ADMINISTRATOR TOLL FREE AT xxx-xxx-xxxx.

PART III – SCHEDULE OF TRANSACTIONS IN ORRSTOWN COMMON STOCK

Complete this Part III if and only if you purchased/acquired common stock of Orrstown Financial Services, Inc. (“Orrstown Stock”) from March 15, 2010 through April 26, 2012, inclusive (“Class Period”). Please include proper documentation with your Claim Form as described in detail in Part II – General Instructions, Paragraph 11, above.

<p>1. BEGINNING HOLDINGS – State the total number of shares of Orrstown Stock held as of the opening of trading on March 15, 2010. (Must be documented.) If none, write “zero” or “0.” _____</p>			
<p>2. PURCHASES/ACQUISITIONS DURING THE CLASS PERIOD – Separately list each and every purchase/acquisition (including free receipts) of Orrstown Stock from after the opening of trading on March 15, 2010, through and including the close of trading on April 26, 2012. (Must be documented.)</p>			
Date of Purchase/Acquisition (List Chronologically) (Month/Day/Year)	Number of Shares Purchased/Acquired	Purchase/ Acquisition Price Per Share (check box if result of a stock option)	Total Purchase/ Acquisition Price (excluding taxes, commissions, and fees)
/ /		\$ <input type="checkbox"/>	\$
/ /		\$	\$
/ /		\$	\$
/ /		\$	\$
<p>3. PURCHASES/ACQUISITIONS DURING THE 90-DAY LOOKBACK PERIOD– State the total number of shares of Orrstown Stock purchased/acquired (including free receipts) from after the opening of trading on April 27, 2012, through and including the close of trading on July 26, 2012. If none, write “zero” or “0.”² _____</p>			
<p>4. SALES DURING THE CLASS PERIOD AND THROUGH JULY 26, 2012 – Separately list each and every sale/disposition (including free deliveries) of Orrstown Stock from after the opening of trading on March 15, 2010, through and including the close of trading on July 26, 2012, the end of the 90-Day Lookback Period. (Must be documented.)</p>			<p>IF NONE, CHECK HERE</p> <p style="text-align:center;">○</p>
Date of Sale (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Sale Price Per Share (check box if result of a stock option)	Total Sale Price (excluding taxes, commissions, and fees)
/ /		\$	\$
/ /		\$	\$
/ /		\$	\$
<p>5. ENDING HOLDINGS – State the total number of shares of Orrstown Common Stock held as of the close of trading on July 26, 2012. (Must be documented.) If none, write “zero” or “0.” _____</p>			

**IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU MUST
PHOTOCOPY THIS PAGE AND CHECK THIS BOX**

IF YOU DO NOT CHECK THIS BOX THESE ADDITIONAL PAGES WILL NOT BE REVIEWED

² Please note: Information requested with respect to your purchases/acquisitions of Orrstown Stock from after the opening of trading on April 27, 2012, through and including July 26, 2012, is needed in order to balance your claim; but, purchases/acquisitions during this period, however, are **not** eligible under the Settlement and will not be used for purposes of calculating your Recognized Loss pursuant to the Plan of Allocation.

PART VI – RELEASE OF CLAIMS AND SIGNATURE

**YOU MUST ALSO READ THE RELEASE AND CERTIFICATION BELOW
AND SIGN ON PAGES 5-6 OF THIS CLAIM FORM.**

I (we) hereby acknowledge that as of the Effective Date of the Settlement, pursuant to the terms set forth in the Stipulation, I (we), on behalf of myself (ourselves) and my (our) respective current and former parents, affiliates, subsidiaries, successors, predecessors, assigns, assignees, officers, directors, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, agents, insurers, reinsurers, and advisors, in their capacities as such and who has the right, ability, standing, or capacity to assert or maintain any of the Released Claims, shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Plaintiff’s Claim (as defined in the Stipulation and in the Notice) against Defendants’ Released Parties (as defined in the Stipulation and in the Settlement Notice), and shall forever be barred and enjoined from commencing, instituting, prosecuting, or maintaining any and all of the Released Claims against any of the Defendants’ Released Parties in any jurisdiction.

CERTIFICATION

By signing and submitting this Claim Form, the Claimant(s) or the person(s) who represent(s) the Claimant(s) certifies (certify), as follows:

1. that I (we) have read and understand the contents of the Notice and this Claim Form, including the releases provided for in the Settlement and the terms of the Plan of Allocation;
2. that the Claimant(s) is a (are) Class Member(s), as defined in the Notice and in paragraph 2 on page 3 of this Claim Form, and is (are) not excluded from the Class by definition or pursuant to request as set forth in the Notice and in paragraph 3 on page 3 of this Claim Form;
3. that I (we) own(ed) the Orrstown Stock identified in the Claim Form and have not assigned the claim against the Defendants’ Released Parties to another, or that, in signing and submitting this Claim Form, I (we) have the authority to act on behalf of the owner(s) thereof;
4. that the Claimant(s) has (have) not submitted any other claim covering the same purchases/acquisitions of Orrstown Stock and knows (know) of no other person having done so on the Claimant’s (Claimants’) behalf;
5. that the Claimant(s) submit(s) to the jurisdiction of the Court with respect to Claimant’s (Claimants’) claim and for purposes of enforcing the releases identified above and in the Notice;
6. that I (we) agree to furnish such additional information with respect to this Claim Form as Lead Counsel, the Claims Administrator or the Court may require;
7. that the Claimant(s) waive(s) the right to trial by jury, to the extent it exists, and agree(s) to the Court’s summary disposition of the determination of the validity and amount of the claim made by means of this Claim Form and knowingly and intentionally waive(s) any right of appeal to any court including the U.S. Court of Appeals for the Third Circuit;
8. that I (we) acknowledge that the Claimant(s) will be bound by and subject to the terms of any judgment(s) that may be entered in the Action; and
9. that the Claimant(s) is (are) NOT subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code because (a) the Claimant(s) is (are) exempt from backup withholding or (b) the Claimant(s) has (have) not been notified by the IRS that he/she/it is subject to backup withholding as a result of a failure to report all interest or dividends or (c) the IRS has notified the Claimant(s) that he/she/it is no longer subject to backup withholding. **If the IRS has notified the Claimant(s) that he, she, or it is subject to backup withholding, please strike out the language in the preceding sentence indicating that the claim is not subject to backup withholding in the certification above.**

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION PROVIDED BY ME (US) ON THIS CLAIM FORM IS TRUE, CORRECT, AND COMPLETE, AND THAT THE DOCUMENTS SUBMITTED HEREWITH ARE TRUE AND CORRECT COPIES OF WHAT THEY PURPORT TO BE.

Signature of Claimant Date

Print your name here

Signature of Joint Claimant, if any Date

Print your name here

If the Claimant is other than an individual, or is not the person completing this form, the following also must be provided:

Signature of person signing on behalf of Claimant

Date

Print your name here

CAPACITY OF PERSON SIGNING ON BEHALF OF CLAIMANT, IF OTHER THAN AN INDIVIDUAL, E.G., EXECUTOR, PRESIDENT, TRUSTEE, CUSTODIAN, ETC. (MUST PROVIDE EVIDENCE OF AUTHORITY TO ACT ON BEHALF OF CLAIMANT – SEE PARAGRAPH 14 ON PAGE 3 OF THIS CLAIM FORM.)

REMINDER CHECKLIST:

1. Please sign the above release and certification. If this Claim Form is being made on behalf of joint Claimants, then both must sign.
2. Remember to attach only **copies** of acceptable supporting documentation as these documents will not be returned to you.
3. Please do not highlight any portion of the Claim Form or any supporting documents.
4. Do not send original security certificates or documentation. These items cannot be returned to you by the Claims Administrator.
5. Keep copies of the completed Claim Form and documentation for your own records.
6. The Claims Administrator will acknowledge receipt of your mailed Claim Form by mail, within 60 days. **If you do not receive an acknowledgement postcard within 60 days, please call the Claims Administrator toll-free at XXX-XXX-XXXX.**
7. If any claimant whose claim has been rejected in whole or in part wishes to contest such rejection, the claimant must, within twenty (20) calendar days after the date of mailing of the notice of rejection, serve upon the Claims Administrator a notice and statement of reasons indicating the claimant’s ground for contesting the rejection along with any supporting documentation. If an issue concerning a claim cannot be otherwise resolved, the claimant may thereafter present the request for review to the Court.
8. If your address changes in the future, or if this Claim Form was sent to an old or incorrect address, please send the Claims Administrator written notification of your new address. If you change your name, please inform the Claims Administrator.
9. If you have any questions or concerns regarding your claim, please contact the Claims Administrator at the address below, by email at info@OrrstownSecuritiesSettlement.com, or by toll-free telephone call at XXX-XXX-XXXX, or visit www.OrrstownSecuritiesSettlement.com. Please DO NOT call the Court, Defendants, or their counsel with questions regarding your claim.

THIS CLAIM FORM MUST BE MAILED TO THE CLAIMS ADMINISTRATOR BY FIRST CLASS MAIL, **POSTMARKED NO LATER THAN _____, 2023**, ADDRESSED AS FOLLOWS:

Orrstown Securities Litigation Settlement
c/o Kroll Settlement Administration, LLC
P.O. Box []
[xxxxxxxxxxxxxxxxxxxx]

OR SUBMITTED ONLINE AT WWW.ORRSTOWNSECURITIESSETTLEMENT.COM ON OR BEFORE _____, 2023.

A Claim Form received by the Claims Administrator shall be deemed to have been submitted when posted if a postmark date on or before _____, 2023 is indicated on the envelope and it is mailed First Class, and addressed in accordance with the above instructions. In all other cases, a Claim Form shall be deemed to have been submitted when actually received by the Claims Administrator.

You should be aware that it will take a significant amount of time to fully process all of the Claim Forms. Please be patient and notify the Claims Administrator of any change of address.

Exhibit A-3

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF PENNSYLVANIA**

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION
AUTHORITY, on behalf of itself and all others similarly situated,
Plaintiff,

v.

ORRSTOWN FINANCIAL SERVICES, INC., et al,
Defendants.

Civil Action No. 1:12-cv-00993

CLASS ACTION

SUMMARY NOTICE

TO: ALL PERSONS AND ENTITES WHO PURCHASED OR ACQUIRED THE COMMON STOCK OF ORRSTOWN FINANCIAL SERVICES, INC. (“ORRSTOWN STOCK”) AT ANY TIME FROM MARCH 15, 2010 THROUGH, AND INCLUDING, APRIL 26, 2012

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the Middle District of Pennsylvania, that a hearing will be held on _____, 2023, at _____, before the Honorable Yvette Kane, United States District Judge, at the United States District Court for the Middle District of Pennsylvania, Ronald Reagan Federal Building and United States Courthouse, 228 Walnut Street, Harrisburg, PA 17101, for the purpose of determining: (1) whether the proposed Settlement of this Action, as set forth in the Stipulation and Agreement of Settlement dated December 7, 2022 (“Stipulation”) reached between the parties, consisting of Fifteen Million Dollars (\$15,000,000) in cash, should be approved as fair, reasonable, and adequate to Class Members; (2) whether the release by Class Members of claims as set forth in the Stipulation should be authorized; (3) whether the proposed plan to distribute the Settlement proceeds (“Plan of Allocation”) is fair, reasonable, and adequate; (4) whether to approve Lead Counsel’s request for an award of attorneys’ fees and for reimbursement of litigation expenses; (5) whether this Action should be dismissed with prejudice against Orrstown Financial Services, Inc., Orrstown Bank, Anthony F. Ceddia, Jeffrey W. Coy, Mark K. Keller, Andrea Pugh, Thomas R. Quinn, Jr., Gregory A. Rosenberry, Kenneth R. Shoemaker, Glenn W. Snoke, John S. Ward, Bradley S. Everly, Joel R. Zullinger, Jeffrey W. Embly, Smith Elliott Kearns & Company, LLC, Piper Sandler & Co., and Janney Montgomery Scott LLC, as set forth in the Stipulation; and (6) whether the Judgment, in the form attached to the Stipulation, should be entered.

Please note that the date, time and location of the settlement hearing are subject to change without further notice. If you plan to attend the hearing, you should check the docket, view the Settlement website at www.OrrstownSecuritiesSettlement.com, or contact Lead Counsel (identified below) to be sure that no change to the date, time or location of the hearing has been made.

IF YOU PURCHASED OR ACQUIRED ORRSTOWN STOCK AT ANY TIME FROM MARCH 15, 2010 TO AND INCLUDING APRIL 26, 2012, YOUR RIGHTS WILL BE AFFECTED BY THE SETTLEMENT OF THIS LITIGATION.

If you have not received a detailed Notice of Pendency of Class Action and Proposed Settlement, Motion for Attorneys’ Fees, And Settlement Hearing (“Notice”) and a copy of the Proof of Claim and Release form (“Claim Form”), you may obtain copies by writing to *Orrstown Securities Settlement*, Claims Administrator, c/o Kroll, P.O. Box [], _____, xxx-xxx-xxxx, or by visiting www.OrrstownSecuritiesSettlement.com.

If you are a Class Member, in order to share in the distribution of the Net Settlement Fund, you must submit a Claim Form by First-Class mail **postmarked no later than _____, 2023**, or submitted electronically **no later than _____, 2023**, establishing that you are entitled to recovery. Unless the deadline is extended, your failure to submit your Claim Form by the above deadline will preclude you from receiving any payment from the Settlement.

If you are a Class Member and you desire to be excluded from the Class, you must submit a request for exclusion such that it is **postmarked no later than _____, 2023**, in the manner and form explained in the detailed Notice, referred to above. All Class Members who do not timely and validly request exclusion from the Class will be bound by any judgment entered in the Action pursuant to the Stipulation.

If you are a Class Member and want to object to the Settlement, the Plan of Allocation, or Lead Counsel’s fee and expense application, the objection must be in the form and manner explained in the detailed Notice, and must be mailed to each of the following recipients, such that **it is received no later than _____, 2023**:

Clerk’s Office

Clerk of the United States District Court
Middle District of Pennsylvania
Ronald Reagan Federal Building
and United States Courthouse
228 Walnut Street
Harrisburg, PA 17101

Lead Counsel

Nicholas E. Chimicles
Kimberly M. Donaldson-Smith
Timothy N. Mathews
**Chimicles Schwartz Kriner &
Donaldson-Smith LLP**
361 West Lancaster Avenue
Haverford, Pennsylvania 19041

**Orrstown’s Counsel on Behalf of
Defendants**

David Creagan
David Edwards
White and Williams, LLP
1650 Market Street, Suite 1800
Philadelphia, Pennsylvania 19103

EXECUTION VERSION

Exhibit A-3 to the Stipulation

610-642-8500

PLEASE DO NOT CONTACT THE COURT, THE CLERK'S OFFICE OR ANY OF THE DEFENDANTS OR DEFENDANTS' COUNSEL REGARDING THIS NOTICE. If you have any questions about the Settlement, you may contact Lead Counsel at the address listed above. Additional information about the Settlement can be found at www.OrrstownSecuritiesSettlement.com

DATED:

**BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF PENNSYLVANIA**

Exhibit B

**CHIMICLES SCHWARTZ KRINER
& DONALDSON-SMITH LLP**

Nicholas E. Chimicles, Pa. Id. No. 17928
Kimberly Donaldson Smith, Pa. Id. No. 84116
Timothy N. Mathews, Pa. Id. No. 91430
One Haverford Centre
361 West Lancaster Avenue
Haverford, PA 19041
Phone (610) 642-8500
Fax (610) 649-3633

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF PENNSYLVANIA**

SOUTHEASTERN PENNSYLVANIA
TRANSPORTATION AUTHORITY, on
behalf of itself and all others similarly
situated,

Plaintiff,

v.

ORRSTOWN FINANCIAL SERVICES,
INC., ORRSTOWN BANK, ANTHONY
F. CEDDIA, JEFFREY W. COY, MARK
K. KELLER, ANDREA PUGH,
THOMAS R. QUINN, JR., GREGORY A.
ROSENBERRY, KENNETH R.
SHOEMAKER, GLENN W. SNOKE,
JOHN S. WARD, BRADLEY S.
EVERLY, JOEL R. ZULLINGER,
JEFFREY W. EMBLY, SMITH
ELLIOTT KEARNS & COMPANY,
LLC, SANDLER O'NEILL &
PARTNERS L.P., and JANNEY
MONTGOMERY SCOTT LLC,

Defendants.

Civil Action No. 1:12-cv-00993

CLASS ACTION

**[PROPOSED] FINAL JUDGMENT
AND ORDER OF DISMISSAL
WITH PREJUDICE**

**EXHIBIT B TO STIPULATION
AND AGREEMENT OF
SETTLEMENT**

WHEREAS, this matter came before the Court pursuant to the Order Preliminarily Approving Settlement and Providing for Notice (“Order”) dated _____, 2022, and on Plaintiff’s application for approval of the Settlement set forth in the Stipulation and Agreement of Settlement, dated as of December 7, 2022 (the “Stipulation”). Due and adequate notice having been given to the Class as required in the Order, and the Court having considered all papers filed and proceedings had herein and otherwise being fully informed, and good cause appearing therefore,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. This Final Judgment and Order of Dismissal with Prejudice (“Judgment”) incorporates by reference: (a) the Stipulation; and (b) the Notice, Summary Notice, and Declaration of the Claims Administrator with respect to Notice, all filed with this Court. All terms used herein shall have the same meanings as set forth in the Stipulation, unless otherwise set forth herein.
2. This Court has jurisdiction over the subject matter of the Action and over all parties to the Action, including all Members of the Class.
3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court hereby affirms its determinations in the Order and finally certifies, for purposes of settlement only, a Class defined as: All Persons who purchased or otherwise acquired the common stock of Orrstown Financial Services, Inc. during the Class

Period, which is defined as the period from March 15, 2010 through April 26, 2012, inclusive. Excluded from the Class are:

- a. Defendants and their families, officers, affiliates, entities in which they have or had a controlling interest, and the legal representatives, heirs, successors-in-interest or assigns of any such excluded party; and,
- b. Those Persons who timely and validly request exclusion from the Class who are listed on Exhibit 1 hereto as having submitted an exclusion request allowed by the Court.

4. The Court hereby affirms its determination in the Order and finds, for the purposes of the Settlement only, that the prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (a) the Class is so numerous that joinder of all Class Members is impracticable; (b) there are questions of law and fact common to the Class; (c) Plaintiff's claims are typical of those of the Class; (d) Plaintiff and Lead Counsel have fairly and adequately represented the Class's interests and will continue to do so; (e) questions of law and fact common to Class Members predominate over any questions affecting only individual Class Members; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

5. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, the Court hereby affirms its determinations in the

Order and finally appoints Lead Plaintiff SEPTA as Class Representative and Lead Counsel Chimicles Schwartz Kriner & Donaldson-Smith LLP as Class Counsel.

6. The Notice of Pendency and Proposed Settlement of Class Action (“Notice”) given to the Class was the best notice practicable under the circumstances, including the individual notice to all Class Members who could be identified through reasonable effort. The Notice provided the best notice practicable to Class Members under the circumstances of those proceedings and of the matters set forth in the Notice, including the proposed Settlement set forth in the Stipulation, to all Persons entitled to such notice, and said notice fully satisfied the requirements of the Federal Rules of Civil Procedure (including Rules 23(c)-(e)), the United States Constitution (including the Due Process Clause), Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. §78u-4(a)(7), as added by the Private Securities Litigation Reform Act of 1995, the Rules of this Court, and other applicable laws. No Class Member is relieved from the terms of the Settlement, including the Releases provided for therein, based upon the contention or proof that such Class Member failed to receive actual or adequate notice.

7. A full opportunity has been offered to the Class Members to object to the proposed Settlement and to participate in the Settlement Hearing. There have been [___] objections to the Settlement [each of which was addressed by the Court at the Settlement Hearing].

8. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court hereby affirms its determinations in the Order, fully and finally approves the Settlement set forth in the Stipulation in all respects and finds that:

- a. the Stipulation and Settlement contained therein are, in all respects, fair, reasonable, adequate and in the best interest of the Class;
- b. the Stipulation and Settlement were the result of informed, serious, extensive arm's-length among experienced counsel following mediation under the direction of an experienced mediator;
- c. there was not collusion in connection with the Stipulation; and,
- d. the record is sufficiently developed and complete to have enabled Plaintiff and Defendants to have adequately evaluated and considered their positions.

9. Accordingly, the Court authorizes and directs implementation and performance of all the terms and provisions of the Stipulation, as well as the terms and provisions hereof. Except as to any individual claim of those Persons (identified in Exhibit 1 attached hereto) who have validly and timely requested exclusion from the Class, the Court hereby dismisses the Action and all Released Claims with prejudice.

10. The Settling Parties are to bear their own costs, except as and to the extent provided in the Stipulation and herein.

11. The Releases set forth in Section IV.4 of the Stipulation, together with the definitions contained in the Stipulation relating thereto in Section IV.1, are expressly incorporated herein by reference. Accordingly, this Court orders that:

- a. Upon the Effective Date of the Settlement, by operation of this Judgment, Plaintiff's Released Parties shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Plaintiff's Claim against Defendants' Released Parties, and shall forever be barred and enjoined from commencing, instituting, prosecuting, or maintaining any and all of the Released Claims against any of the Defendants' Released Parties in any jurisdiction.
- b. Upon the Effective Date of the Settlement, by operation of this Judgment, Defendants shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Defendants' Claim against Plaintiff's Released Parties, and against each other, and shall forever be barred and enjoined from commencing, instituting, prosecuting, or maintaining any and all of the Released Claims against any of the Plaintiff's Released Parties and against each other, in any jurisdiction.
- c. Nothing in this Judgment shall bar any action by any of the Settling

Parties to enforce or effectuate the terms of the Stipulation or the Judgment.

12. Any Plan of Allocation submitted by Lead Counsel or any order entered regarding Plaintiff's Fee and Expense Application shall in no way disturb or affect this Judgment and shall be considered separate from this Judgment.

13. The Settlement, the Stipulation (whether or not consummated) and the Exhibits hereto, including the contents thereof, the negotiations leading to the execution of the Stipulation and the Settlement, any proceedings taken pursuant to or in connection with the Stipulation, and/or approval of the Settlement (including any arguments proffered in connection therewith), and any communication relating thereto, are not evidence, nor an admission or concession by any Settling Party or its counsel, of any fault, liability or wrongdoing whatsoever, as to any facts or claims alleged or asserted in the Action, or any other actions or proceedings, or as to the validity or merit of any of the claims or defenses alleged or asserted in any such action or proceeding.

14. Neither the Settlement, the Stipulation, the Plan of Allocation contained therein, the negotiations leading to the execution of the Stipulation and the Settlement, nor any proceedings taken pursuant to or in connection with the Stipulation, and/or approval of the Settlement (including any arguments proffered in connection therewith), nor any communication relating thereto, shall be:

- a. offered or received against any Settling Party as evidence of or construed as or deemed to be evidence of any presumption, concession, or admission by any Settling Party of the truth of any allegations by Plaintiff, or the validity of any claim or defense that has been or could have been asserted in the Litigation, or the validity or deficiency of any defense that has been or could have been asserted in the Litigation or in any other litigation, including, but not limited to, litigation of the Released Claims, or that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial or in any proceeding other than the Settlement; or,
- b. offered or received against any Settling Party as evidence of a presumption, concession, or admission of any fault, misrepresentations, or omission, the absence of any fault, misrepresentation, or omission, with respect to any statement or written document approved or made by any Defendant, or against Plaintiff or any Member of the Class as evidence of any infirmity in the claims of Plaintiff and the Class.

15. However, the Settling Parties may reference or file the Stipulation and/or Judgment from this Action in any other action that may be brought against them in order to (a) effectuate the Releases granted them hereunder; and (b) support a defense or counterclaim based on principles of res judicata, collateral estoppel,

release, good faith settlement, judgment bar or reduction, or any theory of claim preclusion or issue preclusion or similar defense or counterclaim.

16. Defendants have denied and continue to deny liability and maintain that they have meritorious defenses and have represented that they entered into the Settlement solely in order to avoid the cost and burden of litigation.

17. 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, expenses, and interest in the Action; (d) all parties herein for the purpose of construing, enforcing, and administering the Stipulation; (e) Class Members for all matters relating to the Action; and (f) other matters related or ancillary to the foregoing. The administration of the Settlement, and the decision of all disputed questions of law and fact with respect to the validity of any claim or right of any Person to participate in the distribution of the Net Settlement Fund, shall remain under the authority of this Court.

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

19. If the Settlement does not become effective in accordance with the

terms of the Stipulation, or the Effective Date does not occur, then this Judgment 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, and the Settlement Fund shall be returned in accordance with the Stipulation.

20. Without further order of the Court, the Settling Parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

IT IS SO ORDERED.

DATED: _____

THE HONORABLE YVETTE KANE
UNITED STATES DISTRICT JUDGE