

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND**

ELIZABETH A. RECUPERO and RAYMOND
MORRISON, Individually and On Behalf of All
Others Similarly Situated,
c/o Osiris Therapeutics, Inc.
7015 Albert Einstein Dr.
Columbia, MD 21046

Plaintiffs,

vs.

PETER FRIEDLI,
c/o Osiris Therapeutics, Inc.
7015 Albert Einstein Dr.
Columbia, MD 21046

THOMAS KNAPP,
c/o Osiris Therapeutics, Inc.
7015 Albert Einstein Dr.
Columbia, MD 21046

WILLI MIESCH,
c/o Osiris Therapeutics, Inc.
7015 Albert Einstein Dr.
Columbia, MD 21046

and

CHARLES A. RIENHART, III,
c/o Osiris Therapeutics, Inc.
7015 Albert Einstein Dr.
Columbia, MD 21046

Defendants.

Civil Action No:

JURY TRIAL DEMANDED

COMPLAINT

Plaintiffs Elizabeth A. Recuperio and Raymond Morrison (“Plaintiffs”), on behalf of themselves, by their undersigned attorneys, for their complaint against Defendants, alleges upon

personal knowledge with respect to themselves, and upon information and belief based upon, *inter alia*, the investigation of counsel as to all other allegations herein, as follows:

NATURE OF THE ACTION

1. This is a class action brought by Plaintiffs on behalf of themselves and all other similarly situated public shareholders of Osiris Therapeutics, Inc. (“Osiris” or the “Company”) against the members of the Company’s board of directors (referred to as the “Board” or the “Individual Defendants,” or “Defendants”) for their violations of § 14(d)(4) of the Securities Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C. §78n(d)(4), and Rule 14d-9 promulgated thereunder by the United States Securities and Exchange Commission (the “SEC”), 17 C.F.R. §240.14d-9; §14(e) of the Exchange Act, 15 U.S.C. §78n(e); and §20(a) Exchange Act of 1934, 15 U.S.C. §78t(a) in connection with the Board’s agreement to sell the Company to Smith & Nephew plc.

2. On March 12, 2019, Osiris, Smith & Nephew plc (“Parent Holdco” or “Smith & Nephew”), Smith & Nephew Consolidated, Inc., (“Parent”), and Papyrus Acquisition Corp., an indirect Subsidiary of Parent (“Sub”) entered into an Agreement and Plan of Merger (the “Merger Agreement”).

3. Pursuant to the Merger Agreement: (i) Sub will merge with and into Osiris, and (ii) Osiris shall continue as the surviving corporation in the Merger (the “Proposed Transaction”).

4. The Offer and withdrawal rights will expire at 12:01 a.m. Eastern Time, on April 17, 2019 (the “Expiration Time”), unless the Offer is extended or earlier terminated in accordance with the terms of the Merger Agreement (as defined below), in which event the term “Expiration Time” will mean the date to which the initial expiration date of the Offer is so extended.

JURISDICTION AND VENUE

5. This Court has subject matter jurisdiction pursuant to Section 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1331 as Plaintiffs allege violations of Sections § 14(d)(4) and 20(a) of the Exchange Act.

6. Personal jurisdiction exists over each Defendant either because each Defendant conducts business in or maintains operations in this District or is an individual who is either present in this District for jurisdictional purposes or has sufficient minimum contacts with this District as to render the exercise of jurisdiction over each Defendant by this Court permissible under traditional notions of fair play and substantial justice.

7. Venue is proper in this District under Section 27 of the Exchange Act, 15 U.S.C. § 78aa, as well as under 28 U.S.C. § 1391, because, among other things: (i) the conduct at issue will have an effect in this District; (ii) a substantial portion of the transactions and wrongs complained of herein, occurred in this District; and (iii) certain Defendants have received substantial compensation in this District by doing business here and engaging in numerous activities that had an effect in this District.

THE PARTIES

Plaintiffs

8. ***Plaintiff Elizabeth A. Recuperio*** is, and at all relevant times, has been an Osiris stockholder.

9. ***Plaintiff Raymond Morrison*** is, and at all relevant times, has been an Osiris stockholder.

10. ***Osiris Therapeutics, Inc.*** (“Osiris” or the “Company”) is a Maryland corporation with its principal executive offices located at 7015 Albert Einstein Drive, Columbia, Maryland

21046. Osiris researches, develops, manufactures and commercializes regenerative medicine products. Osiris common stock is traded under the ticker symbol “OSIR”.

Defendants

11. ***Defendant Peter Friedli*** (“Friedli”) is, and has been at all relevant times, a director of the Company, and currently serves as the Company’s Chairman.

12. ***Defendant Thomas J. Knapp*** (“Knapp”) is, and has been at all relevant times, a director of the Company.

13. ***Defendant Willi Miesch*** (“Miesch”) is, and has been at all relevant times, a director of the Company.

14. ***Defendant Charles A. Reinhart, III*** (“Reinhart”) is, and has been at all relevant times, a director of the Company.

15. The parties in paragraphs 11 through 14 are collectively referred to herein as the “Board” or the “Individual Defendants,” and together with the Company, the “Defendants”.

CLASS ACTION ALLEGATIONS

16. Plaintiffs bring this class action pursuant to Fed. R. Civ. P. 23 on behalf of themselves and the other public shareholders of Osiris (the “Class”). Excluded from the Class are Defendants herein and any person, firm, trust, corporation, or other entity related to or affiliated with any Defendant.

17. This action is properly maintainable as a class action because:

(a) the Class is so numerous that joinder of all members is impracticable. As of May 7, 2018, there were 34,525,886 shares of Osiris common stock outstanding that will immediately vest upon closing, held by hundreds to thousands of individuals and entities scattered

throughout the country. The actual number of public shareholders of the Company will be ascertained through discovery;

(b) there are questions of law and fact that are common to the Class that predominate over any questions affecting only individual members, including the following: (i) whether Defendants have misrepresented or omitted material information concerning the Proposed Transaction in the Proxy, in violation of Section 14(d) of the Exchange Act; (ii) whether the Individual Defendants have violated Section 20(a) of the Exchange Act; and (iii) whether Plaintiffs and other members of the Class will suffer irreparable harm if compelled to vote their shares regarding the Proposed Transaction based on the materially incomplete and misleading Proxy.

(c) Plaintiffs are adequate representatives of the Class, have retained competent counsel experienced in litigation of this nature, and will fairly and adequately protect the interests of the Class;

(d) Plaintiffs' claims are typical of the claims of the other members of the Class and Plaintiffs do not have any interests adverse to the Class;

(e) the prosecution of separate actions by individual members of the Class would create a risk of inconsistent or varying adjudications with respect to individual members of the Class, which would establish incompatible standards of conduct for the party opposing the Class;

(f) Defendants have acted on grounds generally applicable to the Class with respect to the matters complained of herein, thereby making appropriate the relief sought herein with respect to the Class as a whole; and

(g) a class action is superior to other available methods for fairly and efficiently adjudicating the controversy.

SUBSTANTIVE ALLEGATIONS

The Proposed Transaction

18. On March 12, 2019, the Company issued a press release announcing the Proposed Transaction. The press release stated, in relevant part:

Osiris Therapeutics, Inc. Enters Agreement to be Acquired by Smith & Nephew plc

COLUMBIA, Md., March 12, 2019 (GLOBE NEWSWIRE) -- Osiris Therapeutics, Inc. (NASDAQ: OSIR), a regenerative medicine company focused on developing and marketing products for wound care, orthopedics, and sports medicine, today announced that it has entered into an agreement and plan of merger with Smith & Nephew plc pursuant to which Smith & Nephew will acquire Osiris for \$19.00 per share in cash, a total of approximately \$660.5 million in cash. This offer represents a 37% premium to the company's 90-day volume-weighted average stock price. The transaction was unanimously approved by the Boards of Directors of both companies.

Peter Friedli, Chairman of the Board and co-founder of Osiris, said, "This is a very good outcome for Osiris' shareholders. The Board concluded unanimously, after taking into account the requirements needed to take the business to the next level, that entering into this agreement represents the best way to maximize value for our stockholders." Mr. Friedli added, "I am immensely proud of the business we have built from our research into advanced regenerative technologies. I believe Smith & Nephew is the right home for Osiris and will allow our products to reach more customers, helping to restore quality of life for more patients."

"This agreement reflects the significant value that the Osiris team has generated for our shareholders under Peter Friedli's leadership. We believe this transaction will also benefit our customers, employees, and partners," said Samson Tom, President and Chief Executive Officer of Osiris.

Completion of the transaction is expected in the second quarter of 2019, pending the successful completion of the tender offer and all other closing conditions. Osiris' employees are expected to join Smith & Nephew on completion. Until that time, Osiris will continue to operate as a separate and independent company.

Cantor Fitzgerald & Co. rendered a fairness opinion to the Board of Directors of Osiris in connection with the transaction. Hogan Lovells US LLP is acting as legal counsel for Osiris.

Transaction Details

Under the terms of the agreement and plan of merger, Smith & Nephew has formed an acquisition subsidiary, Papyrus Acquisition Corp. (“Purchaser”), that will commence a tender offer no later than April 2, 2019 to purchase all outstanding shares of Osiris for \$19.00 per share in cash, and Osiris will file a recommendation statement containing the unanimous recommendation of the Osiris Board that Osiris stockholders tender their shares to Smith & Nephew. Following the completion of the tender offer, Smith & Nephew expects to promptly consummate a merger of Purchaser and Osiris in which shares of Osiris that have not been purchased in the tender offer will be converted into the right to receive the same cash price per share as paid in the tender offer.

The tender offer and the merger are subject to customary closing conditions, including the tender of at least a majority of the outstanding Osiris shares on a fully diluted basis and the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act. The merger agreement includes customary termination provisions for both Osiris and Smith & Nephew, including a right for either party to terminate if the transactions have not been completed by December 12, 2019.

The merger agreement provides that, in connection with the termination of the merger agreement under specified circumstances, including termination by Osiris to accept a superior proposal, Osiris will be required to pay to Smith & Nephew a fee equal to \$18,682,450.

Smith & Nephew plc (LSE: SN, NYSE: SNN) is making a separate announcement regarding the transaction to its investors today.

Annual Report on Form 10-K

Osiris intends to file its Annual Report on Form 10-K for the year ended December 31, 2018 on Friday, March 15, 2019.

About Osiris Therapeutics

Osiris Therapeutics, Inc., based in Columbia, Maryland, researches, develops, manufactures, and commercializes regenerative medicine products intended to improve the health and lives of patients and lower overall healthcare costs. We have achieved commercial success with products in orthopedics, sports medicine and wound care, including the Grafix product line, Stravix®, BIO4®, and Cartiform®. We continue to advance our research and development by focusing on innovation in regenerative medicine, including the development of bioengineered stem cell and tissue based products. Osiris®, Grafix®, GrafixPL®, GrafixPL PRIME™, Cartiform®, and Prestige Lyotechnologysm are our trademarks. BIO4® is a trademark of Howmedica Osteonics Corp., a subsidiary of Stryker Corporation. More information can be found on the Company’s website, www.osiris.com. (OSIR-G)

IMPORTANT INFORMATION

The tender offer for the shares of outstanding common stock of Osiris has not yet commenced. This communication is for informational purposes only and does not constitute an offer to buy or a solicitation of an offer to sell any securities of Osiris. The solicitation and offer to buy common stock of Osiris will only be made pursuant to an Offer to Purchase and related materials. At the time the tender offer is commenced, Smith & Nephew Consolidated, Inc. and Papyrus Acquisition Corp. will file a tender offer statement on Schedule TO with the United States Securities and Exchange Commission (the “SEC”) and thereafter Osiris will file a Tender Offer Solicitation/Recommendation Statement on Schedule 14D-9 with the SEC with respect to the tender offer. INVESTORS AND SECURITY HOLDERS ARE ADVISED TO READ THE SCHEDULE TO AND THE SCHEDULE 14D-9, AS EACH MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, AS WELL AS ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, WHEN THEY BECOME AVAILABLE CAREFULLY AND IN THEIR ENTIRETY PRIOR TO MAKING ANY DECISIONS WITH RESPECT TO THE TENDER OFFER OR WHETHER TO TENDER THEIR SHARES PURSUANT TO THE TENDER OFFER, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION (INCLUDING THE TERMS AND CONDITIONS OF THE TENDER OFFER) AND THE PARTIES THERETO. Investors may obtain a free copy of the Solicitation/Recommendation Statement and other documents (when available) that Osiris files with the SEC at the SEC’s website at www.sec.gov, or free of charge from Osiris at www.osiris.com or by directing a request to Osiris at OsirisPR@Osiris.com.

19. On March 12, 2019, Parent Holdco issued a separate press release announcing the Proposed Transaction. The press release stated, in relevant part:

Smith & Nephew expands in high growth regenerative medicine market through acquisition of Osiris Therapeutics, Inc.

LONDON, March 12, 2019 /PRNewswire/ -- Smith & Nephew plc (LSE:SN, NYSE:SNN), the global medical technology business, announces that it has agreed to acquire Osiris Therapeutics, Inc. (NASDAQ: OSIR), a fast growing company delivering regenerative medicine products, including skin, bone graft and articular cartilage substitutes, for \$19.00 per share in cash, representing a total equity value of approximately \$660 million.

Namal Nawana, Chief Executive Officer, Smith & Nephew, said:

“Greater presence in the fast growing regenerative medicine market enhances our portfolio and will help immediately accelerate our wound management business as well as provide longer term innovations in additional channels and indications.

We sought out a fast growing portfolio with strong clinical evidence addressing critical needs in the marketplace.”

Osiris delivered revenue of \$102 million for the nine-months ended 30 September 2018, an 18.7% increase over the comparable period in 2017. Revenue was \$36.5 million for the three-month period ended 30 September 2018, a 22.4% increase year on year. Osiris is expected to publish its Fourth Quarter and Full Year 2018 results on 15 March 2019.

Osiris’ principal products, Grafix® and Stravix®, accounted for more than 70% of revenue in the first nine months of 2018, and drove the majority of growth. We expect these two products to continue to deliver strong double-digit growth into the medium term. Grafix and Stravix participate in the US skin substitute market, which is currently worth \$900 million per annum and growing at 7% annually¹.

Skin substitute Grafix is a cryopreserved placental membrane intended for application directly to acute and chronic wounds, including wounds with exposed bone and tendon. Grafix is supported by robust evidence including two randomised controlled trials, six non-randomised trials and more than 20 peer-reviewed publications in the last 5 years. In October 2018, Osiris launched Grafix PL PRIME, a lyopreserved product that can be stored at room temperature, improving usability for healthcare professionals.

Stravix is a cryopreserved placental tissue used as a surgical cover or wrap to support soft tissue repair in a wide range of surgical procedures.

Simon Fraser, President, Advanced Wound Management at Smith & Nephew, said: “Grafix offers a compelling new option for managing hard to heal wounds and Stravix expands our tissue repair portfolio. We will drive synergies across products from common call points and increased access to our wider customer base.”

Osiris also offers BIO4® bone matrix for bone repair and Cartiform®, an allograft for articular cartilage repair, products currently exclusively distributed by third parties.

Peter Friedli, Chairman and co-founder of Osiris, said: “I am immensely proud of the business we have built from our research into advanced regenerative technologies. Smith & Nephew is the best new owner to take these products forward, widening access to more customers and restoring quality of life for more patients.”

Osiris’ 360 employees are expected to join Smith & Nephew on completion.

Transaction details

Under the terms of the transaction, Smith & Nephew will commence a two-step tender offer to purchase all of the outstanding shares of Osiris common stock for \$19.00 per share in cash.

The purchase price represents a 37% premium over the 90-day volume weighted average price of Osiris' shares prior to this announcement.

Peter Friedli has entered into a Tender & Support Agreement with Smith & Nephew whereby he will commit to tender approximately 30% of the outstanding shares of Osiris in favour of the transaction.

The companies expect to close the transaction in the second quarter of 2019, subject to customary closing conditions, including relevant antitrust clearances and the tender of a majority of outstanding shares of Osiris common stock on a fully diluted basis.

The acquisition will be financed from Smith & Nephew's existing cash and debt facilities. The transaction is expected to be accretive to Smith & Nephew's adjusted earnings per share from 2020. The acquisition is expected to generate a return on invested capital that exceeds Smith & Nephew's cost of capital in the third year after closing.

* * *

About Smith & Nephew

Smith & Nephew is a portfolio medical technology business with leadership positions in Orthopaedics, Advanced Wound Management and Sports Medicine. Smith & Nephew has more than 16,000 employees and a presence in more than 100 countries. Annual sales in 2018 were \$4.9 billion. Smith & Nephew is a member of the FTSE100 (LSE:SN, NYSE:SNN). For more information about Smith & Nephew, please visit our corporate website www.smith-nephew.com and follow us on Twitter, LinkedIn or Facebook.

About Osiris Therapeutics, Inc

Osiris Therapeutics, Inc., based in Columbia, Maryland, researches, develops, manufactures and commercializes regenerative medicine products intended to improve the health and lives of patients and lower overall healthcare costs. It has achieved commercial success with products in orthopedics, sports medicine and wound care, including the Grafix product line, Stravix®, BIO4® and Cartiform®. It continues to advance its research and development by focusing on innovation in regenerative medicine, including the development of bioengineered stem cell and tissue based products. Osiris®, Grafix®, GrafixPL®, GrafixPL PRIME Cartiform®, and Prestige Lyotechnologysm are all its trademarks. BIO4® is a trademark of Howmedica Osteonics Corp., a subsidiary of Stryker Corporation.

More information can be found on the Company's website, www.Osiris.com. (OSIR-G)

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Additional Information about the Proposed Transaction and Where to Find It

The tender offer described in this press release has not yet commenced. This press release is provided for informational purposes only and does not constitute an offer to purchase or the solicitation of an offer to sell any securities. At the time the tender offer is commenced, Smith & Nephew, Smith & Nephew Consolidated, Inc. and a wholly owned subsidiary of Smith & Nephew intend to file with the SEC a Tender Offer Statement on Schedule TO containing an offer to purchase, a form of letter of transmittal and other documents relating to the tender offer, and Osiris intends to file with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 with respect to the tender offer. Smith & Nephew and Osiris intend to mail these documents to the Osiris stockholders. Investors and stockholders should read those filings carefully when they become available as they will contain important information about the tender offer. Those documents may be obtained without charge at the SEC's website at www.sec.gov or by contacting the information agent for the tender offer. INVESTORS AND SECURITY HOLDERS ARE ADVISED TO READ THESE DOCUMENTS WHEN THEY BECOME AVAILABLE, INCLUDING THE SOLICITATION/RECOMMENDATION STATEMENT OF OSIRIS AND ANY AMENDMENTS THERETO, AS WELL AS ANY OTHER DOCUMENTS RELATING TO THE PROPOSED TRANSACTION THAT ARE FILED WITH THE SEC, CAREFULLY AND IN THEIR ENTIRETY PRIOR TO MAKING ANY DECISIONS WITH RESPECT TO WHETHER TO TENDER THEIR SHARES PURSUANT TO THE PROPOSED TRANSACTION BECAUSE THEY CONTAIN IMPORTANT INFORMATION, INCLUDING THE TERMS AND CONDITIONS OF THE PROPOSED TRANSACTION.

20. The Merger Consideration is unfair because, among other things, the intrinsic value of the Company is in excess of the amount the Company's shareholders will receive in connection with the Proposed Transaction.

21. It is therefore imperative that the Company common shareholders receive the material information that Defendants have omitted from the Proxy so that they can meaningfully assess whether the Proposed Transaction is in their best interests prior to the vote.

BACKGROUND OF THE MERGER AGREEMENT

22. In or around mid-2018, a representative of Company A contacted Defendant Friedli to initiate discussions regarding a potential acquisition of the Company's wound care business, which included Grafix and Stravix product lines.

23. On May 30, 2018, the Company entered into a mutual non-disclosure disclosure agreement with Company A.

24. In mid-2018, a representative of the Company reached out to three other companies in the wound care industry to discuss potential business collaborations and partnerships with respect to the Company's wound care business. After initial discussions, such companies indicated that they were not interested in a potential business collaboration or partnership with the Company.

25. On June 20, 2018, representatives of the Company met with representatives of Company A at Company A's headquarters to discuss a potential acquisition of the Company's wound care business.

26. On July 9, 2018, Michael Sinclair (a Director of Pipeline Strategy), sent an email to the President of Smith & Nephew, to discuss whether Smith & Nephew had a potential interest in a commercial collaboration or partnership between the two companies with respect to the Company's wound care business.

27. On July 12, 2018, the President of Smith & Nephew responded via email to Mr. Sinclair indicating that Smith & Nephew was interested in an initial discussion with the Company regarding a potential commercial arrangement. Later that day, the Company sent a draft mutual non-disclosure agreement to Smith & Nephew.

28. On July 24, 2018, the Company and an affiliate of Smith & Nephew entered into a mutual non-disclosure agreement to allow the parties thereto to share confidential information with one another in connection with their exploration of a potential commercial arrangement.

29. In late July 2018, Mr. Sinclair and the Vice President, Corporate Development of Smith & Nephew spoke telephonically to schedule an in-person meeting between the companies.

30. On August 2, 2018, representatives of the Company met with representatives of Smith & Nephew at the Company's headquarters in Columbia, Maryland, to discuss the Company's products and potential commercial opportunities between the companies with respect to the Company's wound care business. At the meeting, representatives of the Company gave representatives of Smith & Nephew an overview of the Company, its technology and its products, and representatives of Smith & Nephew gave representatives of the Company an overview of Smith & Nephew's wound care product portfolio and general information about its salesforce.

31. In August 2018, representatives of Smith & Nephew conducted due diligence on the Company and made various requests for information about the Company, with a particular focus on the Company's wound care business. During this period, representatives of the Company and representatives of Smith & Nephew corresponded electronically and held telephonic discussions to respond to Smith & Nephew's various requests, including by providing Smith & Nephew with preliminary financial information for the Company's wound care business and information regarding the wound care products and sales landscape.

32. In early September 2018, the Vice President of Corporate Development of Smith & Nephew had telephonic conversations with Mr. Sinclair to follow up on due diligence matters and confirm that Smith & Nephew continued to be interested in a potential commercial arrangement with the Company with respect to the Company's wound care business.

33. On September 21, 2018, the Vice President of Corporate Development of Smith & Nephew had a telephonic discussion with Mr. Sinclair to confirm that, after discussing a potential commercial arrangement between the Company and Smith & Nephew with Smith & Nephew's executive team, Smith & Nephew remained interested in continuing discussions with the Company, and was considering various possible transactions, including the possibility of separating the wound care business of the Company from its other products to facilitate a business partnership with respect to the wound care business

34. From early to mid-October 2018, Mr. Sinclair and Jason Keefer, Interim Chief Executive Officer of the Company, had telephonic discussions with the Vice President, Corporate Development of Smith & Nephew to coordinate the proposed in-person meeting and to discuss an agenda for the meeting.

35. On October 30, 2018, certain representatives of the Company met with representatives of Smith & Nephew at the Company's headquarters in Columbia, Maryland, to discuss a potential strategic transaction with respect to the Company's wound care business.

36. On November 14, 2018, Mr. Sinclair and Mr. Keefer spoke telephonically with the Vice President, Corporate Development of Smith & Nephew, during which call the Vice President, Corporate Development of Smith & Nephew communicated that Smith & Nephew was interested in exploring an acquisition of the Company's wound care business and was continuing to evaluate the Company's other products.

37. On November 20, 2018, Mr. Sinclair and Mr. Keefer met telephonically with Phil Cowdy, Executive Vice President, Corporate Development of Smith & Nephew, and the Vice President, Corporate Development of Smith & Nephew to inform the Company that Smith & Nephew had engaged Lazard Freres & Co. LLC ("Lazard") as its financial advisor and wanted

to proceed with discussions regarding an acquisition of the Company's wound care business, including a meeting with Defendant Friedli.

38. On November 26, 2018, the Company announced that Samson Tom was appointed to serve as President and Chief Executive Officer of the Company.

39. On November 27, 2018, representatives of the Company met with representatives of Company A at the Company's headquarters in Columbia, Maryland, to continue discussions of a potential acquisition of the Company's wound care business.

40. On December 6, 2018, Mr. Tom and Mr. Sinclair spoke telephonically with the Vice President, Corporate Development of Smith & Nephew and a representative of Lazard, during which call the Vice President, Corporate Development of Smith & Nephew informed the Company that Smith & Nephew was interested in acquiring all of the outstanding stock of the Company.

41. On December 10, 2018, at the request of Smith & Nephew, the Company provided Smith & Nephew with copies of its updated financial statements for the whole Company.

42. On December 13, 2018, representatives of Company A met with Defendant Friedli in Zurich, Switzerland. At this meeting, the representatives of Company A proposed to acquire the Company's wound care business for a price of \$250-\$300 million.

43. On December 14, 2018, Defendant Friedli met with Mr. Cowdy in Zurich, Switzerland, to discuss a potential strategic transaction involving the Company, including the need for the Company to provide Smith & Nephew with updated financial statements and projections of the Company in January 2019 and to schedule an in-person meeting for late January 2019.

44. On December 18, 2018, Mr. Tom and Mr. Sinclair held a telephonic conversation with Mr. Cowdy, the Vice President, Corporate Development of Smith & Nephew, and David Houldridge, Associate, Strategy and Business Development of Smith & Nephew, to discuss next steps regarding a potential strategic transaction with the Company.

45. On December 27, 2018, Company A provided a due diligence request list to the Company, and on December 28, 2018, the Company opened a virtual data room to facilitate the due diligence process.

46. On January 10, 2019, representatives of Company A met with representatives of the Company at the Company's headquarters in Columbia, Maryland, for a due diligence site visit specific to the wound care business. Subject matter areas of focus at this meeting included manufacturing, operations, procurement, regulatory, quality assurance and quality control. In mid-January 2019, the Company responded to various due diligence requests from Smith & Nephew.

47. On January 18, 2019, representatives of Company A met with representatives of the Company in-person near the Company's headquarters in Maryland for a due diligence visit specific to the Company's wound care business.

48. On January 22, 2019, the Company opened up a virtual data room to share confidential information with representatives of Smith & Nephew and began uploading materials responsive to Smith & Nephew's due diligence requests in advance of the in-person meeting between the parties later that week.

49. On January 25, 2019, representatives of Smith & Nephew met with representatives of the Company at the Company's headquarters in Columbia, Maryland, to

discuss the Company's cellular-tissue products and operations and to review the Company's financial statements.

50. On January 30, 2019, Mr. Cowdy placed a telephone call to Defendant Friedli to confirm that Smith & Nephew remained interested in a potential strategic transaction with the Company and wanted to continue to move forward with its due diligence investigation of the Company.

51. On February 1, 2019, representatives of Company A met with Mr. Tom and Defendant Friedli in-person in New York City. At this meeting Company A proposed to acquire the Company's wound care business for a price of \$270-\$290 million.

52. On February 12, 2019, Mr. Cowdy met with Defendant Friedli in Zurich, Switzerland, to discuss the potential strategic transaction. At this meeting, Defendant Friedli was presented with a written non-binding indication of interest in connection with a possible acquisition of all of the Company's outstanding stock for \$17.50 per share, subject to, among other things, the completion of Smith & Nephew's due diligence investigation and the execution of mutually acceptable support agreements with certain large stockholders of the Company. Defendant Friedli told Mr. Cowdy that he would take this indication of interest to the Board.

53. On February 14, 2019, Defendant Friedli spoke telephonically with Mr. Cowdy to confirm that he had discussed the potential strategic transaction with Mr. Tom and Hogan Lovells US LLP ("Hogan Lovells"), outside counsel to the Company. Defendant Friedli told Mr. Cowdy that he was in the process of scheduling a Board meeting to discuss the terms of Smith & Nephew's proposal with the Board.

54. In mid-February 2019, Mr. Cowdy and Defendant Friedli discussed the possibility of Defendant Friedli taking on a consulting role for a limited period of time post-closing, to assist with the transition.

55. On February 19, 2019, the Board held a telephonic special meeting, with a representative of Hogan Lovells present, to discuss the written indication of interest from Smith & Nephew received on February 12, 2019. At the meeting, Defendant Friedli provided the Board with details regarding his recent conversations with representatives of Smith & Nephew and the terms of the offer received from Smith & Nephew on February 12, 2019. The Board engaged in a discussion regarding the merits of a potential sale transaction, including pricing, process and timing of a potential transaction. The Board discussed the premium that the \$17.50 per share price represented to the Company's recent trading prices, as well as the potential strategic options for the Company, including the Company's prospects as a standalone business, based on the Company's current business plan and the challenges that the Company is experiencing in the marketplace. The Board also discussed the competitive landscape of the Company, including challenges faced by the Company due to its size relative to its competitors, as well as trends in the marketplace. A representative of Hogan Lovells then provided the members of the Board with an overview of their duties and obligations under Maryland law in this context. Following discussions regarding the legal responsibilities of the Board, the Board authorized Defendant Friedli to continue to engage in discussions with Smith & Nephew and to engage an investment bank to render an opinion as to the fairness, from a financial point of view, of the proposed consideration payable in a potential transaction.

56. On February 19, 2019, Mr. Tom and Mr. Sinclair had a telephone conversation with a representative from Company A advising them that the Company needed additional time to evaluate Company A's proposal.

57. On February 20, 2019, Defendant Friedli held a telephonic discussion with Mr. Cowdy to discuss Smith & Nephew's \$17.50 per share offer price. Defendant Friedli provided a counter-proposal of \$18.50 per share. Mr. Cowdy told Defendant Friedli that Smith & Nephew needed additional time to consider the counter-proposal.

58. On February 22, 2019, Defendant Friedli and Mr. Cowdy held telephone discussions to further discuss the proposed transaction, including the per share price. Mr. Cowdy told Defendant Friedli that a purchase price of \$18.00 per share was reflective of Smith & Nephew's valuation of the Company's business at that time.

59. On February 25, 2019, Defendant Friedli and Mr. Cowdy met telephonically to further discuss the proposed transaction. Mr. Cowdy reconfirmed that a purchase price of \$18.00 per share was reflective of Smith & Nephew's valuation of the Company's business at that time.

60. On February 26, 2019, the Board met telephonically, with members of the Company's management team and Hogan Lovells participating, to discuss Smith & Nephew's revised offer price of \$18.00 per share. Defendant Friedli summarized the prior negotiations with Smith & Nephew for the Board and expressed his view that, based upon the course of negotiations with Smith & Nephew, the \$18.00 per share price was the highest price that Smith & Nephew would be willing to pay. Defendant Friedli reported that, on behalf of the Company, he had engaged Cantor Fitzgerald & Co. ("Cantor Fitzgerald") to render a fairness opinion in connection with the transaction.

61. On February 27, 2019, a representative of the Company made available initial drafts of the Company's Annual Report on Form 10-K for the year ended December 31, 2018 and fourth quarter and year-end earnings release to a representative of Smith & Nephew.

62. On February 27, 2019, representatives from Hogan Lovells spoke telephonically with representatives of Paul, Weiss, Rifkind, Wharton & Garrison LLP ("Paul Weiss"), counsel to Smith & Nephew, regarding the terms of the proposed transaction, including those relating to the Board's duties as directors under Maryland law. Hogan Lovells relayed the Company's proposal that the Merger Agreement include a "go shop" provision that would permit the Board to actively solicit competing bids for a specified period of time following the execution of the Merger Agreement.

63. On February 27, 2019, the business development teams of each of Smith & Nephew and the Company began daily update calls to discuss due diligence and other business matters related to a potential acquisition of the Company.

64. On February 28, 2019, a representative of Paul Weiss, on behalf of Smith & Nephew, informed a representative of Hogan Lovells by telephone that Smith & Nephew would not agree to the inclusion of a "go shop" provision, but would be willing to agree to a termination fee towards the lower end of, or even slightly below, the customary range of 3% to 4% of the equity value of the Company.

65. On March 1, 2019, Mr. Cowdy electronically transmitted to Defendant Friedli a revised non-binding indication of interest (the "March 1 Letter") that included an offer price of \$18.00 per share in cash with no financing contingency, subject to execution of mutually acceptable support agreements with certain large stockholders of the Company, an exclusive negotiating period through March 12, 2019, which period would be automatically extended one

time for an additional two weeks if the parties were making progress toward a transaction, and customary standstill provisions with a term of nine months that would automatically terminate upon the entry by the Company into a definitive acquisition agreement with a third party.

66. On March 1, 2019, a representative of Hogan Lovells, on behalf of the Company, contacted a representative of Paul Weiss by telephone to confirm that the Company would drop the request for a “go shop” provision, and the parties agreed in principle to a termination fee equal to 2.8% of the equity value of the Company.

67. On March 1, 2019, members of the Board met telephonically, with members of the Company’s management team and representatives of Hogan Lovells participating, to discuss the proposed transaction, including process and timing of the transaction. Defendant Friedli provided an update on negotiations with Smith & Nephew, including Smith & Nephew’s revised written non-binding indication of interest, pursuant to which Smith & Nephew confirmed its proposed \$18.00 per share purchase price and requested an exclusive negotiating period through March 12, 2019, which period would be automatically extended one time for an additional two weeks if the parties were making progress toward a transaction. The Board authorized Defendant Friedli to execute the revised non-binding indication of interest, thereby agreeing to the exclusivity request. Defendant Friedli informed the Board that he was scheduled to meet with a representative of Smith & Nephew in-person the following week.

68. From March 1, 2019 through March 11, 2019, Smith & Nephew continued its due diligence review of the Company. During this period, the Company continued to make available additional diligence information and materials, and representatives of the Company and Smith & Nephew conducted frequent diligence calls.

69. On March 2, 2019, the Company countersigned the March 1 Letter.

70. On March 5, 2019, Paul Weiss provided an initial draft of a proposed Merger Agreement to Hogan Lovells. The proposed draft contemplated a two-step merger, with an indirect subsidiary of Smith & Nephew conducting a cash tender offer for all of the outstanding Shares and following which such affiliate would merge with and into the Company with the Company surviving the Merger. The draft Merger Agreement included customary no-shop and fiduciary out provisions and specified that the amount of the termination fee payable under certain circumstances would be equal to 2.8% of the equity value on a fully diluted basis.

71. On March 5, 2019, Defendant Friedli met with Simon Fraser, President, Advanced Wound Management of Smith & Nephew, and Mr. Cowdy in person in London, England, to continue negotiations regarding the terms of the transaction, including discussions regarding the per share offer price. In the course of those discussions, Defendant Friedli requested that Smith & Nephew improve its proposed offer price to \$18.50 per share.

72. On March 5, 2019, representatives of Smith & Nephew visited the Company's headquarters in Columbia, Maryland, to continue its due diligence review of the Company.

73. On March 5, 2019, representatives of Cantor Fitzgerald and representatives of Lazard had a telephone conference to discuss matters related to the proposed transaction.

74. On March 6, 2019, representatives of Smith & Nephew again visited the Company's headquarters in Columbia, Maryland, to perform a further due diligence review of the Company.

75. On March 6, 2019, certain members of the Board met telephonically, with members of the Company's management team and Hogan Lovells participating, to discuss the proposed transaction. Representatives of Cantor Fitzgerald were also present telephonically. Defendant Friedli summarized negotiations with Smith & Nephew, including discussions

regarding the per share offer price. A representative of Cantor Fitzgerald then described its process for providing the Board with a fairness opinion, including the financial analysis of the Company it would perform. Hogan Lovells then discussed the Board's duties as directors under Maryland law and other matters.

76. On March 7, 2019, representatives of Smith & Nephew again visited the Company's headquarters in Columbia, Maryland, to continue its due diligence review of the Company.

77. On March 7, 2019, representatives of Hogan Lovells sent a revised draft Merger Agreement to representatives of Paul Weiss. Later that day, representatives of Paul Weiss sent representatives of Hogan Lovells an initial draft of the Tender and Support Agreement to be entered into by Defendant Friedli.

78. On March 8, 2019, Defendant Friedli, Namal Nawana, Chief Executive Officer of Smith & Nephew, and Mr. Cowdy engaged in telephonic discussions to negotiate the terms of the proposed transaction, including the per share offer price. Mr. Nawana reiterated Smith & Nephew's continued interest in a potential transaction and indicated that Smith & Nephew would consider increasing its proposed offer price in light of, among other things, the recent increases in the trading price of Company Common Stock. Mr. Nawana communicated Smith & Nephew's continued interest in the Company.

79. On March 8, 2019, Defendant Friedli and Mr. Cowdy met telephonically to further discuss the proposed transaction, including the due diligence process, timelines and the announcement of the proposed transaction.

80. Later in the day on March 8, 2019, Defendant Friedli electronically transmitted to Mr. Cowdy the Company's request that Smith & Nephew increase the offer price to \$18.75 per

share, noting, among other things, the increase in the trading price of Company Common Stock since the date of Smith & Nephew's offer of \$18.00 per share. Defendant Friedli and Mr. Cowdy agreed to speak again on March 9, 2019.

81. On March 9, 2019, Defendant Friedli and Mr. Cowdy met telephonically to further discuss the proposed transaction. Separately on March 9, 2019, Defendant Friedli and Mr. Cowdy engaged in telephonic discussions to negotiate the per share offer price. Mr. Cowdy indicated that Smith & Nephew would be willing to agree to increase its offer price to \$18.75 per share.

82. On March 9, 2019, representatives of Hogan Lovells sent a revised draft of the Tender and Support Agreement to representatives of Paul Weiss.

83. On March 9, 2019, representatives of Hogan Lovells and representatives of Paul Weiss had telephonic meetings to discuss certain terms of the transaction.

84. On March 10, 2019, representatives of Paul Weiss sent a revised draft Merger Agreement to representatives of Hogan Lovells.

85. On March 11, 2019, the Board met telephonically, with members of the Company's management team, Hogan Lovells and Cantor Fitzgerald participating, to discuss updates regarding the proposed transaction and for the Board to consider the proposed Offer, the Merger and the other transactions contemplated by the Merger Agreement. Defendant Friedli provided the Board with an update regarding negotiations with Smith & Nephew, including Smith & Nephew's increased offer price of \$18.75 per share. Also at the meeting, Cantor Fitzgerald made a financial presentation to the Board regarding the then proposed offer price, which included the financial analyses of the Company performed by Cantor Fitzgerald and verbally rendered an opinion to the Board to the effect that, as of that date and based on and

subject to the assumptions, matters considered and limitations, conditions and qualifications described in its opinion, the \$18.75 per share cash consideration to be received in the Offer and the Merger, taken together, by holders of the outstanding shares of Company Common Stock (other than Smith & Nephew, Parent, Purchaser, and Defendant Friedli and their respective affiliates) was fair, from a financial point of view, to such holders. A representative of Hogan Lovells then provided the Board with a summary of the key provisions of the Merger Agreement and the transactions contemplated thereby, including the Tender and Support Agreement to be entered into by Parent, Purchaser and Defendant Friedli, and the terms of the foregoing that relate to the Board's duties as directors under Maryland law, and an overview of the resolutions proposed to be adopted by the Board at the meeting. A representative of Hogan Lovells also advised the Board regarding a timeline for closing the Merger. Mr. Tom then provided the Board with an update regarding due diligence matters. After discussion and consideration of the Offer, the Merger, the Merger Agreement and the transactions contemplated by the Merger Agreement, the Board unanimously (i) approved the Merger Agreement and declared that the Merger Agreement, the Offer, the Merger and the other transactions contemplated by the Merger Agreement, including the Tender and Support Agreement, were advisable and fair to, and in the best interests of the Company and its stockholders, and (ii) resolved to recommend that the stockholders of the Company accept the Offer and tender their Shares pursuant to the Offer. Following the conclusion of the meeting of the Board, Defendant Friedli informed Mr. Cowdy by telephone that the Board had approved and declared advisable the proposed transaction with Smith & Nephew, but that the Company was continuing to monitor the stock price.

86. During the day of March 11, 2019, Defendant Friedli had telephonic discussions with Hogan Lovells regarding an acceptable offer price to the Company considering, among

other things, the equity market's valuation of the Company based on current trading prices. Throughout the course of the day on March 11, 2019, representatives of Hogan Lovells and representatives of Paul Weiss discussed and exchanged comments on the draft Merger Agreement, including with respect to the restrictions on the Company's business during the period between signing of the Merger Agreement and closing of the Merger. Later on March 11, 2019, Defendant Friedli proposed on a telephone call with Mr. Cowdy an increase in the per share offer price to \$19.00, which the Board believed was necessary to provide value to stockholders in excess of the then-current valuation by the public equity markets, based on the closing price of the Company's stock on the Nasdaq Global Market ("Nasdaq") on March 11, 2019. Following negotiations between the parties, in a subsequent telephone conversation, Mr. Nawana and Mr. Cowdy informed Defendant Friedli that Smith & Nephew was willing to increase its offer price to \$19.00 per share. Thereafter, Cantor Fitzgerald updated its analysis and delivered to the Board its written opinion dated March 12, 2019, which written opinion was accompanied by updated financial analyses for the Board, to the effect that, as of that date and based on and subject to various assumptions, matters considered and limitations, conditions and qualifications described in its opinion, the \$19.00 per share case consideration to be received in the Offer and the Merger, taken together, by holders of the outstanding shares of Company Common Stock (other than Smith & Nephew, Parent, Purchaser, and Defendant Friedli and their respective affiliates) was fair, from a financial point of view, to such holders. In the morning of March 12, 2019, the parties agreed on the final form of the Merger Agreement, and thereafter, on March 12, 2019, Parent, Purchaser, Smith & Nephew and the Company executed the Merger Agreement and Parent, Purchaser and Defendant Friedli executed the Tender and Support Agreement.

87. Before the opening of trading on Nasdaq on March 12, 2019, the Company issued a press release announcing the execution of the Merger Agreement and the forthcoming commencement of a tender offer by Purchaser to acquire all of the outstanding Shares at \$19.00 per share.

88. On March 13, 2019, the Company advised representatives of Company A by telephone of the announcement of the Merger Agreement with Smith & Nephew and that the Company planned to send a written notice to request the return or destruction of confidential Company materials pursuant to the non-disclosure agreement between the Company and Company A. The Company sent the notice pursuant to the non-disclosure agreement to Company A later that day.

89. On March 17, 2019, Mr. Cowdy and Defendant Friedli again discussed the possibility of Defendant Friedli entering into a consulting arrangement for a limited period of time post-closing, to assist with the transition given Defendant Friedli's expertise in the industry and specific knowledge of the Company. They agreed in principle that Defendant Friedli and Smith & Nephew or one of its affiliates would enter into a two-year transitional consulting arrangement, for \$250,000 per year.

THE TENDER OFFER PRICE OF \$19.00 PER SHARE IS INADEQUATE

90. The current Tender Offer price of \$19.00 per share does not adequately reflect Osiris's future growth prospects. Over the prior four-year period, Osiris has grown revenues at 20%+ per year. At a valuation of \$19.00 per share, Cantor Fitzgerald's Discounted Cash Flow ("DCF") analysis utilizes management's projections which reflect revenue growth of just 10%, 10%, 9%, and 9% for 2019, 2020, 2021, and 2022, respectively. *See* attached Exhibit A (*Bloomberg* article referencing Goldman Sachs projecting the revenue growth rate to continue);

see also Exhibit B at page 10 (Smith & Nephew investor presentation, which demonstrates Osiris revenue growth through 9-months ended September 2018 of 18.7%; full year was 20.5%). Cantor Fitzgerald utilized management's free cash flow projections and calculated a terminal value for Osiris by applying a multiple to projected revenue in 2022. Like most growth stage companies, most of the expected future value is captured in the period beyond the forecast period, *i.e.*, -- the terminal value. The application of inferior projected revenue growth rates significantly diminishes the terminal value and the overall implied value of the company's stock.

91. Using Cantor Fitzgerald's DCF model and the application of more appropriate revenue growth rates during the forecast period of 15% - 18%, (rather than 9%-10%) results in implied value per share of approximately \$24.00, an increase of \$5.00 per share over the offer price.

THE MATERIALLY INCOMPLETE AND MISLEADING 14D-9

92. Cantor Fitzgerald prepared a Public Company Analysis (*see* pages 25 and 26 of the 14D-9) where they compared revenue multiples at which certain public companies, deemed to be comparable to Osiris, are currently trading. The 14D-9 fails to provide the revenue multiples for each of the comparable companies. This information is important, because each of the comparable companies trade at different multiples based in part on disparate revenue growth rates. Only one company in the group, AxoGen, Inc., is projected to demonstrate revenue growth in excess of 20% for 2019. The revenue multiples that Cantor Fitzgerald selected for Osiris of 3.0 – 4.0x 2019E revenue are based on the mean and median multiples for the entire group, when Osiris has demonstrated revenue growth in excess of the average comparable company. Therefore, an investor could make a more meaningful assessment of the adequacy of the tender

offer price if he knew each company's revenue multiple relative to expected growth. Additional information is necessary in order for shareholders to be fully informed.

93. Further, the Precedent Transaction Analysis is deficient. *See* pages 26 and 27 of the 14D-9. Cantor Fitzgerald identified fourteen (14) transactions, where the target company was deemed to be comparable to Osiris and computed the LTM [last twelve months] revenue multiple for each. The 14D-9 fails to disclose the multiple for each target company. It is only through an analysis of the revenue growth rates and multiples paid in prior transactions that an investor could make a meaningful comparison. Moreover, of the fourteen (14) transactions, nine (9) are more than five (5) years old. It is not possible to determine whether those nine (9) are relevant for purposes of considering whether \$19.00 is fair given current market conditions without knowing each transactions' revenue multiple. Additional information is necessary in order for shareholders to be fully informed.

94. Further, Cantor Fitzgerald does not perform a premium analysis. The 14D-9, page 18, states that \$19.00 reflects 37% premium over Osiris's 90-day volume-weighted average price. This is not a conventional time period over which to measure a transaction's control premium. The 14D-9 does not include an analysis of the premium over Osiris's unaffected price one-day or one-week prior to the announcement of the tender offer. In fact, the offer price reflects premiums of just 0.6% and 6.3%, respectively, over the stock price one-day and one-week prior to the announcement. Comparatively, a conservative control premium of 20%, for example, would result in implied fair value for Osiris's stock of \$23.00 per share, or \$4.00 per share in excess of the current tender offer. Adequate information regarding transaction control premiums is necessary in order for shareholders to make an informed decision.

COUNT I

**(VIOLATIONS OF § 14(e) OF THE EXCHANGE ACT)
(AGAINST ALL DEFENDANTS)**

95. Plaintiffs incorporate each and every allegation set forth above as if fully set forth herein.

96. Section 14(e) of the Exchange Act provides that it is unlawful “for any person to make an untrue statement of a material fact or omit to state any material fact necessary to make the statements made, in light of the circumstances under which they are made, not misleading” 15 U.S.C. § 78n(e).

97. As alleged in detail above, Defendants have issued the Recommendation Statement with the intention of soliciting stockholders to tender their Osiris shares in the Tender Offer. Defendants reviewed and authorized the dissemination of the Recommendation Statement, which fails to provide critical information regarding the Proposed Transaction. By virtue of the positions in the Company and/or roles in the process and in the preparation of the Recommendation Statement, Defendants were aware of this information and their obligation to disclose this information in the Recommendation Statement. Defendants knew or recklessly disregarded that the Recommendation Statement contained material omissions and misstatements as set forth above.

98. In so doing, Defendants made materially incomplete and misleading statements of fact and/or omitted material facts necessary to make the statements therein not misleading. Each of the Individual Defendants, by virtue of their roles as officers and/or directors, were aware of the omitted information but failed to disclose such information, in violation of § 14(e).

99. The omissions and incomplete and misleading statements in the Recommendation Statement are material in that a reasonable stockholder would consider them important in deciding

whether to tender their shares or seek appraisal. In addition, a reasonable investor would view the information identified above which has been omitted from the Recommendation Statement as altering the “total mix” of information made available to the Company’s stockholders.

100. The misrepresentations and omissions in the Recommendation Statement are material to Plaintiffs and the Class, and Plaintiffs and the Class will be deprived of their entitlement to make a fully informed decision if such misrepresentations and omissions are not cured before the Tender Offer expires.

101. Moreover, in the exercise of reasonable care, the Individual Defendants knew or should have known that the Recommendation Statement is materially misleading and omits material facts that are necessary to render it not misleading. The Individual Defendants undoubtedly reviewed and relied upon most if not all of the omitted information identified above in connection with their decision to approve and recommend the Proposed Transaction. Defendants knew or should have known that the material information identified above has been omitted from the Recommendation Statement, rendering the sections of the Recommendation Statement identified herein materially incomplete and misleading.

102. The misrepresentations and omissions in the Recommendation Statement are material to Plaintiffs and the Class, who will be deprived of their right to make an informed decision whether to tender their shares if such misrepresentations and omissions are not corrected prior to the expiration of the Tender Offer. Plaintiffs and Class have no adequate remedy at law. Only through the exercise of this Court’s equitable powers can Plaintiffs and the Class be fully protected from the immediate and irreparable injury that Defendants’ actions threaten to inflict.

COUNT II

**(VIOLATIONS OF § 14(d)(4) OF THE EXCHANGE ACT AND SEC RULE
14D-9 (AGAINST ALL DEFENDANTS))**

103. Plaintiffs incorporate each and every allegation set forth above as if fully set forth herein.

104. Defendants have caused the Recommendation Statement to be issued with the intention of soliciting Osiris stockholders to tender their shares in the Tender Offer.

105. Section 14(d)(4) of the Exchange Act and SEC Rule 14d-9 promulgated thereunder require full and complete disclosure in connection with tender offers.

106. The Recommendation Statement violates § 14(d)(4) and Rule 14d-9 because it omits material facts, including those set forth above, which omission render the Recommendation Statement false and/or misleading.

107. Defendants knowingly or with deliberate recklessness omitted the material information identified above from the Recommendation Statement, causing certain statements therein to be materially incomplete and therefore misleading. Indeed, while Defendants undoubtedly had access to and/or reviewed the omitted material information in connection with approving the Proposed Transaction, they allowed it to be omitted from the Recommendation Statement, rendering certain portions of the Recommendation Statement materially incomplete and therefore misleading.

108. The misrepresentations and omissions in the Recommendation Statement are material to Plaintiffs and the Class, who will be deprived of their right to make an informed decision whether to tender their shares if such misrepresentations and omissions are not corrected prior to the expiration of the Tender Offer. Plaintiffs and Class have no adequate remedy at law.

Only through the exercise of this Court's equitable powers can Plaintiffs and the Class be fully protected from the immediate and irreparable injury that Defendants' actions threaten to inflict.

COUNT III

**VIOLATIONS OF § 20(a) OF THE EXCHANGE ACT
(AGAINST ALL INDIVIDUAL DEFENDANTS)**

109. Plaintiffs repeat and reallege all previous allegations as if set forth in full.

110. The Individual Defendants acted as controlling persons of Osiris within the meaning of § 20(a) of the Exchange Act as alleged herein. By virtue of their positions as officers and/or directors of Osiris, and participation in and/or awareness of the Company's operations and/or intimate knowledge of the incomplete and misleading statements contained in the Recommendation Statement filed with the SEC, they had the power to influence and control, and did influence and control, directly or indirectly, the decision making of the Company, including the content and dissemination of the various statements that Plaintiffs contend are materially incomplete and misleading.

111. Each of the Individual Defendants was provided with or had unlimited access to copies of the Recommendation Statement and other statements alleged by Plaintiffs to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

112. In particular, each of the Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company, and therefore, is presumed to have had the power to control or influence the particular transactions giving rise to the Exchange Act violations alleged herein and exercised the same. The omitted information identified above was reviewed by the Board prior to voting on the Proposed Transaction. The Recommendation Statement at issue contains the unanimous recommendation of each of the Individual Defendants

to approve the Proposed Transaction. They were, thus, directly involved in the making and dissemination of the Recommendation Statement.

113. In addition, as the Recommendation Statement sets forth at length, and as described herein, the Individual Defendants were involved in negotiating, reviewing and approving the Merger Agreement. The Recommendation Statement purports to describe the various issues and information that the Individual Defendants reviewed and considered. The Individual Defendants participated in drafting and/or gave their input on the content of those descriptions.

114. By virtue of the foregoing, the Individual Defendants have violated § 20(a) of the Exchange Act.

115. As set forth above, the Individual Defendants had the ability to exercise control over and did control a person or persons who have each violated § 14(d)(4) and Rule 14d-9, by their acts and omissions as alleged herein. By virtue of their positions as controlling persons, these defendants are liable pursuant to § 20(a) of the Exchange Act. As a direct and proximate result of the Individual Defendants' conduct, Plaintiffs and the Class will be irreparably harmed.

116. Plaintiffs and the Class have no adequate remedy at law. Only through the exercise of this Court's equitable powers can Plaintiffs and the Class be fully protected from the immediate and irreparable injury that Defendants' conduct threatens to inflict.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for judgment and relief as follows:

A. Plaintiffs demand judgment and preliminary and permanent relief, including injunctive relief, in her favor and in favor of the Class and against Defendants as follows:

B. Declaring that this action is properly maintainable as a class action, and certifying Plaintiffs as class representatives and Plaintiffs' counsel as Class counsel;

C. Declaring that Defendants violated § 14(d)(4) of the Exchange Act;

D. Declaring that Defendants violated § 14(e) of the Exchange Act and SEC Rule 14d-9 promulgated thereunder;

E. Declaring that Defendants violated § 20(a) of the Exchange Act;

F. Preliminarily and permanently enjoining Defendants and all those acting in concert with them from consummating the Proposed Transaction until such time that the Individual Defendants have adequately undertaken all appropriate and available methods to obtain a transaction which is in the best interests of Osiris's stockholders and remove any conflict of interest that has clouded the process and the Individual Defendants' judgment and Defendants disclose the material information identified above which has been omitted from the Recommendation Statement;

G. In the event that the Proposed Transaction is consummated, rescinding the merger, and awarding Plaintiffs and the Class compensatory damages and rescissory damages;

H. Awarding Plaintiffs the costs and disbursements of this action, including a reasonable allowance for Plaintiffs' attorneys' fees, expenses and experts' fees; and

I. Granting such other and further relief as this Court may deem to be just and proper.

JURY DEMAND

Plaintiffs demand a trial by jury on all issues so triable.

Dated: March 22, 2019

**NEUBERGER, QUINN, GIELEN,
RUBIN & GIBBER, P.A.**

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