

1 ROBBINS GELLER RUDMAN
 & DOWD LLP
 2 JOHN K. GRANT (169813)
 EKATERINI M. POLYCHRONOPOULOS (284838)
 3 Post Montgomery Center
 One Montgomery Street, Suite 1800
 4 San Francisco, CA 94104
 Telephone: 415/288-4545
 5 415/288-4534 (fax)

6 Attorneys for Plaintiffs

7 [Additional counsel appear on signature page.]

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
 9 COUNTY OF SANTA CLARA

10 BRENT T. ROBINSON, et al., Individually and on Behalf of All Others Similarly Situated,))	Case No. 1:12-cv-232227
11 Plaintiffs,))	<u>CLASS ACTION</u>
12 vs.))	STIPULATION OF SETTLEMENT
13 AUDIENCE, INC., et al.,))	DATE ACTION FILED: 09/13/12
14 Defendants.))	
15)	

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1 This Stipulation of Settlement dated October 19, 2015 (the “Stipulation” or “Settlement”), is
2 made and entered into by and among the following Settling Parties: (i) Class Representatives Brent T.
3 Robinson and Dorothy Kasian (collectively, “Class Representatives”) (on behalf of themselves and each
4 of the Class Members), by and through their counsel of record; (ii) and Defendants Audience, Inc.
5 (“Audience” or the “Company”), Peter B. Santos and Kevin S. Palatnik (collectively, the
6 “Defendants”), by and through their respective counsel of record in the above-captioned action (the
7 “Litigation”). Upon and subject to the terms and conditions hereof, Class Representatives on behalf of
8 themselves and Members of the Class, on the one hand, and each of the Defendants, on the other hand
9 (collectively, “Settling Parties”), intend this Settlement to fully, finally, and forever resolve, discharge,
10 and settle the Released Claims (as defined herein) between the Settling Parties (as defined herein), upon
11 and subject to the approval of the Court and the terms and conditions set forth in this Stipulation.

12 **I. THE LITIGATION**

13 On September 13, 2012, Brent T. Robinson filed a complaint for violations of federal securities
14 laws against Defendants, Peter B. Santos, Audience’s President and Chief Executive Officer, and Kevin
15 S. Palatnik, Audience’s Chief Financial Officer. On October 2, 2012, Judge James P. Kleinberg entered
16 an order designating the action complex and assigning it to the complex litigation department. Three
17 related cases, making substantially similar allegations were subsequently filed in this Court, captioned
18 *Deel v. Audience, Inc.*, No. 1-12-cv-235621; *Nowak v. Audience, Inc.*, No. 1-12-cv-236676; and *Kasian*
19 *v. Audience, Inc.*, No. 1-12-CV-236690. On February 25, 2013, Plaintiff Robinson on his own behalf
20 and naming the plaintiffs in the follow-on actions filed an amended complaint.

21 Plaintiffs, who purchased Audience common stock issued in Audience’s initial public offering
22 on or about May 10, 2012, alleged that Defendants issued a false and misleading registration statement
23 that misled investors regarding Audience’s relationship with Apple Inc., Audience’s principal customer,
24 and the risk that Audience’s technology would not be included in the then upcoming iPhone5.

25 On March 1, 2013, Defendants filed a demurrer to the amended complaint challenging the
26 Court’s subject matter jurisdiction. Plaintiffs filed their opposition on April 1, 2013. The Court heard
27 argument on May 17, 2013, and Judge Kleinberg overruled the jurisdictional demurrer in a May 28,
28 2013 Order on Demurrer for Lack of Subject Matter Jurisdiction.

1 On March 27, 2013, Defendants filed a demurrer to the amended complaint for failure to allege
2 facts sufficient to state a cause of action. Plaintiffs filed an opposition to that demurrer on April 26,
3 2013. On June 17, 2013, Plaintiffs filed a motion to compel discovery responses. On June 18, 2013,
4 Defendants filed a motion for a protective order to stay discovery. The parties filed their respective
5 oppositions and replies. The demurrer and discovery motions were heard on August 23, 2013. On
6 September 3, 2013, Judge Kleinberg issued an Order on Demurrer, Motion to Compel and Motion for
7 Protective Order to Stay Discovery overruling the demurrer, and granting the motion to compel in part.
8 Defendants filed their answer to the complaint on September 13, 2013.

9 On October 18, 2013, Defendants filed a petition for writ of mandate in the Sixth Appellate
10 District challenging the September 3, 2013 Order overruling the demurrer. The petition was summarily
11 denied on May 22, 2014. On January 22, 2014, this case was reassigned from Judge Kleinberg to Judge
12 Peter H. Kirwan.

13 On November 7, 2014, plaintiffs Robinson and Kasian filed their motion for class certification,
14 asking the Court to appoint them as class representatives. Defendants opposed the motion on December
15 12, 2014 and Plaintiffs filed their reply on January 9, 2015. The Court heard argument on the motion
16 for class certification on January 16, 2015 and issued an order granting the motion for class
17 certification, and appointing Ms. Kasian and Mr. Robinson class representatives.

18 Following the Court's order on the discovery motions, the parties engaged in discovery. In
19 response to Plaintiffs' discovery requests, Defendants produced over 53,000 pages of documents and
20 non-party Apple Inc. produced over 2,300 pages of documents. Defendants served document requests
21 and interrogatories on December 6, 2013, to which Plaintiffs responded. Mr. Robinson was deposed on
22 November 12, 2014. Ms. Kasian was deposed on November 14, 2014.

23 As discovery continued, the parties agreed to attend a mediation session conducted by third-
24 party neutral Randall W. Wulff. Plaintiffs and Defendants submitted and exchanged mediation
25 statements summarizing their respective positions based in part on evidence obtained through
26 discovery. After additional document production and review, the parties engaged in further settlement
27 discussions and agreed to participate in a second mediation session with third-party neutral Jed
28 Melnick. The parties again prepared mediation statements summarizing the evidence obtained through

1 discovery. The mediation session was held on July 23, 2015. At that mediation, the Settling Parties
2 reached an agreement-in-principle to settle the Litigation. Thereafter, the Settling Parties engaged in
3 further negotiations regarding the entire terms of the Settlement which are contained in this Stipulation
4 and its related exhibits.

5 **II. CLAIMS OF CLASS REPRESENTATIVES AND BENEFITS OF**
6 **SETTLEMENT**

7 Class Representatives believe that the claims asserted in the Litigation have merit. However,
8 Class Representatives and their counsel recognize and acknowledge the expense and length of
9 continued proceedings necessary to prosecute the Litigation against Defendants through the completion
10 of discovery, summary judgment, trial, post-trial motions and appeals. Class Representatives and their
11 counsel also have taken into account the uncertain outcome and the risk of any litigation, especially in
12 complex actions such as the Litigation, as well as the difficulties and delays inherent in such litigation.
13 Class Representatives and their counsel also are mindful of the inherent problems of proof under and
14 possible defenses to the violations asserted in the Litigation. Class Representatives and their counsel
15 believe that the Settlement set forth in this Stipulation confers substantial benefits upon the Class and is
16 in the best interest of the Class.

17 **III. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

18 Defendants have denied and continue to deny each and all of the claims and contentions alleged
19 by Class Representatives in the Litigation. Defendants expressly have denied and continue to deny all
20 charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts, or
21 omissions alleged, or that could have been alleged, in the Litigation. Defendants also have denied and
22 continue to deny, *inter alia*, the allegations that Class Representatives or Class Members have suffered
23 damage, that the price of Audience common stock was artificially inflated, or that Class Members were
24 otherwise harmed by the conduct alleged in the Litigation. Defendants have asserted and continue to
25 assert that the Registration Statement contained no material misstatements or omissions. Defendants
26 have asserted and continue to assert that, at all times, they acted in good faith and in a manner they
27 reasonably believed to be in accordance with all applicable rules, regulations and laws.
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1 Nonetheless, Defendants have concluded that further conduct of the Litigation could be
2 protracted and expensive. Defendants have taken into account the uncertainty and risks inherent in any
3 litigation, especially in complex cases like the Litigation. Defendants have, therefore, determined that it
4 is desirable and beneficial to them that the Litigation be fully and finally settled in the manner and upon
5 the terms and conditions set forth in this Stipulation.

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

7 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the Class
8 Representatives (for themselves and the Class Members) and Defendants, by and through their
9 respective counsel or attorneys of record, that, subject to the approval of the Court, the Litigation and
10 the Released Claims shall be finally and fully compromised, settled, and released, and the Litigation
11 shall be dismissed with prejudice, as to all Settling Parties, upon and subject to the terms and conditions
12 of the Stipulation, as follows.

13 **1. Definitions**

14 In addition to the terms that may be defined elsewhere in this Stipulation, the following terms as
15 used in the Stipulation have the meanings specified below:

16 1.1 “Audience” or the “Company” mean Audience, Inc., its predecessors, successors, direct
17 or indirect subsidiaries, direct or indirect parents, affiliates and divisions, including, but not limited to,
18 Knowles Corporation.

19 1.2 “Authorized Claimant” means any Class Member whose claim for recovery has been
20 allowed pursuant to the terms of the Stipulation.

21 1.3 “Claims Administrator” means the firm of Gilardi & Co. LLC.

22 1.4 “Class” means all persons or entities who acquired Audience common stock pursuant
23 and/or traceable to the Registration Statement and Prospectus (Registration No. 333-179016) issued in
24 connection with the Company’s May 9, 2012 IPO. Excluded from the Class are Defendants and their
25 families, the officers, directors and affiliates of the Defendants, at all relevant times, members of their
26 immediate families, heirs, successors or assigns and any entity in which Defendants have or had a
27 controlling interest. Also excluded is any Person who validly requests exclusion from the Class.

28 1.5 “Class Counsel” means Robbins Geller Rudman & Dowd LLP.

1 1.6 “Class Member” or “Member of the Class” mean a Person who falls within the definition
2 of the Class as set forth in ¶1.4 above.

3 1.7 “Class Period” means the period beginning on May 9, 2012 and ending on September
4 13, 2012.

5 1.8 “Class Representatives” mean Brent T. Robinson and Dorothy Kasian

6 1.9 “Defendants” means Audience, Peter B. Santos and Kevin S. Palatnik.

7 1.10 “Effective Date” means the first date by which all of the events and conditions specified
8 in ¶7.1 of this Stipulation have been met and have occurred.

9 1.11 “Escrow Account” means the bank account maintained by the Escrow Agent into which
10 the Settlement Amount shall be deposited as set forth herein. The Escrow Account will be managed by
11 the Escrow Agent.

12 1.12 “Escrow Agent” means the law firm of Robbins Geller Rudman & Dowd LLP or its
13 successor(s).

14 1.13 “Final” means the time when any judgment or order, including the Judgment, represents
15 a binding determination of all the issues within their scope and are not subject to further review on
16 appeal or because, without limitation, it has not been reversed, vacated, or modified in any way and is
17 no longer subject to appellate review, either because of disposition on appeal and conclusion of the
18 appellate process or because of passage, without action, of time for seeking appellate review. Without
19 limitation, “Final” refers to the later of: (i) the entry of judgment approving the Stipulation,
20 substantially in the form of Exhibit B attached hereto; (ii) the date of final affirmance on an appeal of
21 the Judgment, the expiration of the time for a petition for or a denial of a writ of certiorari to review the
22 Judgment and, if certiorari is granted, the date of final affirmance of the Judgment following review
23 pursuant to that grant; (iii) the date of final dismissal of any appeal from the Judgment or the final
24 dismissal of any proceeding or certiorari to review the Judgment; or (iv) if no appeal is filed, the
25 expiration date of the time for the filing or noticing of any appeal from the Court’s Judgment approving
26 the Stipulation, substantially in the form of Exhibit B attached hereto. However, an appeal relating
27 solely to Plaintiffs’ Fee and Expense Application or Award or the Plan of Allocation shall not delay the
28 date on which the Judgment becomes Final.

1 1.14 “Judgment” means the judgment to be rendered by the Court substantially in the form
2 and content attached hereto as Exhibit B.

3 1.15 “Person” means an individual, corporation, limited liability corporation, professional
4 corporation, limited liability partnership, partnership, limited partnership, association, joint stock
5 company, joint venture, estate, legal representative, trust, unincorporated association, government or
6 any political subdivision or agency thereof, and any business or legal entity and their spouses, heirs,
7 predecessors, successors, representatives, or assignees.

8 1.16 “Plaintiffs” mean Brent T. Robinson, Boyd Deel, Dorothy Kasian and Daren Nowak.

9 1.17 “Plaintiffs’ Counsel” means Robbins Geller Rudman & Dowd LLP; Glancy Prongay &
10 Murray LLP; Bottini & Bottini, Inc.; Holzer & Holzer, LLC; and Robbins Arroyo LLP.

11 1.18 “Plan of Allocation” means a plan or formula of allocation of the Settlement Fund
12 whereby the Settlement Fund shall be distributed to Authorized Claimants after payment of expenses of
13 notice and administration of the Settlement, Taxes and Tax Expenses and such attorneys’ fees, costs,
14 expenses, and interest as may be awarded by the Court. The Plan of Allocation is not part of the
15 Stipulation and Defendants shall have no responsibility or liability with respect thereto and any order or
16 proceeding relating to the Plan of Allocation shall not operate to terminate or cancel this Stipulation or
17 affect the finality of the Final Order and Judgment.

18 1.19 “Preliminary Approval Order” means the Order Preliminarily Approving Settlement and
19 Providing for Notice as approved by the Court, substantially in the form attached hereto as Exhibit A.

20 1.20 “Proof of Claim” means a Proof of Claim and Release substantially in the form attached
21 hereto as Exhibit A-2.

22 1.21 “Related Persons” means each of a Defendant’s past, present or future parents,
23 subsidiaries, affiliates, divisions and joint ventures, and their respective directors, officers, employees,
24 partners, members, principals, agents, underwriters, insurers, co-insurers, reinsurers, controlling
25 shareholders, attorneys, accountants or auditors, financial or investment advisors or consultants, banks
26 or investment bankers, personal or legal representatives, predecessors, successors, assigns, spouses,
27 heirs, related or affiliated entities, any entity in which a Defendant has a controlling interest, any
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1 member of an Individual Defendant’s immediate family, or any trust of which any Individual Defendant
2 is the settlor or which is for the benefit of any Defendant and/or member(s) of his family.

3 1.22 “Released Claims” shall collectively mean any and all claims, debts, demands, disputes,
4 rights, causes of action, suits damages, or liabilities of any kind, nature, and character whatsoever
5 (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert or consulting
6 fees, and any and all other costs, expenses of liabilities whatsoever), whether under federal, state, local,
7 statutory, common law, foreign law, or any other law, rule or regulation, whether fixed or contingent,
8 accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, including
9 “Unknown Claims” (as defined in ¶1.28 herein), whether or not concealed or hidden (including, but not
10 limited to, claims for securities fraud, negligence, gross negligence, professional negligence, breach of
11 any duty of care and/or breach of duty of loyalty, fraud, breach of fiduciary duty, aiding and abetting a
12 breach of fiduciary duty, breach of contract, unjust enrichment, corporate waste, or violations of any
13 statutes, rules, duties or regulations) that have been or could have been or in the future could be asserted
14 in any forum, whether foreign or domestic, by Class Representatives or any Class Member, or any
15 Person claiming through or on behalf of them, against any of the Released Persons that concern, arise
16 out of are based on or relate in any way, directly or indirectly, to the allegations, the facts, events,
17 transactions, acts, occurrences, statements, representations, misrepresentations, omissions which were
18 or could have been alleged in the Litigation. “Released Claims” further includes any and all claims
19 arising out of, based upon or related to the Settlement or resolution of the Litigation, except for any
20 alleged breaches of this Stipulation.

21 1.23 “Released Parties” means each and all of the Defendants and their Related Persons.

22 1.24 “Settled Defendants’ Claims” means all claims (including, but not limited to, “Unknown
23 Claims” as defined in ¶1.28 hereof), demands, losses, rights, and causes of action of any nature
24 whatsoever, that have been or could have been asserted in the Litigation or any forum by the Released
25 Parties or any of them against Plaintiffs, Class Members and Plaintiffs’ Counsel which arise out of or
26 relate in any way to the institution, prosecution, assertion, settlement, or resolution of the Litigation
27 (except for claims to enforce the Stipulation).

1 1.25 "Settlement Amount" means Six Million Fifty Thousand Dollars (\$6,050,000.00) in cash
2 to be paid to the Escrow Agent pursuant to ¶¶2.1 and 2.2 of this Stipulation.

3 1.26 "Settlement Fund" means the principal amount of Six Million Fifty Thousand Dollars
4 (\$6,050,000.00) in cash, plus any accrued interest.

5 1.27 "Settling Parties" means, collectively, each of the Defendants and the Class
6 Representatives, on behalf of themselves and Members of the Class.

7 1.28 "Unknown Claims" means (a) any Released Claims that Class Representatives or any
8 Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the
9 Released Parties which, if known by him, her or it, might have affected his, her or its settlement with
10 and release of the Released Parties, or might have affected his, her or its decision(s) with respect to the
11 Settlement; and (b) any Settled Defendants' Claims that any Released Party does not know or suspect to
12 exist in his, her or its favor at the time of the release of the Class Representatives, Class Members, and
13 Plaintiffs' Counsel, which, if known by him, her or it, might have affected his, her or its settlement with
14 and release of the Class Representatives, Class Members and Plaintiffs' Counsel, or might have affected
15 his, her or its decision(s) with respect to the Settlement. With respect to any and all Released Claims
16 and Settled Defendants' Claims, the Settling Parties stipulate and agree that, upon the Effective Date,
17 Class Representatives and the Defendants shall expressly waive, and each of the Class Members shall
18 be deemed to have, and by operation of the Judgment shall have, expressly waived any and all
19 provisions, rights, and benefits conferred by California Civil Code §1542 and any law of any state or
20 territory of the United States, or principle of common law, which is similar, comparable or equivalent to
21 California Civil Code §1542, which provides:

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

25 Class Representatives and Class Members may hereafter discover facts in addition to or different from
26 those that any of them now knows or believes to be true related to the subject matter of the Released
27 Claims, but Class Representatives shall expressly and each Class Member, upon the Effective Date,
28 shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled

1 and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or
2 non-contingent, disclosed or undisclosed, matured or unmatured, which now exist, or heretofore have
3 existed upon any theory of law or equity now existing or coming into existence in the future, including,
4 but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty,
5 law or rule, without regard to the subsequent discovery or existence of such different or additional facts.
6 Similarly, the Defendants and Released Parties may hereafter discover facts in addition to or different
7 from those that any of them now know or believe to be true related to the subject matter of the Settled
8 Defendants' Claims, but each Defendant shall expressly and each Released Party, upon the Effective
9 Date, shall be deemed to have, and by operation of the Judgment shall have fully, finally, and forever
10 settled and released any and all Settled Defendants' Claims, known or unknown, suspected or
11 unsuspected, contingent or non-contingent, disclosed or undisclosed, matured or unmatured, which now
12 exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence
13 in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice,
14 or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such
15 different or additional facts. The Settling Parties acknowledge, and Class Representatives, the Class
16 Members, and the Released Parties shall be deemed by operation of the Judgment to have
17 acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims and
18 Settled Defendants' Claims was separately bargained for and is a key element of the Settlement of
19 which these releases are a part.

20 **2. The Settlement**

21 **a. The Settlement Fund**

22 2.1 Defendants shall cause Audience's D&O insurer(s) to pay the principal amount of Six
23 Million Fifty Thousand Dollars (\$6,050,000.00) into an escrow fund controlled solely by Robbins
24 Geller Rudman & Dowd LLP, subject to court oversight (the "Settlement Fund"), within fifteen (15)
25 business days following the later of (1) entry of an Order granting preliminary approval of this
26 Settlement by the Court, and (2) Class Counsel furnishing to Defendants' counsel adequate payment
27 instructions consisting of wire transfer instructions and tax ID number. No Defendant shall pay any
28 portion of the Settlement Fund.

1 **b. The Escrow Agent**

2 2.2 The Escrow Agent shall invest the Settlement Fund deposited pursuant to ¶2.1 hereof in
3 short term United States Agency or Treasury Securities or other instruments backed by the Full Faith &
4 Credit of the United States Government or an agency thereof, or fully insured by the United States
5 Government or an agency thereof and shall reinvest the proceeds of these instruments as they mature in
6 similar instruments at their then-current market rates. All risks related to the investment of the
7 Settlement Fund in accordance with the investment guidelines set forth in this paragraph shall be borne
8 by the Settlement Fund and the Released Parties shall have no responsibility for, interest in, or liability
9 whatsoever with respect to investment decisions or the actions of the Escrow Agent, or any transactions
10 executed by the Escrow Agent.

11 2.3 The Escrow Agent shall not disburse the Settlement Fund except as provided in the
12 Stipulation, by an order of the Court, or with the written agreement of counsel for Defendants.

13 2.4 Subject to further order(s) and/or directions as may be made by the Court, or as provided
14 in the Stipulation, the Escrow Agent is authorized to execute such transactions as are consistent with the
15 terms of the Stipulation.

16 2.5 All funds held by the Escrow Agent shall be deemed and considered to be in *custodia*
17 *legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds
18 shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

19 2.6 All costs and expenses incurred by or on behalf of Class Representatives and the Class
20 associated with the Settlement, the Escrow Account and the Settlement Amount, including, but not
21 limited to, any administrative costs and costs of providing notice of the Settlement to the Class, any
22 award of attorneys' fees and/or expenses to Plaintiffs' Counsel, and any award to Plaintiffs, shall be
23 paid from the Settlement Amount, and in no event shall the Defendants bear any responsibility for such
24 costs.

25 2.7 Without further order of the Court, the Settlement Fund may be used by Class Counsel to
26 pay reasonable costs and expenses actually incurred consistent with this Stipulation in connection with
27 providing notice to the Class, locating Class Members, assisting with the submission of a claim for
28 recovery to the Claims Administrator, administering and distributing the Net Settlement Fund to

1 Authorized Claimants, processing Proof of Claim forms, and paying escrow fees and costs, if any, and
2 all Taxes and Tax Expenses (as defined herein in ¶2.8(c)). Notwithstanding the foregoing, the costs and
3 expenses identified in this ¶2.7 shall not exceed \$400,000 prior to the Effective Date.

4 **c. Taxes**

5 2.8 (a) The Settling Parties and the Escrow Agent agree to treat the Settlement Fund as
6 being at all times a “Qualified Settlement Fund” within the meaning of Treas. Reg. §1.468B-1. In
7 addition, the Escrow Agent shall timely make such elections as necessary or advisable to carry out the
8 provisions of this ¶2.8, including the “relation-back election” (as defined in Treas. Reg. §1.468B-1)
9 back to the earliest permitted date. Such elections shall be made in compliance with the procedures and
10 requirements contained in such regulations. It shall be the responsibility of the Escrow Agent to timely
11 and properly prepare and deliver the necessary documentation for signature by all necessary parties, and
12 thereafter to cause the appropriate filing to occur.

13 (b) For the purpose of §1.468B of the Internal Revenue Code of 1986, as amended,
14 and the regulations promulgated thereunder, the “administrator” shall be the Escrow Agent. The
15 Escrow Agent shall timely and properly file all informational and other tax returns necessary or
16 advisable with respect to the Settlement Fund (including, without limitation, the returns described in
17 Treas. Reg. §1.468B-2(k)). Such returns (as well as the election described in ¶2.8(a) hereof) shall be
18 consistent with this ¶2.8 and in all events shall reflect that all Taxes (including any estimated Taxes,
19 interest, or penalties) on the income earned by the Settlement Fund shall be paid out of the Settlement
20 Fund as provided in ¶2.8(c) hereof.

21 (c) All (a) taxes (including any estimated taxes, interest or penalties) arising with
22 respect to the income earned by the Settlement Fund, including any taxes or tax detriments that may be
23 imposed upon the Released Parties or their counsel with respect to any income earned by the Settlement
24 Fund for any period during which the Settlement Fund does not qualify as a “Qualified Settlement
25 Fund” for federal or state income tax purposes (“Taxes”), and (b) expenses and costs incurred in
26 connection with the operation and implementation of this ¶2.8 (including, without limitation, expenses
27 of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing (or
28 failing to file) the returns described in this ¶2.8) (“Tax Expenses”), shall be paid out of the Settlement

1 Fund; in all events the Released Parties and their counsel shall have no liability or responsibility for the
2 Taxes or the Tax Expenses. The Escrow Agent, through the Settlement Fund, shall indemnify and hold
3 each of the Released Parties and their counsel harmless for Taxes and Tax Expenses (including, without
4 limitation, Taxes payable by reason of any such indemnification). Further, Taxes and Tax Expenses
5 shall be treated as, and considered to be, a cost of administration of the Settlement Fund and shall be
6 timely paid by the Escrow Agent out of the Settlement Fund without prior order from the Court and the
7 Escrow Agent shall be authorized (notwithstanding anything herein to the contrary) to withhold from
8 distribution to Authorized Claimants any funds necessary to pay such amounts, including the
9 establishment of adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may
10 be required to be withheld under Treas. Reg. §1.468B-2(1)(2)); neither the Defendants nor their Related
11 Persons are responsible nor shall they have any liability for any Taxes or Tax Expenses. The Settling
12 Parties hereto agree to cooperate with the Escrow Agent, each other, and their tax attorneys and
13 accountants to the extent reasonably necessary to carry out the provisions of this ¶2.8.

14 **d. Termination of Settlement**

15 2.9 In the event that the Stipulation is not approved or the Stipulation is terminated,
16 canceled, or fails to become effective for any reason, the Settlement Fund (including accrued interest)
17 less expenses paid, incurred or due and owing consistent with this Stipulation, including those incurred
18 providing notice to the Class, locating Class Members, soliciting claims, assisting with the filing of
19 claims, administering and distributing the Net Settlement Fund to Authorized Claimants, processing
20 Proof of Claim forms, escrow fees and costs if any and all Taxes and Tax Expenses, provided for
21 herein, shall be refunded pursuant to written instructions from counsel for Audience (in accordance with
22 ¶7.6 herein). The obligation to refund such fees shall be joint and several as to any Plaintiffs' firm that
23 received payment.

24 **3. Notice Order and Settlement Fairness Hearing**

25 3.1 Shortly after execution of the Stipulation, Class Representatives shall submit the
26 Stipulation together with its exhibits (the "Exhibits") to the Court and apply for entry of the Preliminary
27 Approval Order, substantially in the form of Exhibit A attached hereto, requesting, *inter alia*, the
28 preliminary approval of the Settlement set forth in the Stipulation, and approval for the mailing of the

1 Notice of Proposed Settlement of Class Action (the “Notice”) and Proof of Claim form and publication
2 of the Summary Notice of Proposed Settlement of Class Action, substantially in the forms of Exhibits
3 A-1, A-2 and A-3 attached hereto.

4 3.2 Class Counsel shall request that after notice is given, the Court hold a hearing (the
5 “Settlement Fairness Hearing”) to finally approve the Settlement of the Litigation as set forth herein and
6 to enter the Judgment. At or after the Settlement Fairness Hearing, Class Counsel also will request that
7 the Court approve the Plan of Allocation and the Fee and Expense Application.

8 **4. Releases**

9 4.1 Upon the Effective Date, Class Representatives and each Class Member shall be deemed
10 to have, and by operation of the Judgment shall have, to the fullest extent permitted by law, fully,
11 finally, and forever released, waived, relinquished and discharged all Released Claims against the
12 Released Parties, whether or not such Class Member executes and delivers a Proof of Claim, and
13 whether or not such Class Member shares in the Settlement Fund.

14 4.2 Upon the Effective Date, each and every Class Member and any Person claiming through
15 or on behalf of them will be permanently and forever barred and enjoined from commencing,
16 instituting, prosecuting or continuing to prosecute any action or other proceeding in any court of law or
17 equity, arbitration tribunal, administrative forum, or any other forum, asserting the Released Claims
18 against any of the Released Persons, and whether or not such Class Member executes and delivers the
19 Proof of Claim form, and whether or not such Class Member shares in the Settlement Fund.

20 4.3 Upon the Effective Date, each of the Released Parties shall be deemed to have, and by
21 operation of the Judgment shall have, fully, finally and forever released Plaintiffs, Plaintiffs’ Counsel
22 and each and all of the Class Members from all Settled Defendants’ Claims.

23 **5. Administration and Calculation of Claims, Final Awards and**
24 **Supervision and Distribution of the Settlement Fund**

25 5.1 The Claims Administrator, subject to such supervision and direction of the Court, as may
26 be necessary or as circumstances may require, shall administer and calculate the claims submitted by
27 Class Members and shall oversee distribution of the Net Settlement Fund (defined below) to Authorized
28 Claimants. The Settlement Fund shall be applied as follows:

1 (a) to pay all the costs and expenses reasonably and actually incurred in connection
2 with providing notice, locating Class Members, soliciting Class claims, assisting with the filing of
3 claims, administering and distributing the Net Settlement Fund to Authorized Claimants, processing
4 Proofs of Claim and paying escrow fees and costs, if any;

5 (b) to pay the Taxes and Tax Expenses described in ¶2.8 above;

6 (c) to pay Plaintiffs' Counsel's attorneys' fees, expenses and costs with interest
7 thereon (the "Fee and Expense Award"), and any award to Class Representatives, if and to the extent
8 allowed by the Court; and

9 (d) to distribute the balance of the Settlement Fund (the "Net Settlement Fund") to
10 Authorized Claimants as allowed by the Stipulation, the Plan of Allocation, or the Court.

11 5.2 Upon the Effective Date and thereafter, and in accordance with the terms of the
12 Stipulation, the Plan of Allocation, or such further approval and further order(s) of the Court as may be
13 necessary or as circumstances may require, the Net Settlement Fund shall be distributed to Authorized
14 Claimants.

15 5.3 Within ninety (90) days after the mailing of the Notice or such other time as may be set
16 by the Court, each Class Member shall be required to submit to the Claims Administrator a completed
17 Proof of Claim, substantially in the form and content of Exhibit A-2 hereto, signed under penalty of
18 perjury.

19 5.4 Except as otherwise ordered by the Court, all Class Members who fail to timely submit a
20 Proof of Claim within such period, or such other period as may be ordered by the Court, or otherwise
21 allowed, shall be forever barred from receiving any payments pursuant to this Stipulation and the
22 Settlement set forth herein, but will in all other respects be subject to and bound by the provisions of
23 this Stipulation, the releases contained herein, and the Judgment. Notwithstanding the foregoing, Class
24 Counsel may in their discretion, accept for processing late filed claims so long as the distribution of the
25 Net Settlement Fund to Authorized Claimants is not materially delayed. Plaintiffs' Counsel shall have
26 no liability for not accepting late claims.

27 5.5 The Claims Administrator shall calculate the Claims of Authorized Claimants, determine
28 the extent to which claims shall be allowed, and oversee distribution of the Net Settlement Fund in

1 accordance with the Plan of Allocation approved by the Court, subject to appeal to, and jurisdiction of,
2 the Court.

3 5.6 Except for Audience's obligation to pay or cause payment of the \$6,050,000, and to
4 produce information from Audience's transfer agent for purposes of providing notice as provided
5 herein, the Defendants and their Related Persons shall have no responsibility for, interest in, or liability
6 whatsoever with respect to the investment or distribution of the Net Settlement Fund or the Plan of
7 Allocation, the determination, administration, or calculation of claims, the payment or withholding of
8 Taxes or Tax Expenses, or any losses incurred in connection therewith. No Person shall have any claim
9 of any kind against the Defendants or their Related Parties with respect to the matters set forth in ¶¶5.1-
10 5.9 hereof; and the Class Members, the Class Representatives, and Plaintiffs' Counsel release the
11 Defendants and their Related Parties from any and all liability and claims arising from or with respect to
12 the investment or distribution of the Settlement Fund.

13 5.7 No Person shall have any claim against Plaintiffs, Plaintiffs' Counsel, any Claims
14 Administrator, any other Person designated by Plaintiffs' Counsel, or Defendants and their Related
15 Persons based on the distributions made substantially in accordance with this Stipulation and the
16 Settlement contained herein, the Plan of Allocation, or further order(s) of the Court.

17 5.8 Following the Effective Date, Defendants shall not have a reversionary interest in the
18 Net Settlement Fund. The Net Settlement Fund shall be distributed to the Authorized Claimants
19 substantially in accordance with the Plan of Allocation set forth in the Notice and approved by the
20 Court. If there is any balance remaining in the Net Settlement Fund after six (6) months from the initial
21 date of distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed checks or
22 otherwise), Class Counsel shall, if feasible, reallocate such balance among Authorized Claimants in an
23 equitable and economic fashion. These redistributions shall be repeated until the balance remaining in
24 the Net Settlement Fund is no longer feasible to distribute to Class Members. Thereafter, any balance
25 which still remains in the Net Settlement Fund shall be donated to Bay Area Legal Aid.

26 5.9 It is understood and agreed by the Settling Parties that any proposed Plan of Allocation
27 of the Net Settlement Fund including, but not limited to, any adjustments to an Authorized Claimant's
28 claim set forth therein, is not a part of the Stipulation and is to be considered by the Court separately

1 from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement set forth
2 in the Stipulation, and any order or proceeding relating to the Plan of Allocation shall not operate to
3 terminate or cancel the Stipulation or affect the finality of the Court's Judgment approving the
4 Stipulation and the Settlement set forth therein, or any other orders entered pursuant to the Stipulation.

5 **6. Plaintiffs' Counsel's Attorneys' Fees and Expenses**

6 6.1 Class Counsel may submit an application or applications (the "Fee and Expense
7 Application") for distributions to it from the Settlement Fund for: (a) an award of attorneys' fees; plus
8 (b) expenses and costs, incurred in connection with prosecuting the Litigation, plus any interest on such
9 attorneys' fees, costs, and expenses at the same rate and for the same periods as earned by the
10 Settlement Fund (until paid) as may be awarded by the Court; and (c) payment to Plaintiffs for their
11 time and expenses in representing the Class. Class Counsel reserves the right to make additional
12 applications for fees and expenses incurred.

13 6.2 Any Fee and Expense Award awarded by the Court, shall be payable to Class Counsel
14 from the Settlement Fund, as ordered, immediately after the Court executes an order awarding such fees
15 and expenses notwithstanding any objection thereto. Class Counsel shall thereafter allocate the Fee and
16 Expense Award among Plaintiffs' Counsel in a manner in which it in good faith believes reflects the
17 contributions of such counsel to the prosecution and settlement of the Litigation.

18 6.3 All Plaintiffs' Counsel who receive any portion of the Fee and Expense Award agree that
19 they accept payment subject to the obligation of each Plaintiffs' Counsel (including their respective
20 partners, shareholders and/or firms) receiving payments to make repayment to the Settlement Fund, plus
21 interest thereon at the same rate as earned on the Settlement Fund, within ten (10) business days from
22 receiving notice from Defendants' counsel or from a court of appropriate jurisdiction, of the amount
23 required to be refunded by any court or appellate court, in the event, for any reason, including, without
24 limitation, appeal, further proceeding on remand or successful collateral attack, the Fee and Expense
25 Award is reduced or reversed, consistent with such reduction or reversal. Furthermore, all Plaintiffs'
26 Counsel (including their respective partners, shareholders and/or firms) agree that they remain subject
27 to the continuing jurisdiction of the Court for the purpose of enforcing their obligation to repay required
28 attorneys' fees and expenses to the Settlement Fund as provided in this paragraph. Without limitation,

1 Plaintiffs' Counsel agree that the Court may, upon application of Defendants and notice to Plaintiffs'
2 Counsel, summarily issue orders, including, but not limited to, judgments and attachment orders and
3 may make appropriate findings of or sanctions for contempt, should Plaintiffs' Counsel fail timely to
4 repay fees and expenses pursuant to this ¶6.3.

5 6.4 The procedure for and the allowance or disallowance by the Court of any Fee and
6 Expense Application are not part of the Settlement set forth in the Stipulation, and are to be considered
7 by the Court separately from the Court's consideration of the fairness, reasonableness and adequacy of
8 the Settlement set forth in the Stipulation, and any order or proceeding relating to the Fee and Expense
9 Application or Plaintiffs' awards, or any appeal from any order relating thereto or reversal or
10 modification thereof, shall not operate to terminate or cancel the Stipulation, or affect or delay the
11 finality of the Judgment approving the Stipulation and the Settlement of the Litigation set forth therein.
12 The Settling Parties agree that the denial, in whole or in part, of any Fee and Expense Application shall
13 in no way affect the enforceability, validity, or finality of this Stipulation or affect or delay the finality
14 of the Judgment approving the Stipulation and the Settlement of the Litigation set forth therein.

15 6.5 Defendants and the Released Parties shall have no responsibility for, and no liability
16 whatsoever with respect to, any payment to Plaintiffs' Counsel from the Settlement Fund.

17 6.6 Defendants and the Released Parties shall have no responsibility for, and no liability
18 whatsoever with respect to, the allocation among Plaintiffs' Counsel, and/or any other Person who may
19 assert some claim thereto, of any Fee and Expense Award that the Court may make in the Litigation.

20 6.7 Any order or proceedings relating to the Fee and Expense Application, any Fee and
21 Expense Award, or any appeal from any order relating thereto or any reversal or modification of such
22 an order, shall not operate to terminate or cancel the Stipulation or the Settlement, affect or delay the
23 finality of the Court's Final Order and Judgment approving the Stipulation and the Settlement set forth
24 therein, or affect the release of the Released Claims. The finality of the Settlement shall not be
25 conditioned on any ruling by the Court concerning the Fee and Expense Application.

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

7.1 The Effective Date of the Stipulation is expressly subject to, and conditioned upon, the occurrence of all of the following events:

- (a) Defendants have caused to be made the contribution to the Settlement Fund as required by §§2.1 and 2.2 hereof;
- (b) The Court has entered the Preliminary Approval Order, as required by §3.1 hereof;
- (c) Defendants have not exercised their option to terminate the Stipulation pursuant to §7.3;
- (d) the Court has entered the Judgment, or a judgment substantially in the form and content of Exhibit B attached hereto, or a judgment in a form other than that provided above acceptable to all of the Settling Parties (the “Alternate Judgment”); and
- (e) the Judgment has become Final, as defined in §1.13 hereof.

7.2 Upon the occurrence of all of the events referenced in §7.1 hereof, any and all remaining interest or right of Defendants or the Released Parties in or to the Settlement Fund, if any, shall be absolutely and forever extinguished.

7.3 If prior to the Settlement Fairness Hearing, the aggregate number of shares of Audience common stock purchased or acquired by Persons who would otherwise be Members of the Class, but who request exclusion from that Class, exceeds the sum specified in a separate supplemental agreement between Class Representatives and Defendants (the “Supplemental Agreement”), Defendants shall have the option, which option must be exercised by all Defendants unanimously, to terminate this Stipulation in accordance with the procedures set forth in the Supplemental Agreement. The Supplemental Agreement will not be filed with the Court unless required by court rule or unless and until a dispute as between Plaintiffs and Defendants concerning its interpretation or application arises and in that event, the Settling Parties will use their best reasonable efforts to file the Supplemental Agreement for the Courts *in camera* review and/or under seal.

1 7.4 Defendants’ counsel and Class Counsel shall each have the right to terminate the
2 Settlement and this Stipulation by providing written notice of their election to do so (“Termination
3 Notice”) to all other parties hereto within thirty (30) days of: (a) the Court’s declining to enter the
4 Preliminary Approval Order in any material respect; (b) the Court’s refusal to approve this Stipulation
5 or any material part of it; (c) the Court’s declining to enter the Judgment in any material respect; (d) the
6 date upon which the Judgment is modified or reversed in any material respect by the Court of Appeals
7 or the Supreme Court or any other court; or (e) the date upon which an Alternate Judgment is modified
8 or reversed in any material respect by the Court of Appeals or the Supreme Court or any other court.

9 7.5 If all of the conditions specified in ¶7.1 hereof are not met, then the Stipulation shall be
10 canceled and terminated subject to ¶7.8 hereof unless Class Counsel and counsel for all of the
11 Defendants mutually agree in writing to proceed with the Stipulation.

12 7.6 Unless otherwise ordered by the Court, in the event the Stipulation shall terminate, or be
13 canceled, or shall not become effective for any reason, within ten (10) business days after written
14 notification of such event is sent by counsel for any of the Defendants or Class Counsel to the Escrow
15 Agent, the Settlement Fund, less expenses which have either been disbursed pursuant to ¶¶2.7 and 2.8
16 hereof, or are determined to be chargeable to the Settlement Fund, shall be refunded pursuant to written
17 instructions by Audience’s counsel. The Escrow Agent or its designee shall apply for any tax refund
18 owed on the Settlement Fund and pay the proceeds, after deduction of any fees or expenses incurred in
19 connection with such application(s) for refund, pursuant to written instructions from Audience’s
20 counsel.

21 7.7 In the event that the Stipulation is not approved by the Court or the Settlement set forth
22 in the Stipulation is terminated or fails to become effective in accordance with its terms, the Settling
23 Parties shall be restored to their respective positions in the Litigation as of July 23, 2015. In such event,
24 the terms and provisions of the Stipulation shall have no further force and effect with respect to the
25 Settling Parties and shall not be used in the Litigation or in any other proceeding for any purpose, and
26 any judgment or order entered by the Court in accordance with the terms of the Stipulation shall be
27 treated as vacated, *nunc pro tunc*. No order of the Court or modification or reversal on appeal of any
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1 order of the Court concerning the Plan of Allocation or the amount of any Fee and Expense Award shall
2 constitute grounds for cancellation or termination of the Stipulation.

3 7.8 If the Effective Date does not occur, or if the Stipulation is terminated pursuant to its
4 terms, neither Plaintiffs nor any of their counsel shall have any obligation to repay any amounts actually
5 and properly disbursed pursuant to ¶¶2.7 or 2.8. In addition, any expenses already incurred pursuant to
6 ¶¶2.7 or 2.8 hereof at the time of such termination or cancellation but which have not been paid, shall
7 be paid by the Escrow Agent in accordance with the terms of the Stipulation prior to the balance being
8 refunded in accordance with ¶¶2.9 and 7.6 hereof.

9 **8. Miscellaneous Provisions**

10 8.1 The Settling Parties: (a) acknowledge that it is their intent to consummate this
11 agreement; and (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all
12 terms and conditions of this Stipulation and to exercise their best efforts to accomplish the foregoing
13 terms and conditions of this Stipulation.

14 8.2 Upon and subject to the terms and conditions hereof, Class Representatives on behalf of
15 themselves and Members of the Class, on the one hand, and each of the Defendants, on the other hand,
16 intend this Settlement to be a final and complete resolution of all disputes between them with respect to
17 the Litigation. The Settlement compromises claims which are contested and shall not be deemed an
18 admission by any Settling Party as to the merits of any claim or defense. While retaining their right to
19 deny that the claims advanced in the Litigation were meritorious, Defendants will not contend that the
20 Litigation was not filed in good faith. The Settling Parties further agree not to assert in any forum that
21 any Settling Party violated California Code of Civil Procedure §128.7 or any other similar statute or
22 law. The Settling Parties agree that the amount paid to the Settlement Fund and the other terms of the
23 Settlement were negotiated in good faith by the Settling Parties, and reflect a settlement that was
24 reached voluntarily after consultation with competent legal counsel. The Settling Parties reserve their
25 right to rebut, in a manner that such party determines to be appropriate, any contention made in any
26 public forum that the Litigation was brought or defended in bad faith or without a reasonable basis.

27 8.3 Neither the Stipulation nor the Settlement, nor any act performed or document executed
28 pursuant to or in furtherance of the Stipulation or the Settlement: (a) is or may be deemed to be, or may

1 be used as, a presumption, concession, or admission of, or evidence of, the validity of any Released
2 Claim or of any wrongdoing or liability of the Defendants and the Released Parties; or (b) is or may be
3 deemed to be, or may be used, as a presumption, concession, or admission of, or evidence of, any fault
4 or omission of any of the Defendants and the Released Parties in any civil, criminal or administrative
5 proceeding in any court, administrative agency or other tribunal; or (c) is or may be deemed to be an
6 admission or evidence that any claims asserted by Plaintiffs were not valid in any civil, criminal or
7 administrative proceeding. Defendants and the Released Parties may file the Stipulation and/or the
8 Judgment in any action that may be brought against them in order to support a defense or counterclaim
9 based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or
10 reduction, or any other theory of claim preclusion or issue preclusion or similar defense or
11 counterclaim.

12 8.4 All agreements made and orders entered during the course of the Litigation relating to
13 the confidentiality of information shall survive this Stipulation.

14 8.5 All of the Exhibits to this Stipulation are material and integral parts hereof and are fully
15 incorporated herein by this reference.

16 8.6 This Stipulation may be amended or modified only by a written instrument signed by or
17 on behalf of all Settling Parties or their respective successors-in-interest.

18 8.7 This Stipulation and the Exhibits attached hereto and the Supplemental Agreement
19 constitute the entire agreement between Class Representatives and Defendants and no representations,
20 warranties, or inducements have been made to any party concerning the Stipulation or its Exhibits other
21 than the representations, warranties, and covenants contained and memorialized in such documents.
22 Except as otherwise provided herein, each party shall bear its own costs.

23 8.8 Class Counsel, on behalf of the Class, is expressly authorized by Class Representatives
24 to take all appropriate action required or permitted to be taken by the Class pursuant to the Stipulation
25 to effectuate its terms and also is expressly authorized to enter into any modifications or amendments to
26 the Stipulation on behalf of the Class which it deems appropriate.

27 8.9 Each counsel or other Person executing the Stipulation or any of its Exhibits on behalf of
28 any party hereto hereby warrants that such Person has the full authority to do so.

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HOLZER & HOLZER, LLC
COREY D. HOLZER
MARSHALL P. DEES
1200 Ashwood Parkway, Suite 410
Atlanta, GA 30338
Telephone: 770/392-0090
770/392-0029 (fax)

Attorneys for Plaintiffs

ROBBINS ARROYO LLP
BRIAN J. ROBBINS
STEPHEN J. ODDO
ARSHAN AMIRI
EDWARD B. GERARD
JUSTIN D. RIEGER
600 B Street, Suite 1900
San Diego, CA 92101
Telephone: 619/525-3990
619/525-3991 (fax)

GLANCY PRONGAY & MURRAY LLP
LIONEL Z. GLANCY
ROBERT V. PRONGAY
EX KANO S. SAMS II
CASEY E. SADLER
1925 Century Park East, Suite 2100
Los Angeles, CA 90067
Telephone: 310/201-9150
310/201-9160 (fax)

BOTTINI & BOTTINI, INC.
FRANCIS A. BOTTINI, JR.
YURY A. KOLESNIKOV
7817 Ivanhoe Avenue, Suite 102
La Jolla, CA 92037
Telephone: 858/914-2001
858/914-2002 (fax)

Additional Counsel for Plaintiffs

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COOLEY LLP
JOHN C. DWYER
TOWER C. SNOW, JR.
JESSICA VALENZUELA SANTAMARIA


JESSICA VALENZUELA SANTAMARIA

3175 Hanover Street
Palo Alto, CA 94306-1130
Telephone: 650/843-5000
650/849-7400 (fax)

Attorneys for Defendants

EXHIBIT A

1 ROBBINS GELLER RUDMAN
& DOWD LLP
2 JOHN K. GRANT (169813)
EKATERINI M. POLYCHRONOPOULOS (284838)
3 Post Montgomery Center
One Montgomery Street, Suite 1800
4 San Francisco, CA 94104
Telephone: 415/288-4545
5 415/288-4534 (fax)

6 Attorneys for Plaintiffs

7
8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 COUNTY OF SANTA CLARA

10 BRENT T. ROBINSON, et al., Individually) Case No. 1:12-cv-232227
and on Behalf of All Others Similarly Situated,)
11 Plaintiffs,) CLASS ACTION
12 vs.) [PROPOSED] ORDER PRELIMINARILY
APPROVING SETTLEMENT AND
13 AUDIENCE, INC., et al.,) PROVIDING FOR NOTICE
14 Defendants.) EXHIBIT A
15) DATE ACTION FILED: 09/13/12

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1 WHEREAS, the parties to the above-entitled action (the “Litigation”) entered into a Stipulation
2 of Settlement dated October 19, 2015 (the “Stipulation” or “Settlement”), which is subject to review by
3 this Court and which, together with the Exhibits thereto, sets forth the terms and conditions for the
4 Settlement of the claims alleged in the Litigation; and the Court having read and considered the
5 Stipulation and the accompanying documents; and the parties to the Stipulation having consented to the
6 entry of this Order; and all capitalized terms used herein having the meanings defined in the Stipulation;

7 NOW, THEREFORE, IT IS HEREBY ORDERED, this ___ day of _____ 2015, that:

8 1. The Court preliminarily finds that:

9 (a) the Settlement resulted from informed, extensive arm’s-length negotiations,
10 including mediation under the direction of an experienced mediator, Jed D. Melnick; and

11 (b) the Settlement is sufficiently fair, reasonable, and adequate to warrant providing
12 notice of the Settlement to the Class; and

13 2. A hearing (the “Settlement Fairness Hearing”) is hereby scheduled to be held before the
14 Court on _____, 2016, at ___:___ .m., for the following purposes:

15 (a) to determine whether the proposed Settlement is fair, reasonable, and adequate,
16 and should be approved by the Court;

17 (b) to determine whether the Judgment as provided under the Stipulation should be
18 entered;

19 (c) to determine whether the proposed Plan of Allocation should be approved by the
20 Court as fair, reasonable and adequate;

21 (d) to consider Plaintiffs’ Counsel’s application for an award of attorneys’ fees and
22 expenses;

23 (e) to consider Plaintiffs’ request for the payment of the time and expenses they
24 incurred in prosecuting this Litigation on behalf of the Class; and

25 (f) to rule upon such other matters as the Court may deem appropriate.

26 3. The Court reserves the right to approve the Settlement with or without modification and
27 with or without further notice to the Class and may adjourn the Settlement Fairness Hearing without
28 further notice to the Class. The Court reserves the right to enter the Judgment approving the Settlement

1 regardless of whether it has approved the Plan of Allocation, Plaintiffs' Counsel's request for an award
2 of attorneys' fees and expenses and the payment of time and expenses of Plaintiffs in their
3 representation of the Class.

4 4. The Court approves the form, substance and requirements of the Notice of Proposed
5 Settlement of Class Action (the "Notice"), the Proof of Claim and Release (the "Proof of Claim") and
6 the Summary Notice of Proposed Settlement of Class Action (the "Summary Notice"), annexed hereto
7 as Exhibits A-1, A-2 and A-3, respectively.

8 5. The Court approves the appointment of Gilardi & Co. LLC as the Claims Administrator.

9 (a) The Claims Administrator shall cause the Notice and the Proof of Claim,
10 substantially in the forms annexed hereto, to be mailed, by First-Class Mail, postage prepaid, within
11 twenty-one (21) calendar days of this Order, to all Class Members who can be identified with
12 reasonable effort and to be posted on www.audiencecuritiessettlement.com. Within five (5) calendar
13 days of this Order, Audience, at its expense, shall promptly make, or cause to be made, the last known
14 addresses of Class Members, or other identifying information, as set forth in the books and records
15 regularly maintained by the Company or its transfer agent, available to the Claims Administrator for the
16 purpose of identifying and giving notice to the Class.

17 (b) The Claims Administrator shall cause the Summary Notice to be published once
18 in the national edition of *Investor's Business Daily*, and once over the *PR Newswire*, within ten (10)
19 calendar days after the mailing of the Notice.

20 6. Class Counsel shall, at least fourteen (14) calendar days before the Settlement Fairness
21 Hearing, file with the Court and serve on the Settling Parties proof of mailing of the Notice and Proof of
22 Claim and proof of publication of the Summary Notice.

23 7. The form and content of the Notice and the Summary Notice, and the method set forth
24 herein of notifying the Class of the Settlement and its terms and conditions, meet the requirements of
25 California law and due process, constitute the best notice practicable under the circumstances, and shall
26 constitute due and sufficient notice to all persons and entities entitled thereto.

27 8. In order to be entitled to participate in the Net Settlement Fund, each Class Member shall
28 take the following actions and be subject to the following conditions:

1 (a) Within ninety (90) days after such time as set by the Court to mail notice to the
2 Class, each Person claiming to be an Authorized Claimant shall be required to submit to the Claims
3 Administrator a completed Proof of Claim, substantially in a form contained in Exhibit A-2 attached
4 hereto and as approved by the Court, signed under penalty of perjury.

5 (b) Except as otherwise ordered by the Court, all Class Members who fail to timely
6 submit a Proof of Claim within such period, or such other period as may be ordered by the Court, or
7 otherwise allowed, shall be forever barred from receiving any payments pursuant to the Stipulation and
8 the Settlement set forth therein, but will in all other respects be subject to and bound by the provisions
9 of the Stipulation, the releases contained therein, and the Judgment. Notwithstanding the foregoing,
10 Class Counsel may, in their discretion, accept for processing late submitted claims so long as the
11 distribution of the Net Settlement Fund to Authorized Claimants is not materially delayed, but shall
12 incur no liability for declining to accept a late-submitted claim.

13 (c) As part of the Proof of Claim, each Class Member shall submit to the jurisdiction
14 of the Court with respect to the claim submitted.

15 9. Class Members shall be bound by all determinations and judgments in this Litigation,
16 whether favorable or unfavorable, unless they request exclusion from the Class in a timely and proper
17 manner, as hereinafter provided. A Class Member wishing to make such request shall, no later than thirty
18 (30) calendar days prior to the date scheduled herein for the Settlement Fairness Hearing, mail a request
19 for exclusion in written form by First-Class Mail postmarked to the address designated in the Notice.
20 Such request for exclusion shall indicate the name, address and telephone number of the person seeking
21 exclusion, that the person requests to be excluded from the Settlement, and must be signed by such
22 person. Such persons requesting exclusion are also requested to state the number of shares of Audience
23 common stock they purchased or acquired that are subject to the Litigation. The request for exclusion
24 shall not be effective unless it is made in writing within the time stated above, and the exclusion is
25 accepted by the Court. Class Members requesting exclusion from the Class shall not be entitled to receive
26 any payment out of the Net Settlement Fund as described in the Stipulation and Notice.

27 10. The Court will consider objections to the Settlement, the Plan of Allocation, the payment
28 of Plaintiffs' time and expenses, and/or the award of attorneys' fees and expenses. Any person wanting

1 to object may do so in writing and/or by appearing at the Settlement Fairness Hearing. To the extent
2 any person wants to object in writing, such objections and any supporting papers, accompanied by proof
3 of Class membership, shall be filed with the Clerk of the Court, Superior Court of the State of
4 California, County of Santa Clara, 191 North First Street, San Jose, CA 95113, and copies of all such
5 papers served no later than _____, 2015, which is thirty (30) calendar days prior to the date
6 scheduled herein for the Settlement Fairness Hearing, upon the following: Jeffrey D. Light, Robbins
7 Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, on behalf of the
8 Plaintiffs and the Class. Persons who intend to object in writing to the Settlement, the Plan of
9 Allocation, or the request for an award of attorneys' fees and expenses and/or the request for the
10 payment of Plaintiffs' time and expenses in representing the Class and desire to present evidence at the
11 Settlement Fairness Hearing must include in their written objections copies of any exhibits they intend
12 to introduce into evidence at the Settlement Fairness Hearing. If an objector hires an attorney to
13 represent him, her or it for the purposes of making an objection, the attorney must both effect service of
14 a notice of appearance on counsel listed above and file it with the Court by no later than _____
15 ____, 2015. A Class Member who files a written objection does not have to appear at the Settlement
16 Fairness Hearing for the Court to consider his, her or its objection. Any Class Member who does not
17 make his, her, or its objection in the manner provided shall be deemed to have waived such objection
18 and shall be foreclosed from making any objection to the fairness or adequacy of the Settlement set
19 forth in the Stipulation, to the Plan of Allocation, or to the award of attorneys' fees and expenses to
20 Plaintiffs' Counsel or Plaintiffs for their time and expenses, unless the Court orders otherwise.

21 11. All papers in support of the Settlement, the Plan of Allocation, and any application by
22 Plaintiffs' Counsel for attorneys' fees and expenses and payment of Plaintiffs' time and expenses shall
23 be filed fourteen (14) calendar days prior to the deadline in paragraph 10 for objections to be filed. All
24 reply papers shall be filed and served at least seven (7) calendar days prior to the Settlement Fairness
25 Hearing.

26 12. All funds held by the Escrow Agent shall be deemed and considered to be *in custodia*
27 *legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds
28 shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

1 13. Defendants' counsel and Plaintiffs' Counsel shall promptly furnish each other with
2 copies of any and all objections that come into their possession.

3 14. Pending final determination of whether the Settlement should be approved, the Plaintiffs,
4 all Class Members, and any Person claiming through or on behalf of them, shall not institute,
5 commence, maintain or prosecute, and are hereby barred and enjoined from instituting, commencing,
6 maintaining or prosecuting, any action in any court or tribunal that asserts any Released Claims against
7 any Released Party.

8 15. All reasonable expenses incurred in identifying and notifying Class Members, as well as
9 administering the Settlement Fund, shall be paid as set forth in the Stipulation. In the event the
10 Settlement is not approved by the Court, or otherwise fails to become effective, neither Plaintiffs nor
11 any of their counsel shall have any obligation to repay any amounts actually and properly disbursed, or
12 due and owing from the Settlement Fund except as provided for in the Stipulation.

13 16. If any specified condition to the Settlement set forth in the Stipulation is not satisfied and
14 Plaintiffs or Defendants elect to terminate the Settlement then, in any such event, the Stipulation,
15 including any amendment(s) thereof, shall be null and void, of no further force or effect without
16 prejudice to any party, and may not be introduced as evidence or referred to in any action or
17 proceedings by any person or entity for any purpose, and each party shall be restored to his, her or its
18 respective position as it existed on July 23, 2015.

19 17. The Court may adjourn or continue the Settlement Fairness Hearing without further
20 notice to the Class.

21 18. The Court retains exclusive jurisdiction over the Litigation to consider all further matters
22 arising out of or connected with the Settlement. The Court may approve the Settlement, with such
23 modifications as may be agreed by the Settling Parties, if appropriate, without further notice to the Class.

24 IT IS SO ORDERED.

25 Dated: _____

26 _____
27 HONORABLE PETER H. KIRWAN
28 JUDGE OF THE SUPERIOR COURT

EXHIBIT A-1

1 ROBBINS GELLER RUDMAN
& DOWD LLP
2 JOHN K. GRANT (169813)
EKATERINI M. POLYCHRONOPOULOS (284838)
3 Post Montgomery Center
One Montgomery Street, Suite 1800
4 San Francisco, CA 94104
Telephone: 415/288-4545
5 415/288-4534 (fax)

6 Attorneys for Plaintiffs

7
8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 COUNTY OF SANTA CLARA

10 BRENT T. ROBINSON, et al., Individually)	Case No. 1:12-cv-232227
and on Behalf of All Others Similarly Situated,)	
11 Plaintiffs,)	<u>CLASS ACTION</u>
12 vs.)	NOTICE OF PROPOSED SETTLEMENT OF
13 AUDIENCE, INC., et al.,)	CLASS ACTION
14 Defendants.)	EXHIBIT A-1
)	DATE ACTION FILED: 09/13/12

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1 **TO: ALL PERSONS OR ENTITIES (“PERSONS”) THAT PURCHASED OR OTHERWISE**
2 **ACQUIRED AUDIENCE, INC. (“AUDIENCE” OR THE “COMPANY”) COMMON STOCK**
3 **PURSUANT AND/OR TRACEABLE TO THE COMPANY’S REGISTRATION STATEMENT**
4 **AND PROSPECTUS FOR THE COMPANY’S MAY 9, 2012 INITIAL PUBLIC OFFERING**

5 **THIS NOTICE WAS AUTHORIZED BY THE COURT. IT IS NOT A LAWYER**
6 **SOLICITATION. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.**

7 **WHY SHOULD I READ THIS NOTICE?**

8 This Notice is given pursuant to an order issued by the Superior Court of California, County of
9 Santa Clara (the “Court”). This Notice serves to inform you of the proposed settlement of the above
10 class action lawsuit (the “Settlement”) and the hearing (the “Settlement Fairness Hearing”) to be held
11 by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, as set forth in the
12 Stipulation of Settlement dated October 19, 2015 (the “Stipulation”).¹ The Stipulation is by and
13 between (i) Class Representatives Brent T. Robinson and Dorothy Kasian (collectively, “Class
14 Representatives”) (on behalf of themselves and each of the Class Members), by and through their
15 counsel of record; and (ii) the Defendants Audience, Peter B. Santos and Kevin S. Palatnik
16 (collectively, the “Defendants”), by and through their respective counsel of record in the above-
17 captioned action (the “Litigation”). Upon and subject to the terms and conditions hereof, Class
18 Representatives on behalf of themselves and the Class on the one hand, and each of the Defendants, on
19 the other hand (collectively, “Settling Parties”), intend this Settlement to be a final and complete
20 resolution of all disputes between the Settling Parties with respect to the Litigation. This Notice is not
21 an expression of any opinion by the Court as to the merits of the claims or defenses asserted in the
22 lawsuit.

23 **WHAT IS THIS LAWSUIT ABOUT?**

24 **The Allegations and Status of the Case**

25 On September 13, 2012, Brent T. Robinson filed a complaint for violations of federal securities
26 laws against Defendants, Peter B. Santos, Audience’s President and Chief Executive Officer, and Kevin
27 S. Palatnik, Audience’s Chief Financial Officer. On October 2, 2012, Judge James P. Kleinberg entered
28 an order designating the action complex and assigning it to the complex litigation department. Three
related cases, making substantially similar allegations were subsequently filed in this Court, captioned
Deel v. Audience, Inc., No. 1-12-cv-235621; *Nowak v. Audience, Inc.*, No. 1-12-cv-236676; and *Kasian*
v. Audience, Inc., No. 1-12-cv-236690. On February 25, 2013, Plaintiff Robinson on his own behalf
and naming the plaintiffs in the follow-on actions filed an amended complaint.

Plaintiffs, who purchased Audience common stock issued in Audience’s initial public offering
on or about May 10, 2012, alleged that Defendants issued a false and misleading registration statement
that misled investors regarding Audience’s relationship with Apple Inc., Audience’s principal customer,
and the risk that Audience’s technology would not be included in the then upcoming iPhone5.

On March 1, 2013, Defendants filed a demurrer to the amended complaint challenging the
Court’s subject matter jurisdiction. Plaintiffs filed their opposition on April 1, 2013. The Court heard
argument on May 17, 2013, and Judge Kleinberg overruled the jurisdictional demurrer in a May 28,
2013 Order on Demurrer for Lack of Subject Matter Jurisdiction.

¹ The Stipulation and all of its Exhibits can be viewed at www.audiencesecuritiessettlement.com.
All capitalized terms used herein have the same meanings as the terms defined in the Stipulation.

1 On March 27, 2013, Defendants filed a demurrer to the amended complaint for failure to allege
2 facts sufficient to state a cause of action. Plaintiffs filed an opposition to that demurrer on April 26,
3 2013. On June 17, 2013, Plaintiffs filed a motion to compel discovery responses. On June 18, 2013,
4 Defendants filed a motion for a protective order to stay discovery. The parties filed their respective
5 oppositions and replies. The demurrer and discovery motions were heard on August 23, 2013. On
6 September 3, 2013, Judge Kleinberg issued an Order on Demurrer, Motion to Compel and Motion for
7 Protective Order to Stay Discovery overruling the demurrer, and granting the motion to compel in part.
8 Defendants filed their answer to the complaint on September 13, 2013.

9 On October 18, 2013, Defendants filed a petition for writ of mandate in the Sixth Appellate
10 District challenging the September 3, 2013 Order overruling the demurrer. The petition was summarily
11 denied on May 22, 2014. On January 22, 2014, this case was reassigned from Judge Kleinberg to Judge
12 Peter H. Kirwan.

13 On November 7, 2014, plaintiffs Robinson and Kasian filed their motion for class certification,
14 asking the Court to appoint them as class representatives. Defendants opposed the motion on December
15 12, 2014 and Plaintiffs filed their reply on January 9, 2015. The Court heard argument on the motion
16 for class certification on January 16, 2015 and issued an order granting the motion for class
17 certification, and appointing Ms. Kasian and Mr. Robinson class representatives.

18 Following the Court's order on the discovery motions, the parties engaged in discovery. In
19 response to Plaintiffs' discovery requests, Defendants produced over 53,000 pages of documents and
20 non-party Apple Inc. produced over 2,300 pages of documents. Defendants served document requests
21 and interrogatories on December 6, 2013, to which Plaintiffs responded. Mr. Robinson was deposed on
22 November 12, 2014. Ms. Kasian was deposed on November 14, 2014.

23 Following initial discovery, the parties agreed to attend a mediation session on May 28, 2014,
24 conducted by third-party neutral Randall W. Wulff. Plaintiffs and Defendants submitted and exchanged
25 mediation statements summarizing their respective positions based in part on evidence obtained through
26 discovery. After additional document production and review, the parties engaged in further settlement
27 discussions and agreed to participate in a second mediation session with third-party neutral Jed D.
28 Melnick. The parties again prepared mediation statements summarizing the evidence obtained through
discovery. The second mediation session was held on July 23, 2015. At that mediation, the Settling
Parties reached an agreement-in-principle to settle the Litigation. Thereafter, the Settling Parties
engaged in further negotiations regarding the entire terms of the Settlement which are contained in the
Stipulation and its related exhibits.

**THE COURT HAS NOT RULED AS TO WHETHER DEFENDANTS ARE LIABLE TO
PLAINTIFFS OR TO THE CLASS. THIS NOTICE IS NOT INTENDED TO BE AN
EXPRESSION OF ANY OPINION BY THE COURT WITH RESPECT TO THE TRUTH OF
THE ALLEGATIONS IN THIS LAWSUIT OR THE MERITS OF THE CLAIMS OR
DEFENSES ASSERTED. THIS NOTICE IS SOLELY TO ADVISE YOU OF THE PENDENCY
OF THE LITIGATION AND PROPOSED SETTLEMENT THEREOF AND YOUR RIGHTS IN
CONNECTION WITH THAT SETTLEMENT.**

HOW DO I KNOW IF I AM A CLASS MEMBER?

If you purchased or otherwise acquired the common stock of Audience pursuant or traceable to
the Registration Statement filed in connection with Audience's May 9, 2012 IPO, you are a Class
Member. As set forth in the Stipulation, excluded from the Class are Defendants and their families, the
officers, directors and affiliates of the Defendants, at all relevant times, members of their immediate
families, heirs, successors or assigns and any entity in which Defendants have or had a controlling
interest. Also excluded is any Person who validly requests exclusion from the Class.

1 If you are not sure if you are a Class Member, you can ask for free help. You can contact the
2 Claims Administrator at 1-844-535-0117 or Rick Nelson, a representative of Plaintiffs' Counsel at 1-
800-449-4900. You can also fill out and return the Proof of Claim form enclosed with this Notice.

3 **WHAT IS THE MONETARY VALUE OF THE PROPOSED SETTLEMENT?**

4 The Settlement, if approved, will result in the creation of a cash settlement fund of \$6,050,000
5 (the "Settlement Amount"). The Settlement Amount, plus accrued interest (the "Settlement Fund") and
6 minus the costs of this Notice and all costs associated with the administration of the Settlement, as well
7 as any attorneys' fees, expenses and payment to Plaintiffs for their time and expenses in representing
the Class that may be approved by the Court (the "Net Settlement Fund"), will be distributed to Class
Members pursuant to the Plan of Allocation that is described in the next section of this Notice.

8 **WHAT IS THE PROPOSED PLAN OF ALLOCATION?**

9 Your share of the Net Settlement Fund will depend on the number of valid Proofs of Claim that
10 Class Members send in and how many shares of Audience common stock you purchased or otherwise
acquired during the relevant period and when you bought and sold them.

11 For purposes of determining the amount an Authorized Claimant may recover under the Plan of
12 Allocation, Class Counsel conferred with their damages consultants and the Plan of Allocation reflects
an assessment of damages that they believe could have been recovered had Class Representatives
prevailed at trial.

13 In the unlikely event there are sufficient funds in the Net Settlement Fund, each Authorized
14 Claimant will receive an amount equal to the Authorized Claimant's claim, as defined below. If,
15 however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total claim of
16 each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net
Settlement Fund that each Authorized Claimant's claim bears to the total of the claims of all Authorized
Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

17 The calculation of claims below is not an estimate of the amount you will receive. It is a
18 formula for allocating the Net Settlement Fund among all Authorized Claimants. A claim will be
calculated as follows:

19 **Claims for the May 9, 2012 Initial Public Offering**

20 Initial Public Offering Price: \$17.00 per share
21 Closing price on the date the lawsuit was filed²: \$6.82 per share

22 For shares of Audience common stock purchased or otherwise acquired *pursuant or traceable*
to the Company's Registration Statement and Prospectus dated May 9, 2012, and

- 23 1) sold prior to September 13, 2012, the claim per share is the lesser of (i) the purchase
price per share less the sales price per share, or (ii) \$17.00 less the sales price per share.
24 2) retained at the close of trading on September 12, 2012, or, sold on or after September
25 13, 2012, the claim per share is the lesser of (i) the purchase price per share less \$6.82,
or (ii) \$17.00 less \$6.82.
26

27 _____
28 ² The first complaint was filed on September 13, 2012.

1 3) purchased or acquired after the close of trading on September 13, 2012, the date the first
2 complaint was filed, your recovery under the Plan of Allocation is zero.

3 In the event a Class Member has more than one purchase, acquisition or sale of Audience
4 common stock during the Class Period, all purchases, acquisitions and sales within the Class Period
5 shall be matched on a First-In, First-Out (“FIFO”) basis for purposes of calculating a claim. Under the
6 FIFO method, Class Period sales will be matched in chronological order against Audience common
7 stock purchased or acquired during the Class Period.

8 A purchase, acquisition or sale of Audience common stock shall be deemed to have occurred on
9 the “contract” or “trade” date as opposed to the “settlement” or “payment” date. All purchase,
10 acquisition and sale prices shall exclude any fees and commissions. The receipt or grant by gift, devise
11 or operation of law of Audience common stock during the Class Period shall not be deemed a purchase,
12 acquisition or sale of Audience common stock for the calculation of a claimant’s recognized claim nor
13 shall it be deemed an assignment of any claim relating to the purchase or acquisition of such shares
14 unless specifically provided in the instrument of gift or assignment. The receipt of Audience common
15 stock during the Class Period in exchange for securities of any other corporation or entity shall not be
16 deemed a purchase, acquisition or sale of Audience common stock.

17 Payment according to the Plan of Allocation will be deemed conclusive against all Authorized
18 Claimants. No Person shall have any claim against Plaintiffs, Plaintiffs’ Counsel, any claims
19 administrator, any other Person designated by Plaintiffs’ Counsel, Defendants, Defendants’ Related
20 Persons, or counsel to Defendants’ or their Related Persons based on distributions made substantially in
21 accordance with the Stipulation, the Plan of Allocation or further orders of the Court.

22 Covering purchases during the Class Period for shares originally sold short will be excluded
23 from the calculation of an Authorized Claimant’s recognized claim. In the event that there is a short
24 position in Audience common stock, the date of covering a “short sale” is deemed to be the date of
25 purchase of the stock. The date of a “short sale” is deemed to be the date of sale of the stock. The
26 earliest Class Period purchases shall be matched against such short position, and not be entitled to a
27 recovery, until that short position is fully covered.

28 With respect to Audience common stock purchased or sold through the exercise of an option, the
29 purchase/sale date of the common stock is the exercise date of the option and the purchase/sale price of
30 the stock is the exercise price of the option. Any recognized claim arising from purchases of Audience
31 common stock acquired during the Class Period through the exercise of an option on Audience common
32 stock shall be computed as provided for other purchases of Audience common stock in the Plan of
33 Allocation.

34 The total of all profits shall be subtracted from the total of all losses from transactions during the
35 Class Period to determine if a Class Member has a recognized claim. Only if a Class Member had a net
36 market loss, after all profits from transactions in Audience common stock during the Class Period are
37 subtracted from all losses, will such Class Member be eligible to receive a distribution from the Net
38 Settlement Fund. Shares held as of the beginning of the Class Period will be excluded for purposes of
39 calculating a market gain or loss.

40 If an Authorized Claimant has an overall market gain, the recognized claim for that Authorized
41 Claimant will be zero. If an Authorized Claimant has an overall market loss, that Authorized
42 Claimant’s recognized claim will be limited to the amount of total market loss. The Claims
43 Administrator shall allocate to each Authorized Claimant a *pro rata* share of the Net Settlement Fund
44 based on his, her, or its recognized claim as compared to the total recognized claims of all Authorized
45 Claimants. No distribution shall be made to Authorized Claimants who would otherwise receive a
46 distribution of less than \$10.00.

1 Class Members who do not submit acceptable Proofs of Claim will not share in the Settlement
2 proceeds. The Settlement and the Final Judgment dismissing this Litigation will nevertheless bind
3 Class Members who do not submit a request for exclusion and/or submit an acceptable Proof of Claim.

4 Please contact the Claims Administrator or Class Counsel if you disagree with any
5 determinations made by the Claims Administrator regarding your Proof of Claim. If you are unsatisfied
6 with the determinations, you may ask the Court, which retains jurisdiction over all Class Members and
7 the claims administration process, to decide the issue by submitting a written request.

8 Defendants, their respective counsel, and all other Released Parties will have no responsibility
9 or liability whatsoever for the investment of the Settlement Fund, the distribution of the Net Settlement
10 Fund, the Plan of Allocation or the payment of any claim. Plaintiffs and Plaintiffs' Counsel, likewise,
11 will have no liability for their reasonable efforts to execute, administer, and distribute the Settlement.

12 Distributions will be made to Authorized Claimants after all claims have been processed and
13 after the Court has finally approved the Settlement. If any funds remain in the Net Settlement Fund by
14 reason of un-cashed distribution checks or otherwise, then, after the Claims Administrator has made
15 reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution
16 of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund
17 after at least six (6) months after the initial distribution of such funds shall be used: (a) first, to pay any
18 amounts mistakenly omitted from the initial disbursement; (b) second, additional settlement
19 administration fees, costs, and expenses, including those of Plaintiffs' Counsel as may be approved by
20 the Court; and (c) to make a second distribution to claimants who cashed their checks from the initial
21 distribution and who would receive at least \$10.00, after payment of the estimated costs, expenses, or
22 fees to be incurred in administering the Net Settlement Fund and in making this second distribution, if
23 such second distribution is economically feasible. These redistributions shall be repeated, if
24 economically feasible, until the balance remaining in the Net Settlement Fund is *de minimis* and such
25 remaining balance shall then be distributed to Bay Area Legal Aid.

26 **DO I NEED TO CONTACT PLAINTIFFS' COUNSEL IN ORDER TO PARTICIPATE IN
27 DISTRIBUTION OF THE SETTLEMENT FUND?**

28 No. If you have received this Notice and timely submit your Proof of Claim to the address
designated on the Proof of Claim form accompanying this Notice, you need not contact Plaintiffs'
Counsel. If you did not receive this Notice but believe you should have, or if your address changes,
please contact the Claims Administrator at:

Audience Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040
Phone: 1-844-535-0117
www.audiencesecuritiessettlement.com

29 **THERE WILL BE NO PAYMENTS IF THE STIPULATION IS TERMINATED**

30 The Stipulation may be terminated under several circumstances outlined in it. If the Stipulation
31 is terminated, the Litigation will proceed as if the Stipulation had not been entered into.

32 **WHAT ARE THE REASONS FOR SETTLEMENT?**

33 The Court has not reached any final decisions in connection with Class Representatives' claims
34 against Defendants. Instead, Class Representatives and Defendants have agreed to this Settlement,

1 which was reached with the substantial assistance of Jed Melnick, a highly experienced mediator of
2 complex class actions. In reaching the Settlement, the Settling Parties have avoided the cost, delay and
uncertainty of further litigation.

3 As in any litigation, Class Representatives and the Class would face an uncertain outcome if
4 they did not agree to the Settlement. The Settling Parties expected that the case could continue for a
lengthy period of time and that if Class Representatives succeeded, Defendants would file appeals that
5 would postpone final resolution of the case. Continuation of the case against Defendants could result in
a judgment greater than this Settlement. Conversely, continuing the case could result in no recovery at
all or a recovery that is less than the amount of the Settlement.

6 Class Representatives and Plaintiffs' Counsel believe that this Settlement is fair and reasonable
7 to the Members of the Class. They have reached this conclusion for several reasons. Specifically, if the
Settlement is approved, the Class will receive a significant monetary recovery. Additionally, Plaintiffs'
8 Counsel believe that the significant and immediate benefits of the Settlement, when weighed against the
significant risk, delay and uncertainty of continued litigation, are an excellent result for the Class.

9 **WHO REPRESENTS THE SETTLEMENT CLASS?**

10 The law firms of Robbins Geller Rudman & Dowd LLP, Glancy, Prongay & Murray LLP,
11 Bottini & Bottini, Inc., Holzer & Holzer, LLC; and Robbins Arroyo LLP represent you and other Class
Members. These lawyers are called Plaintiffs' Counsel. These lawyers will apply to the Court for
12 payment of attorneys' fees and expenses from the Settlement Fund; you will not be otherwise charged
for their work. If you want to be represented by your own lawyer, you may hire one at your own
13 expense.

14 **HOW WILL THE PLAINTIFFS' LAWYERS BE PAID?**

15 Plaintiffs' Counsel will file a motion for an award of attorneys' fees and expenses that will be
16 considered at the Settlement Fairness Hearing. Plaintiffs' Counsel will apply for an award of 30% of
the Settlement Fund, plus payment of expenses incurred in connection with the Litigation in an amount
not to exceed \$140,000. In addition, each of the Plaintiffs may seek payment of up to \$2,500 for their
17 time and expenses incurred in representing the Class. Such sums as may be approved by the Court will
be paid from the Settlement Fund. Class Members are not personally liable for any such fees or
18 expenses.

19 The attorneys' fees and expenses requested will be the only payment to Plaintiffs' Counsel for
20 their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly
contingent basis. Plaintiffs' Counsel have committed significant time and expenses in litigating this
21 case for the benefit of the Class. To date, Plaintiffs' Counsel have not been paid for their services in
conducting this Litigation on behalf of the Plaintiffs and the Class, or for their expenses. The fees
requested will compensate Plaintiffs' Counsel for their work in achieving the Settlement. The Court
22 will decide what constitutes a reasonable fee award and may award less than the amount requested by
Plaintiffs' Counsel.

23 **CAN I EXCLUDE MYSELF FROM THE SETTLEMENT?**

24 If you want to keep the right to sue or continue to sue Defendants on your own about the legal
25 issues in this case, then you must take steps to get out of the Class. This is called excluding yourself
from, or "opting out" of, the Class.

26 To exclude yourself from the Class, you must send a letter by mail saying that you want to be
27 excluded from the Class in the following action: *Robinson v. Audience, Inc., et al.*, Case No. 1:12-cv-
232227. Be sure to include your name, address, telephone number, and sign the letter. You should also

1 include the number of shares of Audience common stock you purchased or acquired that are subject to
2 the Litigation. Your exclusion request must be *postmarked no later than* _____, 2015 and sent to
the Claims Administrator at:

3 *Audience Securities Litigation*
4 Claims Administrator
5 c/o Gilardi & Co. LLC
P.O. Box 8040
6 San Rafael, CA 94912-8040

7 You cannot exclude yourself by phone or by e-mail. If you make a proper request for exclusion,
8 you will not receive a Settlement payment, and you cannot object to the Settlement. If you make a
9 proper request for exclusion, you will not be legally bound by anything that happens in this lawsuit.

10 **CAN I OBJECT TO THE SETTLEMENT, THE REQUESTED ATTORNEYS' FEES AND**
11 **EXPENSES, THE REQUESTED PAYMENT OF COSTS AND EXPENSES TO PLAINTIFFS**
12 **AND/OR THE PLAN OF ALLOCATION?**

13 Yes. If you are a Class Member, you may object to the terms of the Settlement. Whether or not
14 you object to the terms of the Settlement, you may also object to the requested attorneys' fees, costs and
15 expenses, the payment to Plaintiffs for their time and expenses, and/or the Plan of Allocation. In order
16 for any objection to be considered, you must file a written statement, accompanied by proof of Class
17 membership, with the Court, and send to Class Counsel postmarked *by* _____, 2015. The Court's
address is Superior Court of Santa Clara, 191 North First Street, San Jose, CA 95113, and Class
Counsel's address is Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San
Diego, CA 92101 c/o Jeffrey D. Light. Attendance at the Settlement Fairness Hearing is not necessary;
however, persons wishing to be heard orally at the Settlement Fairness Hearing are required to indicate
in their written objection their intention to appear at the hearing and identify any witnesses they may
call to testify and exhibits, if any, they intend to introduce into evidence. Unless otherwise directed by
the Court, any Class Member who does not make his, her or its objection in the manner provided shall
be deemed to have waived all objections to this Settlement and shall be foreclosed from raising (in this
proceeding or on any appeal) any objection to the Settlement, and any untimely objection shall be
barred.

18 **WHAT IS THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING MYSELF**
19 **FROM THE SETTLEMENT?**

20 Objecting is telling the Court that you do not like something about the proposed Settlement, the
21 Plan of Allocation, Plaintiffs' Counsel's request for an award of attorneys' fees and expenses or
22 payment to Plaintiffs for their time and expenses in representing the Class. You can object *only* if you
stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If
you exclude yourself, you have no basis to object because the case no longer applies to you.

23 **HOW CAN I GET A PAYMENT?**

24 In order to qualify for a payment, you must timely submit a Proof of Claim. A Proof of Claim is
25 enclosed with this Notice or it may be downloaded at www.audiencesecuritiessettlement.com. Read the
instructions carefully, fill out the Proof of Claim, include all the documents the form asks for, sign it,
26 and mail or submit it online so that it is *postmarked (if mailed) or received (if filed electronically) no*
later than _____. The claim form may be submitted online at
27 www.audiencesecuritiessettlement.com. If you do not submit a valid Proof of Claim form, you will not
28 receive a payment from the Net Settlement Fund; however, unless you expressly exclude yourself from
the Class as described above, you will still be bound in all other respects by the Settlement, the
Judgment, and the releases contained in them.

1 **WHAT CLAIMS WILL BE RELEASED BY THE SETTLEMENT?**

2 Unless you exclude yourself, you are staying in the Class, and that means that you cannot sue,
3 continue to sue, or be part of any other lawsuit against the Defendants about the same issues in this case
4 or about issues that could have been asserted in this case. It also means that all of the Court’s orders
5 will apply to you and legally bind you and you will release your Released Claims in this case against
6 Defendants and their Related Persons. “Released Claims” shall collectively mean any and all claims,
7 debts, demands, disputes, rights, causes of action, suits damages, or liabilities of any kind, nature, and
8 character whatsoever (including, but not limited to, any claims for damages, interest, attorneys’ fees,
9 expert or consulting fees, and any and all other costs, expenses of liabilities whatsoever), whether under
10 federal, state, local, statutory, common law, foreign law, or any other law, rule or regulation, whether
11 fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or
12 unmatured, including “Unknown Claims” (as defined in ¶1.28 in the Stipulation), whether or not
13 concealed or hidden (including, but not limited to, claims for securities fraud, negligence, gross
14 negligence, professional negligence, breach of any duty of care and/or breach of duty of loyalty, fraud,
15 breach of fiduciary duty, aiding and abetting a breach of fiduciary duty, breach of contract, unjust
16 enrichment, corporate waste, or violations of any statutes, rules, duties or regulations) that have been or
17 could have been or in the future could be asserted in any forum, whether foreign or domestic, by Class
18 Representatives or any Class Member, or any Person claiming through or on behalf of them, against any
19 of the Related Persons that concern, arise out of are based on or relate in any way, directly or indirectly,
20 to the allegations, the facts, events, transactions, acts, occurrences, statements, representations,
21 misrepresentations, omissions which were or could have been alleged in the Litigation. “Released
22 Claims” further includes any and all claims arising out of, based upon or related to the Settlement or
23 resolution of the Litigation, except for any alleged breaches of this Stipulation.

24 “Related Persons” means each of a Defendant’s past, present or future parents, subsidiaries,
25 affiliates, divisions and joint ventures, and their respective directors, officers, employees, partners,
26 members, principals, agents, underwriters, insurers, co-insurers, reinsurers, controlling shareholders,
27 attorneys, accountants or auditors, financial or investment advisors or consultants, banks or investment
28 bankers, personal or legal representatives, predecessors, successors, assigns, spouses, heirs, related or
affiliated entities, any entity in which a Defendant has a controlling interest, any member of an
Individual Defendant’s immediate family, or any trust of which any Individual Defendant is the settlor
or which is for the benefit of any Defendant and/or member(s) of his family.

18 **THE SETTLEMENT FAIRNESS HEARING**

19 The Court will hold a Settlement Fairness Hearing on _____, 2016, at __: __.m., before the
20 Honorable Peter H. Kirwan at the Superior Court of California, County of Santa Clara, 191 North First
21 Street, San Jose, CA 95113, for the purpose of determining whether: (1) the Settlement of the Litigation
22 for \$6,050,000 in cash should be approved by the Court as fair, reasonable and adequate; (2) to award
23 Plaintiffs’ Counsel attorneys’ fees and expenses out of the Settlement Fund; (3) to pay Plaintiffs for
their time and expenses they incurred in representing the Class out of the Settlement Fund; and (4) the
Plan of Allocation should be approved by the Court. The Court may adjourn or continue the Settlement
Fairness Hearing without further notice to Members of the Class.

24 **HOW DO I OBTAIN ADDITIONAL INFORMATION?**

25 This Notice contains only a summary of the terms of the proposed Settlement. The records in
26 this Litigation may be examined and copied at any time during regular office hours, and subject to
27 customary copying fees, at the Clerk of the Superior Court of California, County of Santa Clara. In
28 addition, all of the Settlement documents, including the Stipulation, this Notice, the Proof of Claim
form and proposed Judgment may be obtained by contacting the Claims Administrator at:

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Audience Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040
Phone: 1-844-535-0117
www.audiencesecuritiessettlement.com

In addition, you may contact Rick Nelson, Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, 1-800-449-4900, if you have any questions about the Litigation or the Settlement or want to obtain settlement documents.

DO NOT WRITE TO OR TELEPHONE THE COURT FOR INFORMATION

SPECIAL NOTICE TO BANKS, BROKERS, AND OTHER NOMINEES

If you hold any Audience common stock purchased or otherwise acquired between May 9, 2012 and September 13, 2012, as a nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of this Notice by First-Class Mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

Audience Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

DATED: _____

BY ORDER OF THE SUPERIOR COURT OF CALIFORNIA, COUNTY OF SANTA CLARA
HONORABLE PETER H. KIRWAN

EXHIBIT A-2

1 ROBBINS GELLER RUDMAN
& DOWD LLP
2 JOHN K. GRANT (169813)
EKATERINI M. POLYCHRONOPOULOS (284838)
3 Post Montgomery Center
One Montgomery Street, Suite 1800
4 San Francisco, CA 94104
Telephone: 415/288-4545
5 415/288-4534 (fax)

6 Attorneys for Plaintiffs

7
8 SUPERIOR COURT OF THE STATE OF CALIFORNIA

9 COUNTY OF SANTA CLARA

10 BRENT T. ROBINSON, et al., Individually)	Case No. 1:12-cv-232227
and on Behalf of All Others Similarly Situated,)	
11 Plaintiffs,)	<u>CLASS ACTION</u>
12 vs.)	PROOF OF CLAIM AND RELEASE
13 AUDIENCE, INC., et al.,)	EXHIBIT A-2
14 Defendants.)	DATE ACTION FILED: 09/13/12
15)	

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1 **I. GENERAL INSTRUCTIONS**

2 1. To recover as a Member of the Class based on your claims in the action entitled
3 *Robinson v. Audience, Inc., et al.*, No. 1:12-cv-232227 (the “Litigation”), you must complete and, on
4 page ___ hereof, sign this Proof of Claim and Release (“Proof of Claim”). If you fail to file a properly
5 addressed (as set forth in paragraph 3 below) Proof of Claim, your claim may be rejected and you may
6 be precluded from any recovery from the Net Settlement Fund created in connection with the proposed
7 Settlement of the Litigation.
8

9 2. Submission of this Proof of Claim, however, does not assure that you will share in the
10 proceeds of the Settlement of the Litigation.

11 3. **YOU MUST MAIL OR SUBMIT ONLINE YOUR COMPLETED AND SIGNED**
12 **PROOF OF CLAIM, ACCOMPANIED BY COPIES OF THE DOCUMENTS REQUESTED**
13 **HEREIN, ON OR BEFORE _____, 2016, ADDRESSED AS FOLLOWS:**
14

15 *Audience Securities Litigation*
16 Claims Administrator
17 c/o Gilardi & Co. LLC
18 P.O. Box 8040
19 San Rafael, CA 94912-8040
20 Online Submissions: www.audiencesecuritiessettlement.com

21 If you are NOT a Member of the Class, as defined in the Notice of Proposed Settlement of Class Action
22 (the “Notice”), DO NOT submit a Proof of Claim.

23 4. If you are a Member of the Class and you do not timely request exclusion in connection
24 with the proposed Settlement, you will be bound by the terms of any judgment entered in the Litigation,
25 including the releases provided therein, **WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM.**

26 **II. CLAIMANT IDENTIFICATION**

27 If you purchased or otherwise acquired the common stock of Audience, Inc. (“Audience” or the
28 “Company”) during the period from May 9, 2012 through and including September 13, 2012, use Part I
of this form entitled “Claimant Identification” to list the claimant name, mailing address, and account
information if relevant (such as for a claim submitted on behalf of an IRA, Trust, or estate account).

1 Please list the most current claimant or account name as you would like the information to appear on the
2 check, if eligible for payment. Please also provide a telephone number and/or e-mail address, as the
3 Claims Administrator may need to contact you with questions about the claim submitted. If your
4 Claimant Identification information changes, please notify the Claims Administrator in writing at the
5 address above.

6 If you are acting in a representative capacity on behalf of a Class Member (for example, as an
7 executor, administrator, trustee, or other representative), you must submit evidence of your current
8 authority to act on behalf of that Class Member. Such evidence would include, for example, letters
9 testamentary, letters of administration, or a copy of the trust documents or other documents which
10 provide you with the authority to submit the claim. Please also indicate your representative capacity
11 under your signature on page __ of this claim form.

12 NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of
13 transactions may request to, or may be requested to, submit information regarding their transactions in
14 electronic files. If you have a large number of transactions and wish to file your claim electronically,
15 you must contact the Claims Administrator at 1-844-535-0117 to obtain the required file layout.

16 **III. CLAIM FORM**

17 Use Part II of this form entitled "Schedule of Transactions in Audience Common Stock" to
18 supply all required details of your transaction(s) in Audience publicly traded common stock. If you
19 need more space or additional schedules, attach separate sheets giving all of the required information in
20 substantially the same form. Sign and print or type your name on each additional sheet.

21 On the schedules, provide all of the requested information with respect to *all* of your purchases
22 or acquisitions and *all* of your sales of Audience common stock between May 9, 2012 and
23 September 13, 2012, which took place pursuant to and/or traceable to Audience's Initial Public Offering
24 on or about May 9, 2012, whether such transactions resulted in a profit or a loss. You must also provide
25 all of the requested information with respect to *all* of the shares of Audience common stock you held at
26 the close of trading on September 13, 2012. Failure to report all such transactions may result in the
27 rejection of your claim.
28

1 List these transactions separately and in chronological order, by trade date, beginning with the
2 earliest. You must accurately provide the month, day and year of each transaction you list.

3 The date of covering a “short sale” is deemed to be the date of purchase of Audience common
4 stock. The date of a “short sale” is deemed to be the date of sale of Audience common stock.

5 Copies of stockbroker confirmation slips, stockbroker statements, or other documents
6 evidencing your transactions in Audience common stock should be attached to your claim. If any such
7 documents are not in your possession, please obtain a copy or equivalent documents from your broker
8 because these documents are necessary to prove and process your claim. Failure to provide this
9 documentation could delay verification of your claim or result in rejection of your claim.

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1 SUPERIOR COURT OF THE STATE OF CALIFORNIA

2 COUNTY OF SANTA CLARA

3 *Robinson v. Audience, Inc., et al.,*

4 No. 1:12-cv-232227

5 PROOF OF CLAIM AND RELEASE

6 Must Be Postmarked (if mailed) or Submitted Online No Later Than:

7 _____, 2016

8 Please Type or Print

9
10 PART I: CLAIMANT IDENTIFICATION

11 _____
12 Owner's Name (First, Middle, Last)

13 _____
14 Street Address

15 _____
16 City

15 _____
State or Province

17 _____
18 Zip Code or Postal Code

17 _____
Country

19 _____
20 Social Security Number or
Taxpayer Identification Number

_____ Individual
Corporation/Other

21 _____
22 Area Code

_____ Telephone Number (work)

23 _____
24 Area Code

_____ Telephone Number (home)

25 _____
26 E-Mail Address

1 PART II: SCHEDULE OF TRANSACTIONS IN AUDIENCE COMMON STOCK

2 A. Purchases or acquisitions of Audience common stock between May 9, 2012 and
3 September 13, 2012, inclusive:

Trade Date Mo. Day Year	Number of Shares Purchased or Acquired	Total Purchase or Acquisition Price
1. _____	1. _____	1. _____
2. _____	2. _____	2. _____
3. _____	3. _____	3. _____

7
8 IMPORTANT: (i) If any purchase listed covered a "short sale," please mark Yes: Yes

9 B. Sales of Audience common stock between May 9, 2012 and September 13, 2012,
10 inclusive:

Trade Date Mo. Day Year	Number of Shares Sold	Total Sales Price
1. _____	1. _____	1. _____
2. _____	2. _____	2. _____
3. _____	3. _____	3. _____

14 C. Number of shares of Audience common stock held at the close of trading on
15 September 13, 2012: _____.

16 If you require additional space, attach extra schedules in the same format as above. Sign and
17 print your name on each additional page.

18 **YOUR SIGNATURE ON PAGE ___ WILL CONSTITUTE YOUR**
19 **ACKNOWLEDGMENT OF THE RELEASE.**

20 **IV. SUBMISSION TO JURISDICTION OF COURT AND**
21 **ACKNOWLEDGMENTS**

22 I (We) submit this Proof of Claim under the terms of the Stipulation described in the Notice. I
23 (We) also submit to the jurisdiction of the Superior Court of the State of California, County of Santa
24 Clara with respect to my (our) claim as a Class Member and for purposes of enforcing the release set
25 forth herein. I (We) further acknowledge that I am (we are) bound by and subject to the terms of any
26 judgment that may be entered in the Litigation. I (We) agree to furnish additional information to the
27 Claims Administrator to support this claim if requested to do so. I (We) have not submitted any other
28

1 claim in connection with the purchase, acquisition or sale of Audience common stock and know of no
2 other person having done so on my (our) behalf.

3 **V. RELEASE**

4 1. I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally
5 and forever settle, release and discharge from the Released Claims each and all of the Released Persons
6 as provided in the Stipulation.

7
8 2. “Related Persons” means each of a Defendant’s past, present or future parents,
9 subsidiaries, affiliates, divisions and joint ventures, and their respective directors, officers, employees,
10 partners, members, principals, agents, underwriters, insurers, co-insurers, reinsurers, controlling
11 shareholders, attorneys, accountants or auditors, financial or investment advisors or consultants, banks
12 or investment bankers, personal or legal representatives, predecessors, successors, assigns, spouses,
13 heirs, related or affiliated entities, any entity in which a Defendant has a controlling interest, any
14 member of an Individual Defendant’s immediate family, or any trust of which any Individual Defendant
15 is the settlor or which is for the benefit of any Defendant and/or member(s) of his family.

16 3. “Released Claims” shall collectively mean any and all claims, debts, demands, disputes,
17 rights, causes of action, suits damages, or liabilities of any kind, nature, and character whatsoever
18 (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert or consulting
19 fees, and any and all other costs, expenses of liabilities whatsoever), whether under federal, state, local,
20 statutory, common law, foreign law, or any other law, rule or regulation, whether fixed or contingent,
21 accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, including
22 “Unknown Claims” (as defined in ¶1.28 of the Stipulation), whether or not concealed or hidden
23 (including, but not limited to, claims for securities fraud, negligence, gross negligence, professional
24 negligence, breach of any duty of care and/or breach of duty of loyalty, fraud, breach of fiduciary duty,
25 aiding and abetting a breach of fiduciary duty, breach of contract, unjust enrichment, corporate waste,
26 or violations of any statutes, rules, duties or regulations) that have been or could have been or in the
27 future could be asserted in any forum, whether foreign or domestic, by Class Representatives or any
28 Class Member, or any Person claiming through or on behalf of them, against any of the Released

1 Persons that concern, arise out of are based on or relate in any way, directly or indirectly, to the
2 allegations, the facts, events, transactions, acts, occurrences, statements, representations,
3 misrepresentations, omissions which were or could have been alleged in the Litigation. “Released
4 Claims” further includes any and all claims arising out of, based upon or related to the Settlement or
5 resolution of the Litigation, except for any alleged breaches of this Stipulation.

6 4. “Released Parties” means each and all of the Defendants and their Related Persons.

7 5. This release shall be of no force or effect unless and until the Court approves the
8 Stipulation and the Settlement becomes effective on the Effective Date.

9 6. I (We) hereby warrant and represent that I (we) have not assigned or transferred or
10 purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release
11 or any other part or portion thereof.

12 7. I (We) hereby warrant and represent that I (we) have included information about all of
13 my (our) purchases, acquisitions and sales of Audience common stock between May 9, 2012 and
14 September 13, 2012, inclusive, and the number of shares of Audience common stock held by me (us) at
15 the close of trading on September 13, 2012.

16 8. I (We) certify that I am (we are) not subject to backup withholding under the provisions
17 of Section 3406(a)(1)(C) of the Internal Revenue Code.

18 Note: If you have been notified by the Internal Revenue Service that you are subject to backup
19 withholding, please strike out the language that you are not subject to backup withholding in the
20 certification above.
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1 I declare under penalty of perjury under the laws of the United States of America that the
2 foregoing information supplied by the undersigned is true and correct.

3 Executed this _____ day of _____
4 (Month/Year)
5 in _____
6 (City) (State/Country)

7 _____
(Sign your name here)

8 _____
(Type or print your name here)

9 _____
10 (Capacity of person(s) signing,
11 e.g., Purchaser or Acquirer,
12 Executor or Administrator)

13 **ACCURATE CLAIMS PROCESSING TAKES A
14 SIGNIFICANT AMOUNT OF TIME.
15 THANK YOU FOR YOUR PATIENCE.**

16 **Reminder Checklist:**

- 17 1. Please sign the above release and declaration.
- 18 2. Remember to attach supporting documentation, if available.
- 19 3. Do not send original stock certificates.
- 20 4. Keep a copy of your claim form for your records.
- 21 5. If you desire an acknowledgment of receipt of your claim form, please send it Certified
22 Mail, Return Receipt Requested.
- 23 6. If you move, please send your new address to the address below.

24 **THIS PROOF OF CLAIM FORM MUST BE SUBMITTED ONLINE OR IF MAILED
25 POSTMARKED NO LATER THAN _____, ADDRESSED AS FOLLOWS:**

26 *Audience Securities Litigation*
27 Claims Administrator
28 c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040
www.audiencesecuritiessettlement.com

EXHIBIT A-3

1 ROBBINS GELLER RUDMAN
& DOWD LLP
2 JOHN K. GRANT (169813)
EKATERINI M. POLYCHRONOPOULOS (284838)
3 Post Montgomery Center
One Montgomery Street, Suite 1800
4 San Francisco, CA 94104
Telephone: 415/288-4545
5 415/288-4534 (fax)

6 Attorneys for Plaintiffs

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8 SUPERIOR COURT OF THE STATE OF CALIFORNIA

9 COUNTY OF SANTA CLARA

10 BRENT T. ROBINSON, et al., Individually)	Case No. 1:12-cv-232227
and on Behalf of All Others Similarly Situated,)	
11 Plaintiffs,)	<u>CLASS ACTION</u>
12 vs.)	SUMMARY NOTICE OF PROPOSED
13 AUDIENCE, INC., et al.,)	SETTLEMENT OF CLASS ACTION
14 Defendants.)	EXHIBIT A-3
15 _____)	DATE ACTION FILED: 09/13/12

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1 **TO: ALL PERSONS OR ENTITIES (“PERSONS”) THAT PURCHASED OR OTHERWISE**
2 **ACQUIRED AUDIENCE, INC. (“AUDIENCE” OR THE “COMPANY”) COMMON STOCK**
3 **PURSUANT AND/OR TRACEABLE TO THE COMPANY’S REGISTRATION STATEMENT**
4 **AND PROSPECTUS FOR THE COMPANY’S MAY 9, 2012 INITIAL PUBLIC OFFERING**
5 **(THE “CLASS”)**

6 **THIS NOTICE WAS AUTHORIZED BY THE COURT. IT IS NOT A LAWYER**
7 **SOLICITATION. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.**

8 YOU ARE HEREBY NOTIFIED that a hearing will be held on _____, 2015, at _:___ .m.,
9 before the Honorable Peter H. Kirwan at the Superior Court of California, County of Santa Clara, 191
10 North First Street, San Jose, CA 95113, to determine whether: (1) the proposed Settlement as set forth
11 in the Stipulation of Settlement dated October 19, 2015 (“Stipulation”) of the above-captioned action
12 (“Litigation”) for \$6,050,000 in cash should be approved by the Court as fair, reasonable and adequate;
13 (2) the Plan of Allocation should be approved by the Court, as fair, reasonable and adequate; (3) to
14 award Plaintiffs’ Counsel attorneys’ fees and expenses out of the Settlement Fund (as defined in the
15 Notice of Proposed Settlement of Class Action (“Notice”), which is discussed below); and (4) to pay
16 Plaintiffs for their time and expenses they incurred in representing the Class in this Litigation out of the
17 Settlement Fund.

18 This Litigation is a securities class action brought on behalf of those Persons who purchased or
19 otherwise acquired the common stock of Audience pursuant or traceable to the Registration Statement
20 and Prospectus (“Registration Statement”) issued in connection with Audience’s May 9, 2012 initial
21 public offering (“IPO”) during the period beginning on May 9, 2012 and ending on September 13, 2013
22 (“Class Period”), against Audience and certain of its executives for allegedly misstating and omitting
23 material facts from the Registration Statement filed with the Securities and Exchange Commission
24 (“SEC”) in connection with the IPO, including Audience’s relationship with Apple Inc., Audience’s
25 principal customer, and the risk that Audience’s technology would not be included in the then upcoming
26 iPhone5. Defendants deny all of Plaintiffs’ allegations.

27 **IF YOU PURCHASED OR OTHERWISE ACQUIRED AUDIENCE COMMON STOCK**
28 **PURSUANT OR TRACEABLE TO THE COMPANY’S REGISTRATION STATEMENT FILED**
29 **WITH THE SEC IN CONNECTION WITH THE COMPANY’S MAY 9, 2012 IPO, YOUR RIGHTS**
30 **MAY BE AFFECTED BY THE SETTLEMENT OF THIS LITIGATION.**

1 To share in the distribution of the Net Settlement Fund, you must establish your rights by
2 submitting a Proof of Claim and Release (“Proof of Claim”) by mail (postmarked no later than _____)
3 or submitted electronically no later than _____, 2016. Your failure to submit your Proof of Claim by
4 _____, 2016, will subject your claim to possible rejection and may preclude you from receiving any of
5 the recovery in connection with the Settlement of this Litigation. If you are a Member of the Class and
6 do not request exclusion, you will be bound by the Settlement and any judgment and release entered in
7 the Litigation, including, but not limited to, the Judgment, whether or not you submit a Proof of Claim.
8 Plaintiffs’ Counsel represent you and other Members of the Class. If you want to be represented by
9 your own lawyer, you may hire one at your own expense.

10 If you have not received a copy of the Notice, which more completely describes the Settlement
11 and your rights thereunder (including your right to object to the Settlement or exclude yourself from the
12 Settlement), and a Proof of Claim form, you may obtain these documents, as well as a copy of the
13 Stipulation (which, among other things, contains definitions for the defined terms used in this Summary
14 Notice) and other settlement documents, online at www.audiencesecuritiessettlement.com, or by writing
15 to:

16 *Audience Securities Litigation*
17 Claims Administrator
18 c/o Gilardi & Co. LLC
19 P.O. Box 8040
San Rafael, CA 94912-8040
Phone: 1-844-535-0117

20 Inquiries may also be made to a representative of Plaintiffs’ Counsel:

21 ROBBINS GELLER RUDMAN
22 & DOWD LLP
23 Shareholder Relations
24 Rick Nelson
25 655 West Broadway, Suite 1900
26 San Diego, CA 92101
27 Phone: 1-800-449-4900

28 Inquiries should NOT be directed to Defendants, the Court, or the Clerk of the Court.

IF YOU DESIRE TO BE EXCLUDED FROM THE CLASS, YOU MUST SUBMIT A
REQUEST FOR EXCLUSION SUCH THAT IT IS POSTMARKED NO LATER THAN

1 _____, 2015, IN THE MANNER AND FORM EXPLAINED IN THE NOTICE. ALL
2 MEMBERS OF THE CLASS WHO HAVE NOT REQUESTED EXCLUSION FROM THE CLASS
3 WILL BE BOUND BY THE SETTLEMENT ENTERED IN THE LITIGATION EVEN IF THEY DO
4 NOT FILE A TIMELY PROOF OF CLAIM.

5 IF YOU ARE A CLASS MEMBER, YOU HAVE THE RIGHT TO OBJECT TO THE
6 SETTLEMENT, THE PLAN OF ALLOCATION, THE REQUEST BY PLAINTIFFS' COUNSEL
7 FOR AN AWARD OF ATTORNEYS' FEES AND EXPENSES, AND/OR THE PAYMENT TO
8 PLAINTIFFS FOR THEIR TIME AND EXPENSES. ANY OBJECTIONS MUST BE FILED WITH
9 THE COURT AND SENT TO CLASS COUNSEL POSTMARKED BY _____, 2015, IN
10 THE MANNER AND FORM EXPLAINED IN THE NOTICE.

11

12 DATED: _____

BY ORDER OF THE SUPERIOR COURT OF
CALIFORNIA, COUNTY OF SANTA CLARA
HONORABLE PETER H. KIRWAN

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EXHIBIT B

1 ROBBINS GELLER RUDMAN
& DOWD LLP
2 JOHN K. GRANT (169813)
EKATERINI M. POLYCHRONOPOULOS (284838)
3 Post Montgomery Center
One Montgomery Street, Suite 1800
4 San Francisco, CA 94104
Telephone: 415/288-4545
5 415/288-4534 (fax)

6 Attorneys for Plaintiffs

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8 SUPERIOR COURT OF THE STATE OF CALIFORNIA

9 COUNTY OF SANTA CLARA

10 BRENT T. ROBINSON, et al., Individually)	Case No. 1:12-cv-232227
and on Behalf of All Others Similarly Situated,)	
11 Plaintiffs,)	<u>CLASS ACTION</u>
12 vs.)	JUDGMENT AND ORDER GRANTING
13 AUDIENCE, INC., et al.,)	FINAL APPROVAL OF CLASS ACTION
14 Defendants.)	SETTLEMENT
15 _____)	EXHIBIT B
	DATE ACTION FILED: 09/13/12

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1 WHEREAS, the Court is advised that the Settling Parties, through their counsel, have agreed,
2 subject to Court approval following notice to the Class and a hearing, to settle this Litigation upon the
3 terms and conditions set forth in the Stipulation of Settlement dated October 19, 2015 (the
4 “Stipulation”), which was filed with the Court;¹ and

5 WHEREAS, on _____, 2015, the Court entered its Order Preliminarily Approving
6 Settlement and Providing for Notice, which preliminarily approved the Settlement, and approved the
7 form and manner of notice to the Class of the Settlement; and

8 WHEREAS, said notice has been made to the Class and the fairness hearing has been held
9 pursuant to the terms of the Order Preliminarily Approving Settlement and Providing for Notice; and

10 NOW, THEREFORE, based upon the Stipulation and all of the filings, records and proceedings
11 herein, and it appearing to the Court upon examination that the Settlement set forth in the Stipulation is
12 fair, reasonable and adequate, and upon a Settlement Fairness Hearing having been held after notice to
13 the Class of the Settlement to determine if the Settlement is fair, reasonable, and adequate and whether
14 the Judgment should be entered in this Litigation;

15 **THE COURT HEREBY FINDS AND CONCLUDES THAT:**

16 A. The provisions of the Stipulation, including definitions of the terms used therein, are
17 hereby incorporated by reference as though fully set forth herein.

18 B. This Court has jurisdiction of the subject matter of this Litigation and over all of the
19 Settling Parties and all Members of the Class.

20 C. The form, content, and method of dissemination of notice given to the Class was
21 adequate and reasonable and constituted the best notice practicable under the circumstances, including
22 individual notice to all Class Members who could be identified through reasonable effort.

23 D. Notice, as given, complied with the requirements of California law, satisfied the
24 requirements of due process and constituted due and sufficient notice of the matters set forth herein.

25 E. The Settlement set forth in the Stipulation is fair, reasonable, and adequate.

26
27 _____
28 ¹ All defined terms shall have the same meaning as set forth in the Stipulation.

1 (i) The Settlement was negotiated at arm's length by Plaintiffs on behalf of the Class
2 and by Defendants, all of whom were represented by highly experienced and skilled counsel. The case
3 settled only after: (a) a mediation conducted by an experienced mediator who was thoroughly familiar
4 with this Litigation; (b) the exchange of detailed mediation statements prior to the mediation which
5 highlighted the factual and legal issues in dispute; (c) Plaintiffs' Counsel's extensive investigation,
6 which included, among other things, a review of Audience's press releases, Securities and Exchange
7 Commission filings, analyst reports, media reports and other publicly disclosed reports and information
8 about the Defendants; (d) the drafting and submission of a detailed First Amended Complaint for
9 Violation of §§11 and 15 of the Securities Act of 1933 ("Complaint") that survived Defendants'
10 demurrer; (e) the review and analysis of non-public documents produced by Defendants and third
11 parties; (f) Class Representatives' responses to interrogatories; and (h) extensive briefing on Class
12 Representatives' motion for class certification. Accordingly, both the Class Representatives and
13 Defendants were well-positioned to evaluate the settlement value of this Litigation. The Stipulation has
14 been entered into in good faith and is not collusive.

15 (ii) If the Settlement had not been achieved, both Class Representatives and
16 Defendants faced the expense, risk, and uncertainty of extended litigation. The Court takes no position
17 on the merits of either Class Representatives' or Defendants' arguments, but notes these arguments as
18 evidence in support of the reasonableness of the Settlement.

19 F. Class Representatives and Plaintiffs' Counsel have fairly and adequately represented the
20 interest of the Class Members in connection with the Settlement.

21 G. Plaintiffs, all Class Members, and Defendants are hereby bound by the terms of the
22 Settlement set forth in the Stipulation.

23 **IT IS HEREBY ORDERED THAT:**

24 1. The Settlement on the terms set forth in the Stipulation is finally approved as fair,
25 reasonable and adequate. The Settlement shall be consummated in accordance with the terms and
26 provisions of the Stipulation. The Settling Parties are to bear their own costs, except as otherwise
27 provided in the Stipulation.

28 2. All Released Parties are released in accordance with the Stipulation.

1 3. Upon the Effective Date, Class Representatives and each Class Member shall be deemed
2 to have, and by operation of the Judgment shall have, to the fullest extent permitted by law, fully,
3 finally, and forever released, waived, relinquished and discharged all Released Claims against the
4 Released Parties, whether or not such Class Member executes and delivers a Proof of Claim, and
5 whether or not such Class Member shares in the Settlement Fund.

6 4. Upon the Effective Date, each and every Class Member and any Person claiming through
7 or on behalf of them will be permanently and forever barred and enjoined from commencing,
8 instituting, prosecuting or continuing to prosecute any action or other proceeding in any court of law or
9 equity, arbitration tribunal, administrative forum, or any other forum, asserting the Released Claims
10 against any of the Released Persons, and whether or not such Class Member executes and delivers the
11 Proof of Claim and Release form, and whether or not such Class Member shares in the Settlement Fund.

12 5. Upon the Effective Date, each of the Released Parties shall be deemed to have, and by
13 operation of the Judgment shall have, fully, finally and forever released Plaintiffs, Plaintiffs' Counsel
14 and each and all of the Class Members from all Settled Defendants' Claims.

15 6. All Class Members who have not made their objections to the Settlement in the manner
16 provided in the Notice are deemed to have waived any objections by appeal, collateral attack, or
17 otherwise.

18 7. All Class Members who have failed to properly file requests for exclusion (requests to
19 opt out) from the Class are bound by the terms and conditions of the Stipulation and this Final
20 Judgment.

21 8. The requests for exclusion, if any, by the persons or entities identified in Exhibit A to
22 this Judgment are accepted by the Court.

23 9. All other provisions of the Stipulation are incorporated into this Judgment as if fully
24 rewritten herein.

25 10. Neither the Stipulation nor the Settlement, nor any act performed or document executed
26 pursuant to or in furtherance of the Stipulation or the Settlement: (a) is or may be deemed to be, or may
27 be used as, a presumption, concession, or admission of, or evidence of, the validity of any Released
28 Claim or of any wrongdoing or liability of the Defendants and the Released Parties; or (b) is or may be

1 deemed to be, or may be used, as a presumption, concession, or admission of, or evidence of, any fault
2 or omission of any of the Defendants and the Released Parties in any civil, criminal or administrative
3 proceeding in any court, administrative agency or other tribunal; or (c) is or may be deemed to be an
4 admission or evidence that any claims asserted by Plaintiffs were not valid in any civil, criminal or
5 administrative proceeding. Defendants and the Released Parties may file the Stipulation and/or the
6 Judgment in any action that may be brought against them in order to support a defense or counterclaim
7 based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or
8 reduction, or any other theory of claim preclusion or issue preclusion or similar defense or
9 counterclaim.

10 11. In the event that the Stipulation is terminated in accordance with its terms: (i) this
11 Judgment shall be rendered null and void and shall be vacated *nunc pro tunc*; and (ii) this Litigation
12 shall proceed as provided in the Stipulation.

13 12. Without affecting the finality of this Judgment in any way, this Court retains continuing
14 jurisdiction over: (a) implementation of this Settlement and any award or distribution of the Settlement
15 Fund, including interest earned thereon; (b) disposition of the Settlement Fund; (c) hearing and
16 determining applications for attorneys' fees, interest and expenses in the Litigation; and (d) all parties
17 hereto for the purpose of construing, enforcing, and administering the Stipulation.

18 13. The Court finds that during the course of the Litigation, the Settling Parties and their
19 respective counsel at all times acted professionally and in compliance with California Code of Civil
20 Procedure §128.7, and all similar statutes or court rules with respect to any claims or defenses in the
21 Litigation.

22 IT IS SO ORDERED.

23 DATED: _____

24 HONORABLE PETER H. KIRWAN
25 JUDGE OF THE SUPERIOR COURT
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