

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

GOVERNMENT OF GUAM  
RETIREMENT FUND, *et al.*,

Plaintiff,

vs.

INVACARE CORPORATION, *et al.*,

Defendants.

Case No. 1:13CV1165

JUDGE CHRISTOPHER A. BOYKO

**NOTICE OF (I) PENDENCY OF CLASS ACTION, CERTIFICATION OF SETTLEMENT CLASS, AND PROPOSED SETTLEMENT; (II) SETTLEMENT FAIRNESS HEARING; AND (III) MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

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

**NOTICE OF PENDENCY OF CLASS ACTION:** Please be advised that your rights may be affected by the above-captioned securities class action (the “Action”) pending in the United States District Court for the Northern District of Ohio, Eastern Division (the “Court”), if you purchased or otherwise acquired the publicly traded common stock of Invacare Corporation between February 27, 2009, and December 7, 2011, inclusive (the “Settlement Class Period”) and were allegedly damaged thereby.<sup>1</sup>

**NOTICE OF SETTLEMENT:** Please also be advised that the Court-appointed Lead Plaintiff, the Government of Guam Retirement Fund (“Lead Plaintiff”), on behalf of itself and the Settlement Class (as defined in ¶28 below), have reached a proposed settlement of the Action for \$11,000,000.00 in cash that, if approved, will resolve all claims in the Action (the “Settlement”).

**PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a member of the Settlement Class, your legal rights will be affected whether or not you act.**

**If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact Invacare Corporation, any other Defendants in the Action, or their counsel. All questions should be directed to Lead Counsel or the Claims Administrator (see ¶89 below).**

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<sup>1</sup> Any capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation And Agreement Of Settlement (the “Stipulation”), which is available at [www.InvacareSecuritiesClassActionSettlement.com](http://www.InvacareSecuritiesClassActionSettlement.com).

1. **Description of the Action and the Settlement Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action brought by investors alleging, among other things, that Defendant Invacare Corporation (“Invacare”) and Defendants Gerald B. Blouch and A. Malachi Mixion, III (collectively, the “Individual Defendants,” and, together with Invacare, the “Defendants”) violated the federal securities laws by misrepresenting to investors Invacare’s compliance with the U.S. Food, Drug, and Cosmetic Act (“FDCA”), related regulations and guidelines issued by the U.S. Food and Drug Administration (“FDA”), and current Good Manufacturing Practices concerning its operations at its Corporate and Taylor Street manufacturing facilities. Defendants deny that Lead Plaintiff has asserted any valid claims, and expressly deny any and all allegations of fault, liability, wrongdoing or damages whatsoever. The proposed Settlement, if approved by the Court, will settle claims of the Settlement Class, as defined below.

2. **Statement of the Settlement Class’s Recovery:** Subject to Court approval, Lead Plaintiff, on behalf of itself and the Settlement Class, has agreed to settle the Action in exchange for a settlement payment of \$11,000,000.00 in cash (the “Settlement Amount”) that has been deposited into an escrow account. The Net Settlement Fund (i.e., the Settlement Amount plus any and all interest earned thereon (the “Settlement Fund”) less (a) any Taxes, (b) any Notice and Administration Costs, (c) any Litigation Expenses awarded by the Court, and (d) any attorneys’ fees awarded by the Court) will be distributed in accordance with a plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Settlement Class. The proposed plan of allocation (the “Plan of Allocation”) is set forth below.

3. **Estimate of Average Amount of Recovery Per Share:** Based on Lead Plaintiff’s damages expert’s estimates of the number of shares of Invacare common stock purchased during the Settlement Class Period that may have been affected by the conduct at issue in the Action and assuming that all Settlement Class Members elect to participate in the Settlement, the estimated average recovery (before the deduction of any Court-approved fees, expenses and costs as described herein) per affected share of Invacare common stock is \$0.51. Settlement Class Members should note, however, that the foregoing average recovery per share is only an estimate. Some Settlement Class Members may recover more or less than this estimated amount depending on, among other factors, when and at what prices they purchased/acquired or sold their Invacare common stock, and the total number of valid Claim Forms submitted. Distributions to Settlement Class Members will be made based on the Plan of Allocation set forth herein or such other plan of allocation as may be ordered by the Court.

4. **Average Amount of Damages Per Share:** The Parties do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiff was to prevail in the Action. Among other things, Defendants do not agree with the assertion that they violated the federal securities laws or that any damages were suffered by any members of the Settlement Class as a result of their conduct.

5. **Attorneys’ Fees and Expenses Sought:** Court-appointed Lead Counsel, Bernstein Litowitz Berger & Grossmann LLP, and Local Counsel Climaco, Wilcox, Peca, Tarantino & Garofoli Co., L.P.A. (collectively, “Plaintiffs’ Counsel”), which have been prosecuting the Action on a wholly contingent basis since its inception, have not received any payment of attorneys’ fees for their representation of the Settlement Class and have advanced the funds to pay expenses necessarily incurred to prosecute this Action. On or before October 15, 2015, Plaintiffs’ Counsel will apply to the Court for an award of attorneys’ fees on behalf of Plaintiffs’ Counsel in an amount not to exceed 25% of the Settlement Amount, plus interest in the amount of 25% of the interest earned by the Settlement Fund as of the date of the award (the remaining 75% of the interest earned shall remain with the Settlement Fund and be distributed to Authorized Claimants as part of the Net Settlement Fund). In addition, Plaintiffs’ Counsel will apply for reimbursement of Litigation Expenses paid or incurred by Plaintiffs’ Counsel in connection with the institution, prosecution and resolution of the claims against the Defendants, in an amount not to exceed \$400,000.00. Plaintiffs’ Counsel’s application for reimbursement of Litigation Expenses may include an application for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiff directly related to its representation of the Settlement Class. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. If the Court approves Plaintiffs’ Counsel’s fee and expense application, the average cost per affected share of Invacare common stock will be approximately \$0.15.

6. **Identification of Attorneys’ Representatives:** Lead Plaintiff and the Settlement Class are represented by Blair A. Nicholas, Esq. of Bernstein Litowitz Berger & Grossmann LLP, 12481 High Bluff Drive, Suite 300, San Diego, California, 1-866-648-2524, blbg@blbglaw.com.

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7. **Reasons for the Settlement:** Lead Plaintiff’s principal reason for entering into the Settlement is the substantial immediate cash benefit for the Settlement Class without the risk or the delays inherent in further litigation. Moreover, the substantial cash benefit provided under the Settlement must be considered against the significant risk that a smaller recovery – or indeed no recovery at all – might be achieved after additional contested motions, a trial of the Action and likely appeals that would follow a trial, a process that could be expected to last several years. Defendants, who deny all allegations of wrongdoing or liability whatsoever, are entering into the Settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation.

## YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:

<p><b>SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN DECEMBER 22, 2015.</b></p>	<p>This is the only way to be potentially eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member and you remain in the Settlement Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiffs’ Claims (defined below) that you have against Defendants and the other Defendants’ Releasees (defined below), so it is in your interest to submit a Claim Form.</p>
<p><b>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN OCTOBER 29, 2015.</b></p>	<p>If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against any of the Defendants or the other Defendants’ Releasees concerning the Released Plaintiffs’ Claims.</p>
<p><b>OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN OCTOBER 29, 2015.</b></p>	<p>If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys’ fees and reimbursement of Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation or the fee and expense request unless you are a Settlement Class Member and do not exclude yourself from the Settlement Class.</p>
<p><b>GO TO A HEARING ON NOVEMBER 19, 2015 AT 2:00 P.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN OCTOBER 29, 2015.</b></p>	<p>Filing a written objection and notice of intention to appear by October 29, 2015, allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys’ fees and reimbursement of Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.</p>
<p><b>DO NOTHING.</b></p>	<p>If you are a member of the Settlement Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.</p>

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## WHY DID I GET THIS NOTICE?

8. The Court directed that this Notice be mailed to you because you or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired Invacare publicly traded common stock during the Settlement Class Period. The Court has directed us to send you this Notice because, as a potential Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how this class action lawsuit may generally affect your legal rights. If the Court approves the Settlement, and the Plan of Allocation (or some other plan of allocation), the Claims Administrator selected by Lead Plaintiff and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved.

9. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Settlement Class if you so wish to do so. It is also being sent

to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation and the motion by Plaintiffs' Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses (the "Settlement Hearing"). The date and location of the Settlement Hearing are set forth below.

10. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

## WHAT IS THIS CASE ABOUT?

11. At all times relevant to this lawsuit, Invacare was a manufacturer and distributor of medical devices for use in the home and extended care settings, including custom manual and power wheelchairs, and manual and electric homecare beds. Invacare sold its products principally to home health care and medical equipment providers and distributors, and also served as a contractor to the Veterans Administration and other government agencies. In the Action, Lead Plaintiff alleged that Defendants made false and misleading statements about violations of FDA regulations and current Good Manufacturing Practices.

12. On May 24, 2013, a class action complaint was filed in the United States District Court for the Northern District of Ohio asserting claims against Defendants and another defendant for violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder against all defendants, and violations of Section 20(a) of the Exchange Act against individual defendants.

13. By Order dated October 1, 2013, the presiding Judge Christopher A. Boyko appointed the Government of Guam Retirement Fund as Lead Plaintiff, and approved Lead Plaintiff's selection of Bernstein Litowitz Berger & Grossmann LLP as Lead Counsel for the class.

14. On November 15, 2013, Lead Plaintiff filed the Amended Complaint For Violations Of The Federal Securities Laws (the "Complaint"). The Complaint asserted claims against Invacare and the Individual Defendants under Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder and against the Individual Defendants under Section 20(a) of the Exchange Act, alleging that the Defendants made, or controlled others who made, allegedly materially false and misleading statements and failed to disclose certain material facts concerning Invacare's regulatory compliance. The Complaint alleged that these statements and omissions caused the price of Invacare common stock to be artificially inflated and that the price declined when the truth was revealed.

15. On August 18, 2014, Judge Boyko issued an Opinion And Order denying Defendants' motion to dismiss the Complaint.

16. On October 8, 2014, Lead Plaintiff produced documents and information to Defendants. On October 15, 2014, Lead Plaintiff served its initial disclosures, and on October 28, 2014, Lead Plaintiff served its supplemental initial disclosures.

17. On October 14, 2014, Lead Plaintiff served its First Set of Requests for Production of Documents, First Set of Interrogatories, and First Set of Requests for Admission on Defendants. Defendants served their separate responses to Lead Plaintiff's discovery requests on January 12, 2015, and served supplemental responses to Lead Plaintiff's interrogatories on January 21, 2015.

18. On November 14, 2014, Defendants served their joint initial disclosures pursuant to Rule 26(a)(1) on Lead Plaintiff.

19. On October 23, 2014, Defendants filed their Motion For Judgment On The Pleadings Or In The Alternative, Motion For Reconsideration of the Court's Order denying Defendants' motion to dismiss ("Defendants' Reconsideration Motion"). On October 30, 2014, Lead Plaintiff filed its papers in opposition and, on November 13, 2014, Defendants filed their reply papers. On October 31, 2014, Lead Plaintiff filed a motion to compel, seeking to require Defendants to make initial disclosures within five days, and to respond to Lead Plaintiff's written discovery previously served on October 14, 2014. On November 6, 2014, Defendants filed their opposition papers, and on November 13, 2014, Lead Plaintiff filed its reply papers.

20. On December 9, 2014, Judge Boyko issued two Orders, one denying Defendants' Reconsideration Motion and the other lifting the Private Securities Litigation Reform Act of 1995 (the "PSLRA") discovery stay and bifurcating discovery to start with class certification issues and staying merits discovery unless and until a class was certified. Lead Plaintiff subsequently obtained and reviewed documents and information from Defendants, and obtained and reviewed Defendants' separate responses to Lead Plaintiff's requests for responses to interrogatories and requests for admissions.

21. Pursuant to the second Order, on December 12, 2014, the Parties submitted a Joint Proposed Schedule for Class Certification, which Judge Boyko largely adopted on December 15, 2014.

22. On January 30, 2015, Lead Plaintiff filed its motion for class certification and supporting documents, including an expert report of Bjorn I. Steinholt, CFA.

23. On March 16, 2015, Lead Counsel and Defendants' Counsel, and other participants, participated in a full-day mediation session before Jed Melnick, Esq., of JAMS Mediation. In advance of that session, the Parties submitted to Mr. Melnick detailed and confidential mediation statements and exhibits, which addressed the issues of both liability and damages. The session ended without any agreement being reached.

24. Over the course of the next week, Mr. Melnick conducted further discussions with the Parties and made a "Mediator's Recommendation" to resolve the Action for \$11 million, which the Parties accepted on March 24, 2015, subject to certain terms and conditions and the execution of a customary "long form" stipulation and agreement of settlement and related papers.

25. Based upon its investigation, prosecution and mediation of the case Lead Plaintiff and Lead Counsel have concluded that the terms and conditions of the Stipulation are fair, reasonable and adequate to Lead Plaintiff and the other members of the Settlement Class, and in their best interests. Based on Lead Plaintiff's direct oversight of the prosecution of this matter and with the advice of its counsel, Lead Plaintiff has agreed to settle and release the claims raised in the Action pursuant to the terms and provisions of the Stipulation, after considering (a) the substantial financial benefit that Lead Plaintiff and the other members of the Settlement Class will receive under the proposed Settlement; (b) the significant risks of continued litigation and trial; and (c) the desirability of permitting the Settlement to be consummated as provided by the terms of the Stipulation.

26. Defendants are entering into the Stipulation solely to eliminate the uncertainty, burden and expense of further protracted litigation. Each of the Defendants denies any wrongdoing, and, as described in and subject to the terms of the Stipulation, the Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any of the Defendants, or any other of the Defendants' Releasees (defined below), with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Defendants have, or could have, asserted. Similarly, as described in and subject to the terms of the Stipulation, the Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any Lead Plaintiff or any of the other Plaintiffs' Releasees of any infirmity in any of the claims asserted in the Action, or an admission or concession that any of the Defendants' defenses to liability had any merit.

27. On July 23, 2015, after a hearing, the Court preliminarily approved the Settlement, authorized Notice to be disseminated to potential Settlement Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement. The Court also denied as moot Lead Plaintiff's motion for class certification, subject to re-filing if the proposed Settlement is not accomplished.

### **HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT? WHO IS INCLUDED IN THE SETTLEMENT CLASS?**

28. If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded. The Settlement Class consists of:

all persons and entities who or which purchased or otherwise acquired the publicly traded common stock of Invacare between February 27, 2009, and December 7, 2011, inclusive (the "Settlement Class Period"), and were allegedly damaged thereby.

Excluded from the Settlement Class are Defendants; members of the Immediate Family of each of the Individual Defendants; the Officers and/or directors of Invacare; any person, firm, trust, corporation, Officer, director or other individual or entity in which any Defendant has a controlling interest (a greater than 50% voting equity interest); and the legal representatives, agents, affiliates, heirs, successors-in-interest or assigns of any such excluded party. For purposes of this definition, the Invacare Retirement Savings Plan shall not be deemed an affiliate of any Defendant. Also excluded from the Settlement Class are any persons and entities who or which exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice and that is accepted by the Court. See "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself," on page 15 below.

**PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT.**

**IF YOU ARE A SETTLEMENT CLASS MEMBER AND YOU WISH TO BE POTENTIALLY ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN DECEMBER 22, 2015.**

### **WHAT ARE LEAD PLAINTIFF'S REASONS FOR THE SETTLEMENT?**

29. Lead Plaintiff and Lead Counsel believe that the claims asserted against Defendants have merit. They recognize, however, the expense and length of continued proceedings necessary to pursue the claims against the Defendants through trial and appeals, as well as the very substantial risks they would face in establishing liability and damages. In particular, Lead Plaintiff recognizes that Defendants had significant arguments that their alleged misstatements were not materially misleading, and that they did not act with scienter. Lead Plaintiff also recognizes that Defendants had substantial arguments that the decline in Invacare's stock price during the Class Period was not caused by revelations related to Lead Plaintiff's allegations, and that even if some portion of the decline in Invacare's stock price was caused by such revelations, damages were minimal. Had any of these arguments been accepted in whole or part, it could have eliminated or, at minimum, dramatically limited any potential recovery. Further, Lead Plaintiff would have had to prevail at several stages – motions for class certification and summary judgment, trial, and if it prevailed on those, on the appeals that were likely to follow. Thus, there were very significant risks attendant to the continued prosecution of the Action.

30. In light of these risks, the amount of the Settlement and the immediacy of recovery to the Settlement Class, Lead Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best

interests of the Settlement Class. Lead Plaintiff and Lead Counsel believe that the Settlement provides a substantial benefit to the Settlement Class, namely \$11,000,000.00 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Action would produce a smaller, or no recovery after summary judgment, trial and appeals, possibly years in the future.

31. Defendants have denied the claims asserted against them in the Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. Defendants have agreed to the Settlement solely to eliminate the uncertainty, burden and expense of continued litigation. Accordingly, the Settlement may not be construed as an admission of any wrongdoing by Defendants.

#### **WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?**

32. If there were no Settlement and Lead Plaintiff failed to establish any essential legal or factual element of the claims against Defendants, neither Lead Plaintiff nor the other members of the Settlement Class would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, either at summary judgment, at trial or on appeal, the Settlement Class could recover substantially less than the amount provided in the Settlement, or nothing at all.

#### **HOW ARE SETTLEMENT CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?**

33. As a Settlement Class Member, you are represented by Lead Plaintiff and Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” below.

34. If you are a Settlement Class Member and do not wish to remain a Settlement Class Member, you may exclude yourself from the Settlement Class by following the instructions in the section entitled, “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?,” below.

35. If you are a Settlement Class Member and you wish to object to the Settlement, the Plan of Allocation, or Plaintiffs’ Counsel’s application for attorneys’ fees and reimbursement of Litigation Expenses, and if you do not exclude yourself from the Settlement Class, you may present your objections by following the instructions in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” below.

36. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Lead Plaintiff and each of the other Settlement Class Members (whether or not such person or entity submitted a Claim Form), on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such, will have fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Plaintiffs’ Claim (as defined below, including, without limitation, any Unknown Claims) against the Defendants and the other Defendants’ Releasees (as defined below), and shall forever be enjoined from prosecuting any or all of the Released Plaintiffs’ Claims against any of the Defendants’ Releasees.

37. “Released Plaintiffs’ Claims” means all manner of claims and causes of action, suits, debts, dues, charges, complaints, liabilities, obligations, promises, agreements, controversies, damages and expenses, of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, common or foreign law, that Lead Plaintiff or any other member of the Settlement Class (i) asserted in the Complaint, or (ii) could have asserted

in any forum that arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint and that relate to the purchase of publicly traded common stock of Invacare during the Settlement Class Period. Released Plaintiffs' Claims do not include (i) any claims relating to the enforcement of the Settlement, or (ii) any Excluded Claims.

38. "Defendants' Releasees" means Defendants and their current and former Officers, directors, agents, parents, affiliates, subsidiaries, successors, predecessors, estates, assigns, assignees, employees, attorneys and insurers, in their capacities as such.

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

A general release does not extend to claims which the creditor does not know or suspect to exist in his or 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.

Lead Plaintiff and Defendants acknowledge, and each of the other Settlement Class Members and each of the other Defendants' Releasees shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

40. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such, will have fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Defendants' Claim (as defined below, including, without limitation, any Unknown Claims) against Lead Plaintiff and the other Plaintiffs' Releasees (as defined below), and shall forever be enjoined from prosecuting any or all of the Released Defendants' Claims against any of the Plaintiffs' Releasees.

41. "Released Defendants' Claims" means all manner of claims and causes of action, suits, debts, dues, charges, complaints, liabilities, obligations, promises, agreements, controversies, damages and expenses, of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, common or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims asserted in the Action against the Defendants. Released Defendants' Claims do not include any claims relating to the enforcement of the Settlement or any claims against any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

42. "Plaintiffs' Releasees" means Lead Plaintiff and any other Settlement Class Member, and their respective current and former Officers, directors, agents, parents, affiliates, subsidiaries, successors, predecessors, estates, assigns, assignees, employees, attorneys and insurers, in their capacities as such.

## **HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?**

43. To be potentially eligible for a payment from the proceeds of the Settlement, you must be a member of

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the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation **postmarked no later than December 22, 2015**. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator for the Settlement, at [www.InvacareSecuritiesClassActionSettlement.com](http://www.InvacareSecuritiesClassActionSettlement.com), or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-888-821-7768. Please retain all records of your ownership of and transactions in Invacare common stock, as they may be needed to document your Claim. If you request exclusion from the Settlement Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

## HOW MUCH WILL MY PAYMENT BE?

44. At this time, it is not possible to make any determination as to how much any particular Settlement Class Member may receive from the Settlement.

45. Pursuant to the Settlement, Defendants have agreed to pay or cause to be paid eleven million dollars (\$11,000,000.00) in cash. The Settlement Amount has been deposited into an escrow account. The Settlement Amount plus any interest earned thereon is referred to as the "Settlement Fund." If the Settlement is approved by the Court and the Effective Date occurs, the "Net Settlement Fund" (that is, the Settlement Fund less (a) all federal, state and/or local taxes on any income earned by the Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing notice to Settlement Class Members and administering the Settlement on behalf of Settlement Class Members; and (c) any attorneys' fees and Litigation Expenses awarded by the Court) will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

46. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, has expired.

47. Neither Defendants nor any other person or entity that paid any portion of the Settlement Amount on their behalf are entitled to get back any portion of the Settlement Fund once the Court's order or judgment approving the Settlement becomes Final. Defendants shall not have any liability, obligation or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund or the Plan of Allocation.

48. Approval of the Settlement is independent from approval of a plan of allocation or an award of attorneys' fees or reimbursement of Litigation Expenses. Any determination with respect to a plan of allocation, an award of attorneys' fees, or reimbursement of Litigation Expenses will not affect the Settlement, if approved.

49. Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form postmarked on or before December 22, 2015, shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Settlement Class Member releases the Released Plaintiffs' Claims (as defined above) against the Defendants' Releasees (as defined above) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Plaintiffs' Claims against any of the Defendants' Releasees whether or not such Settlement Class Member submits a Claim Form.

50. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Settlement Class Member.

51. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Claim Form.

52. Only Settlement Class Members, i.e., persons and entities who purchased or otherwise acquired the publicly traded Invacare common stock during the Settlement Class Period and were allegedly damaged as a result of such purchases or acquisitions, will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities that are excluded from the Settlement Class by definition or that exclude themselves from the Settlement Class pursuant to request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms. The only security included in the Settlement is Invacare publicly traded common stock.

## **PROPOSED PLAN OF ALLOCATION**

53. The objective of the Plan of Allocation is to equitably distribute the settlement proceeds to those Class Members who suffered economic losses as a proximate result of the alleged wrongdoing. In developing the Plan of Allocation, Lead Plaintiff's damages expert calculated the potential amount of estimated alleged artificial inflation in the per share closing prices of Invacare publicly traded common stock which allegedly was proximately caused by Defendants' alleged false and misleading statements and material omissions. In calculating the estimated alleged artificial inflation allegedly caused by Defendants' alleged misrepresentations and omissions, Lead Plaintiff's damages expert considered the market and industry adjusted price changes in Invacare publicly traded common stock following alleged fraud-related events during the Settlement Class Period, the allegations in the Complaint and the evidence developed in support thereof, as advised by Lead Counsel. The estimated potential alleged artificial inflation in Invacare's common stock is shown in Table A set forth at the end of this Notice.

54. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

55. In order to have recoverable damages, disclosure of the alleged misrepresentations or omissions must be the cause of the decline in the price of the Invacare publicly traded common stock. In this case, Lead Plaintiff alleges that Defendants made false statements and omitted material facts during the Settlement Class Period, which had the effect of artificially inflating the prices of Invacare publicly traded common stock.

56. Alleged corrective disclosures that removed the artificial inflation from the price of Invacare publicly traded common stock occurred on the following dates:

January 4, 2011: Disclosure of the FDA Warning Letter regarding Invacare's failure to comply with current Good Manufacturing Practices;

October 27, 2011: Third quarter results, that also revealed that Invacare was still working to resolve the issues raised by the FDA; and

December 8, 2011: Disclosure that the FDA intended to issue a consent decree of injunction that would suspend normal operations at two of Invacare's facilities.

57. Accordingly, in order to have a Recognized Loss Amount:

(a) Invacare common stock purchased or otherwise acquired from February 27, 2009, through and including the close of trading on January 3, 2011, must have been held through the close of trading on January 3, 2011, and must have suffered a loss.

(b) Invacare common stock purchased or otherwise acquired from January 4, 2011, through and including the

close of trading on October 26, 2011, must have been held through the close of trading on October 26, 2011, and must have suffered a loss.

- (c) Invacare common stock purchased or otherwise acquired from October 27, 2011, through and including the close of trading on December 7, 2011, must have been held through the close of trading on December 7, 2011, and must have suffered a loss.

58. To the extent a Claimant does not satisfy one of the conditions set forth in the preceding paragraph, his, her or its Recognized Loss Amount for those transactions will be zero.

59. The estimated inflation removed by each of these corrective disclosures, and used as the basis for determining the artificial inflation in Table A, is:

- January 4, 2011: \$1.18 per share (which is the January 4, 2011 market adjusted price decline, as determined by Lead Plaintiff's expert);
- October 27, 2011: \$0.47 per share (which is 25% of the October 27, 2011 market adjusted price decline, as determined by Lead Plaintiff's expert; Lead Plaintiff's expert determined that 75% of the decline was attributable to non-fraud related factors); and
- December 8, 2011: \$4.50 per share (which is the market adjusted price declined from December 8, 2011, through December 12, 2011, as determined by Lead Plaintiff's expert).

### **CALCULATION OF RECOGNIZED LOSS AMOUNTS**

60. Based on the formula set forth below, a "Recognized Loss Amount" shall be calculated for each purchase or acquisition of Invacare publicly traded common stock during the Settlement Class Period that is listed in the Proof of Claim Form and for which adequate documentation is provided. In the calculations below, if a Recognized Loss Amount calculates to a negative number, that Recognized Loss Amount shall be zero.

61. For each publicly traded share of Invacare common stock purchased or acquired between February 27, 2009, and December 7, 2011, inclusive, and:

- (a) Sold between February 27, 2009, and December 7, 2011, inclusive, the Recognized Loss Amount shall be ***the lesser of:***
  - (i) The amount of artificial inflation per share as set forth in Table A on the date of purchase, minus the amount of artificial inflation per share as set forth in Table A on the date of the sale; or
  - (ii) Purchase/acquisition price minus the sale price.
- (b) Sold between December 8, 2011, and March 6, 2012, inclusive, the Recognized Loss Amount shall be the lesser of:
  - (i) The amount of artificial inflation per share as set forth in Table A on the date of purchase;
  - (ii) The purchase/acquisition price minus the sale price; or
  - (iii) The purchase/acquisition price minus the average closing price between December 8, 2011, and the date of sale as shown in Table B set forth at the end of this Notice.

- (c) Held as of the close of trading on March 6, 2012, the Recognized Loss Amount shall be the lesser of:
- (i) The amount of artificial inflation per share as set forth in Table A on the date of purchase; or
  - (ii) The purchase/acquisition price minus \$16.36 per share, the average closing price for Invacare common stock between December 8, 2011, and March 6, 2012 (the last entry on Table B).<sup>2</sup>

### **ADDITIONAL PROVISIONS**

62. The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined below) is \$10.00 or greater.

63. If a Settlement Class Member has more than one purchase/acquisition or sale of Invacare publicly traded common stock, purchases/acquisitions and sales shall be matched on a First In, First Out (“FIFO”) basis. Settlement Class Period sales will be matched against any holdings at the beginning of the Settlement Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Settlement Class Period.

64. A Claimant’s “Recognized Claim” under the Plan of Allocation shall be the sum of his, her or its Recognized Loss Amounts.

65. The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a “Distribution Amount” will be calculated for each Authorized Claimant, which shall be the Authorized Claimant’s Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If any Authorized Claimant’s Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to such Authorized Claimant.

66. Purchases or acquisitions and sales of Invacare publicly traded common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance or operation of law of Invacare common stock during the Settlement Class Period shall not be deemed a purchase, acquisition or sale of Invacare common stock for the calculation of an Authorized Claimant’s Recognized Loss Amount, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of Invacare common stock unless (i) the donor or decedent purchased or otherwise acquired such Invacare common stock during the Settlement Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to those shares; and (iii) it is specifically so provided in the instrument of gift or assignment.

67. The date of covering a “short sale” is deemed to be the date of purchase or acquisition of the Invacare publicly traded common stock. The date of a “short sale” is deemed to be the date of sale of the Invacare publicly traded common stock. Under the Plan of Allocation, however, the Recognized Loss Amount on “short sales” is zero. In the event

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<sup>2</sup> Pursuant to PSLRA Section 21D(e)(1) “in any private action arising under this Act in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” Consistent with the requirements of the PSLRA, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of Invacare common stock during the 90-day look-back period. The mean (average) closing price for Invacare common stock during this 90-day look-back period was \$16.36.

that a Claimant has an opening short position in publicly traded Invacare common stock, the earliest Settlement Class Period purchases or acquisitions of publicly traded Invacare common stock shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

68. Option contracts are not securities eligible to participate in the Settlement. With respect to Invacare common stock purchased or sold through the exercise of an option, the purchase/sale date of the Invacare common stock is the exercise date of the option and the purchase/sale price of the Invacare common stock is the exercise price of the option.

69. To the extent a Claimant had a market gain with respect to his, her, or its overall transactions in publicly traded Invacare common stock during the Settlement Class Period, the value of the Claimant's Recognized Claim shall be zero. Such Claimants shall in any event be bound by the Settlement. To the extent that a Claimant suffered an overall market loss with respect to his, her, or its overall transactions in publicly traded Invacare common stock during the Settlement Class Period, but that market loss was less than the total Recognized Claim calculated above, then the Claimant's Recognized Claim shall be limited to the amount of the actual market loss.

70. For purposes of determining whether a Claimant had a market gain with respect to his, her, or its overall transactions in publicly traded Invacare common stock during the Settlement Class Period or suffered a market loss, the Claims Administrator shall determine the difference between (i) the Total Purchase Amount<sup>3</sup> and (ii) the sum of the Total Sales Proceeds<sup>4</sup> and Holding Value.<sup>5</sup> This difference shall be deemed a Claimant's market gain or loss with respect to his, her, or its overall transactions in publicly traded Invacare common stock during the Settlement Class Period.

71. Participants in and beneficiaries of a plan covered by ERISA, including the Invacare Retirement Savings Plan (an "ERISA Plan") should NOT include any information relating to their transactions in Invacare common stock held through an ERISA Plan in any Claim Form that they may submit in this Action. They should include ONLY those shares that they purchased or acquired outside of an ERISA Plan. To the extent any of the Defendants or any of the other persons or entities excluded from the Settlement Class are participants in an ERISA Plan, such persons or entities shall not receive, either directly or indirectly, any portion of the recovery that may be obtained from the Settlement by an ERISA Plan.

72. After the initial distribution of the Net Settlement Fund, the Claims Administrator shall make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the fund nine (9) months after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determines that it is cost-effective to do so, the Claims Administrator shall conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determines that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds

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<sup>3</sup> The "Total Purchase Amount" is the total amount the Claimant paid (excluding commissions and other charges) for all publicly traded Invacare common stock purchased or acquired during the Settlement Class Period.

<sup>4</sup> The Claims Administrator shall match any sales of publicly traded Invacare common stock through March 6, 2012, first against the Claimant's opening position in the stock (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (excluding commissions and other charges) for the remaining sales of publicly traded Invacare common stock sold shall be the "Total Sales Proceeds."

<sup>5</sup> The Claims Administrator shall ascribe a value of \$15.64 per share for publicly traded Invacare common stock purchased or acquired during the Settlement Class Period and still held as of the close of trading on March 6, 2012 (the "Holding Value").

remaining in the Net Settlement Fund is not cost-effective, the remaining balance shall be contributed to non-sectarian, not-for-profit organization(s), to be recommended by Lead Plaintiff and approved by the Court, or as otherwise ordered by the Court.

73. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against Lead Plaintiff, Plaintiffs' Counsel, Lead Plaintiff's damages expert, Defendants, Defendants' Counsel, or any of the other Releasees, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the Plan of Allocation approved by the Court, or further Orders of the Court. Lead Plaintiff, Defendants and their respective counsel, and all other Defendants' Releasees, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the Plan of Allocation, or the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator, the payment or withholding of taxes owed by the Settlement Fund, or any losses incurred in connection therewith.

74. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by Lead Plaintiff after consultation with their damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the settlement website, [www.InvacareSecuritiesClassActionSettlement.com](http://www.InvacareSecuritiesClassActionSettlement.com).

### **WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS SEEKING? HOW WILL THE LAWYERS BE PAID?**

75. Plaintiffs' Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Settlement Class, nor have Plaintiffs' Counsel been reimbursed for their out-of-pocket expenses. On or before October 15, 2015, Plaintiffs' Counsel will apply to the Court for an award of attorneys' fees on behalf of Plaintiffs' Counsel in an amount not to exceed 25% of the Settlement Amount, plus interest in the amount of 25% of the interest earned by the Settlement Fund as of the date of the award (the remaining 75% of the interest earned shall remain with the Settlement Fund and be distributed to Authorized Claimants as part of the Net Settlement Fund). At the same time, Plaintiffs' Counsel also intend to apply for reimbursement of Litigation Expenses incurred by Plaintiffs' Counsel in an amount not to exceed \$400,000.00, which may include an application for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiff directly related to its representation of the Settlement Class. The Court will determine the amount of any award of attorneys' fees or reimbursement of Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. Attorneys' fees and Litigation Expenses awarded by the Court to Plaintiffs' Counsel are in addition to, and separate from, the Notice and Administration Costs that may be paid from the Settlement Fund as authorized by the Stipulation and the Court, including but not limited to, the fees, costs, and expenses incurred by the Claims Administrator in identifying and notifying members of the Settlement Class or in administering the Settlement.

### **WHAT IF I DO NOT WANT TO BE A MEMBER OF THE SETTLEMENT CLASS? HOW DO I EXCLUDE MYSELF?**

76. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Settlement Class, addressed to Invacare Securities Class Action Settlement, EXCLUSIONS, c/o GCG, P.O. Box 10209, Dublin, OH 43017-3909. The exclusion request must be received no later than October 29, 2015. You will not be able to exclude yourself from the Settlement Class after that date. Each Request for Exclusion must (a) state the name, address and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone number of the appropriate contact person; (b) state that such person or entity "requests exclusion from the Settlement Class in *Government of Guam Retirement Fund v. Invacare Corporation, et al.*, Case No. 13CV1165"; (c) state the number of shares of Invacare publicly traded common stock that the person or entity requesting exclusion purchased/acquired and/or sold during the Settlement Class Period (i.e., between February 27, 2009, and December 7, 2011, inclusive), as well as the dates and prices of each such

purchase/acquisition and sale; and (d) be signed by the person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

77. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiffs' Claim against any of the Defendants' Releasees.

78. If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment out of the Net Settlement Fund.

79. Defendants have the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Settlement Class in an amount that exceeds an amount agreed to by Lead Plaintiff and Defendants.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?  
DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DON'T LIKE  
THE SETTLEMENT?**

80. **Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing.**

The Settlement Hearing will be held on November 19, 2015 at 2:00 p.m., before the Honorable Christopher A. Boyko at the United States District Court for the Northern District of Ohio, Eastern Division, Courtroom 15B of the Carl B. Stokes United States Court House, 801 West Superior Avenue, Cleveland, Ohio 44113. The Court reserves the right to approve the Settlement, the Plan of Allocation, Plaintiffs' Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Settlement Class.

81. Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation or Plaintiffs' Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the Northern District of Ohio at the address set forth below on or before October 29, 2015. You must also serve the papers on Lead Counsel and on Defendants' Counsel at the addresses set forth below so that the papers are *received* on or before October 29, 2015.

**Clerk's Office**

**U.S. District Court**  
N.D. Ohio, Eastern Division  
Carl B. Stokes United States  
Court House  
801 West Superior Avenue  
Cleveland, OH 44113

**Lead Counsel**

**Bernstein Litowitz Berger  
& Grossmann LLP**  
Blair A. Nicholas, Esq.  
Niki L. Mendoza, Esq.  
12481 High Bluff Drive  
Suite 300  
San Diego, CA 92130

**Defendants' Counsel**

**Calfee, Halter  
& Griswold LLP**  
Mitchell G. Blair, Esq.  
1405 East Sixth Street  
Cleveland, OH 44114

82. Any objection (a) must state the name, address and telephone number of the person or entity objecting and must be signed by the objector; (b) must contain a statement of the Settlement Class Member's objection or objections, and

the specific reasons for each objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and (c) must include documents sufficient to prove membership in the Settlement Class, including the number of shares of Invacare publicly traded common stock that the objecting Settlement Class Member purchased/acquired and/or sold during the Settlement Class Period (i.e., between February 27, 2009, and December 7, 2011, inclusive), as well as the dates and prices of each such purchase/acquisition and sale. You may not object to the Settlement, the Plan of Allocation or Plaintiffs' Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

83. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first filed and served a written objection in accordance with the procedures described above, unless the Court orders otherwise.

84. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation or Plaintiffs' Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, and if you file and serve a timely written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth above so that it is *received* on or before October 29, 2015. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

85. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth in ¶81 above so that the notice is *received* on or before October 29, 2015.

86. The Settlement Hearing may be adjourned by the Court without further written notice to the Settlement Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

87. **Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation or Plaintiffs' Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.**

#### WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

88. If you purchased or otherwise acquired Invacare publicly traded common stock between February 27, 2009, and December 7, 2011, inclusive, for the beneficial interest of persons or organizations other than yourself, you must either (a) within seven (7) calendar days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and Claim Form (the "Notice Packet") to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notice Packets forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of this Notice, provide a list of the names and addresses of all such beneficial owners to Invacare Securities Class Action Settlement, c/o GCG, P.O. Box 10209, Dublin, OH 43017-3909. If you choose the second option, the Claims Administrator will send a copy of the Notice and the Claim Form to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form may also be obtained from the website maintained by the Claims Administrator, at [www.InvacareSecuritiesClassActionSettlement.com](http://www.InvacareSecuritiesClassActionSettlement.com), or by calling the Claims Administrator toll-free at 1-888-821-7768.

**CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?**

89. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Clerk, United States District Court for the Northern District of Ohio, Eastern Division, Carl B. Stokes United States Court House, 801 West Superior Avenue, Cleveland, Ohio 44113. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the website maintained by the Claims Administrator, [www.InvacareSecuritiesClassActionSettlement.com](http://www.InvacareSecuritiesClassActionSettlement.com).

All inquiries concerning this Notice and the Claim Form should be directed to:

<b>Invacare Securities Class Action Settlement</b>	and/or	<b>Bernstein Litowitz Berger &amp; Grossmann LLP</b>
c/o GCG		Blair A. Nicholas, Esq.
P.O. Box 10209		Niki L. Mendoza, Esq.
Dublin, OH 43017-3909		12481 High Bluff Drive
1-888-821-7768		Suite 300
		San Diego, CA 92130
		1-866-648-2524
		<a href="mailto:blbg@blbglaw.com">blbg@blbglaw.com</a>

**DO NOT CALL OR WRITE THE COURT, THE OFFICE OF THE CLERK OF THE COURT, DEFENDANTS OR THEIR COUNSEL REGARDING THIS NOTICE.**

Dated: August 10, 2015

By Order of the Court  
United States District Court  
Northern District of Ohio

**TABLE A**

Purchase or Sale Date	Inflation
February 27, 2009, through January 3, 2011	\$6.15
January 4, 2011, through October 26, 2011	\$4.97
October 27, 2011, through December 7, 2011	\$4.50

**TABLE B**

Date	Closing Price	Average Closing Price from December 8, 2011 through Date Shown
12/8/2011	\$14.70	\$14.70
12/9/2011	\$16.00	\$15.35
12/12/2011	\$15.50	\$15.40
12/13/2011	\$15.33	\$15.38
12/14/2011	\$15.18	\$15.34
12/15/2011	\$15.27	\$15.33
12/16/2011	\$15.12	\$15.30
12/19/2011	\$14.94	\$15.26
12/20/2011	\$15.35	\$15.27
12/21/2011	\$15.32	\$15.27
12/22/2011	\$15.65	\$15.31
12/23/2011	\$15.86	\$15.35
12/27/2011	\$15.68	\$15.38
12/28/2011	\$15.42	\$15.38
12/29/2011	\$15.38	\$15.38
12/30/2011	\$15.29	\$15.37
1/3/2012	\$15.73	\$15.40
1/4/2012	\$15.58	\$15.41
1/5/2012	\$15.68	\$15.42
1/6/2012	\$15.72	\$15.44
1/9/2012	\$15.55	\$15.44
1/10/2012	\$15.78	\$15.46
1/11/2012	\$15.79	\$15.47
1/12/2012	\$15.73	\$15.48
1/13/2012	\$15.49	\$15.48
1/17/2012	\$15.51	\$15.48
1/18/2012	\$15.68	\$15.49
1/19/2012	\$16.31	\$15.52
1/20/2012	\$16.35	\$15.55
1/23/2012	\$16.29	\$15.57

Date	Closing Price	Average Closing Price from December 8, 2011 through Date Shown
1/24/2012	\$16.30	\$15.60
1/25/2012	\$16.82	\$15.63
1/26/2012	\$16.70	\$15.67
1/27/2012	\$17.12	\$15.71
1/30/2012	\$16.76	\$15.74
1/31/2012	\$17.08	\$15.78
2/1/2012	\$17.52	\$15.82
2/2/2012	\$17.87	\$15.88
2/3/2012	\$17.79	\$15.93
2/6/2012	\$17.94	\$15.98
2/7/2012	\$17.72	\$16.02
2/8/2012	\$17.68	\$16.06
2/9/2012	\$17.56	\$16.09
2/10/2012	\$17.47	\$16.13
2/13/2012	\$17.55	\$16.16
2/14/2012	\$17.40	\$16.18
2/15/2012	\$17.37	\$16.21
2/16/2012	\$17.72	\$16.24
2/17/2012	\$17.76	\$16.27
2/21/2012	\$17.26	\$16.29
2/22/2012	\$17.13	\$16.31
2/23/2012	\$17.29	\$16.33
2/24/2012	\$17.58	\$16.35
2/27/2012	\$17.34	\$16.37
2/28/2012	\$17.11	\$16.38
2/29/2012	\$16.51	\$16.38
3/1/2012	\$16.48	\$16.39
3/2/2012	\$16.10	\$16.38
3/5/2012	\$15.80	\$16.37
3/6/2012	\$15.64	\$16.36